

First Regular Session of the 120th General Assembly (2017)

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 2016 Regular Session of the General Assembly.

HOUSE ENROLLED ACT No. 1009

AN ACT to amend the Indiana Code concerning education.

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

SECTION 1. IC 5-1-5-2.5, AS AMENDED BY P.L.120-2014, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2019]: Sec. 2.5. (a) As used in this section, "eligible school corporation" means a school corporation (as defined in IC 36-1-2-17) that satisfies all the conditions required by this section.

(b) As used in this section, "increment" means the annual difference between:

- (1) the annual debt service payment for the bonds proposed to be retired or refunded; and
- (2) the annual debt service payment for the proposed refunding bonds;

for each year that the bonds that are being retired or refunded would have been outstanding.

(c) In order for a school corporation to be an eligible school corporation under this section, the school corporation must determine that the percentage computed under this subsection for the school corporation is at least twenty percent (20%), regarding the year for which the latest certified levies have been determined. A school corporation shall compute its percentage as follows:

- (1) Compute the amount of credits granted under IC 6-1.1-20.6 against the school corporation's combined levy for the school corporation's:

(A) debt service fund, as described in IC 20-46-7-15;

HEA 1009 — CC 1



- (B) capital projects operations fund (**IC 20-46-8**); and
 - (C) transportation fund;
 - (D) school bus replacement fund; and
 - (E) (C) racial balance fund (**IC 20-46-3**).
- (2) Compute the school corporation's ~~combined~~ levy for the school corporation's:
- (A) capital projects fund;
 - (B) transportation fund;
 - (C) school bus replacement fund; and
 - (D) (A) operations fund; and
 - (B) racial balance fund.
- (3) Divide the amount computed under subdivision (1) by the amount computed under subdivision (2) and express it as a percentage.

A school corporation that desires to be an eligible school corporation under this section must submit a written request for a certification by the department of local government finance that the computation of the school corporation's percentage computed under this subsection is correct. The department of local government finance shall, not later than ten (10) working days after the date the department receives the school corporation's request, certify the percentage computed under this subsection for the school corporation.

(d) A school corporation that desires to be an eligible school corporation under this section shall conduct a public hearing and provide notice of the purpose of the hearing and the time, date, and place of the hearing, published as required by IC 5-3-1, before the school corporation may adopt a resolution under this section. At the public hearing, the governing body must provide the following information:

- (1) The annual debt service payments, applicable debt service tax rate, and total debt service payments for the bonds proposed to be retired or refunded.
 - (2) The annual debt service payments, applicable debt service fund tax rate, and total debt service payments for the proposed refunding bonds.
 - (3) The annual increment for each year that the bonds that are being retired or refunded would have been outstanding and any other benefits to be derived from issuing the refunding bonds.
- (e) If at least one (1) taxpayer appearing at the public hearing under subsection (d) objects to the proposed resolution and files a written objection with the governing body of the school corporation and the county auditor not more than ten (10) days after the public hearing, a



petition requesting the application of a petition and remonstrance process may be filed not more than thirty (30) days after the public hearing by one hundred (100) persons who are either owners of property within the school corporation or registered voters residing within the school corporation. Except as provided in this subsection, the provisions of IC 6-1.1-20-3.1(b) governing the initiation of a petition and remonstrance process for a controlled project (including the provisions governing verification of petitions) apply to a petition under this subsection requesting the application of a petition and remonstrance process. The following apply if a sufficient petition requesting the application of a petition and remonstrance process has been filed as set forth in this subsection:

- (1) The petition and remonstrance process prescribed by IC 6-1.1-20-3.2(b) for controlled projects shall be used to determine whether the governing body of the school corporation may adopt a resolution under subsection (g) and issue refunding bonds as provided in subsection (g).
- (2) The governing body of the school corporation may not adopt a resolution under subsection (g) and may not issue refunding bonds as provided in subsection (g) unless more individuals sign the petition for the bond refunding under this subsection than the number of individuals signing a remonstrance against the bond refunding under this subsection.

Except as provided in this subsection, the provisions of IC 6-1.1-20-3.2(b) governing the petition and remonstrance process for a controlled project apply to a petition and remonstrance process under this subsection.

(f) Except as provided in subsection (e), IC 6-1.1-20 does not apply to bonds issued under this section.

(g) A school corporation that desires to be an eligible school corporation under this section must, before January 1, 2019, and notwithstanding any other law, adopt a resolution that sets forth the following:

- (1) The determinations made under subsection (c), including the department of local government finance's certification of the percentage computed under subsection (c).
- (2) A determination providing for the:
 - (A) issuance of bonds to refund not more than fifty percent (50%) of outstanding bonds or leases issued by or on behalf of the school corporation before January 1, 2009; and
 - (B) payment of redemption premiums and the costs of the refunding.



(3) With respect to the refunding bonds, the following:

- (A) The maximum principal amount.
- (B) The maximum interest rate.
- (C) The annual lease or debt service payment.
- (D) The final maturity date.
- (E) The estimated amount of the increment that will occur for each year that the bonds that are being retired or refunded by the issuance of refunding bonds would have been outstanding.
- (F) A finding that the annual debt service or lease payment on the refunding bonds will not increase the annual debt service or lease payment above the annual debt service or lease payment approved by the school corporation for the original project.

If the governing body adopts a resolution under this section, the governing body must publish notice of the adoption of the resolution as required by IC 5-3-1.

(h) An eligible school corporation may issue refunding bonds as permitted by this section. In addition, an eligible school corporation may extend the repayment period beyond the repayment period for the bonds that are being retired or refunded by the issuance of refunding bonds. However, the repayment period may be extended only once for a particular bond, and the extension may not exceed ten (10) years after the latest maturity date for any of the bonds being retired or refunded by the eligible school corporation under this section.

(i) Property taxes imposed by an eligible school corporation to pay debt service for bonds permitted by this section shall be considered for purposes of calculating the limits to property tax liability under Article 10, Section 1 of the Constitution of the State of Indiana and for calculating a person's credit under IC 6-1.1-20.6-7.5. However, property taxes imposed by an eligible school corporation through December 31, 2019, to pay debt service for bonds permitted by this section may not be considered in an eligible county, as used in Article 10, Section 1(h) of the Constitution of the State of Indiana, for purposes of calculating the limits to property tax liability under Article 10, Section 1 of the Constitution of the State of Indiana or for calculating a person's credit under IC 6-1.1-20.6-7.5.

SECTION 2. IC 5-1-11.5 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]:

Chapter 11.5. Additional Requirements for the Issuance of Bonds

Sec. 1. As used in this chapter, "ADM" has the meaning set



forth in IC 20-18-2-2.

Sec. 2. As used in this chapter, "bonds" means any bonds, notes, or other evidences of indebtedness, whether payable from property taxes, other taxes, revenues, fees, or any other source. However, the term does not include notes, warrants, or other evidences of indebtedness that have a maturity of not more than five (5) years and that are made in anticipation of and to be paid from revenues of the school corporation, county, or municipality.

Sec. 3. This section applies only to a school corporation that has an ADM of more than fifteen thousand (15,000) for the school corporation's most recent fall count. Notwithstanding any other law, a school corporation subject to this section may not issue bonds after August 15, 2020, unless the school corporation has for its preceding budget year prepared an annual financial report using the modified accrual basis of accounting in accordance with generally accepted accounting principles. However, upon request of a school corporation to the state examiner, the state examiner may waive the requirement under this section if the state examiner determines that a waiver is in the best interest of the school corporation.

Sec. 4. This section applies only to the following:

- (1) A county that has a population of more than one hundred thousand (100,000).
- (2) A municipality that has a population of more than seventy-five thousand (75,000).

Notwithstanding any other law, a county or municipality subject to this section may not issue bonds after June 30, 2020, unless the county or municipality has for its preceding budget year prepared an annual financial report using the modified accrual basis of accounting in accordance with generally accepted accounting principles. However, upon request of a county or municipality to the state examiner, the state examiner may waive the requirement under this section if the state examiner determines that a waiver is in the best interest of the county or municipality.

SECTION 3. IC 5-3-1-3, AS AMENDED BY P.L.184-2015, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 3. (a) Within sixty (60) days after the expiration of each calendar year, the fiscal officer of each civil city and town in Indiana shall publish an annual report of the receipts and expenditures of the city or town during the preceding calendar year.

(b) Not earlier than August 1 or later than August 15 of each year, the secretary of each school corporation in Indiana shall publish an



annual financial report.

(c) In the annual financial report the school corporation shall include the following:

- (1) Actual receipts and expenditures by major accounts as compared to the budget advertised under IC 6-1.1-17-3 for the prior calendar year.
- (2) The salary schedule for all certificated employees (as defined in IC 20-29-2-4) as of June 30, with the number of employees at each salary increment. However, the listing of salaries of individual teachers is not required.
- (3) The extracurricular salary schedule as of June 30.
- (4) The range of rates of pay for all noncertificated employees by specific classification.
- (5) The number of employees who are full-time certificated, part-time certificated, full-time noncertificated, and part-time noncertificated.
- (6) The lowest, highest, and average salary for the administrative staff and the number of administrators without a listing of the names of particular administrators.
- (7) The number of students enrolled at each grade level and the total enrollment.
- (8) The assessed valuation of the school corporation for the prior and current calendar year.
- (9) The tax rate for each fund for the prior and current calendar year.
- (10) In the general fund, capital projects fund, and transportation fund, a report of the total payment made to each vendor for the specific fund in excess of two thousand five hundred dollars (\$2,500) during the prior calendar year. However, a school corporation is not required to include more than two hundred (200) vendors whose total payment to each vendor was in excess of two thousand five hundred dollars (\$2,500). A school corporation shall list the vendors in descending order from the vendor with the highest total payment to the vendor with the lowest total payment above the minimum listed in this subdivision.
- (11) A statement providing that the contracts, vouchers, and bills for all payments made by the school corporation are in its possession and open to public inspection.
- (12) The total indebtedness as of the end of the prior calendar year showing the total amount of notes, bonds, certificates, claims due, total amount due from such corporation for public



improvement assessments or intersections of streets, and any and all other evidences of indebtedness outstanding and unpaid at the close of the prior calendar year.

(d) The school corporation may provide an interpretation or explanation of the information included in the financial report.

(e) The department of education shall do the following:

(1) Develop guidelines for the preparation and form of the financial report.

(2) Provide information to assist school corporations in the preparation of the financial report.

(f) The annual reports required by this section and IC 36-2-2-19 and the abstract required by IC 36-6-4-13 shall each be published one (1) time only, in accordance with this chapter.

(g) Each school corporation shall submit to the department of education a copy of the financial report required under this section. The department of education shall make the financial reports available for public inspection.

(h) As used in this subsection, "bonds" means any bonds, notes, or other evidences of indebtedness, whether payable from property taxes, other taxes, revenues, fees, or any other source. However, the term does not include notes, warrants, or other evidences of indebtedness that have a maturity of not more than five (5) years and that are made in anticipation of and to be paid from revenues of the school corporation. Notwithstanding any other law, a school corporation ~~as provided in subsection (f)~~ may not issue any bonds unless

(1) the school corporation has filed the annual financial report required under subsection (b) with the department of education. and

(2) in addition to any information required under subsection (e), the annual financial report filed with the department of education was prepared in accordance with all generally accepted accounting principles for financial accounting and reporting as established by the Governmental Accounting Standards Board. However, upon request of the school corporation to the state examiner, the state examiner may waive the requirement under this subdivision.

The requirements under this subsection for the issuance of bonds by a school corporation are in addition to any other requirements imposed under any other law. This subsection applies to the issuance of bonds authorized under any statute, regardless of whether that statute specifically references this subsection or the requirements under this subsection.



(f) The requirements under subsection (h) apply only to the following:

(1) After August 15, 2019, and before August 16, 2020, the requirements under subsection (h) apply to a school corporation that has an ADM (as defined in IC 20-18-2-2) of greater than twenty-five thousand (25,000).

(2) After August 15, 2020, the requirements under subsection (h) apply to a school corporation that has an ADM (as defined in IC 20-18-2-2) of greater than fifteen thousand (15,000).

SECTION 4. IC 5-10.1-6-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2019]: Sec. 1. (a) The state shall pay the employer contributions for state employees.

(b) After June 30, 1987, **December 31, 2018**, a school corporation may transfer from its general fund, without an appropriation, to its employment tax fund an amount necessary to make the employer contributions. Notwithstanding IC 36-1-8-4, a school corporation is not required to reimburse its general fund due to any transfers under this subsection. **only pay the employer contributions, without an appropriation, from the school corporation's education fund.**

(c) If state employees receive compensation from federal funds, contributions shall be made from the federal funds equal to the matching contribution which would be due on the compensation.

SECTION 5. IC 5-11-1-4, AS AMENDED BY P.L.184-2015, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 4. (a) The state examiner shall require from every municipality and every state or local governmental unit, entity, or instrumentality financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be in the form and content prescribed by the state examiner and filed electronically in the manner prescribed under IC 5-14-3.8-7.

(b) The department of local government finance may not approve the budget of a political subdivision or a supplemental appropriation for a political subdivision until the political subdivision files an annual report under subsection (a) for the preceding calendar year.

(c) As used in this subsection, "bonds" means any bonds, notes, or other evidences of indebtedness, whether payable from property taxes, other taxes, revenues, fees, or any other source. However, the term does not include notes, warrants, or other evidences of indebtedness that have a maturity of not more than five (5) years and that are made in anticipation of and to be paid from revenues of the political



subdivision. Notwithstanding any other law, a county or municipality as provided in subsection (d) may not issue any bonds unless

- (1) the county or municipality has filed an annual financial report with the state examiner for the preceding fiscal year. and
- (2) the annual financial report filed with the state examiner for the preceding fiscal year was prepared in accordance with all generally accepted accounting principles for financial accounting and reporting as established by the Governmental Accounting Standards Board. However, upon request of the county or municipality, the state examiner may waive the requirement under this subdivision.

The requirements under this subsection for the issuance of bonds by a county or municipality are in addition to any other requirements imposed under any other law. This subsection applies to the issuance of bonds authorized under any statute, regardless of whether that statute specifically references this subsection or the requirements under this subsection.

(d) The requirements under subsection (e) apply only to the following:

- (1) After June 30, 2017, and before July 1, 2019, the requirements under subsection (e) apply to:
 - (A) a county with a population greater than two hundred fifty thousand (250,000); and
 - (B) a municipality with a population greater than two hundred fifty thousand (250,000).
- (2) After June 30, 2019, and before July 1, 2020, the requirements under subsection (e) apply to:
 - (A) a county with a population greater than one hundred seventy-five thousand (175,000); and
 - (B) a municipality with a population greater than one hundred thousand (100,000).
- (3) After June 30, 2020, the requirements under subsection (e) apply to:
 - (A) a county with a population greater than one hundred thousand (100,000); and
 - (B) a municipality with a population greater than seventy-five thousand (75,000).

SECTION 6. IC 5-11-10.5-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2019]: Sec. 5. (a) Upon the preparation and transmission of the copies of the list of the outstanding warrants or checks, the treasurer of the political subdivision shall enter the amounts so listed as a receipt into the fund or funds from which



they were originally drawn and shall also remove the warrants or checks from the record of outstanding warrants or checks.

(b) If the disbursing officer does not serve also as treasurer of the political subdivision, the disbursing officer shall also enter the amounts so listed as a receipt into the fund or funds from which the warrants or checks were originally drawn. If the fund from which the warrant or check was originally drawn is not in existence, or cannot be ascertained, the amount of the outstanding warrant or check shall be received into the general fund of the political subdivision. **However, in the case of a school corporation, the warrant or check shall be received into the operations fund.**

SECTION 7. IC 5-14-3.7-16, AS ADDED BY P.L.84-2014, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2019]: Sec. 16. (a) The department of local government finance shall develop indicators of fiscal health for evaluating the fiscal health of a school corporation. The department of local government finance may consider including any of the following in the indicators developed under this subsection:

- (1) The cash balance of a school corporation.
- (2) The debt to revenue ratio of a school corporation.
- (3) The condition of a school corporation's property tax base as measured by both the assessed value of the school corporation and the amount of per capita revenue generated from the school corporation's tax base.
- (4) The per capita amount of a school corporation's **general education fund operating revenue, and its operations fund.**
- (5) Any trends in the amount of a school corporation's tax revenue.
- (6) Whether a school corporation maintains a structural deficit or a structural surplus.
- (7) The extent that the school corporation is affected by tax increment financing districts.
- (8) The extent that the school corporation's property tax base is affected by exempt properties.
- (9) The school corporation's bond rating.
- (10) The amount of retiree benefits paid by the school corporation.
- (11) The amount of pension contributions paid on behalf of the school corporation's employees.
- (12) Any other factor that the department of local government finance considers relevant to evaluating the fiscal health of a school corporation.



(b) The department of local government finance shall use the indicators developed under subsection (a) and the associated fiscal data to present the information for evaluating the fiscal health of each school corporation on the Indiana transparency Internet web site. The information must be presented in a manner that:

- (1) can be conveniently and easily accessed from a single web page; and
- (2) is commonly known as an Internet dashboard.

The information must be available on the Indiana transparency Internet web site in the format required by this subsection before July 1, 2015.

(c) Neither the department of local government finance nor any other state agency may use the fiscal health indicators developed under this section to assign a school corporation a summative grade.

SECTION 8. IC 5-14-3.8-8, AS ADDED BY P.L.84-2014, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2019]: Sec. 8. (a) The department shall develop indicators of fiscal health for evaluating the fiscal health of a political subdivision. The department may consider including any of the following in the indicators developed under this subsection:

- (1) The cash balance of a political subdivision.
- (2) The debt to revenue ratio of a political subdivision.
- (3) The condition of a political subdivision's property tax base and income tax base, if any, as measured by both the assessed value of the political subdivision and the amount of per capita revenue generated from the political subdivision's tax bases.
- (4) The per capita amount of a political subdivision's general fund operating revenue **or in the case of a school corporation, the school corporation's education fund and operations fund revenue.**
- (5) Any trends in the amount of a political subdivision's tax revenue.
- (6) Whether a political subdivision maintains a structural deficit or a structural surplus.
- (7) The number and size of the tax increment financing districts designated by a redevelopment commission established by the political subdivision, if any.
- (8) The extent that the political subdivision is affected by tax increment financing districts.
- (9) The extent that the political subdivision's property tax base is affected by exempt properties.
- (10) The political subdivision's bond rating.
- (11) The amount of retiree benefits paid by the political



subdivision.

(12) The amount of pension contributions paid on behalf of the political subdivision's employees.

(13) Any other factor that the department considers relevant to evaluating the fiscal health of a political subdivision.

(b) The department shall use the indicators developed under subsection (a) and the associated fiscal data to present the information for evaluating the fiscal health of a political subdivision on the Indiana transparency Internet web site. The information must be presented in a manner that:

(1) can be conveniently and easily accessed from a single web page; and

(2) is commonly known as an Internet dashboard.

The information must be available on the Indiana transparency Internet web site in the format required by this subsection before July 1, 2015.

(c) Neither the department of local government finance nor any other state agency may use the fiscal health indicators developed under this section to assign a political subdivision a summative grade.

SECTION 9. IC 6-1.1-1-3, AS AMENDED BY P.L.137-2012, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2018]: Sec. 3. (a) Except as provided in subsection (b), "assessed value" or "assessed valuation" means an amount equal to:

(1) for assessment dates before March 1, 2001, thirty-three and one-third percent (33 1/3%) of the true tax value of property; and
(2) for assessment dates after February 28, 2001, the true tax value of property.

(b) For purposes of calculating a budget, rate, or levy under IC 6-1.1-17, IC 6-1.1-18, IC 6-1.1-18.5, IC 6-1.1-20, IC 20-46-4 (**before January 1, 2019**), IC 20-46-5 (**before January 1, 2019**), and IC 20-46-6 (**before January 1, 2019**), and IC 20-46-8 (**after December 31, 2018**), "assessed value" or "assessed valuation" does not include the net assessed value of tangible property excluded and kept separately on a tax duplicate by a county auditor under IC 6-1.1-17-0.5.

SECTION 10. IC 6-1.1-18-12, AS AMENDED BY P.L.232-2015, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2019]: Sec. 12. (a) For purposes of this section, "maximum rate" refers to the maximum:

(1) property tax rate or rates; or

(2) special benefits tax rate or rates;

referred to in the statutes listed in subsection (d).

(b) The maximum rate for taxes first due and payable after 2003 is the maximum rate that would have been determined under subsection



(e) for taxes first due and payable in 2003 if subsection (e) had applied for taxes first due and payable in 2003.

(c) The maximum rate must be adjusted each year to account for the change in assessed value of real property that results from:

- (1) an annual adjustment of the assessed value of real property under IC 6-1.1-4-4.5;
- (2) a general reassessment of real property under IC 6-1.1-4-4; or
- (3) a reassessment under a county's reassessment plan prepared under IC 6-1.1-4-4.2.

(d) The statutes to which subsection (a) refers are:

- (1) IC 8-10-5-17;
- (2) IC 8-22-3-11;
- (3) IC 8-22-3-25;
- (4) IC 12-29-1-1;
- (5) IC 12-29-1-2;
- (6) IC 12-29-1-3;
- (7) IC 12-29-3-6;
- (8) IC 13-21-3-12;
- (9) IC 13-21-3-15;
- (10) IC 14-27-6-30;
- (11) IC 14-33-7-3;
- (12) IC 14-33-21-5;
- (13) IC 15-14-7-4;
- (14) IC 15-14-9-1;
- (15) IC 15-14-9-2;
- (16) IC 16-20-2-18;
- (17) IC 16-20-4-27;
- (18) IC 16-20-7-2;
- (19) IC 16-22-14;
- (20) IC 16-23-1-29;
- (21) IC 16-23-3-6;
- (22) IC 16-23-4-2;
- (23) IC 16-23-5-6;
- (24) IC 16-23-7-2;
- (25) IC 16-23-8-2;
- (26) IC 16-23-9-2;
- (27) IC 16-41-15-5;
- (28) IC 16-41-33-4;
- (29) IC 20-46-2-3 (before its repeal on January 1, 2009);
- (30) IC 20-46-6-5 (**before its repeal on January 1, 2019**);
- (31) IC 20-49-2-10;
- (32) IC 36-1-19-1;



- (33) IC 23-14-66-2;
 - (34) IC 23-14-67-3;
 - (35) IC 36-7-13-4;
 - (36) IC 36-7-14-28;
 - (37) IC 36-7-15.1-16;
 - (38) IC 36-8-19-8.5;
 - (39) IC 36-9-6.1-2;
 - (40) IC 36-9-17.5-4;
 - (41) IC 36-9-27-73;
 - (42) IC 36-9-29-31;
 - (43) IC 36-9-29.1-15;
 - (44) IC 36-10-6-2;
 - (45) IC 36-10-7-7;
 - (46) IC 36-10-7-8;
 - (47) IC 36-10-7.5-19;
 - (48) IC 36-10-13-5 (**before the power to impose a levy was removed on January 1, 2019**);
 - (49) IC 36-10-13-7 (**before the power to impose a levy was removed on January 1, 2019**);
 - (50) IC 36-10-14-4 (**before its repeal on January 1, 2019**);
 - (51) IC 36-12-7-7;
 - (52) IC 36-12-7-8;
 - (53) IC 36-12-12-10;
 - (54) a statute listed in IC 6-1.1-18.5-9.8; and
 - (55) any statute enacted after December 31, 2003, that:
 - (A) establishes a maximum rate for any part of the:
 - (i) property taxes; or
 - (ii) special benefits taxes;
 imposed by a political subdivision; and
 - (B) does not exempt the maximum rate from the adjustment under this section.
 - (e) For property tax rates imposed for property taxes first due and payable after December 31, 2013, the new maximum rate under a statute listed in subsection (d) is the tax rate determined under STEP EIGHT of the following STEPS:
- STEP ONE: Except as provided in subsection (g), Determine the maximum rate for the political subdivision levying a property tax or special benefits tax under the statute for the previous calendar year.
- STEP TWO: Determine the actual percentage change (rounded to the nearest one-hundredth percent (0.01%)) in the assessed value of the taxable property from the previous calendar year to the year



in which the affected property taxes will be imposed.

STEP THREE: Determine the three (3) calendar years that immediately precede the year in which the affected property taxes will be imposed.

STEP FOUR: Compute separately, for each of the calendar years determined in STEP THREE, the actual percentage change (rounded to the nearest one-hundredth percent (0.01%)) in the assessed value (before the adjustment, if any, under IC 6-1.1-4-4.5) of the taxable property from the preceding year.
 STEP FIVE: Divide the sum of the three (3) quotients computed in STEP FOUR by three (3).

STEP SIX: Determine the greater of the following:

- (A) Zero (0).
- (B) The STEP FIVE result.

STEP SEVEN: Determine the greater of the following:

- (A) Zero (0).
- (B) The result of the STEP TWO percentage minus the STEP SIX percentage, if any.

STEP EIGHT: Determine the quotient of the STEP ONE tax rate divided by the sum of one (1) plus the STEP SEVEN percentage, if any.

(f) The department of local government finance shall compute the maximum rate allowed under subsection (e) and provide the rate to each political subdivision with authority to levy a tax under a statute listed in subsection (d).

(g) This subsection applies only when calculating the maximum rate for taxes due and payable in calendar year 2013. The STEP ONE result is the greater of the following:

(1) The actual maximum rate established for property taxes first due and payable in calendar year 2012.

(2) The maximum rate that would have been established for property taxes first due and payable in calendar year 2012 if the maximum rate had been established under the formula under this section, as amended in the 2012 session of the general assembly.

(h) This subsection applies only when calculating the maximum rate allowed under subsection (e) for the Vincennes Community School Corporation with respect to property taxes first due and payable in 2014. The subsection (e) STEP ONE result for the school corporation's capital projects fund is nineteen and forty-two hundredths cents (\$0.1942).

(i) This subsection does not apply when calculating the maximum rate for the Vincennes Community School Corporation. This subsection



applies only when calculating the maximum rate for a school corporation's capital projects fund for taxes due and payable in calendar year 2016. The subsection (e) STEP ONE result for purposes of the calculation of that maximum rate is the greater of the following:

- (1) The actual maximum rate established for the school corporation's capital projects fund for property taxes first due and payable in calendar year 2015.
- (2) The maximum rate that would have been established for the school corporation's capital projects fund for property taxes first due and payable in calendar year 2015 if the formula specified in subsection (e) had been in effect for the determination of maximum rates for each calendar year after 2006.

SECTION 11. IC 6-1.1-20.3-6, AS AMENDED BY P.L.257-2013, SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2019]: Sec. 6. (a) The fiscal body and the executive of a political subdivision may jointly file a petition with the board seeking to have the political subdivision designated as a distressed political subdivision under this chapter.

(b) The governing body and the superintendent of a school corporation may do any of the following:

- (1) Jointly file a petition with the board seeking relief under section 8.3 of this chapter.
- (2) Jointly file a petition with the board seeking to have the school corporation designated as a distressed political subdivision under this chapter.
- (3) Jointly file a petition with the board requesting authority to transfer before July 1, 2015, excess funds in the school corporation's debt service fund to the school corporation's transportation fund as provided in section 8.4 of this chapter.

(c) The board may adopt procedures governing the timing and required content of a petition under subsection (a).

SECTION 12. IC 6-1.1-20.6-9.8, AS AMENDED BY P.L.257-2013, SECTION 29, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 9.8. (a) This section applies to property taxes first due and payable after December 31, 2009.

(b) The following definitions apply throughout this section:

- (1) "Debt service obligations of a political subdivision" refers to:
 - (A) the principal and interest payable during a calendar year on bonds; and
 - (B) lease rental payments payable during a calendar year on leases;
- of a political subdivision payable from ad valorem property taxes.



(2) "Protected taxes" refers to the following:

(A) Property taxes that are exempted from the application of a credit granted under section 7 or 7.5 of this chapter by section 7(b), 7(c), 7.5(b), or 7.5(c) of this chapter or another law.

(B) Property taxes imposed by a political subdivision to pay for debt service obligations of a political subdivision that are not exempted from the application of a credit granted under section 7 or 7.5 of this chapter by section 7(b), 7(c), 7.5(b), or 7.5(c) of this chapter or any other law. Property taxes described in this subsection are subject to the credit granted under section 7 or 7.5 of this chapter by section 7(b), 7(c), 7.5(b), or 7.5(c) of this chapter regardless of their designation as protected taxes.

(3) "Unprotected taxes" refers to property taxes that are not protected taxes.

(c) Except as provided in ~~subsection (e) for property taxes due and payable in 2013, section 9.9 of this chapter~~, the total amount of revenue to be distributed to the fund for which the protected taxes were imposed shall be determined as if no credit were granted under section 7 or 7.5 of this chapter. The total amount of the loss in revenue resulting from the granting of credits under section 7 or 7.5 of this chapter must reduce only the amount of unprotected taxes distributed to a fund using the following criteria:

(1) The reduction may be allocated in the amounts determined by the political subdivision using a combination of unprotected taxes of the political subdivision in those taxing districts in which the credit caused a reduction in protected taxes.

(2) The tax revenue and each fund of any other political subdivisions must not be affected by the reduction.

(d) When:

(1) the revenue that otherwise would be distributed to a fund receiving only unprotected taxes is reduced entirely under subsection (c) and the remaining revenue is insufficient for a fund receiving protected taxes to receive the revenue specified by subsection (c); or

(2) there is not a fund receiving only unprotected taxes from which to distribute revenue;

the revenue distributed to the fund receiving protected taxes must also be reduced. If the revenue distributed to a fund receiving protected taxes is reduced, the political subdivision may transfer money from one (1) or more of the other funds of the political subdivision to offset the



loss in revenue to the fund receiving protected taxes. The transfer is limited to the amount necessary for the fund receiving protected taxes to receive the revenue specified under subsection (c). The amount transferred shall be specifically identified as a debt service obligation transfer for each affected fund.

(e) This subsection applies to property taxes due and payable in 2013. The total amount of the loss in revenue resulting from the granting of credits under section 7 or 7.5 of this chapter must reduce the amount of protected and unprotected property taxes distributed to a fund in proportion to the property tax levy imposed for that fund relative to the total of all protected and unprotected property tax levies imposed by the political subdivision. The allocations shall be made after the political subdivision receives its distribution.

SECTION 13. IC 6-1.1-20.6-9.9, AS AMENDED BY P.L.151-2016, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 9.9. (a) If:

(1) a school corporation in 2017, ~~or~~ 2018, **or 2019** issues new bonds or enters into a new lease rental agreement for which the school corporation is imposing or will impose a debt service levy other than:

- (A) to refinance or renew prior bond or lease rental obligations existing before January 1, 2017; or
- (B) indebtedness that is approved in a local public question or referendum under IC 6-1.1-20 or any other law; and

(2) the school corporation's:

(A) total debt service levy in ~~2017~~ **or 2018 or 2019** is greater than the school corporation's **total** debt service levy in 2016; and

(B) total debt service tax rate in 2018 or 2019 is greater than the school corporation's total debt service tax rate in 2016;

the school corporation is not eligible to allocate credits proportionately under this section.

(b) Subject to subsection (a), a school corporation is eligible to allocate credits proportionately under this section for 2016, 2017, ~~or~~ 2018, **or 2019** if the school corporation's percentage computed under this subsection is at least ten percent (10%) for its transportation fund levy for that year (**for 2017 and 2018**) **or operations fund levy after 2018**, as certified by the department of local government finance. A school corporation shall compute its percentage under this subsection as follows:

- (1) Compute the amount of credits granted under this chapter



against the school corporation's levy for the school corporation's transportation fund **(for 2017 and 2018) or operations fund after 2018.**

(2) Compute the school corporation's levy for the school corporation's transportation fund **(for 2017 and 2018) or operations fund levy after 2018.**

(3) Divide the amount computed under subdivision (1) by the amount computed under subdivision (2) and express it as a percentage.

The computation must be made by taking into account the requirements of section 9.8 of this chapter regarding protected taxes and the impact of credits granted under this chapter on the revenue to be distributed to the school corporation's transportation fund **(for 2017 and 2018) or operations fund after 2018** for the particular year.

(c) A school corporation that desires to be an eligible school corporation under this section must, before May 1 of the year for which it wants a determination, submit a written request for a certification by the department of local government finance that the computation of the school corporation's percentage under subsection (b) is correct. The department of local government finance shall, not later than June 1 of that year, determine whether the percentage computed by the school corporation is accurate and certify whether the school corporation is eligible under this section.

(d) For a school corporation that is certified as eligible under this section, the school corporation may allocate the effect of the credits granted under this chapter proportionately among all the school corporation's property tax funds that are not exempt under section 7.5(b) or 7.5(c) of this chapter, based on the levy for each fund and without taking into account the requirements of section 9.8 of this chapter regarding protected taxes.

SECTION 14. IC 6-3.6-6-21.2 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2019]: Sec. 21.2. A school corporation that receives a distribution of revenue under section 3 of this chapter may allocate the revenue among any of its funds.

SECTION 15. IC 6-3.6-9-17, AS AMENDED BY THE TECHNICAL CORRECTIONS BILL OF THE 2017 GENERAL ASSEMBLY, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2019]: Sec. 17. (a) As used in this section, "fiscal body" has the meaning set forth in IC 36-1-2-6.

(b) This section refers to a county's trust account maintained under the former local income tax laws set forth in IC 6-3.5-1.1, IC 6-3.5-6,



and IC 6-3.5-7 (all as repealed January 1, 2017).

(c) Before May 1, 2016, the budget agency shall make a one (1) time special distribution to each county having a positive balance in the county's trust account as of December 31, 2014.

(d) The amount of the special distribution from a county's trust account is one hundred percent (100%) of the balance in the county's trust account as of December 31, 2014, as determined by the budget agency.

(e) Before May 1, 2016, the budget agency and **the** department of local government **finance** shall do the following:

(1) For any county having a positive balance in the county's trust account as of December 31, 2014, determine the amount of the trust account balance as of December 31, 2014 (referred to as the county's trust balance amount).

(2) Determine each taxing unit's share of the county's trust balance amount (referred to as the taxing unit's allocation amount), using the following allocation method for each former tax:

(A) For county adjusted gross income taxes (IC 6-3.5-1.1) (**repealed**) as follows:

(i) First, the taxing units that would have received property tax replacement credits shall be allocated that part of the county's allocation amount that would have been considered property tax replacements under IC 6-3.5-1.1 (**repealed**).

(ii) The remaining amount of the county's allocation amount shall be allocated in the same manner as certified shares under IC 6-3.5-1.1 (**repealed**).

(B) For county option income taxes (IC 6-3.5-6) (**repealed**), the county's allocation amount shall be allocated in the same manner as certified shares under IC 6-3.5-6 (**repealed**).

(C) For county economic development income taxes, the county's allocation amount shall be allocated in the same manner as a certified distribution under IC 6-3.5-7-12(b) (**repealed**) or IC 6-3.5-7-12(c) (**repealed**), whichever applies.

(f) Before May 1, 2016, the budget agency and the department of local government finance shall jointly determine and provide to the county auditor the following:

(1) The county's trust balance amount.

(2) Each taxing unit's allocation amount.

(g) Before June 1, 2016, the county auditor shall distribute to each taxing unit an amount equal to the taxing unit's allocation amount.

(h) Money distributed to a county, city, or town may be expended



only upon an appropriation by the county's, city's, or town's fiscal body as follows:

(1) At least seventy-five percent (75%) of the special distribution must be:

(A) used exclusively by the county, city, or town for:

- (i) engineering, land acquisition, construction, resurfacing, maintenance, restoration, or rehabilitation of both local and arterial road and street systems;
- (ii) the payment of principal and interest on bonds sold primarily to finance road, street, or thoroughfare projects;
- (iii) any local costs required to undertake a recreational or reservoir road project under IC 8-23-5;
- (iv) the purchase, rental, or repair of highway equipment;
- (v) providing a match for a grant from the local road and bridge matching grant fund under IC 8-23-30; or
- (vi) capital projects for aviation related property or facilities, including capital projects of a board of aviation commissioners established under IC 8-22-2 or an airport authority established under IC 8-22-3-1; or

(B) deposited in the county's, city's, or town's rainy day fund established under IC 36-1-8-5.1. The money deposited in a rainy day fund under this clause may not be appropriated from the rainy day fund or transferred to another fund under IC 36-1-8-5.1(g), unless the money will be used exclusively for purposes set forth in clause (A).

(2) The remaining part of the special distribution may be used by the county, city, or town for any of the purposes of the county, city, or town.

The amount received by a taxing unit that is not a county, city, or town shall be deposited in the taxing unit's rainy day fund established under IC 36-1-8-5.1. **However, in the case of a school corporation, the school corporation may deposit the amount received in any of its funds.**

SECTION 16. IC 20-20-13-6, AS AMENDED BY P.L.133-2012, SECTION 185, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2019]: Sec. 6. (a) The Senator David C. Ford educational technology fund is established to extend educational technologies to elementary and secondary schools. The fund may be used for:

(1) the 4R's technology grant program to assist school corporations (on behalf of public schools) in purchasing technology equipment:



- (A) for kindergarten and grade 1 students, to learn reading, writing, and arithmetic using technology;
 - (B) for students in all grades, to understand that technology is a tool for learning; and
 - (C) for students in kindergarten through grade 3 who have been identified as needing remediation, to offer daily remediation opportunities using technology to prevent those students from failing to make appropriate progress at the particular grade level;
- (2) a school technology program developed by the department. The program may include grants to school corporations for the purchase of:
- (A) equipment, hardware, and software;
 - (B) learning and teaching systems; and
 - (C) other materials;
- that promote student learning, as determined by the department.
- (3) providing educational technologies, including computers in the homes of students;
- (4) conducting educational technology training for teachers; and
- (5) other innovative educational technology programs.
- (b) The department may also use money in the fund under contracts entered into with the office of technology established by IC 4-13.1-2-1 to study the feasibility of establishing an information telecommunications gateway that provides access to information on employment opportunities, career development, and instructional services from data bases operated by the state among the following:
- (1) Elementary and secondary schools.
 - (2) Postsecondary educational institutions.
 - (3) Career and technical educational centers and institutions that are not postsecondary educational institutions.
 - (4) Libraries.
 - (5) Any other agencies offering education and training programs.
- (c) The fund consists of:
- (1) state appropriations;
 - (2) private donations to the fund; or
 - (3) any combination of the amounts described in subdivisions (1) through (2).
- (d) The fund shall be administered by the department.
- (e) Unexpended money appropriated to or otherwise available in the fund at the end of a state fiscal year does not revert to the state general fund but remains available to the department for use under this chapter.
- (f) Subject to section 7 of this chapter, a school corporation may use



~~money from the school corporation's capital projects fund as permitted under IC 20-40-8 for educational technology equipment.~~

SECTION 17. IC 20-20-13-7, AS AMENDED BY P.L.133-2012, SECTION 186, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2019]: Sec. 7. (a) Notwithstanding any other law, a school corporation is not entitled to:

- (1) receive any money under this chapter;
- (2) use money from the school corporation's ~~capital projects education~~ fund for educational technology equipment under ~~IC 20-40-8; IC 20-40-2~~; or
- (3) receive an advance from the common school fund for an educational technology program under IC 20-49-4;

unless the school corporation develops a three (3) year technology plan.

(b) Each technology plan must include at least the following information:

- (1) A description of the school corporation's intent to integrate technology into the school corporation's curriculum.
- (2) A plan for providing inservice training.
- (3) A schedule for maintaining and replacing educational technology equipment.
- (4) A description of the criteria used to select the appropriate educational technology equipment for the appropriate use.
- (5) Other information requested by the department after consulting with the budget agency.

(c) The department shall develop guidelines concerning the development of technology plans. The guidelines developed under this subsection are subject to the approval of the governor.

SECTION 18. IC 20-20-13-12, AS AMENDED BY P.L.2-2006, SECTION 83, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2019]: Sec. 12. A school corporation that receives a grant under sections 6 through 9 of this chapter must deposit the grant in the school ~~technology corporation's education~~ fund.

SECTION 19. IC 20-20-13-22, AS ADDED BY P.L.218-2005, SECTION 47, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2019]: Sec. 22. (a) This section applies in a year when a school corporation receives a grant under sections 13 through 24 of this chapter. The school corporation's ~~capital projects operations~~ fund budget must include an expenditure for technology that is not less than the school corporation's average annual expenditure for technology from the capital projects fund (**before January 1, 2019**) and from the ~~education fund (after December 31, 2018)~~ in the six (6) budget years preceding the year of the grant. If the Indiana School for the Blind and



Visually Impaired established by IC 20-21-2-1 or the Indiana School for the Deaf established by IC 20-22-2-1 receives a grant under sections 13 through 24 of this chapter, the school's expenditures for technology in the year of the grant must exceed the school's average annual expenditure for technology in the six (6) budget years preceding the year of the grant.

(b) For each year that a school corporation fails to observe subsection (a), the school corporation forfeits a grant under sections 13 through 24 of this chapter. The forfeit of the grant must occur in the first grant year after the school corporation fails to observe subsection (a).

SECTION 20. IC 20-20-13-24, AS AMENDED BY P.L.2-2006, SECTION 84, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2019]: Sec. 24. A school corporation that receives a grant under sections 13 through 24 of this chapter shall deposit the grant in the school **technology corporation's education fund or operations fund, whichever is appropriate**. If the Indiana School for the Blind and Visually Impaired or the Indiana School for the Deaf receives a grant under sections 13 through 24 of this chapter, the school shall deposit the grant in an account or fund that the school uses exclusively for the funding of technology.

SECTION 21. IC 20-20-37.4-8, AS ADDED BY P.L.99-2009, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2019]: Sec. 8. A school corporation receiving a loan under this chapter shall repay the loan from

- (1) the school corporation's general fund; or
- (2) the school corporation's capital projects **operations** fund.

SECTION 22. IC 20-23-4-21, AS ADDED BY P.L.1-2005, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2019]: Sec. 21. (a) If the chairperson of the county committee does not receive the certification or combined certifications under section 20(f) of this chapter not later than ninety (90) days after the receipt by the county committee of the plan referred to in section 20(a) of this chapter, the judge of the circuit court of the county from which the county committee submitting the plan was appointed shall:

- (1) certify the public question under IC 3-10-9-3; and
- (2) order the county election board to conduct a special election in which the registered voters residing in the proposed community school corporation may vote to determine whether the corporation will be created.

(b) If:

- (1) a primary election at which county officials are nominated; or



(2) a general election at which county officials are elected; and for which the question can be certified in compliance with IC 3-10-9-3 is to be held not later than six (6) months after the receipt by the chairperson of the county committee of the plan referred to in section 20(a) of this chapter, regardless of whether the ninety (90) day period referred to in subsection (a) has expired, the judge shall order the county election board to conduct the special election to be held in conjunction with the primary or general election.

(c) If a primary or general election will not be held in the six (6) month period referred to in subsection (b), the special election shall be held:

(1) not earlier than sixty (60) days; and

(2) not later than one hundred twenty (120) days;

after the expiration of the ninety (90) day period referred to in subsection (a).

(d) The county election board shall give notice under IC 5-3-1 of the special election referred to in subsection (a).

(e) The notice referred to in subsection (d) of a special election must:

(1) clearly state that the election is called to afford the registered voters an opportunity to approve or reject a proposal for the formation of a community school corporation;

(2) contain:

(A) a general description of the boundaries of the community school corporation as set out in the plan;

(B) a statement of the terms of adjustment of:

(i) property;

(ii) assets;

(iii) debts; and

(iv) liabilities;

of an existing school corporation that is to be divided in the creation of the community school corporation;

(C) the name of the community school corporation;

(D) the number of members comprising the board of school trustees; and

(E) the method of selecting the board of school trustees of the community school corporation; and

(3) designate the date, time, and voting place or places at which the election will be held.

(f) A special election referred to in subsection (a) is under the direction of the county election board in the county. The election board shall take all steps necessary to carry out the special election. If the



special election is not conducted at a primary or general election, the cost of conducting the election is:

- (1) charged to each component school corporation embraced in the community school corporation in the same proportion as the component school corporation's assessed valuation is to the total assessed valuation of the community school corporation; and
- (2) paid:
 - (A) from **any current operating the school corporation's operations** fund not otherwise appropriated of; and
 - (B) without appropriation by; each component school corporation.

If a component school corporation is to be divided and its territory assigned to two (2) or more community corporations, the component school corporation's cost of the special election is in proportion to the corporation's assessed valuation included in the community school corporation.

(g) The county election board shall place the public question on the ballot in the form prescribed by IC 3-10-9-4. The public question must state "Shall the (here insert name) community school corporation be formed as provided in the Reorganization Plan of the County Committee for the Reorganization of School Corporations?". Except as otherwise provided in this chapter, the election is governed by IC 3.

(h) If a majority of the votes cast at a special election referred to in subsection (a) on the public question are in favor of the formation of the corporation, a community school corporation is created and takes effect on the earlier of:

- (1) the July 1; or
- (2) the January 1;

that next follows the date of publication of the notice referred to in subsection (d).

(i) If a public official fails to perform a duty required of the official under this section within the time prescribed in this section, the omission does not invalidate the proceedings taken under this section.

(j) An action:

- (1) to contest the validity of the formation or creation of a community school corporation under this section;
- (2) to declare that a community school corporation:
 - (A) has not been validly formed or created; or
 - (B) is not validly existing; or
- (3) to enjoin the operation of a community school corporation; may not be instituted later than thirty (30) days after the date of the special election referred to in subsection (a).



SECTION 23. IC 20-23-6-6, AS AMENDED BY P.L.2-2006, SECTION 95, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2019]: Sec. 6. (a) On the day and hour named in the notice filed under section 5 of this chapter, polls shall be opened and the votes of the registered voters shall be taken upon the public question of consolidating school corporations. The election shall be governed by IC 3, except as provided in this chapter.

(b) The county election board shall conduct the election. The public question shall be placed on the ballot in the form prescribed by IC 3-10-9-4 and must state "Shall (here insert the names of the school corporations that the resolution proposes to consolidate) be consolidated into a consolidated school corporation?".

(c) A brief statement of the provisions in the resolution for appointment or election of a governing body may be placed on the ballot in the form prescribed by IC 3-10-9-4. A certificate of the votes cast for and against the consolidation of the school corporations shall be filed with:

- (1) the governing body of the school corporations subject to the election;
 - (2) the state superintendent; and
 - (3) the county recorder of each county in which a consolidated school corporation is located;
- together with a copy of the resolution.

(d) If a majority of the votes cast at each of the elections is in favor of the consolidation of two (2) or more school corporations, the trustees of the school corporations shall proceed to consolidate the schools and provide the necessary buildings and equipment. In any school corporation where a petition was not filed and an election was not held, the failure on the part of the voters to file a petition for an election shall be considered to give the consent of the voters of the school corporation to the consolidation as set out in the resolution.

(e) If the special election is not conducted at a primary or general election, the expense of the election shall be borne by the school corporation or each of the school corporations subject to the election and shall be paid out of the school **general corporation's operations** fund.

SECTION 24. IC 20-23-6-8, AS AMENDED BY P.L.2-2006, SECTION 96, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2019]: Sec. 8. (a) Consolidated schools are under the control and management of the consolidated governing body created under this chapter, and a new consolidated school corporation comes into existence:



(1) at the time specified in the resolutions provided in section 3 or 4 of this chapter; or

(2) if a time is not specified, at the following times:

(A) If a protest has not been filed and the creation is accomplished by the adoption of a joint resolution following publication of notice as provided in section 3 of this chapter, thirty (30) days after the adoption of the joint resolution.

(B) If the creation is accomplished after an election as provided in section 6 of this chapter, thirty (30) days after the election.

(b) The members of the governing body shall:

(1) take an oath to faithfully discharge the duties of office; and
 (2) meet at least five (5) days before the time the new consolidated school corporation comes into existence to organize.

(c) The governing body shall meet to reorganize on August 1 of each year and at any time the personnel of the board is changed. At the organization or reorganization meeting, the members of the governing body shall elect the following:

(1) A president.

(2) A secretary.

(3) A treasurer.

(d) The treasurer, before starting the duties of the treasurer's office, shall execute a bond to the acceptance of the county auditor. The fee for the bond shall be paid from the **school general operations** fund of the consolidated school corporation. Any vacancy occurring in the membership in any governing body, other than vacancy in the office of an ex officio member, shall be filled in the following manner:

(1) If the membership was originally made by appointment, the vacancy shall be filled by appointment by the legislative body of the:

(A) city;

(B) town;

(C) township; or

(D) other body;

or other official making the original appointment.

(2) If the membership was elected, the vacancy shall be filled by a majority vote of the remaining members of the governing body of the consolidated school corporation.

(e) The members of the governing body, other than the township executive or ex officio member, shall receive compensation for services as fixed by resolution of the governing body. The members, other than the township executive or any ex officio member, may not receive more



than two hundred dollars (\$200) annually. Any:

- (1) township executive; or
 - (2) ex officio member of the governing body;
- shall serve without additional compensation.
- (f) The governing body of a consolidated school corporation may elect and appoint personnel it considers necessary.

SECTION 25. IC 20-23-6-9, AS AMENDED BY P.L.220-2015, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2019]: Sec. 9. (a) When any:

- (1) school town;
- (2) school city;
- (3) school township;
- (4) joint school; or
- (5) consolidated school;

has become consolidated by resolution or election and the new governing body has been appointed and legally organized, the former school township, school town, school city, joint school, or consolidated school is considered abandoned.

(b) All school:

- (1) property;
- (2) rights;
- (3) privileges; and
- (4) any indebtedness;

from the abandoned school is considered to accrue to and be assumed by the new consolidated school corporation.

(c) The title of property shall pass to and become vested in the new consolidated school corporation. All debts of the former school corporations shall be assumed and paid by the new consolidated school corporation. All the privileges and rights conferred by law upon the former:

- (1) school town;
- (2) school city;
- (3) school township;
- (4) joint school; or
- (5) consolidated school;

are granted to the newly consolidated school corporation.

(d) This subsection applies when the consolidated governing body of a consolidated school corporation decides that property acquired under subsection (b) from a township is no longer needed for school purposes. The governing body shall offer the property as a gift to the township that owned the property before the school was consolidated. If the property contains a structure that the governing body wishes to



demolish, the governing body shall give written notice of the proposed demolition to the township. The township shall, within ninety (90) days after receiving the notice, inform the governing body in writing as to whether the township wishes to retain the structure. If the township wishes to retain the structure, the governing body may not demolish the structure before transferring the property. The township may sell or lease the property to an Indiana nonprofit corporation that is exempt from federal income taxation under Section 501 of the Internal Revenue Code. If the township board accepts the offer, the governing body shall give the township a quitclaim deed to the property. If the township board refuses the offer, the governing body may sell the property in the manner provided in subsection (e).

(e) This subsection provides the procedure for the sale of school property that is no longer needed for school purposes by the governing body of a consolidated school corporation. The governing body shall cause the property to be appraised at a fair cash value by:

(1) one (1) disinterested resident freeholder of the school corporation offering the property for sale; and

(2) two (2) disinterested appraisers licensed under IC 25-34.1; who are residents of Indiana. One (1) of the appraisers described under subdivision (2) must reside not more than fifty (50) miles from the property. The appraisals shall be made under oath and spread of record upon the records of the governing body. A sale may not be made for less than the appraised value, and the sale must be made for cash. The sale shall take place after the governing body gives notice under IC 5-3-1 of the terms, date, time, and place of sale.

(f) Proceeds from a sale under subsection (e) shall be placed in a capital projects the operations fund of the consolidated school corporation. or other fund designated as the fund that is available for capital outlay of the school corporation.

(g) This subsection applies when the consolidated governing body of a consolidated school corporation decides that property acquired under subsection (b) from a city or town is no longer needed for school purposes. The governing body shall offer the property as a gift to the city or town that owned the property before the school was consolidated. If the property contains a structure that the governing body wishes to demolish, the governing body shall give written notice of the proposed demolition to the city or town. The city or town shall, within ninety (90) days after receiving the notice, inform the governing body in writing as to whether the city or town wishes to retain the structure. If the city or town wishes to retain the structure, the governing body may not demolish the structure before transferring the



property. If the fiscal body of the city or town accepts the offer, the governing body shall give the city or town a quitclaim deed to the property. If the fiscal body of the city or town refuses the offer, the governing body may sell the property in the manner provided in subsection (e).

SECTION 26. IC 20-23-7-2, AS AMENDED BY P.L.233-2015, SECTION 66, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2019]: Sec. 2. (a) In any county or adjoining counties at least two (2) school corporations, including school towns, school cities, consolidated school corporations, joint schools, metropolitan school districts, township school districts, or community school corporations, regardless of whether the consolidating school corporations are of the same or of a different character, may consolidate into one (1) metropolitan school district. Subject to subsection (h), the consolidation must be initiated by following either of the following procedures:

(1) The board of school trustees, board of education, or other governing body (the board or other governing body is referred to elsewhere in this section as the "governing body") of each school corporation to be consolidated shall:

(A) adopt substantially identical resolutions providing for the consolidation; and

(B) publish a notice setting out the text of the resolution one (1) time under IC 5-3-1.

The resolution must set forth any provision for staggering the terms of the board members of the metropolitan school district elected under this chapter. If, not more than thirty (30) days after publication of the resolution, a petition of protest, signed by at least twenty percent (20%) of the registered voters residing in the school corporation is filed with the clerk of the circuit court of each county where the voters who are eligible to sign the petition reside, a referendum election shall be held as provided in subsection (c).

(2) Instead of the adoption of substantially identical resolutions in each of the proposed consolidating school corporations under subdivision (1), a referendum election under subsection (c) shall be held on the occurrence of all of the following:

(A) At least twenty percent (20%) of the registered voters residing in a particular school corporation sign a petition requesting that the school corporation consolidate with another school corporation (referred to in this subsection as "the responding school corporation").



(B) The petition described in clause (A) is filed with the clerk of the circuit court of each county where the voters who are eligible to sign the petition reside.

(C) Not more than thirty (30) days after the service of the petition by the clerk of the circuit court to the governing body of the responding school corporation under subsection (b) and the certification of signatures on the petition occurs under subsection (b), the governing body of the responding school corporation adopts a resolution approving the petition and providing for the consolidation.

(D) An approving resolution has the same effect as the substantially identical resolutions adopted by the governing bodies under subdivision (1), and the governing bodies shall publish the notice provided under subdivision (1) not more than fifteen (15) days after the approving resolution is adopted. However, if a governing body that is a party to the consolidation fails to publish notice within the required fifteen (15) day time period, a referendum election still must be held as provided in subsection (c).

If the governing body of the responding school corporation does not act on the petition within the thirty (30) day period described in clause (C), the governing body's inaction constitutes a disapproval of the petition request. If the governing body of the responding school corporation adopts a resolution disapproving the petition or fails to act within the thirty (30) day period, a referendum election as described in subsection (c) may not be held and the petition requesting the consolidation is defeated.

(b) Any petition of protest under subsection (a)(1) or a petition requesting consolidation under subsection (a)(2) must show in the petition the date on which each person has signed the petition and the person's residence on that date. The petition may be executed in several counterparts, the total of which constitutes the petition. Each counterpart must contain the names of voters residing within a single county and shall be filed with the clerk of the circuit court of the county. Each counterpart must have attached to it the affidavit of the person circulating the counterpart that each signature appearing on the counterpart was affixed in that person's presence and is the true and lawful signature of each person who made the signature. Any signer may file the petition or any counterpart of the petition. Each signer on the petition may before and may not after the filing with the clerk withdraw the signer's name from the petition. A name may not be added to the petition after the petition has been filed with the clerk.



After the receipt of any counterpart of the petition, each circuit court clerk shall certify:

- (1) the number of persons signing the counterpart;
- (2) the number of persons who are registered voters residing within that part of the school corporation located within the clerk's county, as disclosed by the voter registration records in the office of the clerk or the board of registration of the county, or wherever registration records may be kept;
- (3) the total number of registered voters residing within the boundaries of that part of the school corporation located within the county, as disclosed in the voter registration records; and
- (4) the date of the filing of the petition.

Certification shall be made by each clerk of the circuit court not more than thirty (30) days after the filing of the petition, excluding from the calculation of the period any time during which the registration records are unavailable to the clerk, or within any additional time as is reasonably necessary to permit the clerk to make the certification. In certifying the number of registered voters, the clerk of the circuit court shall disregard any signature on the petition not made within the ninety (90) days immediately before the filing of the petition with the clerk as shown by the dates set out in the petition. The clerk of the circuit court shall establish a record of the certification in the clerk's office and shall serve the original petition and a copy of the certification on the county election board under IC 3-10-9-3 and the governing bodies of each affected school corporation. Service shall be made by mail or manual delivery to the governing bodies, to any officer of the governing bodies, or to the administrative office of the governing bodies, if any, and shall be made for all purposes of this section on the day of the mailing or the date of the manual delivery.

(c) The county election board in each county where the proposed metropolitan school district is located, acting jointly where the proposed metropolitan school district is created and where it is located in more than one (1) county, shall cause any referendum election required under either subsection (a)(1) or (a)(2) to be held in the entire proposed metropolitan district at a special election. The special election shall be not less than sixty (60) days and not more than ninety (90) days after the service of the petition of protest and certification by each clerk of the circuit court under subsection (a)(1) or (a)(2) or after the occurrence of the first action requiring a referendum under subsection (a)(2). However, if a primary or general election at which county officials are to be nominated or elected, or at which city or town officials are to be elected in those areas of the proposed metropolitan



school district that are within the city or town, is to be held after the sixty (60) days and not more than six (6) months after the service or the occurrence of the first action, each election board may hold the referendum election with the primary or general election.

(d) Notice of the special election shall be given by each election board by publication under IC 5-3-1.

(e) Except where it conflicts with this section or cannot be practicably applied, IC 3 applies to the conduct of the referendum election. If the referendum election is not conducted at a primary or general election, the cost of conducting the election shall be charged to each component school corporation included in the proposed metropolitan school district in the same proportion as its assessed valuation bears to the total assessed valuation of the proposed metropolitan school district and shall be paid from ~~any current operating the operations~~ fund of each component school corporation not otherwise appropriated, without appropriation.

(f) The question in the referendum election shall be placed on the ballot in the form prescribed by IC 3-10-9-4 and must state "Shall the school corporations of _____ be formed into one (1) metropolitan school district under IC 20-23-7?" (in which blanks the respective name of the school districts concerned will be inserted).

(g) If:

(1) a protest petition with the required signatures is not filed after the adoption of substantially identical resolutions of the governing bodies providing for or approving the consolidation as described in subsection (a)(1); or
 (2) a referendum election occurs in the entire proposed metropolitan district and a majority of the voters in each proposed consolidating school corporation vote in the affirmative;
 a metropolitan school district is created and comes into existence in the territory subject to the provisions and under the conditions described in this chapter. The boundaries include all of the territory within the school corporations, and it shall be known as "Metropolitan School District of _____, Indiana" (the name of the district concerned will be inserted in the blank). The name of the district shall be decided by a majority vote of the metropolitan governing board of the metropolitan school district at the first meeting. The metropolitan governing board of the new metropolitan school district shall be composed and elected under this chapter. The failure of any public official or body to perform any duty within the time provided in this chapter does not invalidate any proceedings taken by that official or body, but this provision shall not be construed to authorize a delay in the holding of a referendum



election under this chapter.

(h) If the governing body of a school corporation is involved in a consolidation proposal under subsection (a)(1) or (a)(2) that fails to result in a consolidation, the:

(1) governing body of the school corporation may not initiate a subsequent consolidation with another school corporation under subsection (a)(1); and

(2) residents of the school corporation may not file a petition requesting a consolidation with another school corporation under subsection (a)(2);

for one (1) year after the date on which the prior consolidation proposal failed.

SECTION 27. IC 20-23-8-18, AS ADDED BY P.L.1-2005, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2019]: Sec. 18. (a) The county election board shall give notice of an election under section 16 of this chapter after receiving the form of notice and ballot from the clerk. The county election board shall publish notice one (1) time in two (2) newspapers of general circulation in the school corporation, or if only one (1) newspaper is of general circulation, then in that newspaper. The publication may not be made less than ten (10) days nor more than forty-five (45) days before the election. Any other notice of the election or requirement for the time of printing ballots, whether prescribed by IC 3 or otherwise, is not required to be given or observed. A person may not vote at the special election unless the person is then qualified as a registered voter.

(b) IC 3 applies to the conduct of an election under this chapter, except if the provisions of this chapter are in conflict with provisions of IC 3 or if IC 3 cannot be practicably applied.

(c) If the special election is not conducted at a primary or general election, the school corporation shall pay the cost of conducting the election from the school corporation's **general operations** fund not otherwise appropriated without appropriation.

SECTION 28. IC 20-23-8-25, AS ADDED BY P.L.1-2005, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2019]: Sec. 25. (a) In implementing a plan adopted under this chapter, requiring the holding of a special election, the county election board, or county election boards in the case of a multiconty school corporation, shall hold, manage, and supervise a special election.

(b) The county election board shall pay the costs of a special election.

(c) A school corporation shall reimburse the county election board



from the school corporation's **general operations** fund money not otherwise appropriated, without appropriation, if a special election occurs under this chapter.

SECTION 29. IC 20-24-7-6, AS ADDED BY P.L.1-2005, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2019]: Sec. 6. With the approval of a majority of the members of the governing body, a school corporation may distribute a proportionate share of the school corporation's **capital project operations** fund to a charter school.

SECTION 30. IC 20-24-13-3, AS ADDED BY P.L.213-2015, SECTION 162, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2019]: Sec. 3. (a) An annual grant program is established to provide funding to a school for the following:

(1) Capital improvements for the school, including the renovation or expansion of a facility, or for debt or lease payments owed on a facility, including advances from the common school fund under IC 20-49-9.

(2) The purposes for which the **capital projects school corporation's operations** fund may be used by a school corporation under ~~IC 20-40-8~~. **IC 20-40-18**.

(3) The purposes for which a technology grant from the Senator David C. Ford educational technology fund may be used by a school corporation under IC 20-20-13-6.

(4) **Transportation and school buses:**

(b) The program shall be administered by the state board.

(c) The state board shall establish a written application and procedure for providing grants under this chapter to a school described in section 5 of this chapter.

SECTION 31. IC 20-24.2-4-4, AS AMENDED BY P.L.117-2016, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2019]: Sec. 4. The following provisions of this title and rules and guidelines adopted under the following provisions of this title apply to a qualified district or qualified high school:

IC 20-20-1 (educational service centers).

IC 20-20-8 (school corporation annual performance report).

IC 20-23 (organization of school corporations).

IC 20-26 (school corporation general administrative provisions).

IC 20-27 (school transportation).

IC 20-28-3-4 (teacher continuing education).

IC 20-28-4-8 (hiring of transition to teaching participants; restrictions).

IC 20-28-4-11 (transition to teaching participants; school



corporation or subject area; transition to teaching permit).
 IC 20-28-5-8 (conviction of certain felonies; notice and hearing; permanent revocation of license; data base of school employees who have been reported).
 IC 20-28-6 (teacher contracts).
 IC 20-28-7.5 (cancellation of teacher contracts).
 IC 20-28-8 (contracts with school administrators).
 IC 20-28-9 (teacher salary and related payments).
 IC 20-28-10 (conditions of employment).
 IC 20-28-11.5 (staff performance evaluations).
 IC 20-29 (collective bargaining for teachers).
 IC 20-30-3-2 and IC 20-30-3-4 (patriotic commemorative observances).
 IC 20-30-5-13 (human sexuality instructional requirements).
 IC 20-30-5-19 (personal financial responsibility instruction).
 IC 20-31 (accountability for school performance and improvement).
 IC 20-32-4, IC 20-32-5, and IC 20-32-8 (accreditation, assessment, and remediation), or any other statute, rule, or guideline related to standardized assessments.
 IC 20-33 (students: general provisions).
 IC 20-34-3 (health and safety measures).
 IC 20-35 (special education).
 IC 20-36 (high ability students).
 IC 20-39 (accounting and financial reporting procedures).
 IC 20-40 (government funds and accounts).
 IC 20-41 (extracurricular funds and accounts).
 IC 20-42.5 (allocation of expenditures to student instruction **and learning**).
 IC 20-43 (state tuition support).
 IC 20-44 (property tax levies).
 IC 20-45 (general fund levies).
 IC 20-46 (levies other than general fund levies).
 IC 20-47 (related entities; holding companies; lease agreements).
 IC 20-48 (borrowing and bonds).
 IC 20-49 (state management of common school funds; state advances and loans).
 IC 20-50 (homeless children and foster care children).
 SECTION 32. IC 20-25-3-11, AS ADDED BY P.L.1-2005,
 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 JANUARY 1, 2019]: Sec. 11. (a) Except as provided in ~~subsections~~
subsection (b), and (c); a payment made from money of the board must



be made in accordance with budget appropriations.

(b) If a payment is from a fund of the board that is not subject to budgeting and appropriation but has been transferred to the board for specific purposes, the payment must be made:

- (1) in accordance with the terms of the fund being drawn upon that are made available to the board; and

- (2) after the superintendent has approved the proposed payment.

(c) If a payment is from a fund of the board that is not subject to budgeting and appropriation and is unrestricted as to the purposes for which it may be expended, the payment must be made in accordance with the prior:

- (1) direction of the superintendent; or

- (2) order of the board.

(d) Not later than thirty (30) days after a payment under subsection (b) or (c) is made from a fund of the board, the superintendent shall report the payment to the board for approval.

SECTION 33. IC 20-25-3-13, AS ADDED BY P.L.1-2005, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2019]: Sec. 13. (a) Money may not be drawn from the treasury of the board except for appropriations made:

- (1) by the board; and

- (2) upon an aye and nay vote recorded in the board's minutes.

(b) An appropriation may not be made for a period extending beyond December 31 of the current calendar year.

(c) Except as otherwise provided in this article, at the end of a fiscal year, all unexpended balances of all appropriations ~~except appropriations from tuition funds and the capital projects fund, remain in the fund from which the appropriation was made and do not revert to the board's general any other fund.~~

(d) **General Education fund and operations** fund money that has been obligated but not paid at the end of a fiscal year may be paid without a new appropriation. ~~Except as otherwise provided in this article, money obligated under this subsection does not revert to the board's general fund at the end of the fiscal year in which the money is appropriated, unless the board by affirmative act causes the money to revert.~~

SECTION 34. IC 20-25-4-13, AS ADDED BY P.L.1-2005, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2019]: Sec. 13. (a) The expense of operating:

- (1) special schools under section 12(a)(7) of this chapter **must be paid out of the board's education fund;** and

- (2) playgrounds and vacation schools under section 12(a)(8) of



this chapter must be paid out of the board's **general operations** fund.

(b) The board may make and impose fees that the board considers reasonable for:

(1) enrollment of any high school graduate in any class offered in a special school; and

(2) enrollment by any person at least seventeen (17) years of age in any special school class that does not provide credit toward graduation or progression in the regularly maintained common schools in the school city.

(c) The receipts from fees under this section become a part of the board's **general education** fund.

SECTION 35. IC 20-25-4-15, AS ADDED BY P.L.1-2005, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2019]: Sec. 15. (a) The board may, subject to the board's rules, authorize a member of the board or an officer or individual employed by the board to be absent from the school city in the interest of the school city without loss of compensation.

(b) The board may refund to an individual described in subsection (a) necessary expenses incurred during the individual's absence. The amount refunded under this subsection must be paid from the board's **general operations** fund.

SECTION 36. IC 20-25-4-19, AS ADDED BY P.L.1-2005, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2019]: Sec. 19. (a) If the board determines it will promote the health of school children and advance the educational work of the schools, the board may provide for the serving of lunches to the students attending designated schools.

(b) The board may:

(1) establish kitchens and lunch rooms;

(2) provide equipment suitable for kitchens and lunch rooms;

(3) make other necessary provision for furnishing and serving lunches; and

(4) employ a director and other necessary assistants or employees; to provide lunches under subsection (a).

(c) The board shall pay the expenses arising under subsection (b) out of the board's **general operations** fund. The expense of operating a lunch department shall, so far as practicable, be paid from charges paid by the students for the lunches. However, the board may, in the board's discretion, furnish lunches without cost to a student who is needy and unable to pay for the student's lunch.

SECTION 37. IC 20-25-9-6, AS ADDED BY P.L.1-2005,



SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2019]: Sec. 6. For all schools under this article, the report must include the following, in addition to the requirements of IC 20-20-8-8:

- (1) Student achievement information as follows:
 - (A) For each elementary and middle school, grade advancement rates.
 - (B) For each high school, the percentage of students who apply to, are accepted by, and attend a college, university, or other postsecondary educational institution after high school.
- (2) Administrative performance measures as follows:
 - (A) School receipts and expenditures by source, compared with budget amounts.
 - (B) Total school enrollment.
 - (C) The school's **general education** fund expenditures per student, **operations fund expenditures per student**, and total expenditures per student.
 - (D) The amount **and percentage** of the school's **general education** fund expenditures and the **amount and percentage** of total expenditures **directly reaching the classroom as determined by a formula to be established by the board that are from the education fund**.
 - (E) Teacher/pupil ratios totaled by class, grade, and school.
 - (F) Administrator/pupil ratio for the school.
 - (G) Teacher attendance rates totaled by class, grade, and school.
- (3) Achievement on the annual performance objectives identified under IC 20-25-11.
- (4) The performance objectives established under IC 20-25-11 for the upcoming school year.
- (5) State and school city averages for each of the measures set forth in subdivisions (1) through (2), if available.

SECTION 38. IC 20-25-11-1, AS AMENDED BY P.L.233-2015, SECTION 90, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2019]: Sec. 1. The board shall establish annual student performance improvement levels for each school that are not less rigorous than the student performance improvement levels under IC 20-31-1, IC 20-31-6, IC 20-31-7, IC 20-31-8, IC 20-31-9, and IC 20-31-10, including the following:

- (1) For students:
 - (A) improvement in results on assessment tests and assessment programs;



- (B) improvement in attendance rates; and
 - (C) improvement in progress toward graduation.
- (2) For teachers:
- (A) improvement in student results on assessment tests and assessment programs;
 - (B) improvement in the number and percentage of students achieving:
 - (i) state achievement standards; and
 - (ii) if applicable, performance levels set by the board; on assessment tests;
 - (C) improvement in student progress toward graduation;
 - (D) improvement in student attendance rates for the school year;
 - (E) improvement in individual teacher attendance rates;
 - (F) improvement in:
 - (i) communication with parents; and
 - (ii) parental involvement in classroom and extracurricular activities; and
 - (G) other objectives developed by the board.
- (3) For the school and school administrators:
- (A) improvement in student results on assessment tests, totaled by class and grade;
 - (B) improvement in the number and percentage of students achieving:
 - (i) state achievement standards; and
 - (ii) if applicable, performance levels set by the board; on assessment tests, totaled by class and grade;
 - (C) improvement in:
 - (i) student graduation rates; and
 - (ii) progress toward graduation;
 - (D) improvement in student attendance rates;
 - (E) management of:
 - (i) **general education** fund expenditures;
 - (ii) **operations fund expenditures**; and
 - (iii) total expenditures;
 per student;
 - (F) improvement in teacher attendance rates; and
 - (G) other objectives developed by the board.

SECTION 39. IC 20-25-12-5, AS AMENDED BY P.L.205-2013, SECTION 239, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2018]: Sec. 5. The initial approved general fund budget (**for budgets before January 1, 2019**) or the initial approved



budget of the education fund (for budgets after December 31, 2018) for each school for a school year must be, as nearly as is reasonable and practicable, proportionate to the total general fund budget **(for budgets before January 1, 2019) or the total education fund budget (for budgets after December 31, 2018)** for the school city in the same ratio as the school's estimated current ADM for the fall count in the school year compares to the school city's estimated current ADM for the fall count for that school year.

SECTION 40. IC 20-25-12-8, AS ADDED BY P.L.1-2005, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2019]: Sec. 8. (a) If, as a result of a school's efforts to incur less expense than was budgeted in a fiscal year, the school has excess **general education** fund money after the school's expenses for the fiscal year are paid in full, the school retains control of the excess.

(b) The school shall use excess **general fund** money retained under this section during the following school year for:

- (1) professional development of the school's educators; and
 - (2) other classroom instructional purposes;
- under the general guidelines developed by the board.

(c) The board may not consider a school's excess **general fund** money retained under this section when setting or approving the school's budget for subsequent years.

SECTION 41. IC 20-25-16-1, AS AMENDED BY P.L.5-2015, SECTION 46, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2019]: Sec. 1. To provide the board with the necessary flexibility and resources to carry out this article, the following apply:

(1) The board may:

- (A) eliminate or modify existing policies;
- (B) create new policies; and
- (C) alter policies;

subject to this article and the plan developed under IC 20-25-10.

(2) IC 20-29 applies to the school city.

(3) Notwithstanding any other law, a school city may **do the following:**

(A) lease school transportation equipment to others for nonschool use when the equipment is not in use for a school city purpose.

(B) Establish a professional development and technology fund to be used for:

- (i) professional development; or
- (ii) technology, including video distance learning.

(C) Transfer funds obtained from sources other than state or



local government taxation to any account of the school corporation, including a professional development and technology fund established under clause (B).

(4) Transfer funds obtained from property taxation to the general fund and the school transportation fund; subject to the following:

(A) The sum of the property tax rates for the general fund and the school transportation fund after a transfer occurs under this subdivision may not exceed the sum of the property tax rates for the general fund and the school transportation fund before a transfer occurs under this subdivision.

(B) This subdivision does not allow a school corporation to transfer to any other fund money from the debt service fund.

SECTION 42. IC 20-26-5-4, AS AMENDED BY P.L.121-2016, SECTION 25, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2019]: Sec. 4. (a) In carrying out the school purposes of a school corporation, the governing body acting on the school corporation's behalf has the following specific powers:

(1) In the name of the school corporation, to sue and be sued and to enter into contracts in matters permitted by applicable law. However, a governing body may not use funds received from the state to bring or join in an action against the state, unless the governing body is challenging an adverse decision by a state agency, board, or commission.

(2) To take charge of, manage, and conduct the educational affairs of the school corporation and to establish, locate, and provide the necessary schools, school libraries, other libraries where permitted by law, other buildings, facilities, property, and equipment.

(3) To appropriate from the school corporation's general fund (before January 1, 2019) or the school corporation's operations fund (after December 31, 2018) an amount, not to exceed the greater of three thousand dollars (\$3,000) per budget year or one dollar (\$1) per pupil, not to exceed twelve thousand five hundred dollars (\$12,500), based on the school corporation's ADM of the previous year (as defined in IC 20-43-1-7) to promote the best interests of the school corporation through:

(A) the purchase of meals, decorations, memorabilia, or awards;

(B) provision for expenses incurred in interviewing job applicants; or

(C) developing relations with other governmental units.

(4) To do the following:



(A) 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 governing body considers necessary for school purposes, including buildings, parts of buildings, additions to buildings, rooms, gymnasiums, auditoriums, playgrounds, playing and athletic fields, facilities for physical training, buildings for administrative, office, warehouse, repair activities, or housing school owned buses, landscaping, walks, drives, parking areas, roadways, easements and facilities for power, sewer, water, roadway, access, storm and surface water, drinking water, gas, electricity, other utilities and similar purposes, by purchase, either outright for cash (or under conditional sales or purchase money contracts providing for a retention of a security interest by the seller until payment is made or by notes where the contract, security retention, or note is permitted by applicable law), by exchange, by gift, by devise, by eminent domain, by lease with or without option to purchase, or by lease under IC 20-47-2, IC 20-47-3, or IC 20-47-5.

(B) 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, as the governing body considers necessary for school purposes.

(C) Provide for conservation measures through utility efficiency programs or under a guaranteed savings contract as described in IC 36-1-12.5.

(5) To acquire personal property or an interest in personal property as the governing body considers necessary for school purposes, including buses, motor vehicles, equipment, apparatus, appliances, books, furniture, and supplies, 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 subdivision (4) 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 6 of this chapter.

(6) To sell or exchange real or personal property or interest in real or personal property that, in the opinion of the governing body, is not necessary for school purposes, in accordance with IC 20-26-7, to demolish or otherwise dispose of the property if, in the opinion of the governing body, the property is not necessary for school purposes and is worthless, and to pay the expenses for the demolition or disposition.

(7) To lease any school property for a rental that the governing body considers reasonable or to permit the free use of school property for:

(A) civic or public purposes; or

(B) the operation of a school age child care program for children who are at least five (5) years of age and less than fifteen (15) years of age that operates before or after the school day, or both, and during periods when school is not in session; if the property is not needed for school purposes. Under this subdivision, the governing body may enter into a long term lease with a nonprofit corporation, community service organization, or other governmental entity, if the corporation, organization, or other governmental entity will use the property to be leased for civic or public purposes or for a school age child care program. However, if payment for the property subject to a long term lease is made from money in the school corporation's debt service fund, all proceeds from the long term lease must be deposited in the school corporation's debt service fund so long as payment for the property has not been made. The governing body may, at the governing body's option, use the procedure specified in IC 36-1-11-10 in leasing property under this subdivision.

(8) To do the following:

(A) Employ, contract for, and discharge superintendents, supervisors, principals, teachers, librarians, athletic coaches (whether or not they are otherwise employed by the school corporation and whether or not they are licensed under IC 20-28-5), business managers, superintendents of buildings and grounds, janitors, engineers, architects, physicians, dentists, nurses, accountants, teacher aides performing noninstructional duties, educational and other professional consultants, data processing and computer service for school purposes, including the making of schedules, the keeping and analyzing of grades and other student data, the keeping and preparing of warrants, payroll, and similar data where



approved by the state board of accounts as provided below, and other personnel or services as the governing body considers necessary for school purposes.

(B) Fix and pay the salaries and compensation of persons and services described in this subdivision that are consistent with IC 20-28-9-1.5.

(C) Classify persons or services described in this subdivision and to adopt a compensation plan with a salary range that is consistent with IC 20-28-9-1.5.

(D) Determine the number of the persons or the amount of the services employed or contracted for as provided in this subdivision.

(E) Determine the nature and extent of the duties of the persons described in this subdivision.

The compensation, terms of employment, and discharge of teachers are, however, subject to and governed by the laws relating to employment, contracting, compensation, and discharge of teachers. The compensation, terms of employment, and discharge of bus drivers are subject to and governed by laws relating to employment, contracting, compensation, and discharge of bus drivers.

(9) Notwithstanding the appropriation limitation in subdivision (3), when the governing body by resolution considers a trip by an employee of the school corporation or by a member of the governing body to be in the interest of the school corporation, including attending meetings, conferences, or examining equipment, buildings, and installation in other areas, to permit the employee to be absent in connection with the trip without any loss in pay and to reimburse the employee or the member the employee's or member's reasonable lodging and meal expenses and necessary transportation expenses. To pay teaching personnel for time spent in sponsoring and working with school related trips or activities.

(10) Subject to IC 20-27-13, to transport children to and from school, when in the opinion of the governing body the transportation is necessary, including considerations for the safety of the children. The transportation must be otherwise in accordance with applicable law.

(11) To provide a lunch program for a part or all of the students attending the schools of the school corporation, including the establishment of kitchens, kitchen facilities, kitchen equipment, lunch rooms, the hiring of the necessary personnel to operate the



lunch program, and the purchase of material and supplies for the lunch program, charging students for the operational costs of the lunch program, fixing the price per meal or per food item. To operate the lunch program as an extracurricular activity, subject to the supervision of the governing body. To participate in a surplus commodity or lunch aid program.

(12) To purchase curricular materials, to furnish curricular materials without cost or to rent curricular materials to students, and to participate in a curricular materials aid program, all in accordance with applicable law.

(13) To accept students transferred from other school corporations and to transfer students to other school corporations in accordance with applicable law.

(14) To make budgets, to appropriate funds, and to disburse the money of the school corporation in accordance with applicable law. To borrow money against current tax collections and otherwise to borrow money, in accordance with IC 20-48-1.

(15) To purchase insurance or to establish and maintain a program of self-insurance relating to the liability of the school corporation or the school corporation's employees in connection with motor vehicles or property and for additional coverage to the extent permitted and in accordance with IC 34-13-3-20. To purchase additional insurance or to establish and maintain a program of self-insurance protecting the school corporation and members of the governing body, employees, contractors, or agents of the school corporation from liability, risk, accident, or loss related to school property, school contract, school or school related activity, including the purchase of insurance or the establishment and maintenance of a self-insurance program protecting persons described in this subdivision against false imprisonment, false arrest, libel, or slander for acts committed in the course of the persons' employment, protecting the school corporation for fire and extended coverage and other casualty risks to the extent of replacement cost, loss of use, and other insurable risks relating to property owned, leased, or held by the school corporation. In accordance with IC 20-26-17, to:

(A) participate in a state employee health plan under IC 5-10-8-6.7;

(B) purchase insurance; or

(C) establish and maintain a program of self-insurance; to benefit school corporation employees, including accident, sickness, health, or dental coverage, provided that a plan of



self-insurance must include an aggregate stop-loss provision.

(16) 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.

(17) To defend a member of the governing body or any employee of the school corporation in any suit arising out of the performance of the member's or employee's duties for or employment with, the school corporation, if the governing body 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 in office or employment.

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

(A) for the government and management of the schools, property, facilities, and activities of the school corporation, the school corporation's agents, employees, and pupils and for the operation of the governing body; and

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

(19) To ratify and approve any action taken by a member of the governing body, an officer of the governing body, or an employee of the school corporation after the action is taken, if the action could have been approved in advance, and in connection with the action to pay the expense or compensation permitted under IC 20-26-1 through IC 20-26-5, IC 20-26-7, IC 20-40-12, and IC 20-48-1 or any other law.

(20) To exercise any other power and make any expenditure in carrying out the governing body's general powers and purposes provided in this chapter or in carrying out the powers delineated in this section which is reasonable from a business or educational standpoint in carrying out school purposes of the school 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. The specific powers set out in this section do not limit the general grant of powers provided in this chapter except where a limitation is set out in IC 20-26-1 through IC 20-26-5, IC 20-26-7, IC 20-40-12,



IC 20-40-18 (after December 31, 2018), and IC 20-48-1 by specific language or by reference to other law.

- (b) A superintendent hired under subsection (a)(8):
 - (1) is not required to hold a teacher's license under IC 20-28-5; and
 - (2) is required to have obtained at least a master's degree from an accredited postsecondary educational institution.

SECTION 43. IC 20-26-5-18, AS AMENDED BY P.L.118-2016, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2019]: Sec. 18. For purposes of section 1 of this chapter and under the powers of section 4(a)(20) of this chapter, the governing body of any school corporation may join and associate with groups of other school corporations within Indiana in regional school study councils to examine common school problems and exchange educational information of mutual benefit, and dues to the study councils shall be paid by the school corporation from the **general operations** fund.

SECTION 44. IC 20-26-5-20, AS AMENDED BY P.L.2-2006, SECTION 121, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2019]: Sec. 20. The governing body of any school corporation may:

- (1) permit any of its facilities to be used by any person in situations and at times that do not interfere with use of the facility for school purposes, including:
 - (A) use of a swimming pool or other athletic facility; or
 - (B) use of classrooms or other space in a school for purposes of school age childcare; and
- (2) incur any necessary expense in the use or operation of the facility.

The governing body may set up and charge a schedule of fees for admission to or use of any facility outside the school corporation's regular school program. Fees shall be deposited in the **general operations** fund or the extracurricular account of the school corporation.

SECTION 45. IC 20-26-5-22.5, AS ADDED BY P.L.214-2005, SECTION 64, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2019]: Sec. 22.5. (a) A school corporation may participate in the establishment of a public school foundation.

(b) The governing body of a school corporation may receive the proceeds of a grant, a restricted gift, an unrestricted gift, a donation, an endowment, a bequest, a trust, an agreement to share tax revenue received by a city or county under IC 4-33-12-6 or IC 4-33-13, or other



funds not generated from taxes levied by the school corporation to create a foundation under the following conditions:

- (1) The foundation is:
 - (A) exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code; and
 - (B) organized as an Indiana nonprofit corporation for the purposes of providing educational funds for scholarships, teacher education, capital programs, and special programs for school corporations.
- (2) Except as provided in subdivision (3), the foundation retains all rights to a donation, including investment powers. The foundation may hold a donation as a permanent endowment.
- (3) The foundation agrees to do the following:
 - (A) Distribute the income from a donation only to the school corporation.
 - (B) Return a donation to the **general operations** fund of the school corporation if the foundation:
 - (i) loses the foundation's status as a foundation exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code;
 - (ii) is liquidated; or
 - (iii) violates any condition set forth in this subdivision.
- (c) A school corporation may use the proceeds received under this section from a foundation only for educational purposes of the school corporation described in subsection (b)(1)(B).
- (d) The governing body of the school corporation may appoint members to the foundation.
- (e) The treasurer of the governing body of the school corporation may serve as the treasurer of the foundation.

SECTION 46. IC 20-26-7-1, AS AMENDED BY P.L.5-2015, SECTION 47, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2019]: Sec. 1. (a) As used in this section, "charter school" has the meaning set forth in IC 20-24-1-4 and includes a group or entity seeking approval from an authorizer to operate a charter school under IC 20-24-3.

- (b) Except as otherwise provided in this section, if a governing body of a school corporation determines that any real or personal property:
 - (1) is no longer needed for school purposes; or
 - (2) should, in the interests of the school corporation, be exchanged for other property;
- the governing body may sell or exchange the property in accordance with IC 36-1-11.



(c) Money derived from the sale or exchange of property under this section shall be placed in ~~any the~~ school corporation's operations fund.

- (1) ~~established under applicable law; and~~
- (2) ~~that the governing body considers appropriate.~~

(d) A governing body may not make a covenant that prohibits the sale of real property to another educational institution.

(e) This subsection does not apply to a school building that on July 1, 2011, is leased or loaned by the school corporation that owns the school building to another entity, if the entity is not a building corporation or other entity that is related in any way to, or created by, the school corporation or the governing body. Except as provided in subsections (k) through (n), a governing body shall make available for lease or purchase to any charter school any school building 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, including but not limited to a building corporation, that:

- (1) either:

- (A) is not used in whole or in part for classroom instruction at the time the charter school seeks to lease the building; or
- (B) appears on the list compiled by the department under subsection (f); and

(2) was previously used for classroom instruction;
in order for the charter school to conduct classroom instruction.

(f) Not later than August 1 each calendar year, each governing body shall inform the department if a school building that was previously used for classroom instruction is closed, unused, or unoccupied. The department shall maintain a list of closed, unused, or unoccupied school buildings and make the list available on the department's Internet web site. Each school corporation shall provide a list of closed, unused, or unoccupied buildings to the department by the date set by the department. The department must update the list not later than fifteen (15) days after being notified of a closed, unused, or unoccupied building.

(g) A school building that appears for the first time on the department's list under subsection (f) shall be designated as "Unavailable until (a date two (2) years after the school building first appears on the list)" if the governing body of the school corporation that owns the school building indicates to the department, on a form prescribed by the department, that the school building may be reclaimed during that period for classroom instruction. If a governing body does not indicate that a school building may be reclaimed, the



governing body shall designate the school building as "Available" on the department's list. The governing body may change the designation of a building from unavailable to available at any time. If a school building that is designated as unavailable on the department's list remains unused for classroom instruction one (1) year after being reclaimed under this subsection, the governing body shall designate the school building as "Available" on the department's list. A governing body may reclaim a school building only one (1) time under this subsection.

(h) If a charter school wishes to use a school building on the list created under subsection (f), the charter school shall send a letter of intent to the department. Within thirty (30) days after receiving a letter from a charter school, the department shall notify the school corporation of the charter school's intent, and, within thirty (30) days after receiving notification from the department, the school corporation that owns the school building shall lease the school building to the charter school for one dollar (\$1) per year for as long as the charter school uses the school building for classroom instruction or for a term at the charter school's discretion, or sell the school building to the charter school for one dollar (\$1). The charter school must begin to use the school building for classroom instruction not later than two (2) years after acquiring the school building. If the school building is not used for classroom instruction within two (2) years after acquiring the school building, the school building shall be placed on the department's list under subsection (f). If during the term of the lease the charter school closes or ceases using the school building for classroom instruction, the school building shall be placed on the department's list under subsection (f). If a school building is sold to a charter school under this subsection and the charter school or any entity related to the charter school subsequently sells or transfers the school building to a third party, the charter school or related entity must transfer an amount equal to the gain in the property minus the adjusted basis (including costs of improvements to the school building) to the school corporation that initially sold the vacant school building to the charter school. Gain and adjusted basis shall be determined in the manner prescribed by the Internal Revenue Code and the applicable Internal Revenue Service regulations and guidelines.

(i) During the term of a lease under subsection (h), the charter school is responsible for the direct expenses related to the school building leased, including utilities, insurance, maintenance, repairs, and remodeling. The school corporation is responsible for any debt incurred for or liens that attached to the school building before the



charter school leased the school building.

(j) Notwithstanding anything to the contrary in this section, and with the sole exception of a waiver provided in subsection (n), when a school building is designated as "Available" under subsection (g), the school building must remain designated as "Available" and may not be sold or otherwise disposed of for at least two (2) years. When the two (2) year period has elapsed, the school corporation may sell or otherwise dispose of the school building in accordance with IC 36-1-11.

(k) Notwithstanding subsection (e), a governing body may request a waiver from the department from the requirements of subsection (e). In order for a governing body to receive a waiver under subsection (n), the governing body must apply to the department, on a form prescribed by the department, for the waiver. The application must include a statement that the governing body believes that a charter school would not be interested in leasing or purchasing the vacant or unused school building.

(l) If the department receives a waiver request under subsection (k), the department, within five (5) days after receiving the waiver request under subsection (k), shall notify each charter school authorizer and statewide organization representing charter schools in Indiana by certified mail of the waiver request received under subsection (k). The notice must include a copy of the governing body's waiver request.

(m) Not later than thirty (30) days after a charter school authorizer or statewide organization representing charter schools in Indiana receives a notice described in subsection (l), the charter school authorizer or a statewide organization representing charter schools may submit a qualified objection to the governing body's request for a waiver under subsection (k). The qualified objection must be submitted to the department in writing. In order for an objection to be considered a qualified objection by the department, the objection must include:

- (1) the name of the charter school that is interested in leasing or purchasing the vacant or unused school building; and
- (2) a time frame, which may not exceed one (1) year from the date of the objection, in which the charter school intends to begin providing classroom instruction in the vacant or unused school building.

(n) If the department receives a qualified objection under subsection (m), the vacant or unused school building shall remain on the department's list under subsection (f) with the designation with which the building is listed under subsection (g) at the time the department receives the waiver request. If the department does not receive a



qualified objection, the department shall grant the governing body's request for a waiver. A governing body that receives a waiver under this subsection may sell or otherwise dispose of the unused or vacant school building in accordance with IC 36-1-11.

SECTION 47. IC 20-26-7-2, AS ADDED BY P.L.1-2005, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2019]: Sec. 2. A governing body of a school corporation **may shall** deposit insurance proceeds received as a result of damage to real or personal property in **any the school corporation's operations** fund.

- (1) established under applicable law; and
- (2) that the governing body considers appropriate.

SECTION 48. IC 20-26-7-18, AS AMENDED BY P.L.118-2016, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 18. Subject to **IC 5-1-11.5 and** IC 5-3-1-3(h), a school corporation may issue and sell bonds under the general statutes governing the issuance of bonds to purchase and improve buildings or lands, or both. All laws relating to approval (if required) in a local public question under IC 6-1.1-20, the filing of petitions, remonstrances, and objecting petitions, giving notices of the filing of petitions, the determination to issue bonds, and the appropriation of the proceeds of the bonds are applicable to the issuance of bonds under section 17 of this chapter.

SECTION 49. IC 20-26-10-8, AS AMENDED BY P.L.2-2006, SECTION 129, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2019]: Sec. 8. (a) The governing bodies of participating school corporations may pay into a joint fund, known as the joint **services, leasing, construction, and supply operations** fund, an amount set forth in the written agreement under section 3 of this chapter. Each governing body shall budget and appropriate funds for the joint program from the school corporation's **general operations** fund in accordance with laws governing the use of the **general operations** fund.

(b) The joint **services, leasing, construction, and supply operations** fund shall be held by the governing body of the school corporation designated in the written agreement to administer and supervise the joint program. The designated governing body shall receive, disburse, and maintain an account for the fund in the same manner as prescribed for other funds of the governing body and under the written agreement but without any further or additional appropriation of the funds. The designated governing body shall:

- (1) make a complete and detailed financial report of all receipts



and disbursements not later than thirty (30) days after the end of each school year; and

(2) furnish copies of the report to the governing bodies of all other participating school corporations.

The reports required under this section are supplementary to and do not supersede or repeal the requirements for publication of annual reports of certain school corporations as provided by IC 5-3-1.

SECTION 50. IC 20-26-11-13, AS AMENDED BY P.L.197-2016, SECTION 117, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2019]: Sec. 13. (a) As used in this section, the following terms have the following meanings:

(1) "Class of school" refers to a classification of each school or program in the transferee corporation by the grades or special programs taught at the school. Generally, these classifications are denominated as kindergarten, elementary school, middle school or junior high school, high school, and special schools or classes, such as schools or classes for special education, career and technical education, or career education.

(2) "Special equipment" means equipment that during a school year:

(A) is used only when a child with disabilities is attending school;

(B) is not used to transport a child to or from a place where the child is attending school;

(C) is necessary for the education of each child with disabilities that uses the equipment, as determined under the individualized education program for the child; and

(D) is not used for or by any child who is not a child with disabilities.

(3) "Student enrollment" means the following:

(A) The total number of students in kindergarten through grade 12 who are enrolled in a transferee school corporation on a date determined by the state board.

(B) The total number of students enrolled in a class of school in a transferee school corporation on a date determined by the state board.

However, a kindergarten student shall be counted under clauses (A) and (B) as one-half (1/2) student. The state board may select a different date for counts under this subdivision. However, the same date shall be used for all school corporations making a count for the same class of school.

(b) Each transferee corporation is entitled to receive for each school



year on account of each transferred student, except a student transferred under section 6 of this chapter, transfer tuition from the transferor corporation or the state as provided in this chapter. Transfer tuition equals the amount determined under STEP THREE of the following formula:

STEP ONE: Allocate to each transfer student the capital expenditures for any special equipment used by the transfer student and a proportionate share of the operating costs incurred by the transferee school for the class of school where the transfer student is enrolled.

STEP TWO: If the transferee school included the transfer student in the transferee school's current ADM, allocate to the transfer student a proportionate share of the following **general education** fund revenues of the transferee school:

- (A) State tuition support distributions received during the calendar year in which the school year ends.
- (B) Property tax levies under IC 20-45-7 and IC 20-45-8 for the calendar year in which the school year ends.
- (C) The sum of the following excise tax revenue received for deposit in the calendar year in which the school year begins:
 - (i) Financial institution excise tax revenue (IC 6-5.5).
 - (ii) Motor vehicle excise taxes (IC 6-6-5).
 - (iii) Commercial vehicle excise taxes (IC 6-6-5.5).
 - (iv) Boat excise tax (IC 6-6-11).
 - (v) Aircraft license excise tax (IC 6-6-6.5).
- (D) Allocations to the transferee school under IC 6-3-6.

STEP THREE: Determine the greater of:

- (A) zero (0); or
- (B) the result of subtracting the STEP TWO amount from the STEP ONE amount.

If a child is placed in an institution or facility in Indiana by or with the approval of the department of child services, the institution or facility shall charge the department of child services for the use of the space within the institution or facility (commonly called capital costs) that is used to provide educational services to the child based upon a prorated per student cost.

(c) Operating costs shall be determined for each class of school where a transfer student is enrolled. The operating cost for each class of school is based on the total expenditures of the transferee corporation for the class of school from its **general education fund and operations** fund expenditures as specified in the classified budget forms prescribed by the state board of accounts. This calculation



excludes:

- (1) capital outlay;
- (2) debt service;
- (3) costs of transportation;
- (4) salaries of board members;
- (5) contracted service for legal expenses; and
- (6) any expenditure that is made from extracurricular account receipts;

for the school year.

(d) The capital cost of special equipment for a school year is equal to:

- (1) the cost of the special equipment; divided by
- (2) the product of:
 - (A) the useful life of the special equipment, as determined under the rules adopted by the state board; multiplied by
 - (B) the number of students using the special equipment during at least part of the school year.

(e) When an item of expense or cost described in subsection (c) cannot be allocated to a class of school, it shall be prorated to all classes of schools on the basis of the student enrollment of each class in the transferee corporation compared with the total student enrollment in the school corporation.

(f) Operating costs shall be allocated to a transfer student for each school year by dividing:

- (1) the transferee school corporation's operating costs for the class of school in which the transfer student is enrolled; by
- (2) the student enrollment of the class of school in which the transfer student is enrolled.

When a transferred student is enrolled in a transferee corporation for less than the full school year of student attendance, the transfer tuition shall be calculated by the part of the school year for which the transferred student is enrolled. A school year of student attendance consists of the number of days school is in session for student attendance. A student, regardless of the student's attendance, is enrolled in a transferee school unless the student is no longer entitled to be transferred because of a change of residence, the student has been excluded or expelled from school for the balance of the school year or for an indefinite period, or the student has been confirmed to have withdrawn from school. The transferor and the transferee corporation may enter into written agreements concerning the amount of transfer tuition due in any school year. If an agreement cannot be reached, the amount shall be determined by the state board, and costs may be



established, when in dispute, by the state board of accounts.

(g) A transferee school shall allocate revenues described in subsection (b) STEP TWO to a transfer student by dividing:

- (1) the total amount of revenues received during a period; by
- (2) the current ADM of the transferee school for the period in which the revenues are received.

However, for state tuition support distributions or any other state distribution computed using less than the total current ADM of the transferee school, the transferee school shall allocate the revenues to the transfer student by dividing the revenues that the transferee school is eligible to receive during the period by the student count used to compute the state distribution.

(h) Instead of the payments provided in subsection (b), the transferor corporation or state owing transfer tuition may enter into a long term contract with the transferee corporation governing the transfer of students. The contract may:

- (1) be entered into for a period of not more than five (5) years with an option to renew;
- (2) specify a maximum number of students to be transferred; and
- (3) fix a method for determining the amount of transfer tuition and the time of payment, which may be different from that provided in section 14 of this chapter.

(i) A school corporation may negotiate transfer tuition agreements with a neighboring school corporation that can accommodate additional students. Agreements under this section may:

- (1) be for one (1) year or longer; and
- (2) fix a method for determining the amount of transfer tuition or time of payment that is different from the method, amount, or time of payment that is provided in this section or section 14 of this chapter.

A school corporation may not transfer a student under this section without the prior approval of the child's parent.

SECTION 51. IC 20-26-11-14, AS ADDED BY P.L.1-2005, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2019]: Sec. 14. (a) Not later than March 1, a school corporation shall estimate the:

- (1) transfer tuition payments that the school corporation is required to pay for students transferring from the school corporation; and
- (2) transfer tuition payments that the school corporation is entitled to receive on behalf of students transferring to the school corporation.



A school corporation shall send a preliminary statement of the amount of transfer tuition due to the state agency and to any school corporation that owes transfer tuition to the school corporation.

(b) Not later than October 1 following the end of a school year, a school corporation shall send a final statement of the amount of transfer tuition due to the state agency and to any school corporation that owes transfer tuition to the school corporation.

(c) A statement sent under subsection (a) or (b) must include the following:

(1) A statement, to the extent known, of all transfer tuition costs chargeable to the state or school corporation for the school year ending in the current calendar year.

(2) A statement of any transfer tuition costs chargeable to the state or school corporation and not previously billed for the school year ending in the immediately preceding calendar year.

(3) A statement of any transfer tuition costs previously billed to the state or school corporation and not yet paid.

(d) Transfer tuition for each school year shall be paid by the transferor corporation or state, if the entity is obligated to pay the tuition, in not more than four (4) installments. These installments must be paid not later than October 30, January 10, April 10, and July 10 following the school year in which the obligation is incurred, unless another schedule is mutually agreed upon.

(e) Payment of operating costs shall be paid from and received to the respective **general operations** funds of the transferor and transferee corporations. Payment of capital costs shall be made by the transferor corporation at its discretion from **any the operations fund or debt service** fund **or source** and shall be received by the transferee corporation at its **discretion** either to the **capital projects operations** fund or to the debt service fund **or if the transferee corporation has neither of these two (2) funds, to its general fund in the same proportion as the payments were made from each fund.**

SECTION 52. IC 20-26-12-23, AS AMENDED BY P.L.128-2016, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2019]: Sec. 23. A school corporation may:

(1) borrow money to buy curricular materials; and

(2) issue notes, maturing serially in not more than four (4) years and payable from its **general education** fund, to secure the loan.

SECTION 53. IC 20-26-15-6, AS AMENDED BY P.L.2-2006, SECTION 135, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2019]: Sec. 6. Except as provided in this chapter and notwithstanding any other law, a freeway school



corporation or a freeway school may do the following during the contract period:

- (1) Disregard the observance of any statute or rule that is listed in the contract.
- (2) Lease school transportation equipment to others for nonschool use when the equipment is not in use for a school corporation purpose, if the lessee has not received a bid from a private entity to provide transportation equipment or services for the same purpose.
- (3) Replace the budget and accounting system that is required by law with a budget or accounting system that is frequently used in the private business community. The state board of accounts may not go beyond the requirements imposed upon the state board of accounts by statute in reviewing the budget and accounting system used by a freeway school corporation or a freeway school.
- (4) Establish a professional development and technology fund to be used for:

- (A) professional development; or
- (B) technology, including video distance learning.

However, any money deposited in the professional development and technology fund for technology purposes must be transferred to the school technology fund.

- (5) Subject to subdivision (4), transfer funds obtained from sources other than state or local government taxation among any accounts of the school corporation, including a professional development and technology fund established under subdivision (4).
- (6) Transfer funds obtained from property taxation and from state distributions among the general fund and the school transportation fund, subject to the following:

(A) The sum of the property tax rates for the general fund and the school transportation fund after a transfer occurs under this subdivision may not exceed the sum of the property tax rates for the general fund and the school transportation fund before a transfer occurs under this subdivision.

(B) This subdivision does not allow a school corporation to transfer to any other fund money from the:

- (i) capital projects fund; or
- (ii) debt service fund.

- (7) (4) Establish a locally adopted assessment program to replace the assessment of students under the ISTEP program established under IC 20-32-5-15, subject to the following:



- (A) A locally adopted assessment program must be established by the governing body and approved by the department.
- (B) A locally adopted assessment program may use a locally developed test or a nationally developed test.
- (C) Results of assessments under a locally adopted assessment program are subject to the same reporting requirements as results under the ISTEP program.
- (D) Each student who completes a locally adopted assessment program and the student's parent have the same rights to inspection and rescoreing as set forth in IC 20-32-5-9.

SECTION 54. IC 20-28-9-19, AS ADDED BY P.L.1-2005, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2019]: Sec. 19. (a) If a governing body of a school corporation agrees to a retirement, savings, or severance pay plan with a teacher or with an exclusive representative under IC 20-29, the benefits may be paid to:

- (1) the teacher who is eligible under a negotiated retirement, savings, or severance pay plan; or
- (2) in the case of the teacher's death:
 - (A) the teacher's designated beneficiary; or
 - (B) the teacher's estate, if there is no designated beneficiary.

Payments may be made in a lump sum or in installments as agreed upon by the parties or to a savings plan established under IC 5-10-1.1-1(2).

(b) Notwithstanding IC 6-1.1-20, the payments under this section shall be made from the **general education** fund of the school corporation and may be made for a period exceeding one (1) year.

SECTION 55. IC 20-29-2-6, AS AMENDED BY P.L.48-2011, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2019]: Sec. 6. "Deficit financing" for a budget year means actual expenditures exceeding the employer's current year actual **general education** fund revenue **and, for a school employer for which the voters have passed an operating referendum tax levy under IC 20-46-1, the amount of revenue certified by the department of local government finance. Revenue does not include money estimated to be or actually transferred from the school corporation's operations fund to its education fund.**

SECTION 56. IC 20-29-6-3, AS AMENDED BY P.L.48-2011, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2018]: Sec. 3. (a) It is unlawful for a school employer to enter into any agreement that would place the employer in a position of deficit financing due to a reduction in the employer's actual general



fund (**before January 1, 2019**) or education fund (**after December 31, 2018**) revenue or an increase in the employer's expenditures when the expenditures exceed the employer's current year actual general fund (**before January 1, 2019**) or education fund (**after December 31, 2018**) revenue. Revenue does not include money estimated to be or actually transferred from the school corporation's operating fund to its education fund.

(b) A contract that provides for deficit financing is void to that extent, and an individual teacher's contract executed under the contract is void to that extent.

SECTION 57. IC 20-29-6-12.5, AS AMENDED BY SEA 409-2017, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2018]: Sec. 12.5. (a) Before September 15 of the first year of the state budget biennium, the department shall provide the parties with an estimate of the general fund (**before January 1, 2019**) or education fund (**after December 31, 2018**) revenue available for bargaining in the school corporation from the school funding formula.

(b) Within thirty (30) days after the date of the fall count of ADM of the school year in the first year of the state budget biennium, the department shall provide the parties with a certification of estimated general fund (**before January 1, 2019**) or education fund (**after December 31, 2018**) revenue available for bargaining from the school funding formula. If the parties do not receive a certified estimate from the department within thirty (30) days after the fall count of ADM, the parties may use the school corporation's estimate of the general fund (**before January 1, 2019**) or education fund (**after December 31, 2018**) revenue available based on the school corporation's fall count of ADM for purposes of collective bargaining. However, if the parties subsequently receive the certification of estimated general fund (**before January 1, 2019**) or education fund (**after December 31, 2018**) revenue available for bargaining before an impasse is declared, the parties shall use the certified general fund (**before January 1, 2019**) or education fund (**after December 31, 2018**) revenue from the school funding formula for purposes of collective bargaining.

(c) A school employer that has for which the voters have passed a general fund operating referendum (**before January 1, 2019**) or an operating referendum tax levy (**after December 31, 2018**) under IC 20-46-1 must have that amount certified by the department of local government finance.

(d) The school corporation must obtain the certification described in subsection (c) before the conclusion of bargaining. The certifications or estimate described in subsection (b) must be the basis for



determinations throughout impasse proceedings under this chapter.

SECTION 58. IC 20-29-8-7, AS AMENDED BY SEA 409-2017, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2019]: Sec. 7. (a) When a factfinder is requested or required under IC 20-29-6, the board shall appoint a factfinder.

(b) The factfinder shall make an investigation and hold hearings as the factfinder considers necessary in connection with a dispute.

(c) The factfinder:

- (1) may restrict the factfinder's findings to those issues that the factfinder determines significant;
- (2) must restrict the findings to the items listed in IC 20-29-6-4; and
- (3) may not impose terms beyond those proposed by the parties in their last, best offers.

(d) The factfinder may use evidence furnished to the factfinder by:

- (1) the parties;
- (2) the board;
- (3) the board's staff; or
- (4) any other state agency.

(e) The factfinder shall conduct the factfinding hearing in public in a room or facility owned by the county or local unit of government located in the county in which the school employer is located, or if the school employer is located in more than one (1) county, in the county in which the greatest number of students who attend the school employer's schools reside. The public hearing may begin not earlier than November 15 in the first year of the state budget biennium and must be concluded by February 15 of the calendar year after the start of formal collective bargaining.

(f) The factfinding process may not exceed thirty (30) days from beginning to end, and not more than two (2) of those days may be used for public testimony, which may be taken at the discretion of the factfinder. During the public hearing, each party shall present fully its last, best offer, including the fiscal rationale for the offer. Only general operating funds and those funds certified by the department of education and the department of local government finance may be considered as a source of the funding for items, unless the school funding formula allows other funds to be used for certain items. Only education fund revenue and, for a school employer for which the voters have passed an operating referendum tax levy under IC 20-46-1, the amount of revenue certified by the department of local government finance, may be considered a source of the funding for items. Money estimated to be or actually transferred



from the school corporation's operations fund to its education fund may not be considered a source of funding for items.

(g) The factfinder shall make a recommendation as to the settlement of the disputes over which the factfinder has jurisdiction.

(h) The factfinder shall:

(1) make the investigation, hearing, and findings as expeditiously as the circumstances permit; and

(2) deliver the findings to the parties and to the board.

(i) The board, after receiving the findings and recommendations, may make additional findings and recommendations to the parties based on information in:

(1) the report; or

(2) the board's own possession.

The board may not make any recommendations to the parties related to any items not specifically identified in IC 20-29-6-4.

(j) At any time within five (5) days after the findings and recommendations are delivered to the board, the board may make the findings and recommendations of the factfinder and the board's additional findings and recommendations, if any, available to the public through news media and other means the board considers effective.

(k) The board shall make the findings and recommendations described in subsection (j) available to the public not later than ten (10) days after the findings and recommendations are delivered to the board.

SECTION 59. IC 20-30-12-3, AS ADDED BY P.L.1-2005, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2019]: Sec. 3. Expenditure for equipment necessary to implement this chapter by a school corporation may be paid:

(1) through technology loans from the common school fund; or

(2) from the school corporation's **capital projects operations** fund.

SECTION 60. IC 20-30-15-8, AS ADDED BY P.L.1-2005, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2018]: Sec. 8. (a) A governing body shall pay contractual obligations under this chapter. However, a contract is not valid unless the governing body has made an appropriation from the school corporation's general fund (**before January 1, 2019**) or the school corporation's education fund (**after December 31, 2018**) for the contractual obligations before making the contract.

(b) A governing body may appropriate from the school corporation's general fund (**before January 1, 2019**) or the school corporation's **operations fund (after December 31, 2018)** for any one (1) year an amount equal to the total funds raised by school patrons during the year



in which the appropriation is made to purchase band uniforms for high school bands sponsored by high schools located within and operated by the school corporation.

SECTION 61. IC 20-32-8-7, AS ADDED BY P.L.1-2005, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2018]: Sec. 7. A school corporation qualifies to receive a grant when the governing body of the school corporation appropriates money from the school corporation's general fund (**before January 1, 2019**) or the school corporation's education fund (**after December 31, 2018**) of the school corporation for a:

- (1) remediation program; or
- (2) preventive remediation program;

that meets the state board's standards for funding under the program, and, if the program is a preventive remediation program, that has been approved by the state board.

SECTION 62. IC 20-35-5-4, AS AMENDED BY P.L.38-2014, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2019]: Sec. 4. An agreement adopted under section 2 of this chapter may include the following:

- (1) An agreement to acquire sites, buildings, and equipment for the sites and buildings by:
 - (A) purchase;
 - (B) lease from any of the participating school corporations or charter schools for the term of the agreement; or
 - (C) lease under the provisions of IC 20-47-2 or IC 20-47-3.
- (2) An agreement to repair, equip, and maintain school buildings and equipment.
- (3) An agreement that participating school corporations may use funds from their respective ~~capital projects~~ operations funds to pay for the costs under subdivision (1) or (2) or for any other purposes authorized under ~~IC 20-40-8~~. **IC 20-40-18**.
- (4) An agreement with a charter school to exchange any consideration for special education services.

SECTION 63. IC 20-35-5-5, AS AMENDED BY P.L.38-2014, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2019]: Sec. 5. The amount of money used from a participating school corporation's ~~capital projects~~ operations fund shall be determined by agreement among the participating school parties.

SECTION 64. IC 20-40-1-5, AS AMENDED BY P.L.233-2015, SECTION 289, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2019]: Sec. 5. Statutes outside this article that permit or require the establishment of a joint ~~funds~~ program or



fund include the following:

- (1) IC 20-26-10-3 (~~Joint fund for a~~ joint program).
- (2) IC 20-26-10-8 (joint services, leasing, construction, and ~~supply operations~~ fund).
- (3) IC 20-26-10-9 (joint investment fund).

SECTION 65. IC 20-40-1-6 IS REPEALED [EFFECTIVE JANUARY 1, 2019]. See: 6. ~~IC 20-26-15-6 permits a freeway school or freeway school corporation to establish and use a professional development and technology fund.~~

SECTION 66. IC 20-40-2-1, AS ADDED BY P.L.2-2006, SECTION 163, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2019]: Sec. 1. As used in this chapter, "fund" refers to a school corporation's **general education** fund established under section 2 of this chapter.

SECTION 67. IC 20-40-2-2, AS ADDED BY P.L.2-2006, SECTION 163, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2019]: Sec. 2. The governing body of each school corporation shall establish a **general an education** fund for the operation and maintenance of local schools. **payment of expenses that are allocated to student instruction and learning under IC 20-42.5.**

SECTION 68. IC 20-40-2-3, AS ADDED BY P.L.2-2006, SECTION 163, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2019]: Sec. 3. **Except as otherwise provided by law, all receipts and disbursements authorized by law for school funds and tax levies Distributions of tuition support** shall be received in and disbursed from the **education** fund.

SECTION 69. IC 20-40-2-4, AS AMENDED BY P.L.257-2013, SECTION 36, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2019]: Sec. 4. (a) Except as provided by subsection (b) or any other law, any lawful school expenses payable from any other fund of a school corporation, including debt service and capital outlay, may be budgeted in and paid from the fund.

(b) Before January 1, 2018, costs attributable to transportation (as defined in IC 20-40-6-1) may be budgeted in and paid from the fund. After December 31, 2017, costs attributable to transportation (as defined in IC 20-40-6-1) may not be budgeted in and paid from the fund. After June 30, 2013, a school corporation may also transfer money from its general fund to its transportation fund (IC 20-40-6) if it qualifies under subsection (c).

(c) A school corporation may make a transfer from its general fund to its transportation fund if the amount of revenue loss from:

- (1) the credits for excessive property taxes granted under



~~IC 6-1.1-20.6-7.5~~ in the amount that affects the school corporation's transportation fund; plus

(2) allocations to the school transportation fund resulting from the granting of credits under ~~IC 6-1.1-20.6-7.5~~ to protect the protected taxes as provided in ~~IC 6-1.1-20.6-9.8~~;

is more than seventy-five percent (75%) of the school corporation's transportation fund levy for the year for which the latest certified levies have been determined. The amount of the transfer may not exceed fifty percent (50%) of revenue lost by the school corporation's transportation fund.

(d) A school corporation may make a transfer from its general fund to its school bus replacement fund (IC 20-40-7) if the revenue lost from:

(1) the credits for excessive property taxes granted under ~~IC 6-1.1-20.6-7.5~~ in the amount that affects the school corporation's school bus replacement fund; plus

(2) allocations to the school bus replacement fund resulting from the granting of credits under ~~IC 6-1.1-20.6-7.5~~ to protect the protected taxes as provided in ~~IC 6-1.1-20.6-9.8~~;

is more than seventy-five percent (75%) of the school corporation's school bus replacement fund levy for the year for which the latest certified levies have been determined. The amount of the transfer may not exceed fifty percent (50%) of revenue lost by the school corporation's school bus replacement fund. The education fund is the exclusive fund to pay for expenses allocated to student instruction and learning under IC 20-42.5. The fund may not be used to pay directly any expenses that are not allocated to student instruction and learning under IC 20-42.5 or expenses permitted to be paid from the school corporation's operations fund.

SECTION 70. IC 20-40-2-5, AS ADDED BY P.L.2-2006, SECTION 163, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2019]: Sec. 5. Remuneration for athletic coaches, whether or not the athletic coaches are:

- (1) otherwise employed by the school corporation; and
- (2) licensed under IC 20-28-4 or IC 20-28-5;

may must be budgeted in the education fund and must be paid from the education fund.

SECTION 71. IC 20-40-2-6 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2019]: Sec. 6. (a) Only after the transfer is authorized by the governing body in a public meeting with public notice, money in the education fund may be transferred to the operations



fund to cover expenditures that are not allocated to student instruction and learning under IC 20-42.5. The amount transferred from the education fund to the operations fund shall be reported by the school corporation to the department. The transfers made during the:

- (1) **first six (6) months of each state fiscal year shall be reported before January 31 of the following year; and**
- (2) **last six (6) months of each state fiscal year shall be reported before July 31 of that year.**
- (b) **The report must include information as required by the department and in the form required by the department.**
- (c) **The department must post the report submitted under subsection (a) on the department's Internet web site.**

SECTION 72. IC 20-40-2-7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2018]: Sec. 7. (a) **On January 1, 2019, the balance, as of December 31, 2018, in the school corporation's general fund shall be transferred to the education fund.**

(b) **Before March 1, 2019, the governing body of a school corporation may transfer to the school corporation's operations fund, from the amounts transferred from the school corporation's general fund under subsection (a), any amounts that are not allocated to student instruction and learning under IC 20-42.5. A school corporation may make a transfer under this section only after complying with section 6 of this chapter, including the requirements for public notice and a public hearing.**

SECTION 73. IC 20-40-3-1, AS ADDED BY P.L.2-2006, SECTION 163, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2019]: Sec. 1. As used in this chapter, "fund" refers to **a an operating** referendum tax levy fund established under section 3 of this chapter.

SECTION 74. IC 20-40-3-3, AS ADDED BY P.L.2-2006, SECTION 163, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2019]: Sec. 3. The governing body of each school corporation for which a levy is:

- (1) transferred; or
- (2) approved;

under IC 20-46-1 shall establish **a an operating** referendum tax levy fund.

SECTION 75. IC 20-40-3-5, AS ADDED BY P.L.2-2006, SECTION 163, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2019]: Sec. 5. Money in the fund may be



used for any lawful school expenses, **including making a transfer to the school corporation's education fund (IC 20-40-2) or operations fund (IC 20-40-18).**

SECTION 76. IC 20-40-6 IS REPEALED [EFFECTIVE JANUARY 1, 2019]. (School Transportation Fund).

SECTION 77. IC 20-40-7 IS REPEALED [EFFECTIVE JANUARY 1, 2019]. (School Bus Replacement Fund).

SECTION 78. IC 20-40-8 IS REPEALED [EFFECTIVE JANUARY 1, 2019]. (Capital Projects Fund).

SECTION 79. IC 20-40-8-19, AS AMENDED BY P.L.151-2016, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 19. Money in the fund may be used ~~before January 1, 2018~~; to pay for up to one hundred percent (100%) of the following costs of a school corporation:

- (1) Utility services.
- (2) Property or casualty insurance.
- (3) Both utility services and property or casualty insurance.

A school corporation's expenditures under this section may not in a calendar year exceed three and five-tenths percent (3.5%) of the school corporation's 2005 calendar year distribution.

SECTION 80. IC 20-40-9-6, AS AMENDED BY THE TECHNICAL CORRECTIONS BILL OF THE 2017 GENERAL ASSEMBLY, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2019]: Sec. 6. ~~(a)~~ Money in the **debt service** fund may be used for payment of the following:

- (1) All debt and other obligations arising out of funds borrowed or advanced for school buildings when purchased from the proceeds of a bond issue for capital construction.
 - (2) A lease to provide capital construction.
 - (3) Interest on emergency and temporary loans.
 - (4) All debt and other obligations arising out of funds borrowed or advanced for the purchase or lease of school buses when purchased or leased from the proceeds of a bond issue, or from money obtained from a loan made under IC 20-27-4-5, for that purpose.
 - (5) All debt and other obligations arising out of funds borrowed to pay judgments against the school corporation.
 - (6) All debt and other obligations arising out of funds borrowed to purchase equipment.
- ~~(b) A school corporation may before July 1, 2015, transfer excess money in the fund to the school corporation's transportation fund, if the transfer is approved by the distressed unit appeal board under~~



IC 6-1.1-20.3-8.4.

SECTION 81. IC 20-40-9-7, AS AMENDED BY P.L.286-2013, SECTION 118, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2019]: Sec. 7. (a) Money in the fund may be used for payment of all unreimbursed costs of curricular materials for the school corporation's students who were eligible for free or reduced lunches in the previous school year.

(b) Money in the fund may not be used for payment of debt service, lease payments, or similar obligations for a controlled project that is approved by the voters in a referendum under IC 6-1.1-20.

(b) (c) The governing body may transfer the amount levied to cover unreimbursed costs of curricular materials under this section to the ~~curricular materials rental fund or extracurricular account: education fund.~~

SECTION 82. IC 20-40-9-8, AS ADDED BY P.L.2-2006, SECTION 163, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2019]: Sec. 8. (a) Lease rental obligations on account of leases entered into under IC 21-5-11 (before its repeal), IC 20-47-2, IC 21-5-12 (before its repeal), or IC 20-47-3 may be paid by a school corporation from the **debt service** fund.

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

(c) ~~This section does not prohibit~~ The payment of lease rental obligations from the **general education** fund is prohibited.

SECTION 83. IC 20-40-9-11, AS ADDED BY P.L.2-2006, SECTION 163, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2019]: Sec. 11. An amount equal to deductions made or to be made in the current year for the payment of principal and interest on an advancement from any state fund (including the common school fund and the veterans memorial school construction fund) may be included in debt service and appropriated and paid to the **general education** fund.

SECTION 84. IC 20-40-11 IS REPEALED [EFFECTIVE JANUARY 1, 2019]. (Repair and Replacement Fund).

SECTION 85. IC 20-40-15 IS REPEALED [EFFECTIVE JANUARY 1, 2019]. (School Technology Fund).

SECTION 86. IC 20-40-18 IS ADDED TO THE INDIANA CODE AS A **NEW CHAPTER** TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2018]:

Chapter 18. School Corporation Operations Fund

Sec. 1. The governing body of each school corporation shall



create an operations fund to be used by the school corporation after December 31, 2018.

Sec. 2. The operations fund shall be used to deposit the following after December 31, 2018:

- (1) Revenue from the school corporation's operations fund property tax levy under IC 20-46-8.
- (2) The sum of the following excise tax revenue received for deposit in the fund in the calendar year in which the school year begins:
 - (A) Financial institutions excise tax (IC 6-5.5).
 - (B) Motor vehicle excise taxes (IC 6-6-5).
 - (C) Commercial vehicle excise taxes (IC 6-6-5.5).
 - (D) Boat excise tax (IC 6-6-11).
 - (E) Aircraft license excise tax (IC 6-6-6.5).
- (3) Transfers from the education fund (IC 20-40-2) or the operating referendum tax levy fund (IC 20-40-3), if any.
- (4) Allocations of local income taxes to the school corporation under IC 6-3.6-6, if any.

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

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

(b) Any balance remaining in the operations fund at the end of a year remains in the operations fund.

Sec. 5. The operations fund may be used only to do the following:

- (1) Carry out a capital projects plan approved under:
 - (A) IC 20-46-6 (before January 1, 2019); or
 - (B) section 6 of this chapter (after December 31, 2018) for facility expenditures described in section 7 of this chapter.
- (2) Pay transportation costs described in section 8 of this chapter.
- (3) Carry out a school bus replacement plan approved under:
 - (A) IC 20-46-5 (before January 1, 2019); or
 - (B) section 9 of this chapter (after December 31, 2018).
- (4) Pay expenses that are allocated to overhead and operational expenditures or to nonoperational expenditures under IC 20-42.5.
- (5) Provide funds to an art association or a historical society



as provided in IC 36-10-13.

(6) Establish, maintain, and equip a public playground under IC 36-10-14.

Sec. 6. (a) A school corporation's capital projects expenditure plan or amended plan must limit proposed expenditures to those described in section 7 of this chapter.

(b) The department of local government finance shall prescribe the format of the plan. A plan must:

(1) apply to at least the three (3) years immediately following the year the plan is adopted;

(2) estimate for each year to which the plan applies the nature and amount of proposed expenditures from the fund; and

(3) estimate:

(A) the source of all revenue to be dedicated to the proposed expenditures in the upcoming calendar year; and
 (B) the amount of property taxes to be collected in the upcoming calendar year and retained in the fund for expenditures proposed for a later year.

(c) If a school corporation wants to use money in the operations fund during the year to pay for any items listed in section 7 of this chapter, the governing body must adopt a resolution approving the plan or amended plan. The school corporation shall post the proposed plan or proposed amended plan on the school corporation's Internet web site before the hearing. The governing body must hold a hearing on the adoption of the resolution as follows:

(1) For a school corporation that has not elected to adopt a budget under IC 6-1.1-17-5.6 or for which a resolution adopted under IC 6-1.1-17-5.6(d) is in effect, the school corporation must hold the hearing and adopt the resolution after January 1 and not later than November 1 of the immediately preceding year.

(2) For a school corporation that elects to adopt a budget under IC 6-1.1-17-5.6, the school corporation must hold the hearing and adopt the resolution after January 1 and not later than April 1 of the immediately preceding school fiscal year.

The governing body shall publish a notice of the hearing in accordance with IC 5-3-1-2(b). The notice must include the address of the school corporation's Internet web site. The governing body may hold the hearing and include the notice as part of a regular governing body meeting or part of the same hearing and notice for a school bus replacement plan. If an amendment to a capital



projects expenditure plan is being proposed, the governing body must declare the nature of and the need for the amendment in the resolution to adopt the amendment to the plan. The plan, as proposed to be amended, must comply with the requirements for a plan under this section.

(d) If a governing body adopts the resolution specified in subsection (c), the school corporation must then submit the resolution to the department of local government finance in the manner prescribed by the department.

(e) This subsection applies to an amendment to a plan that is required because of an emergency that results in costs that exceed the amount accumulated in the fund for repair, replacement, or site acquisition that is necessitated by an emergency. The governing body is not required to comply with subsection (c) or (d). If the governing body determines that an emergency exists, the governing body may adopt a resolution to amend the plan. An amendment to the plan is not subject to the deadline and the procedures for adoption described in this section.

Sec. 7. (a) This section sets forth an exclusive list of the expenditures that may be made from the operations fund under section 5(1) of this chapter, as set forth in the school corporation's plan or amended plan.

(b) Subject to the expenditures that are identified in the school corporation's plan or amended plan, the operations fund shall be used for the following:

(1) Site acquisition.

(2) Site development.

(3) Building acquisition, construction, replacement, renovation, remodeling, improvement, and maintenance, including building materials and employment services described in subsection (c).

(4) Rental of real estate, buildings, facilities, and equipment. However, the fund may not be used for payments authorized under IC 20-47-2 and IC 20-47-3.

(5) To repair and replace buildings and to repair and replace building fixtures that are:

(A) owned or leased by the school corporation; and

(B) of a type constituting loss capable of being covered by casualty insurance.

(6) Purchase, lease, repair, or maintenance of equipment, including maintenance vehicles to be used by the school corporation. However, the fund may not be used to pay for



the following:

(A) The purchase, lease, repair, or maintenance of vehicles that are not maintenance vehicles.

(B) Except as provided in subdivision (7), equipment to be used primarily for interscholastic or extracurricular activities.

(7) Service contracts for janitorial and custodial services, maintenance services, snow and ice removal services, trash removal services, mowing and lawn care services, pest control services, and any other routine services normally required in the maintenance or upkeep of school facilities.

(8) Repair, replacement, or site acquisition that is necessitated by an emergency.

(9) Construction, repair, replacement, remodeling, or maintenance of a school sports facility. However, the maximum expenditures under this subdivision in a calendar year may not exceed two and seven-tenths percent (2.7%) of the property tax revenues levied for the fund in the calendar year.

(10) Utilities.

(11) Property and casualty insurance.

(12) Purchase, lease, upgrade, maintain, or repair technology that will not be allocated to student instruction and learning under IC 20-42.5, including the following:

(A) Computer hardware, computer software, wiring and computer networks, and communication access systems used to connect with computer networks or electronic gateways.

(B) Services of full-time or part-time computer maintenance employees.

(C) Conducting nonrecurring inservice technology training of school employees.

(D) Implementing the technology preparation curriculum under IC 20-30-12.

(E) Participating in a program to provide educational technologies, including:

(i) computers in the homes of students (commonly referred to as "the buddy system project") under IC 20-20-13-6;

(ii) the 4R's technology program; or

(iii) any other program under the educational technology program described in IC 20-20-13.



(F) Obtaining any combination of equipment or services described in clauses (D) and (E).

(13) To pay advances, together with interest on the advances, from the common school fund for educational technology programs under IC 20-49-4.

(14) To pay for energy saving contracts entered into by a school corporation under IC 36-1-12.5.

(15) To maintain a joint school established with a school corporation in an adjacent state under IC 20-23-11 as is otherwise provided by law for maintaining the public schools in Indiana.

(16) To pay a judgment rendered against the school corporation, or rendered against an officer or employee of the school corporation for which the school corporation is liable under IC 34-13-2, IC 34-13-3, or IC 34-13-4 (or IC 34-4-16.5, IC 34-4-16.6, or IC 34-4-16.7 before their repeal).

(17) To pay a claim or settlement for which the school corporation is liable under IC 34-13-2, IC 34-13-3, or IC 34-13-4 (or IC 34-4-16.5, IC 34-4-16.6, or IC 34-4-16.7 before their repeal).

(18) To pay a premium, management fee, claim, or settlement for which the school corporation is liable under a federal or state statute, including IC 22-3 and IC 22-4.

(19) To pay a settlement or claim for which insurance coverage is permitted under IC 20-26-5-4(a)(15).

(20) All other lawful expenses that are not expenses described in IC 20-40-2-4.

(21) To pay for expenses incurred as a result of unusual circumstances.

(c) The fund shall be used to pay for services of school corporation employees who perform services considered to be a skilled trade by the United States Department of Labor, Employment and Training Administration. For purposes of this subsection, skilled trade services do not include janitorial or comparable routine services normally provided in the daily operation of school facilities or equipment. Payment may be made for employee services only if the employees perform:

- (1) construction of;
- (2) renovation of;
- (3) remodeling of;
- (4) repair of; or
- (5) maintenance on;



the facilities and equipment of the school corporation.

Sec. 8. (a) A school corporation shall use the operations fund to pay the transportation costs attributable to transportation of school children as specified in subsection (b).

(b) Only the following costs are payable from the fund:

- (1) Salaries paid to bus drivers, transportation supervisors, mechanics and garage employees, clerks, and other transportation related employees.**
- (2) Contracted transportation services.**
- (3) Wages of independent contractors.**
- (4) Contracts with common carriers.**
- (5) Student fares.**
- (6) Transportation related insurance.**
- (7) Other expenses of operating the school corporation's transportation service, including gasoline, lubricants, tires, repairs, contracted repairs, parts, supplies, equipment, and other related expenses.**

(c) Percentages or parts of salaries of teaching personnel or principals are not attributable to transportation. However, parts of salaries of instructional aides who are assigned to assist with the school transportation program are attributable to transportation. The costs described in this subsection (other than instructional aide costs) may not be budgeted for payment or paid from the fund.

(d) Costs for a calendar year are those costs attributable to transportation for students during the school year ending in the calendar year.

Sec. 9. (a) Before a school corporation may use money in the operations fund for replacing school buses, a resolution approving the school bus replacement plan or amended plan must be submitted to the department of local government finance.

(b) The department of local government finance shall prescribe the format of the plan. A plan must apply to at least the five (5) budget years immediately following the year the plan is adopted and include at least the following:

- (1) An estimate for each year to which it applies of the nature and amount of proposed expenditures from the fund.**
- (2) An identification of:**
 - (A) the source of all revenue to be dedicated to the proposed expenditures in the upcoming budget year; and**
 - (B) the amount of property taxes to be collected in that year and the unexpended balance to be retained in the fund for expenditures proposed for a later year.**



(3) If the school corporation is seeking to:

(A) acquire; or

(B) contract for transportation services that will provide; additional school buses or school buses with a larger seating capacity as compared with the number and type of school buses from the prior school year, evidence of a demand for increased transportation services within the school corporation. Clause (B) does not apply if contracted transportation services are not paid from the fund.

(4) If the school corporation is seeking to require a contractor to replace a school bus, evidence that the need exists for the replacement of the school bus. This subdivision does not apply if contracted transportation services are not paid from the operations fund.

(5) Evidence that the school corporation that seeks to acquire additional school buses under this section is acquiring or contracting for the school buses only for the purposes specified in subdivision (3) or for replacement purposes.

(c) If a school corporation wants to use money in the operations fund during the year to pay for school bus replacement, the governing body must adopt a resolution approving the bus replacement plan or amended plan. The school corporation shall post the proposed plan or proposed amended plan on the school corporation's Internet web site before the hearing. The governing body must hold a hearing on the adoption of the resolution as follows:

(1) For a school corporation that has not elected to adopt a budget under IC 6-1.1-17-5.6 or for which a resolution adopted under IC 6-1.1-17-5.6(d) is in effect, the school corporation must hold the hearing and adopt the resolution after January 1 and not later than November 1 of the immediately preceding year.

(2) For a school corporation that elects to adopt a budget under IC 6-1.1-17-5.6, the school corporation must hold the hearing and adopt the resolution after January 1 and not later than April 1 of the immediately preceding school fiscal year.

The governing body shall publish a notice of the hearing in accordance with IC 5-3-1-2(b). The notice must include the address of the school corporation's Internet web site. The governing body may hold the hearing and include the notice as part of a regular governing body meeting or part of the same hearing and notice for a capital projects expenditure plan. If an amendment to a bus



replacement plan is being proposed, the governing body must declare the nature of and the need for the amendment in the resolution to adopt the amendment to the plan. The plan, as proposed to be amended, must comply with the requirements for a plan under this section.

(d) If a governing body adopts the resolution specified in subsection (c), the school corporation must then submit the resolution to the department of local government finance in the manner prescribed by the department.

(e) The operations fund is the exclusive fund to be used to pay for the replacement of school buses, either through a purchase agreement or under a lease agreement.

(f) Before the last Thursday in August in the year preceding the first school year in which a proposed contract commences, the governing body of a school corporation may elect to designate a part of a:

- (1) transportation contract (as defined in IC 20-27-2-12);
- (2) fleet contract (as defined in IC 20-27-2-5); or

(3) common carrier contract (as defined in IC 20-27-2-3);
as an expenditure payable from the fund. An election under this subsection must be included in the resolution approving the school bus replacement plan or amended plan. The election applies throughout the term of the contract.

(g) The amount that may be paid from the fund under this section in a school year is equal to the fair market lease value in the school year of each school bus, school bus chassis, or school bus body used under the contract, as substantiated by invoices, depreciation schedules, and other documented information available to the school corporation.

(h) The allocation of costs under this section to the fund must comply with the accounting standards prescribed by the state board of accounts.

Sec. 10. (a) For purposes of section 7 of this chapter, an emergency when used with respect to repair or replacement is:

- (1) a fire;
- (2) a flood;
- (3) a windstorm;
- (4) a mechanical failure of any part of a structure; or
- (5) an unforeseeable circumstance.

(b) For purposes of section 7 of this chapter, an emergency when used with respect to site acquisition is the unforeseeable availability of real property for purchase.



Sec. 11. (a) Only after the transfer is authorized by the governing body in a public meeting with public notice, money in the operations fund may be transferred to the education fund to cover expenditures that are allocated to student instruction and learning under IC 20-42.5. The amount transferred from the operations fund to the education fund shall be reported by the school corporation to the department. The transfers made during the:

- (1) first six (6) months of each state fiscal year shall be reported before January 31 of the following year; and
- (2) last six (6) months of each state fiscal year shall be reported before July 31 of that year.

(b) The report must include a description of each purpose for which a transfer was made and the amount of the transfer that corresponded to each purpose.

(c) The department must post the report submitted under subsection (a) on the department's Internet web site.

Sec. 12. (a) After December 31, 2018, any property taxes collected from a levy imposed under any of the following shall be deposited in the operations fund:

- (1) IC 20-46-4 (school transportation levy) (repealed).
- (2) IC 20-46-5 (school bus replacement levy) (repealed).
- (3) IC 20-46-6 (capital projects levy) (repealed).
- (4) IC 36-10-13 (art association and historical society levies).
- (5) IC 36-10-14 (public playground levy).

(b) This section expires June 30, 2020.

SECTION 87. IC 20-40-19 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2019]:

Chapter 19. School Corporation Referendum Controlled Project Tax Levy Fund

Sec. 1. A referendum controlled project tax levy fund shall be created by each school corporation for which a controlled project was approved by the voters in a referendum under IC 6-1.1-20.

Sec. 2. The referendum controlled project tax levy fund shall be used to deposit the following:

- (1) Revenue from the school corporation's property tax levy that is imposed as a result of being approved by the voters in a referendum of a controlled project for the school corporation under IC 6-1.1-20.
- (2) The sum of the following excise tax revenue received for deposit in the fund in the calendar year in which the school



year begins:

- (A) Financial institutions excise tax (IC 6-5.5).
- (B) Motor vehicle excise taxes (IC 6-6-5).
- (C) Commercial vehicle excise taxes (IC 6-6-5.5).
- (D) Boat excise tax (IC 6-6-11).
- (E) Aircraft license excise tax (IC 6-6-6.5).

(3) Allocations of local income taxes to the school corporation under IC 6-3.6, if any.

Sec. 3. The referendum controlled project tax levy may be used only for debt service, lease payments, and similar obligations actually due for a controlled project approved by the voters in a referendum under IC 6-1.1-20.

SECTION 88. IC 20-41-2-5, AS AMENDED BY P.L.118-2016, SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2019]: Sec. 5. (a) A governing body in operating a curricular materials rental program under IC 20-26-5-4(a)(12) may use either of the following accounting methods:

- (1) The governing body may supervise and control the program through the school corporation account, establishing a curricular materials rental corporation's education fund.
- (2) If curricular materials have not been purchased and financial commitments or guarantees for the purchases have not been made by the school corporation, the governing body may cause the program to be operated by the individual schools of the school corporation through the school corporation's extracurricular account or accounts in accordance with IC 20-41-1.
- (b) If the governing body determines that a hardship exists due to the inability of a student's family to purchase or rent curricular materials, taking into consideration the income of the family and the demands on the family, the governing body may furnish curricular materials to the student without charge, without reference to the application of any other statute or rule except IC 20-26-1 through IC 20-26-5, IC 20-26-7, IC 20-40-12, and IC 20-48-1.

SECTION 89. IC 20-41-2-6, AS AMENDED BY P.L.286-2013, SECTION 123, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2019]: Sec. 6. (a) If a school lunch fund is established under section 4 of this chapter and a curricular materials rental the school corporation's education fund is established used under section 5 of this chapter, the receipts and expenditures from a fund for the program to which the fund relates shall be made to and from the appropriate fund without appropriation or the application of other statutes and rules relating to the budgets of municipal



corporations.

(b) If either the lunch program or the curricular materials rental program is handled through the extracurricular account, the governing body of the school corporation shall approve the amount of the bond of the treasurer of the extracurricular account in an amount the governing body considers sufficient to protect the account for all funds coming into the hands of the treasurer of the account.

SECTION 90. IC 20-42-1-5, AS ADDED BY P.L.2-2006, SECTION 165, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2019]: Sec. 5. Any balance remaining in a fund shall be transferred to the debt service funds of the school corporations in the county. The amount transferred may be appropriated and paid to a school corporation's ~~general operations~~ fund.

SECTION 91. IC 20-42.5-3-7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2018]: **Sec. 7. (a) The chart of accounts used by school corporations must:**

- (1) coincide with the categories of expenditures described in section 4 of this chapter; and**
- (2) provide the ability to determine expenditures made at and for each individual school building of a school corporation.**

Each school corporation shall on January 1, 2019, begin using the chart of accounts developed under this section.

(b) The state board of accounts may, in consultation with the department and the office of management and budget, modify the chart of accounts as necessary to make the chart of accounts coincide with the categories of expenditures described in section 4 of this chapter.

SECTION 92. IC 20-44-2-4, AS ADDED BY P.L.2-2006, SECTION 167, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2018]: Sec. 4. A school corporation may impose a levy for a fund **(before January 1, 2019) or its operations fund (after December 31, 2018)**, as permitted in IC 20-48-1-7, to repay an emergency loan to the fund **(before January 1, 2019) or operations fund (after December 31, 2018)**.

SECTION 93. IC 20-44-3-9, AS ADDED BY P.L.2-2006, SECTION 167, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2018]: Sec. 9. If the amount that would be deposited in the fund of a school corporation for a particular calendar year is less than ~~one hundred dollars (\$100); ten thousand dollars (\$10,000)~~, no money shall be deposited in the fund of the school



corporation for that year.

SECTION 94. IC 20-45-7-29, AS ADDED BY P.L.2-2006, SECTION 168, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2019]: Sec. 29. Receipts from the fund shall be credited by each qualified school corporation to its **general operations** fund. The budgets of each qualified school corporation shall reflect the anticipated receipts from the tax. Appropriations shall be made from the **general operations** fund by the qualified school corporations as other appropriations are made either in the annual budgets or by additional appropriations.

SECTION 95. IC 20-45-8-26, AS ADDED BY P.L.2-2006, SECTION 168, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2019]: Sec. 26. **Receipts from the fund shall be credited by each qualified school corporation to its operations fund.** In making its budget, each qualified school corporation shall take into account its anticipated receipts from the fund. The county auditor, before July 15 of each year, shall certify to each qualified school corporation the amount of its entitlement from the fund to be used in the preparation of its budget. Any qualified school corporation may also appropriate its entitlement by emergency appropriation in the same manner as any property tax receipt.

SECTION 96. IC 20-46-1-3, AS ADDED BY P.L.2-2006, SECTION 169, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2019]: Sec. 3. As used in this chapter, "fund" refers to the **operating** referendum tax levy fund.

SECTION 97. IC 20-46-1-6, AS ADDED BY P.L.2-2006, SECTION 169, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2019]: Sec. 6. A school corporation may impose ~~a~~ **an operating** referendum tax levy for the school corporation's fund in the amount allowed under:

- (1) section 7 of this chapter;
- (2) sections 8 through 19 of this chapter; or
- (3) both subdivisions (1) and (2).

SECTION 98. IC 20-46-1-9, AS AMENDED BY P.L.146-2008, SECTION 496, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2019]: Sec. 9. ~~A~~ **An operating** 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 section and sections 10 through 19 of this chapter approves the appellant school corporation's making a levy for the ensuing calendar year.

SECTION 99. IC 20-46-1-19, AS AMENDED BY P.L.155-2014,



SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2019]: Sec. 19. If a majority of the persons who voted in the referendum did not vote "yes" on the referendum question:

- (1) the school corporation may not make any levy for its **operating** referendum tax levy fund; and
- (2) another referendum under this section may not be held earlier than three hundred fifty (350) days after the date of the referendum.

SECTION 100. IC 20-46-3-6, AS AMENDED BY P.L.137-2012, SECTION 112, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2018]: Sec. 6. ~~Subject to IC 6-1.1-18.5-9.9 (before its repeal),~~ The department of local government finance may allow a school corporation to establish a levy. The amount of the levy shall be determined each year and the levy may not exceed the lesser of the following:

- (1) The revenue derived from a tax rate of eight and thirty-three hundredths cents (\$0.0833) for each one hundred dollars (\$100) of assessed valuation within the school corporation.
- (2) The revenue derived from a tax **rate levy** equal to the difference between the maximum **rate levy** allowed for the school corporation's **capital projects operations** fund under ~~IC 20-46-6~~ **IC 20-46-8** minus the actual **capital projects operations** fund **rate levy** that will be in effect for the school corporation for a particular year.

SECTION 101. IC 20-46-4 IS REPEALED [EFFECTIVE JANUARY 1, 2019]. (School Transportation Levy).

SECTION 102. IC 20-46-5 IS REPEALED [EFFECTIVE JANUARY 1, 2019]. (School Bus Replacement Levy).

SECTION 103. IC 20-46-6 IS REPEALED [EFFECTIVE JANUARY 1, 2019]. (Capital Projects Levy).

SECTION 104. IC 20-46-7-8, AS AMENDED BY P.L.146-2008, SECTION 509, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2019]: Sec. 8. (a) This section does not apply to the following:

- (1) Bonds or lease rental agreements for which a school corporation:
 - (A) after June 30, 2008, makes a preliminary determination as described in IC 6-1.1-20-3.1 or IC 6-1.1-20-3.5 or a decision as described in IC 6-1.1-20-5; or
 - (B) in the case of bonds or lease rental agreements not subject to IC 6-1.1-20-3.1, IC 6-1.1-20-3.5, or IC 6-1.1-20-5, adopts a resolution or ordinance authorizing the bonds or lease rental



agreement after June 30, 2008.

(2) Repayment from the debt service fund of loans made after June 30, 2008, for the purchase of school buses under IC 20-27-4-5.

(b) A school corporation must file a petition requesting approval from the department of local government finance to:

- (1) incur bond indebtedness;
- (2) enter into a lease rental agreement; or
- (3) repay from the debt service fund loans made for the purchase of school buses under IC 20-27-4-5;

not later than twenty-four (24) months after the first date of publication of notice of a preliminary determination under ~~IC 6-1.1-20-3.1(2)~~, **IC 6-1.1-20-3.1(b)(2)**, unless the school corporation demonstrates that a longer period is reasonable in light of the school corporation's facts and circumstances.

(c) A school corporation must obtain approval from the department of local government finance before the school corporation may:

- (1) incur the indebtedness;
- (2) enter into the lease agreement; or
- (3) repay the school bus purchase loan.

(d) This restriction does not apply to property taxes that a school corporation levies to pay or fund bond or lease rental indebtedness created or incurred before July 1, 1974. In addition, this restriction does not apply to a lease agreement or a purchase agreement entered into between a school corporation and the Indiana bond bank for the lease or purchase of a school bus under IC 5-1.5-4-1(a)(5), if the lease agreement or purchase agreement conforms with the school corporation's ~~ten (10)~~ year school bus replacement plan. ~~approved by the department of local government finance under IC 21-2-11.5-3.1 (before its repeal) or IC 20-46-5.~~

(e) This section does not apply to school bus purchase loans made by a school corporation that will be repaid solely from the ~~general operations~~ fund of the school corporation.

SECTION 105. IC 20-46-7-15, AS ADDED BY P.L.229-2011, SECTION 221, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2019]: Sec. 15. (a) As used in this section, "debt service fund" includes the separate debt service fund for the payment of debt service on bonds used to implement solutions to a contractual retirement or severance liability.

(b) As used in this section, "eligible school corporation" has the meaning set forth in IC 5-1-5-2.5.

(c) As used in this section, "increment" refers to the annual



increment computed under IC 5-1-5-2.5 with respect to bonds issued to retire or otherwise refund other bonds for each year that the bonds that are being retired or refunded would have been outstanding.

(d) A school corporation may make a request to continue to impose a debt service fund levy in the amount that the school corporation would have been able to impose to pay debt service on bonds that were retired or refunded by the issuance of refunding bonds. A school corporation must include in its request a copy of the ordinance adopted under IC 5-1-5-2.5.

(e) The department of local government finance shall grant the school corporation permission to continue to impose such a debt service fund levy if the department finds that the school corporation qualifies to issue refunding bonds under IC 5-1-5-2.5.

(f) An eligible school corporation that is granted permission to impose a debt service fund levy as described in this section may transfer the lesser of the amount of credits granted under IC 6-1.1-20.6 against the school corporation's combined levy for all the school corporation's funds or the amount of the increment from the debt service fund to

- (1) the capital projects operations fund;
- (2) the transportation fund;
- (3) the school bus replacement fund; or
- (4) a combination of the funds in subdivisions (1) through (3).

SECTION 106. IC 20-46-8 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2018]:

Chapter 8. School Corporation Operations Fund Property Tax Levy

Sec. 1. (a) For property taxes first due and payable after December 31, 2018, a school corporation may impose the following property tax levies for its school corporation operations fund (IC 20-40-18):

- (1) A transportation levy as provided in section 3 of this chapter.
- (2) A school bus replacement levy as provided in section 4 of this chapter.
- (3) A capital projects levy as provided in section 5 of this chapter.
- (4) For school corporations described in IC 36-10-13-7, a levy as provided in section 6 of this chapter to provide funding for an art association.
- (5) For a school corporation in a county having a population



of more than two hundred fifty thousand (250,000) but less than two hundred seventy thousand (270,000), a levy as provided in section 7 of this chapter to provide funding for a historical society.

(6) For a school corporation described in IC 36-10-14-1, a levy as provided in section 8 of this chapter to provide funding for a public playground.

(b) A school corporation's property tax levy for its operations fund for a particular year is equal to the sum of the levies described in subsection (a)(1) through (a)(6) for that year.

Sec. 2. A school corporation's property tax levy imposed under this chapter for its operations fund replaces the authority of the school corporation to impose property taxes under the following property tax levy provisions:

(1) The school transportation fund levy (IC 20-46-4) (repealed).

(2) The school bus replacement fund levy (IC 20-46-5) (repealed).

(3) The capital projects fund levy (IC 20-46-6) (repealed).

(4) The levy under IC 36-10-13 (before January 1, 2019) to provide funding for an art association or a historical society.

(5) The levy under IC 36-10-14 (before January 1, 2019) to provide funding for a public playground.

Sec. 3. (a) Except as provided in subsection (c), for property taxes first due and payable in 2019, a school corporation's transportation levy may not exceed an amount equal to:

(1) the school corporation's maximum permissible levy determined under IC 20-46-4 (repealed January 1, 2019) for the school corporation's transportation fund for 2018, after eliminating the effects of temporary excessive levy appeals and any other temporary adjustments made to the levy for 2018 (regardless of whether the school corporation imposed the entire amount of the maximum permissible levy in 2018); multiplied by

(2) the assessed value growth quotient determined under IC 6-1.1-18.5-2.

(b) Except as provided in subsection (c), for property taxes first due and payable after 2019, a school corporation's transportation levy may not exceed an amount equal to:

(1) the school corporation's maximum permissible levy determined under this section for the preceding year, after eliminating the effects of temporary excessive levy appeals



and any other temporary adjustments made to the levy for the year (regardless of whether the school corporation imposed the entire amount of the maximum permissible levy in the immediately preceding year); multiplied by

(2) the assessed value growth quotient determined under IC 6-1.1-18.5-2.

(c) A school corporation may appeal to the department of local government finance under IC 6-1.1-19 to increase the school corporation's transportation levy. To be granted an increase by the department of local government finance, the school corporation must establish that the increase is necessary because of a transportation operating cost increase of at least ten percent (10%) over the preceding year as a result of at least one (1) of the following:

(1) A fuel expense increase.

(2) A significant increase in the number of students enrolled in the school corporation who need transportation or a significant increase in the mileage traveled by the school corporation's buses compared with the previous year.

(3) A significant increase in the number of students enrolled in special education who need transportation or a significant increase in the mileage traveled by the school corporation's buses due to students enrolled in special education as compared with the previous year.

(4) Increased transportation operating costs due to compliance with a court ordered desegregation plan.

(5) The closure of a school building within the school corporation that results in a significant increase in the distances that students must be transported to attend another school building.

In addition, before the department of local government finance may grant a maximum levy increase, the school corporation must establish that the school corporation will be unable to provide transportation services without an increase. The department of local government finance may grant a levy increase that is less than the increase requested by the school corporation. If the department of local government finance determines that a permanent increase in the maximum permissible levy is necessary, the maximum levy after the increase granted under this section becomes the school corporation's maximum permissible transportation levy under this section.

Sec. 4. (a) For property taxes first due and payable in 2019, a



school corporation's school bus replacement levy may not exceed an amount equal to:

- (1) the school corporation's maximum permissible levy determined under IC 20-46-5 (repealed January 1, 2019) for the school corporation's school bus replacement fund for 2018, after eliminating the effects of temporary excessive levy appeals and any other temporary adjustments made to the levy for 2018 (regardless of whether the school corporation imposed the entire amount of the maximum permissible levy in 2018); multiplied by
- (2) the assessed value growth quotient determined under IC 6-1.1-18.5-2.

(b) For property taxes first due and payable after 2019, a school corporation's school bus replacement levy may not exceed an amount equal to:

- (1) the school corporation's maximum permissible levy determined under this section for the preceding year, after eliminating the effects of temporary excessive levy appeals and any other temporary adjustments made to the levy for the year (regardless of whether the school corporation imposed the entire amount of the maximum permissible levy in the immediately preceding year); multiplied by
- (2) the assessed value growth quotient determined under IC 6-1.1-18.5-2.

(c) The department of local government finance may, upon petition by a school corporation, adjust the school corporation's levy for the fund to reflect the school corporation's plan adopted or amended under IC 20-46-5 (before its repeal January 1, 2019) or IC 20-40-18-9 (after December 31, 2018).

Sec. 5. (a) For property taxes first due and payable in 2019, a school corporation's capital projects levy may not exceed the result of:

- (1) the amount that would be raised from a rate equal to the sum of:
 - (A) the maximum capital projects fund rate that the school corporation was authorized to impose for 2018 under IC 20-46-6 (before its repeal), after any adjustment under IC 6-1.1-18-12 (but excluding any rate imposed for qualified utility and insurance costs); plus
 - (B) the capital projects fund rate imposed for qualified utility and insurance costs in 2018; multiplied by
- (2) the assessed value growth quotient determined under



IC 6-1.1-18.5-2.

(b) For property taxes first due and payable after 2019, a school corporation's capital projects levy may not exceed an amount equal to:

- (1) the school corporation's maximum permissible levy determined under this section for the preceding year, after eliminating the effects of temporary excessive levy appeals and any other temporary adjustments made to the levy for the year (regardless of whether the school corporation imposed the entire amount of the maximum permissible levy in the immediately preceding year); multiplied by
- (2) the assessed value growth quotient determined under IC 6-1.1-18.5-2.

Sec. 6. (a) A school corporation described in IC 36-10-13-7 may impose a levy to provide funding for an art association.

(b) For property taxes first due and payable in 2019, a school corporation's levy under this section may not exceed an amount equal to:

- (1) the school corporation's levy for an art association under IC 36-10-13 in 2018; multiplied by
- (2) the assessed value growth quotient determined under IC 6-1.1-18.5-2.

(c) For property taxes first due and payable after 2019, a school corporation's levy under this section may not exceed an amount equal to:

- (1) the school corporation's maximum permissible levy under this section for the preceding year; multiplied by
- (2) the assessed value growth quotient determined under IC 6-1.1-18.5-2.

Sec. 7. (a) A school corporation in a county having a population of more than two hundred fifty thousand (250,000) but less than two hundred seventy thousand (270,000) may impose a levy to provide funding for a historical society.

(b) For property taxes first due and payable in 2019, a school corporation's levy under this section may not exceed an amount equal to:

- (1) the school corporation's levy for a historical society under IC 36-10-13 in 2018; multiplied by
- (2) the assessed value growth quotient determined under IC 6-1.1-18.5-2.

(c) For property taxes first due and payable after 2019, a school corporation's levy under this section may not exceed an amount



equal to:

- (1) the school corporation's maximum permissible levy under this section for the preceding year; multiplied by
- (2) the assessed value growth quotient determined under IC 6-1.1-18.5-2.

Sec. 8. (a) A school corporation described in IC 36-10-14-1 may impose a levy to provide funding for public playgrounds.

(b) For property taxes first due and payable in 2019, a school corporation's levy under this section may not exceed an amount equal to:

- (1) the school corporation's levy for public playgrounds under IC 36-10-14 in 2018; multiplied by
- (2) the assessed value growth quotient determined under IC 6-1.1-18.5-2.

(c) For property taxes first due and payable after 2019, a school corporation's levy under this section may not exceed an amount equal to:

- (1) the school corporation's maximum permissible levy under this section for the preceding year; multiplied by
- (2) the assessed value growth quotient determined under IC 6-1.1-18.5-2.

SECTION 107. IC 20-47-1-5, AS AMENDED BY P.L.142-2009, SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2019]: Sec. 5. (a) The governing body of a school corporation may donate the proceeds of a grant, a gift, a donation, an endowment, a bequest, a trust, an agreement to share tax revenue received by a city or county under IC 4-33-12-6 or IC 4-33-13, or an agreement to share revenue received by a political subdivision under IC 4-35-8.5, or other funds not generated from taxes levied by the school corporation, to a foundation under the following conditions:

- (1) The foundation is a charitable nonprofit community foundation.
- (2) The foundation retains all rights to the donation, including investment powers, except as provided in subdivision (3).
- (3) The foundation agrees to do the following:
 - (A) Hold the donation as a permanent endowment.
 - (B) Distribute the income from the donation only to the school corporation as directed by resolution of the governing body of the school corporation.
 - (C) Return the donation to the **general operations** fund of the school corporation if the foundation:
 - (i) loses the foundation's status as a public charitable



organization;

- (ii) is liquidated; or
- (iii) violates any condition of the endowment set by the governing body of the school corporation.

(b) A school corporation may use income received under this section from a community foundation only for purposes of the school corporation.

SECTION 108. IC 20-47-2-20, AS ADDED BY P.L.2-2006, SECTION 170, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2018]: Sec. 20. A school corporation that executes a lease under this chapter shall annually appropriate from its debt service fund or general fund (**before January 1, 2019**) or **operations fund (after December 31, 2018)** an amount sufficient to pay the lease rental required under the lease. The appropriation is reviewable by other bodies vested by law with such authority to ascertain that the specified amount is sufficient to meet the lease rental required under the lease. The first specific appropriation shall be made at the first budget period following the date of the execution of the lease, and the first annual appropriation must be sufficient to pay the estimated amount of the first annual lease rental payment to be made under the lease. Thereafter, the annual appropriations provided for in this section shall be made, and payments shall be made from the debt service fund.

SECTION 109. IC 20-47-2-23, AS ADDED BY P.L.2-2006, SECTION 170, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2019]: Sec. 23. (a) Upon the termination of a lease entered into under this chapter, the lessor corporation shall return to the school corporation any money held by the lessor corporation that exceeds the amount needed to retire bonds issued under this chapter and to dissolve the lessor corporation.

(b) A school corporation shall deposit the money received under subsection (a) in its debt service fund or ~~capital projects~~ **operations** fund.

SECTION 110. IC 20-47-3-18, AS ADDED BY P.L.2-2006, SECTION 170, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2019]: Sec. 18. (a) Upon the termination of a lease entered into under this chapter, the lessor corporation shall return to the school corporation any money held by the lessor corporation that exceeds the amount needed to retire bonds issued under this chapter and to dissolve the lessor corporation.

(b) A school corporation shall deposit the money received under subsection (a) in its debt service fund or its ~~capital projects~~ **operations**



fund.

SECTION 111. IC 20-47-4-10, AS ADDED BY P.L.2-2006, SECTION 170, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2019]: Sec. 10. A school corporation that sells an existing school building under section 6 of this chapter shall deposit the proceeds of the sale in the school corporation's ~~capital projects operations~~ fund and use the proceeds only for:

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

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

SECTION 112. IC 20-48-1-1, AS AMENDED BY P.L.184-2015, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 1. (a) As used in this section, "improvement of real estate" includes:

- (1) construction, reconstruction, remodeling, alteration, or repair of buildings or additions to buildings;
- (2) equipment related to activities specified in subdivision (1); and
- (3) auxiliary facilities related to activities specified in subdivision (1), including facilities for:
 - (A) furnishing water, gas, and electricity;
 - (B) carrying and disposing of sewage and storm and surface water drainage;
 - (C) housing of school owned buses;
 - (D) landscaping of grounds; and
 - (E) construction of walks, drives, parking areas, playgrounds, or facilities for physical training.

(b) Subject to **IC 5-1-11.5 and IC 5-3-1-3(h)**, a school corporation is authorized to issue bonds to pay the:

- (1) cost of acquisition and improvement of real estate for school purposes;
- (2) funding of judgments;
- (3) cost of the purchase of school buses; and
- (4) incidental expenses incurred in connection with and on account of the issuance of the bonds.

SECTION 113. IC 20-48-1-2, AS AMENDED BY P.L.145-2012, SECTION 27, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2019]: Sec. 2. (a) As used in this section, "retirement or



"severance liability" means the payments anticipated to be required to be made to employees of a school corporation upon or after termination of the employment of the employees by the school corporation under an existing or previous employment agreement.

(b) This section applies to each school corporation that:

- (1) did not issue bonds under IC 20-5-4-1.7 before its repeal; or
- (2) issued bonds under IC 20-5-4-1.7 (repealed):
 - (A) before April 14, 2003; or
 - (B) after April 13, 2003, if an order approving the issuance of the bonds was issued by the department of local government finance before April 14, 2003.

(c) In addition to the purposes set forth in section 1 of this chapter, a school corporation described in subsection (b) may issue bonds to implement solutions to contractual retirement or severance liability. The issuance of bonds for this purpose is subject to the following conditions:

- (1) The school corporation may issue bonds under this section only one (1) time.
- (2) A school corporation described in subsection (b)(1) or (b)(2)(A) must issue the bonds before July 1, 2006.
- (3) The solution to which the bonds are contributing must be reasonably expected to reduce the school corporation's unfunded contractual liability for retirement or severance payments as it existed on June 30, 2001.
- (4) The amount of the bonds that may be issued for the purpose described in this section may not exceed:
 - (A) two percent (2%) of the true tax value of property in the school corporation, for a school corporation that did not issue bonds under IC 20-5-4-1.7 (before its repeal); or
 - (B) the remainder of:
 - (i) two percent (2%) of the true tax value of property in the school corporation as of the date that the school corporation issued bonds under IC 20-5-4-1.7 (before its repeal); minus
 - (ii) the amount of bonds that the school corporation issued under IC 20-5-4-1.7 (before its repeal);

for a school corporation that issued bonds under IC 20-5-4-1.7 (repealed) as described in subsection (b)(2).
- (5) Each year that a debt service levy is needed under this section, the school corporation shall reduce the total property tax levy for the school corporation's ~~transportation, school bus replacement, capital projects, and art association and historical society funds, as appropriate, operations fund~~ in an amount equal to



(A) the property tax levy needed for the debt service under this section. multiplied by

(B) the adjustment percentage set forth in subsection (f) or (g), as applicable.

The property tax rate for each of these funds the operations fund shall be reduced each year until the bonds are retired.

(6) The school corporation shall establish a separate debt service fund for repayment of the bonds issued under this section.

(d) Bonds issued for the purpose described in this section shall be issued in the same manner as other bonds of the school corporation.

(e) Bonds issued under this section are not subject to the petition and remonstrance process under IC 6-1.1-20 or to the limitations contained in IC 36-1-15.

(f) This subsection applies only if the governing body of a school corporation adopts a resolution specifying that the adjustment percentages under this subsection apply to the school corporation. The adjustment percentage under this subsection is the following:

(1) For property taxes first due and payable in 2013, twenty-five percent (25%).

(2) For property taxes first due and payable in 2014, fifty percent (50%).

(3) For property taxes first due and payable in 2015, seventy-five percent (75%).

(4) For property taxes first due and payable after 2015, one hundred percent (100%).

(g) If the governing body of a school corporation does not adopt a resolution specifying that the adjustment percentages under subsection (f) apply to the school corporation, the adjustment percentage is one hundred percent (100%).

SECTION 114. IC 20-48-1-2.5, AS ADDED BY P.L.220-2011, SECTION 340, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2019]: Sec. 2.5. Notwithstanding the repeal of IC 20-5-4-1.7, as added by P.L.253-2001, the following provisions apply to bonds issued under IC 20-5-4-1.7, as added by P.L.253-2001, before December 31, 2004:

(1) The bonds remain valid and binding obligations of the school corporation that issued them, as if IC 20-5-4-1.7 had not been repealed.

(2) Each year that a debt service levy is needed for the bonds, the school corporation that issued the bonds shall reduce its total property tax levy for the school corporation's other funds operations fund in an amount equal to the property tax levy



needed for the debt service on the bonds.

SECTION 115. IC 20-48-1-6, AS ADDED BY P.L.2-2006, SECTION 171, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2019]: Sec. 6. (a) The governing body shall provide for the payment of principal and interest on bonds executed under section 5 of this chapter by levying annually a tax **for its debt service fund** that is sufficient to pay the principal and interest as the bonds become due.

(b) The bodies charged with the review of budgets and tax levies shall review a levy for principal and interest described in subsection (a) to determine whether the levy is sufficient.

SECTION 116. IC 20-48-1-9, AS AMENDED BY P.L.146-2008, SECTION 524, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2019]: Sec. 9. (a) If the governing body of a school corporation finds and declares that an emergency exists to borrow money with which to pay current expenses from a particular fund before the receipt of revenues from taxes levied or state tuition support distributions for the fund, the governing body may issue warrants in anticipation of the receipt of the revenues.

(b) The principal of warrants issued under subsection (a) is payable solely from the fund for which the taxes are levied or from the school corporation's **general education** fund in the case of anticipated state tuition support distributions. However, the interest on the warrants may be paid from the debt service fund, from the **operations** fund, **for which the taxes are levied**, or the **general education** fund in the case of anticipated state tuition support distributions.

(c) The amount of principal of temporary loans maturing on or before June 30 for any fund may not exceed eighty percent (80%) of the amount of taxes and state tuition support distributions estimated to be collected or received for and distributed to the fund at the June settlement.

(d) The amount of principal of temporary loans maturing after June 30 and on or before December 31 may not exceed eighty percent (80%) of the amount of taxes and state tuition support distributions estimated to be collected or received for and distributed to the fund at the December settlement.

(e) The county auditor or the auditor's deputy shall determine the estimated amount of taxes and state tuition support distributions to be collected or received and distributed. The warrants evidencing a loan in anticipation of tax revenue or state tuition support distributions may not be delivered to the purchaser of the warrant and payment may not be made on the warrant before January 1 of the year the loan is to be



repaid. However, the proceedings necessary for the loan may be held and carried out before January 1 and before the approval. The loan may be made even though a part of the last preceding June or December settlement has not been received.

(f) Proceedings for the issuance and sale of warrants for more than one (1) fund may be combined. Separate warrants for each fund must be issued, and each warrant must state on the face of the warrant the fund from which the warrant's principal is payable. An action to contest the validity of a warrant may not be brought later than fifteen (15) days after the first publication of notice of sale.

(g) An issue of tax or state tuition support anticipation warrants may not be made if the total of all tax or state tuition support anticipation warrants exceeds twenty thousand dollars (\$20,000) until the issuance is advertised for sale, bids are received, and an award is made by the governing body as required for the sale of bonds, except that the publication of notice of the sale is not necessary:

- (1) outside the county; or
- (2) more than ten (10) days before the date of sale.

SECTION 117. IC 20-48-3-5, AS ADDED BY P.L.2-2006, SECTION 171, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2019]: Sec. 5. (a) The board may, if the **board's general school corporation's operations** fund is exhausted or in the board's judgment is in danger of exhaustion, make temporary loans for the use of the **board's general operations** fund to be paid out of the proceeds of taxes levied by the school city for the **board's general operations** fund. The amount borrowed for the **general operations** fund must be paid into the **board's general operations** fund and may be used for any purpose for which the board's **general operations** fund lawfully may be used. A temporary loan must:

- (1) be evidenced by the promissory note or notes of the school city;
- (2) bear interest that is payable, according to the note or notes, periodically or at the maturity of the note or notes and at not more than seven percent (7%) per annum; and
- (3) mature at a time or times determined by the board, but not later than one (1) year after the date of the note or notes.

Loans made in a calendar year may not be for a sum greater than the amount estimated by the board as proceeds to be received by the board from the levy of taxes made by the school city for the board's **general operations** fund. Successive loans may be made to aid the **general operations** fund in a calendar year, but the total amount of successive loans outstanding at any time may not exceed the estimated proceeds



of taxes levied for the board's **general operations** fund.

(b) A loan under this section may not be made until notice asking for bids is given by newspaper publication. Notice must be made one (1) time in a newspaper published in the school city at least seven (7) days before the time the bids for the loans will be opened. A bidder shall name the amount of interest the bidder agrees to accept, not exceeding seven percent (7%) per annum. The loan shall be made to the bidder or bidders bidding the lowest rate of interest. The note, notes, or warrants may not be delivered until the full price of the face of the loan is paid to the treasurer of the school city, and interest does not accrue on the loan until delivery.

SECTION 118. IC 20-48-3-6, AS ADDED BY P.L.2-2006, SECTION 171, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2019]: Sec. 6. (a) A school city wishing to make a temporary loan for its **general operations** fund under this section may temporarily borrow money, without payment of interest, from the school city's treasury if the school city has in its treasury money derived from the sale of bonds that cannot or will not in the due course of the business of the school city be expended in the near future. A school city shall, by its board, take the following steps required by law to obtain a temporary loan under this section:

- (1) Present to the department of local government finance and the state board of accounts:
 - (A) a copy of the corporate action of the school city concerning the school city's desire to make a temporary loan;
 - (B) a petition showing the particular need for a temporary loan;
 - (C) the amount and the date or dates when the **general operations** fund will need the temporary loan or the installments of the loan;
 - (D) the date on which the loan and each installment of the loan will be needed;
 - (E) the estimated amounts from taxes to come into the **general operations** fund;
 - (F) the dates when it is expected the proceeds of taxes will be received by the school city for the **general operations** fund;
 - (G) the amount of money the school city has **in each deposited in the operations** fund **that is** derived from the proceeds of the sale of bonds that cannot or will not be expended in the near future; and
 - (H) a showing of when, to what extent, and why money **deposited** in the **bond service operations** fund **under clause**



(G) will not be expended in the near future.

(2) Request the department of local government finance and the state board of accounts to authorize a temporary loan from the ~~bond service~~ fund for the **general operations** fund.

(b) If:

- (1) the department of local government finance finds and orders that there is need for a temporary loan and that it should be made;
- (2) the state board of accounts finds that the money proposed to be borrowed will not be needed during the period of the temporary loan by the fund from which it is to be borrowed; and
- (3) the state board of accounts and the department of local government finance approve the loan;

the business manager and treasurer of the school city shall, upon the approval of the state board of accounts and the department of local government finance, take all steps necessary to transfer the amount of the loans as a temporary loan from the fund to be borrowed from to the **general operations** fund of the school city. The loan is a debt of the school city chargeable against its constitutional debt limit.

(c) The state board of accounts and the department of local government finance:

- (1) may fix the total amount that may be borrowed on a petition; and
 - (2) shall determine:
 - (A) at what time or times;
 - (B) in what installments; and
 - (C) for what periods;
- the money may be borrowed.

The treasurer and business manager of the school city, as money is collected from taxes levied on behalf of the **general operations** fund, shall credit the amount of money collected from taxes levied to the loan until the amount borrowed is fully repaid to the fund from which the loan was made. The treasurer and business manager of the school city shall at the end of each calendar month report to the board the amounts applied from taxes to the payment of the loan.

(d) The school city shall, as often as once a month, report to both the state board of accounts and the department of local government finance:

- (1) the amount of money borrowed and unpaid;
- (2) any anticipated similar borrowings for the current month;
- (3) the amount left in the **general operations** fund; and
- (4) the anticipated drafts on the ~~bond service~~ **operations** fund for the purposes for which the fund was created.



(e) The state board of accounts and the department of local government finance, or either acting independently:

(1) if it appears that the fund from which the loan was made requires the repayment of all or part of the loan before maturity; or

(2) if the **general operations** fund no longer requires all or part of the proceeds of the loan;

may require the school city to repay all or part of the loan. A school city shall, if necessary to repay all or part of a loan under this subsection, exercise its power to obtain a temporary loan from others under section 5 of this chapter to raise the money needed to repay ~~the bond service fund~~ the amount ordered repaid.

SECTION 119. IC 20-49-2-16, AS ADDED BY P.L.2-2006, SECTION 172, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2019]: Sec. 16. A school corporation receiving an advancement under this chapter may annually levy a tax in the debt service fund to replace the amount deducted in the current year from the distribution of state tuition support under this chapter. The amount received from the tax shall be transferred from the debt service fund to the **general education** fund.

SECTION 120. IC 20-49-4-12, AS ADDED BY P.L.2-2006, SECTION 172, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2019]: Sec. 12. To qualify for an advance under this chapter, a school corporation must establish ~~a capital projects~~ **an operations** fund under ~~IC 20-40-8~~. **IC 20-40-18**. The state board, after consulting with the department and the budget agency, may waive or modify this requirement upon a showing of good cause by the school corporation.

SECTION 121. IC 20-49-4-21, AS ADDED BY P.L.2-2006, SECTION 172, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2019]: Sec. 21. A school corporation to which an advance is made for a school building construction program may annually levy a property tax in the debt service fund to replace the amount deducted under this chapter in the current year from the distribution of state tuition support. The amount received from the tax must be transferred from the debt service fund to the **general education** fund.

SECTION 122. IC 20-49-4-22, AS ADDED BY P.L.2-2006, SECTION 172, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2018]: Sec. 22. A school corporation to which an advance is made for an educational technology program may annually levy a property tax in the capital projects fund (**before**



January 1, 2019), the operations fund (after December 31, 2019), or the debt service fund to replace the amount deducted under this chapter in the current year from the distribution of state tuition support. The amount received from the tax must be transferred from the ~~capital projects fund or the~~ debt service fund, ~~as applicable, if used,~~ to the **general education** fund.

SECTION 123. IC 36-1-4-9, AS AMENDED BY P.L.184-2015, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 9. Subject to **IC 5-1-11.5 and IC 5-11-1-4(c)**, a unit may borrow money.

SECTION 124. IC 36-1-8-5, AS AMENDED BY P.L.233-2015, SECTION 328, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2019]: Sec. 5. (a) This section applies to all funds raised by a general or special tax levy on all the taxable property of a political subdivision.

(b) Whenever the purposes of a tax levy have been fulfilled and an unused and unencumbered balance remains in the fund, the fiscal body of the political subdivision shall order the balance of that fund to be transferred as follows, unless a statute provides that it be transferred otherwise:

(1) Funds of a county, to the general fund or rainy day fund of the county, as provided in section 5.1 of this chapter.

(2) Funds of a municipality, to the general fund or rainy day fund of the municipality, as provided in section 5.1 of this chapter.

(3) Funds of a township for redemption of township assistance obligations, to the township assistance fund of the township or rainy day fund of the township, as provided in section 5.1 of this chapter.

(4) Funds of any other political subdivision, to the general fund or rainy day fund of the political subdivision, as provided in section 5.1 of this chapter. However, if the political subdivision is dissolved or does not have a general fund or rainy day fund **and is not a school corporation**, then to the general fund of each of the units located in the political subdivision in the same proportion that the assessed valuation of the unit bears to the total assessed valuation of the political subdivision. **In the case of a school corporation, the school corporation may transfer the amount received to any of its funds.**

(c) Whenever an unused and unencumbered balance remains in the civil township fund of a township and a current tax levy for the fund is not needed, the township fiscal body may order any part of the balance of that fund transferred to the debt service fund of the school



corporation located in or partly in the township. However, if more than one (1) school corporation is located in or partly in the township, then any sum transferred shall be transferred to the debt service fund of each of those school corporations in the same proportion that the part of the assessed valuation of the school corporation in the township bears to the total assessed valuation of the township.

(d) Whenever any township has collected any fund for the special or specific purpose of erecting or constructing a school building and the township trustee of the township decides to abandon the proposed work of erecting or constructing the school building, the township trustee of the township shall transfer the fund collected for the special or specific purpose to the township fund of the township, upon the order of the township board to make the transfer. It is lawful thereafter to use the funds for any purpose for which the township funds of the township may be used.

(e) Transfers to a political subdivision's rainy day fund may be made at any time during the political subdivision's fiscal year.

SECTION 125. IC 36-2-6-18, AS AMENDED BY P.L.184-2015, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 18. (a) The county fiscal body may, by ordinance:

(1) make loans for the purpose of procuring money to be used in the exercise of county powers and for the payment of county debts other than current running expenses, and, subject to **IC 5-1-11.5** and **IC 5-11-1-4(c)**, issue bonds or other county obligations to refund those loans;

(2) make temporary loans to meet current running expenses, in anticipation of and not in excess of county revenues for the current fiscal year, which shall be evidenced by tax anticipation warrants of the county; and

(3) make loans and issue notes under subsection (d).

(b) An ordinance authorizing the issuance of bonds under this section must state the purpose for which the bonds are issued and may provide that the bonds:

(1) are or are not negotiable;

(2) bear interest at any rate;

(3) run not longer than twenty (20) years; and

(4) mature by installments payable annually or otherwise.

(c) An ordinance authorizing the issuance of tax anticipation warrants under this section must:

(1) state the total amount of the issue;

(2) state the denomination of the warrants;

(3) state the time and place payable;



- (4) state the rate of interest;
- (5) state the funds and revenues in anticipation of which the warrants are issued and out of which they are payable; and
- (6) appropriate and pledge a sufficient amount of those revenues to the punctual payment of the warrants.

The warrants are exempt from taxation for all purposes.

(d) The county fiscal body may, by ordinance, make loans of money for not more than five (5) years and issue notes for the purpose of refunding those loans. The loans may be made only for the purpose of procuring money to be used in the exercise of the powers of the county, and the total amount of outstanding loans under this subsection may not exceed five percent (5%) of the county's total tax levy in the current year (excluding amounts levied to pay debt service and lease rentals). Loans under this subsection shall be made in the same manner as loans made under subsection (a)(1), except that:

- (1) the ordinance authorizing the loans must pledge to their payment a sufficient amount of tax revenues over the ensuing five (5) years to provide for refunding the loans;
- (2) the loans must be evidenced by notes of the county in terms designating the nature of the consideration, the time and place payable, and the revenues out of which they will be payable; and
- (3) the interest accruing on the notes to the date of maturity may be added to and included in their face value or be made payable periodically, as provided in the ordinance.

Notes issued under this subsection are not bonded indebtedness for purposes of IC 6-1.1-18.5.

(e) If a deficit is incurred for the current running expenses of the county because the total of county revenues for the fiscal year is less than the anticipated total, the county fiscal body shall provide for the deficit in the next county tax levy.

SECTION 126. IC 36-3-4-21, AS AMENDED BY SEA 505-2017, SECTION 116, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 21. (a) The city-county legislative body may, by ordinance, make loans of money for the consolidated city and, subject to **IC 5-1-11.5 and IC 5-11-1-4(c)**, issue bonds for the purpose of refunding those loans. The loans may be made only for the purpose of procuring money to be used in the exercise of the powers of the city and for the payment of city debts.

(b) An ordinance adopted under this section:

- (1) must include the terms of the bonds to be issued in evidence of the loan;
- (2) must include the time and manner of giving notice of the sale



- of the bonds;
- (3) must include the manner in which the bonds will be sold; and
- (4) may authorize a total amount for any issue of bonds.
- (c) Bonds issued under this section may be sold in parcels of any size and at any time their proceeds are needed by the city.
- (d) Bonds issued and sold by the city under this section:
 - (1) are negotiable with or without registration, as may be provided by the ordinance authorizing the issue;
 - (2) may bear interest at any rate;
 - (3) may run not longer than thirty (30) years;
 - (4) may contain an option allowing the city to redeem them in whole or in part at specified times prior to maturity; and
 - (5) may be sold for not less than par value.
- (e) The fiscal officer of the consolidated city shall:
 - (1) manage and supervise the preparation, advertisement, negotiations, and sale of bonds under this section, subject to the terms of the ordinance authorizing the sale;
 - (2) deliver them to the county treasurer after they have been properly executed and shall take the county treasurer's receipt for them; and
 - (3) when a contract for the sale of all or any part of the bonds is consummated, certify to the county treasurer the amount the purchaser is to pay, together with the name and address of the purchaser.

The county treasurer shall then receive from the purchaser the amount certified by the fiscal officer, deliver the bonds to the purchaser, and take the purchaser's receipt for the bonds. The fiscal officer and county treasurer shall then report the proceedings in the sale to the legislative body. However, if the county treasurer is not present to receive the properly executed bonds from the fiscal officer or to issue the bonds, the fiscal officer shall perform the county treasurer's duties under this subsection.

SECTION 127. IC 36-4-6-19, AS AMENDED BY P.L.184-2015, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 19. (a) The legislative body may, by ordinance, make loans of money and, subject to **IC 5-1-11.5 and IC 5-11-1-4(c)**, issue bonds for the purpose of refunding those loans. The loans may be made only for the purpose of procuring money to be used in the exercise of the powers of the city or for the payment of city debts.

- (b) An ordinance adopted under this section:
 - (1) must include the terms of the bonds to be issued in evidence of the loan;



- (2) must include the time and manner of giving notice of the sale of the bonds;
- (3) must include the manner in which the bonds will be sold; and
- (4) may authorize a total amount for any issue of bonds.
- (c) Bonds issued under this section may be sold in parcels of any size and at any time their proceeds are needed by the city.
- (d) Bonds issued and sold by a city under this section:
 - (1) are negotiable with or without registration, as may be provided by the ordinance authorizing the issue;
 - (2) may bear interest at any rate;
 - (3) may run not longer than thirty (30) years;
 - (4) may contain an option allowing the city to redeem them in whole or in part at specified times prior to maturity; and
 - (5) may be sold for not less than par value.
- (e) The city fiscal officer shall:
 - (1) manage and supervise the preparation, advertisement, negotiations, and sale of bonds under this section, subject to the terms of the ordinance authorizing the sale;
 - (2) certify the amount the purchaser is to pay, together with the name and address of the purchaser;
 - (3) receive the amount of payment certified;
 - (4) deliver the bonds to the purchaser;
 - (5) take a receipt for the securities delivered;
 - (6) pay the purchaser's payment into the city treasury; and
 - (7) report the proceedings in the sale to the legislative body.

The actions of the fiscal officer under this subsection are ministerial.

SECTION 128. IC 36-5-2-11, AS AMENDED BY P.L.184-2015, SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 11. (a) Subject to **IC 5-1-11.5 and IC 5-11-1-4(c)**, the legislative body may issue bonds for the purpose of procuring money to be used in the exercise of the powers of the town and for the payment of town debts. However, a town may not issue bonds to procure money to pay current expenses.

- (b) Bonds issued under this section are payable in the amounts and at the times determined by the legislative body.
- (c) Bonds issued under this section are subject to the provisions of IC 5-1 and IC 6-1.1-20 relating to the following:
 - (1) The filing of a petition requesting the issuance of bonds and giving notice of the petition.
 - (2) The giving of notice of a hearing on the appropriation of the proceeds of bonds.
 - (3) The right of taxpayers to appear and be heard on the proposed



appropriation.

(4) The approval of the appropriation by the department of local government finance.

(5) The right of:

(A) taxpayers and voters to remonstrate against the issuance of bonds in the case of a proposed bond issue described by IC 6-1.1-20-3.1(a); or

(B) voters to vote on the issuance of bonds in the case of a proposed bond issue described by IC 6-1.1-20-3.5(a).

(6) The sale of bonds at public sale for not less than their par value.

(d) The legislative body may, by ordinance, make loans of money for not more than five (5) years and issue notes for the purpose of refunding those loans. The loans may be made only for the purpose of procuring money to be used in the exercise of the powers of the town, and the total amount of outstanding loans under this subsection may not exceed five percent (5%) of the town's total tax levy in the current year (excluding amounts levied to pay debt service and lease rentals). Loans under this subsection shall be made as follows:

(1) The ordinance authorizing the loans must pledge to their payment a sufficient amount of tax revenues over the ensuing five (5) years to provide for refunding the loans.

(2) The loans must be evidenced by notes of the town in terms designating the nature of the consideration, the time and place payable, and the revenues out of which they will be payable.

(3) The interest accruing on the notes to the date of maturity may be added to and included in their face value or be made payable periodically, as provided in the ordinance.

Notes issued under this subsection are not bonded indebtedness for purposes of IC 6-1.1-18.5.

SECTION 129. IC 36-10-13-4 IS REPEALED [EFFECTIVE JANUARY 1, 2019]. Sec. 4. (a) This section does not apply to a school corporation in a county having a population of more than two hundred fifty thousand (250,000) but less than two hundred seventy thousand (270,000).

(b) The governing body of a school corporation may annually appropriate, from the school corporation's general fund, a sum of not more than five-tenths of one cent (\$0.005) on each one hundred dollars (\$100) of assessed valuation in the school corporation to be paid to a historical society, subject to section 6 of this chapter.

SECTION 130. IC 36-10-13-5, AS AMENDED BY P.L.119-2012, SECTION 244, IS AMENDED TO READ AS FOLLOWS



[EFFECTIVE JANUARY 1, 2019]: Sec. 5. (a) This section applies only to a school corporation in a county having a population of more than two hundred fifty thousand (250,000) but less than two hundred seventy thousand (270,000).

(b) To provide funding for a historical society under this section, the governing body of a school corporation may impose a tax of not more than five-tenths of one cent (\$0.005) on each one hundred dollars (\$100) of assessed valuation in the school corporation.

(c) The school corporation shall deposit the proceeds of the tax in a fund to be known as the historical society fund. The historical society fund is separate and distinct from the school corporation's general fund and may be used only to provide funds for a historical society under this section.

(d) (b) Subject to section 6 of this chapter, the governing body of the school corporation may annually appropriate the money in the operations fund to be paid in semiannual installments to a historical society having facilities in the county.

SECTION 131. IC 36-10-13-6, AS ADDED BY P.L.1-2005, SECTION 48, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2019]: Sec. 6. Before a historical society may receive payments under sections 4 and 5 of this chapter, money from a school corporation, the historical society's governing board must adopt a resolution that entitles:

- (1) the governing body of the school corporation to appoint the school corporation's superintendent and one (1) history teacher as visitors who may attend all meetings of the society's governing board;
- (2) the governing body of the school corporation to nominate two (2) individuals for membership on the society's governing board;
- (3) the school corporation to use the society's facilities and equipment for educational purposes consistent with the society's purposes;
- (4) the students and teachers of the school corporation to tour the society's museum, if any, free of charge; and
- (5) the school corporation to borrow artifacts from the society's collection, if any, for temporary exhibit in the schools.

SECTION 132. IC 36-10-13-7, AS AMENDED BY P.L.119-2012, SECTION 245, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2019]: Sec. 7. (a) This section applies to school corporations in a county containing a city having a population of:

- (1) more than one hundred fifty thousand (150,000) but less than



five hundred thousand (500,000);

- (2) more than one hundred ten thousand (110,000) but less than one hundred fifty thousand (150,000);
- (3) more than eighty thousand (80,000) but less than eighty thousand four hundred (80,400);
- (4) more than one hundred thousand (100,000) but less than one hundred ten thousand (110,000); or
- (5) more than eighty thousand five hundred (80,500) but less than one hundred thousand (100,000).

(b) To provide funding for an art association under this section, the governing body of a school corporation may impose a tax of not more than five-tenths of one cent (\$0.005) on each one hundred dollars (\$100) of assessed valuation in the school corporation.

(c) The school corporation shall deposit the proceeds of the tax imposed under subsection (b) in a fund to be known as the art association fund. The art association fund is separate and distinct from the school corporation's general fund and may be used only to provide funds for an art association under this section. The governing body of the school corporation may annually appropriate the money in the operations fund to be paid in semiannual installments to an art association having facilities in a city that is described in subsection (a), subject to subsection (d)-(e).

(d) Before an art association may receive payments under this section, the association's governing board must adopt a resolution that entitles:

- (1) the governing body of the school corporation to appoint the school corporation's superintendent and director of art instruction as visitors who may attend all meetings of the association's governing board;
- (2) the governing body of the school corporation to nominate individuals for membership on the association's governing board, with at least two (2) of the nominees to be elected;
- (3) the school corporation to use the association's facilities and equipment for educational purposes consistent with the association's purposes;
- (4) the students and teachers of the school corporation to tour the association's museum and galleries free of charge;
- (5) the school corporation to borrow materials from the association for temporary exhibit in the schools;
- (6) the teachers of the school corporation to receive normal instruction in the fine and applied arts at half the regular rates charged by the association; and



(7) the school corporation to expect exhibits in the association's museum that will supplement the work of the students and teachers of the corporation.

A copy of the resolution, certified by the president and secretary of the association, must be filed in the office of the school corporation before payments may be received.

~~(e)~~ (d) A resolution filed under subsection ~~(d)~~ (c) is not required to be renewed annually. The resolution continues in effect until rescinded. An art association that complies with this section is entitled to continue to receive payments under this section as long as the art association complies with the resolution.

~~(f)~~ (e) If more than one (1) art association in a city that is described in subsection (a) qualifies to receive payments under this section, the governing body of the school corporation shall select the one (1) art association best qualified to perform the services described in subsection ~~(d)~~ (c). A school corporation may select only one (1) art association to receive payments under this section.

SECTION 133. IC 36-10-14-4 IS REPEALED [EFFECTIVE JANUARY 1, 2019]. ~~Sec. 4. Subject to IC 6-1.1-18-12, the board may levy a tax not exceeding sixty-seven hundredths of one cent (\$0.0067) on each one hundred dollars (\$100) of assessed valuation of the property in the city to create a fund to carry out this chapter.~~

SECTION 134. [EFFECTIVE UPON PASSAGE] (a) The department of local government finance shall make available to each school corporation guidance needed by the school corporation to make the transition on January 1, 2019, from the school corporation's funds as they existed on December 31, 2018, to the funds specified under this act. The department of local government finance shall make its guidance available to the extent the department has expertise with the fund or funds. The department of local government finance may refer a school corporation to the Indiana department of education or the state board of accounts for additional guidance.

(b) The department of local government finance shall prepare a report documenting identified issues in making the conversion required by this act and whether legislation is needed to address these issues. The department of local government finance shall submit the report before November 1, 2017, to the members of the budget committee established by IC 4-12-1-3 and to the legislative services agency in an electronic format under IC 5-14-6.

(c) This SECTION expires June 30, 2019.

SECTION 135. [EFFECTIVE JULY 1, 2017] (a) **IC 6-1.1-20.6-9.9,**



as amended by this act, applies only to the allocation of credits against property taxes first due and payable in 2018 and 2019.

(b) This SECTION expires June 30, 2020.

SECTION 136. [EFFECTIVE UPON PASSAGE] (a) The general assembly recognizes that this act amends IC 20-40-8-19 and that this act repeals IC 20-40-8. The general assembly intends to repeal IC 20-40-8 effective January 1, 2019.

(b) This SECTION expires July 1, 2019.

SECTION 137. An emergency is declared for this act.



Speaker of the House of Representatives

President of the Senate

President Pro Tempore

Governor of the State of Indiana

Date: _____ Time: _____

HEA 1009 — CC 1

