

PROPOSED AMENDMENT

HB 1120 # 23

DIGEST

Finance matters. Provides a formula for determining the cap on operating referendum tax that may be levied by a school corporation for taxes first due and payable in 2025 and subsequent years using the school corporation's recent average daily membership counts. Extends the threshold amounts used for determining whether a political subdivision's project is a controlled project and whether the petition and remonstrance process or the referendum process applies based on the political subdivision's total debt service tax rate. Specifies that a political subdivision's total debt service tax rate does not include a tax rate approved by voters for a referendum debt service tax levy. Provides that distributions for curricular materials may not be considered for purposes of determining whether a school corporation met the requirement to expend a minimum amount of state tuition support for teacher compensation. Repeals the requirement that each school maintained by a school corporation and each charter school establish a curricular materials account. Requires a public school to deposit distributions for curricular materials in: (1) the education fund of the school corporation that maintains the school; or (2) the fund in which a charter school receives state tuition support. Makes corresponding changes.

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- 1 Page 3, delete lines 32 through 42, begin a new paragraph and
2 insert:
3 "SECTION 2. IC 6-1.1-17-3.1, AS ADDED BY P.L.239-2023,
4 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
5 UPON PASSAGE]: Sec. 3.1. (a) This section:
6 (1) applies only to an operating referendum tax levy under
7 IC 20-46-1 approved by the voters before January 1, 2023, that is
8 imposed by a school corporation for taxes first due and payable in
9 2024 **and subsequent years; and**
10 (2) does not apply to an operating referendum tax levy under
11 IC 20-46-1 approved by the voters after December 31, 2022, ~~and~~
12 ~~before January 1, 2024;~~ that is imposed by a school corporation
13 for taxes first due and payable in 2024 **or subsequent years. and**
14 ~~(3) does not apply to any other tax year.~~
15 **(b) As used in this section, "ADM" has the meaning set forth in**
16 **IC 20-43-1-6.**
17 ~~(b)~~ **(c)** Notwithstanding any increase in the assessed value of
18 property from the previous assessment date, **for taxes first due and**
19 **payable in 2024,** the total amount of operating referendum tax that

- 1 may be levied by a school corporation may not exceed the lesser of:
- 2 (1) the maximum operating referendum tax that could ~~be~~ **have**
- 3 **been** levied by the school corporation **if the maximum**
- 4 **referendum rate was imposed** for taxes first due and payable in
- 5 2023 multiplied by one and three-hundredths (1.03); or
- 6 (2) the maximum operating referendum tax that could otherwise
- 7 be levied by the school corporation for taxes first due and payable
- 8 in 2024.

9 The tax rate for an operating referendum tax levy shall be decreased,
10 if necessary, to comply with this limitation.

11 ~~(c) This section expires July 1, 2025.~~

12 **(d) Notwithstanding any increase in the assessed value of**
13 **property from the previous assessment date, for taxes first due and**
14 **payable in 2025 and subsequent years, the total amount of**
15 **operating referendum tax that may be levied by a school**
16 **corporation may not exceed the lesser of the following:**

17 **(1) The maximum operating referendum tax that could have**
18 **been levied by the school corporation if the maximum**
19 **referendum rate was imposed for taxes first due and payable**
20 **in the immediately preceding calendar year, as adjusted by**
21 **this section, multiplied by the result determined under STEP**
22 **SIX of the following formula:**

23 **STEP ONE: Subtract:**

24 **(i) the school corporation's spring count of ADM made**
25 **in the calendar year preceding by five (5) years the**
26 **calendar year in which the property taxes are first due**
27 **and payable; from**

28 **(ii) the school corporation's spring count of ADM made**
29 **in the immediately preceding calendar year.**

30 **STEP TWO: Divide the STEP ONE result by four (4).**

31 **STEP THREE: Divide the STEP TWO result by the school**
32 **corporation's spring count of ADM made in the calendar**
33 **year preceding by five (5) years the calendar year in which**
34 **the property taxes are first due and payable.**

35 **STEP FOUR: Add the STEP THREE result and one and**
36 **three-hundredths (1.03).**

37 **STEP FIVE: Determine the greater of the STEP FOUR**
38 **result or one (1).**

39 **STEP SIX: Determine the lesser of the STEP FIVE result**
40 **or one and eight-hundredths (1.08).**

1 **(2) The maximum operating referendum tax that could**
 2 **otherwise be levied by the school corporation for taxes first**
 3 **due and payable in the current calendar year.**

4 **The tax rate for an operating referendum tax levy shall be**
 5 **decreased, if necessary, to comply with this limitation.**

6 **(e) The department of education shall provide to the department**
 7 **of local government finance each school corporation's applicable**
 8 **ADM counts as needed to make the determinations under this**
 9 **section."**

10 Page 4, delete lines 1 through 25.

11 Page 5, between lines 11 and 12, begin a new paragraph and insert:

12 "SECTION 5. IC 6-1.1-20-1.1, AS AMENDED BY P.L.236-2023,
 13 SECTION 35, AND AS AMENDED BY P.L.239-2023, SECTION 6,
 14 AND AS AMENDED BY THE TECHNICAL CORRECTIONS BILL
 15 OF THE 2024 GENERAL ASSEMBLY, IS CORRECTED AND
 16 AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1,
 17 2024 (RETROACTIVE)]: Sec. 1.1. (a) As used in this chapter,
 18 "controlled project" means any project financed by bonds or a lease,
 19 except for the following:

20 (1) A project for which the political subdivision reasonably
 21 expects to pay:

22 (A) debt service; or

23 (B) lease rentals;

24 from funds other than property taxes that are exempt from the
 25 levy limitations of IC 6-1.1-18.5 or (before January 1, 2009)
 26 IC 20-45-3. A project is not a controlled project even though the
 27 political subdivision has pledged to levy property taxes to pay the
 28 debt service or lease rentals if those other funds are insufficient.

29 (2) *Subject to subsection (b)*, a project that will not cost the
 30 political subdivision more than the lesser of the following:

31 (A) An amount equal to the following:

32 (i) In the case of an ordinance or resolution adopted before
 33 January 1, 2018, making a preliminary determination to
 34 issue bonds or enter into a lease for the project, two million
 35 dollars (\$2,000,000).

36 (ii) In the case of an ordinance or resolution adopted after
 37 December 31, 2017, and before January 1, 2019, making a
 38 preliminary determination to issue bonds or enter into a
 39 lease for the project, five million dollars (\$5,000,000).

40 (iii) In the case of an ordinance or resolution adopted in a

1 calendar year after December 31, 2018, making a
 2 preliminary determination to issue bonds or enter into a
 3 lease for the project, an amount (as determined by the
 4 department of local government finance) equal to the result
 5 of the maximum levy growth quotient determined under
 6 IC 6-1.1-18.5-2 for the year multiplied by the amount
 7 determined under this clause for the preceding calendar
 8 year.

9 The department of local government finance shall publish the
 10 threshold determined under item (iii) in the Indiana Register
 11 under IC 4-22-7-7 not more than sixty (60) days after the date
 12 the budget agency releases the maximum levy growth quotient
 13 for the ensuing year under IC 6-1.1-18.5-2.

14 (B) An amount equal to the following:

15 (i) One percent (1%) of the total gross assessed value of
 16 property within the political subdivision on the last
 17 assessment date, if that total gross assessed value is more
 18 than one hundred million dollars (\$100,000,000).

19 (ii) One million dollars (\$1,000,000), if the total gross
 20 assessed value of property within the political subdivision
 21 on the last assessment date is not more than one hundred
 22 million dollars (\$100,000,000).

23 (3) A project that is being refinanced for the purpose of providing
 24 gross or net present value savings to taxpayers.

25 (4) A project for which bonds were issued or leases were entered
 26 into before January 1, 1996, or where the state board of tax
 27 commissioners has approved the issuance of bonds or the
 28 execution of leases before January 1, 1996.

29 (5) A project that:

30 (A) is required by a court order holding that a federal law
 31 mandates the project; or

32 (B) is in response to a court order holding that:

33 (i) a federal law has been violated; and

34 (ii) the project is to address the deficiency or violation.

35 (6) A project that is in response to:

36 (A) a natural disaster;

37 (B) an accident; or

38 (C) an emergency;

39 in the political subdivision that makes a building or facility
 40 unavailable for its intended use.

- 1 (7) A project that was not a controlled project under this section
 2 as in effect on June 30, 2008, and for which:
- 3 (A) the bonds or lease for the project were issued or entered
 4 into before July 1, 2008; or
- 5 (B) the issuance of the bonds or the execution of the lease for
 6 the project was approved by the department of local
 7 government finance before July 1, 2008.
- 8 (8) A project of the Little Calumet River basin development
 9 commission for which bonds are payable from special
 10 assessments collected under IC 14-13-2-18.6.
- 11 (9) A project for engineering, land and right-of-way acquisition,
 12 construction, resurfacing, maintenance, restoration, and
 13 rehabilitation exclusively for or of:
- 14 (A) local road and street systems, including bridges that are
 15 designated as being in a local road and street system;
- 16 (B) arterial road and street systems, including bridges that are
 17 designated as being in an arterial road and street system; or
- 18 (C) any combination of local and arterial road and street
 19 systems, including designated bridges.
- 20 (b) *This subsection does not apply to a project for which a public*
 21 *hearing to issue bonds or enter into a lease has been conducted under*
 22 *IC 20-26-7-37 before July 1, 2023. If:*
- 23 (1) *a political subdivision's total debt service tax rate is more*
 24 *than forty cents (\$0.40) per one hundred dollars (\$100) of*
 25 *assessed value; and*
- 26 (2) *subsection (a)(1) and subsection (a)(3) through (a)(9) are not*
 27 *applicable;*
- 28 *the term includes any project to be financed by bonds or a lease,*
 29 *including a project that does not otherwise meet the threshold amount*
 30 *provided in subsection (a)(2). This subsection expires December 31,*
 31 *2024. For purposes of this subsection, a political subdivision's total*
 32 **debt service tax rate does not include a tax rate imposed in a**
 33 **referendum debt service tax levy approved by voters.**
- 34 SECTION 6. IC 6-1.1-20-3.1, AS AMENDED BY P.L.239-2023,
 35 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 36 JANUARY 1, 2024 (RETROACTIVE)]: Sec. 3.1. (a) Subject to section
 37 3.5(a)(1)(C) of this chapter, this section applies only to the following:
- 38 (1) A controlled project (as defined in section 1.1 of this chapter
 39 as in effect June 30, 2008) for which the proper officers of a
 40 political subdivision make a preliminary determination in the

1 manner described in subsection (b) before July 1, 2008.

2 (2) An elementary school building, middle school building, high
3 school building, or other school building for academic instruction
4 that:

5 (A) is a controlled project;

6 (B) will be used for any combination of kindergarten through
7 grade 12; and

8 (C) will not cost more than the lesser of the following:

9 (i) The threshold amount determined under this item. In the
10 case of an ordinance or resolution adopted before January 1,
11 2018, making a preliminary determination to issue bonds or
12 enter into a lease for the project, the threshold amount is ten
13 million dollars (\$10,000,000). In the case of an ordinance or
14 resolution adopted after December 31, 2017, and before
15 January 1, 2019, making a preliminary determination to
16 issue bonds or enter into a lease for the project, the threshold
17 amount is fifteen million dollars (\$15,000,000). In the case
18 of an ordinance or resolution adopted in a calendar year after
19 December 31, 2018, making a preliminary determination to
20 issue bonds or enter into a lease for the project, the threshold
21 amount is an amount (as determined by the department of
22 local government finance) equal to the result of the
23 maximum levy growth quotient determined under
24 IC 6-1.1-18.5-2 for the year multiplied by the threshold
25 amount determined under this item for the preceding
26 calendar year. In the case of a threshold amount determined
27 under this item that applies for a calendar year after
28 December 31, 2018, the department of local government
29 finance shall publish the threshold in the Indiana Register
30 under IC 4-22-7-7 not more than sixty (60) days after the
31 date the budget agency releases the maximum levy growth
32 quotient for the ensuing year under IC 6-1.1-18.5-2.

33 (ii) An amount equal to one percent (1%) of the total gross
34 assessed value of property within the political subdivision
35 on the last assessment date, if that total gross assessed value
36 is more than one billion dollars (\$1,000,000,000), or ten
37 million dollars (\$10,000,000), if the total gross assessed
38 value of property within the political subdivision on the last
39 assessment date is not more than one billion dollars
40 (\$1,000,000,000).

- 1 (3) Any other controlled project that:
2 (A) is not a controlled project described in subdivision (1) or
3 (2); and
4 (B) will not cost the political subdivision more than the lesser
5 of the following:
6 (i) The threshold amount determined under this item. In the
7 case of an ordinance or resolution adopted before January 1,
8 2018, making a preliminary determination to issue bonds or
9 enter into a lease for the project, the threshold amount is
10 twelve million dollars (\$12,000,000). In the case of an
11 ordinance or resolution adopted after December 31, 2017,
12 and before January 1, 2019, making a preliminary
13 determination to issue bonds or enter into a lease for the
14 project, the threshold amount is fifteen million dollars
15 (\$15,000,000). In the case of an ordinance or resolution
16 adopted in a calendar year after December 31, 2018, making
17 a preliminary determination to issue bonds or enter into a
18 lease for the project, the threshold amount is an amount (as
19 determined by the department of local government finance)
20 equal to the result of the maximum levy growth quotient
21 determined under IC 6-1.1-18.5-2 for the year multiplied by
22 the threshold amount determined under this item for the
23 preceding calendar year. In the case of a threshold amount
24 determined under this item that applies for a calendar year
25 after December 31, 2018, the department of local
26 government finance shall publish the threshold in the
27 Indiana Register under IC 4-22-7-7 not more than sixty (60)
28 days after the date the budget agency releases the maximum
29 levy growth quotient for the ensuing year under
30 IC 6-1.1-18.5-2.
31 (ii) An amount equal to one percent (1%) of the total gross
32 assessed value of property within the political subdivision
33 on the last assessment date, if that total gross assessed value
34 is more than one hundred million dollars (\$100,000,000), or
35 one million dollars (\$1,000,000), if the total gross assessed
36 value of property within the political subdivision on the last
37 assessment date is not more than one hundred million
38 dollars (\$100,000,000).
39 (4) This subdivision does not apply to a project for which a public
40 hearing to issue bonds or enter into a lease has been conducted

1 under IC 20-26-7-37 before July 1, 2023. Any other controlled
2 project if both of the following apply:

3 (A) The political subdivision's total debt service tax rate is
4 more than forty cents (\$0.40) per one hundred dollars (\$100)
5 of assessed value, but less than eighty cents (\$0.80) per one
6 hundred dollars (\$100) of assessed value.

7 (B) The controlled project is not otherwise described in section
8 3.5(a)(1) of this chapter.

9 ~~This subdivision expires December 31, 2024. For purposes of~~
10 **this subdivision, a political subdivision's total debt service tax**
11 **rate does not include a tax rate imposed in a referendum debt**
12 **service tax levy approved by voters.**

13 (b) A political subdivision may not impose property taxes to pay
14 debt service on bonds or lease rentals on a lease for a controlled project
15 without completing the following procedures:

16 (1) The proper officers of a political subdivision shall publish
17 notice in accordance with IC 5-3-1 and send notice by first class
18 mail to the circuit court clerk and to any organization that delivers
19 to the officers, before January 1 of that year, an annual written
20 request for such notices of any meeting to consider adoption of a
21 resolution or an ordinance making a preliminary determination to
22 issue bonds or enter into a lease and shall conduct at least two (2)
23 public hearings on a preliminary determination before adoption
24 of the resolution or ordinance. The political subdivision must at
25 each of the public hearings on the preliminary determination
26 allow the public to testify regarding the preliminary determination
27 and must make the following information available to the public
28 at each of the public hearings on the preliminary determination,
29 in addition to any other information required by law:

30 (A) The result of the political subdivision's current and
31 projected annual debt service payments divided by the net
32 assessed value of taxable property within the political
33 subdivision.

34 (B) The result of:

35 (i) the sum of the political subdivision's outstanding long
36 term debt plus the outstanding long term debt of other taxing
37 units that include any of the territory of the political
38 subdivision; divided by

39 (ii) the net assessed value of taxable property within the
40 political subdivision.

- 1 (C) The information specified in subdivision (3)(A) through
 2 (3)(H).
- 3 (2) When the proper officers of a political subdivision make a
 4 preliminary determination to issue bonds or enter into a lease for
 5 a controlled project, the officers shall give notice of the
 6 preliminary determination by:
- 7 (A) publication in accordance with IC 5-3-1; and
 8 (B) first class mail to the circuit court clerk and to the
 9 organizations described in subdivision (1).
- 10 (3) A notice under subdivision (2) of the preliminary
 11 determination of the political subdivision to issue bonds or enter
 12 into a lease for a controlled project must include the following
 13 information:
- 14 (A) The maximum term of the bonds or lease.
 15 (B) The maximum principal amount of the bonds or the
 16 maximum lease rental for the lease.
 17 (C) The estimated interest rates that will be paid and the total
 18 interest costs associated with the bonds or lease.
 19 (D) The purpose of the bonds or lease.
 20 (E) A statement that any owners of property within the
 21 political subdivision or registered voters residing within the
 22 political subdivision who want to initiate a petition and
 23 remonstrance process against the proposed debt service or
 24 lease payments must file a petition that complies with
 25 subdivisions (4) and (5) not later than thirty (30) days after
 26 publication in accordance with IC 5-3-1.
 27 (F) With respect to bonds issued or a lease entered into to
 28 open:
- 29 (i) a new school facility; or
 30 (ii) an existing facility that has not been used for at least
 31 three (3) years and that is being reopened to provide
 32 additional classroom space;
 33 the estimated costs the school corporation expects to incur
 34 annually to operate the facility.
- 35 (G) A statement of whether the school corporation expects to
 36 appeal for a new facility adjustment (as defined in
 37 IC 20-45-1-16 (repealed) before January 1, 2009) for an
 38 increased maximum permissible tuition support levy to pay the
 39 estimated costs described in clause (F).
- 40 (H) The following information:

- 1 (i) The political subdivision's current debt service levy and
2 rate.
- 3 (ii) The estimated increase to the political subdivision's debt
4 service levy and rate that will result if the political
5 subdivision issues the bonds or enters into the lease.
- 6 (iii) The estimated amount of the political subdivision's debt
7 service levy and rate that will result during the following ten
8 (10) years if the political subdivision issues the bonds or
9 enters into the lease, after also considering any changes that
10 will occur to the debt service levy and rate during that
11 period on account of any outstanding bonds or lease
12 obligations that will mature or terminate during that period.
- 13 (I) The information specified in subdivision (1)(A) through
14 (1)(B).
- 15 (4) After notice is given, a petition requesting the application of
16 a petition and remonstrance process may be filed by the lesser of:
- 17 (A) five hundred (500) persons who are either owners of
18 property within the political subdivision or registered voters
19 residing within the political subdivision; or
- 20 (B) five percent (5%) of the registered voters residing within
21 the political subdivision.
- 22 (5) The state board of accounts shall design and, upon request by
23 the county voter registration office, deliver to the county voter
24 registration office or the county voter registration office's
25 designated printer the petition forms to be used solely in the
26 petition process described in this section. The county voter
27 registration office shall issue to an owner or owners of property
28 within the political subdivision or a registered voter residing
29 within the political subdivision the number of petition forms
30 requested by the owner or owners or the registered voter. Each
31 form must be accompanied by instructions detailing the
32 requirements that:
- 33 (A) the carrier and signers must be owners of property or
34 registered voters;
- 35 (B) the carrier must be a signatory on at least one (1) petition;
- 36 (C) after the signatures have been collected, the carrier must
37 swear or affirm before a notary public that the carrier
38 witnessed each signature; and
- 39 (D) govern the closing date for the petition period.
- 40 Persons requesting forms may be required to identify themselves

1 as owners of property or registered voters and may be allowed to
2 pick up additional copies to distribute to other owners of property
3 or registered voters. Each person signing a petition must indicate
4 whether the person is signing the petition as a registered voter
5 within the political subdivision or is signing the petition as the
6 owner of property within the political subdivision. A person who
7 signs a petition as a registered voter must indicate the address at
8 which the person is registered to vote. A person who signs a
9 petition as an owner of property must indicate the address of the
10 property owned by the person in the political subdivision.

11 (6) Each petition must be verified under oath by at least one (1)
12 qualified petitioner in a manner prescribed by the state board of
13 accounts before the petition is filed with the county voter
14 registration office under subdivision (7).

15 (7) Each petition must be filed with the county voter registration
16 office not more than thirty (30) days after publication under
17 subdivision (2) of the notice of the preliminary determination.

18 (8) The county voter registration office shall determine whether
19 each person who signed the petition is a registered voter.
20 However, after the county voter registration office has determined
21 that at least five hundred twenty-five (525) persons who signed
22 the petition are registered voters within the political subdivision,
23 the county voter registration office is not required to verify
24 whether the remaining persons who signed the petition are
25 registered voters. If the county voter registration office does not
26 determine that at least five hundred twenty-five (525) persons
27 who signed the petition are registered voters, the county voter
28 registration office shall, not more than fifteen (15) business days
29 after receiving a petition, forward a copy of the petition to the
30 county auditor. Not more than ten (10) business days after
31 receiving the copy of the petition, the county auditor shall provide
32 to the county voter registration office a statement verifying:

33 (A) whether a person who signed the petition as a registered
34 voter but is not a registered voter, as determined by the county
35 voter registration office, is the owner of property in the
36 political subdivision; and

37 (B) whether a person who signed the petition as an owner of
38 property within the political subdivision does in fact own
39 property within the political subdivision.

40 (9) The county voter registration office, not more than ten (10)

1 business days after determining that at least five hundred
2 twenty-five (525) persons who signed the petition are registered
3 voters or receiving the statement from the county auditor under
4 subdivision (8), as applicable, shall make the final determination
5 of the number of petitioners that are registered voters in the
6 political subdivision and, based on the statement provided by the
7 county auditor, the number of petitioners that own property within
8 the political subdivision. Whenever the name of an individual
9 who signs a petition form as a registered voter contains a minor
10 variation from the name of the registered voter as set forth in the
11 records of the county voter registration office, the signature is
12 presumed to be valid, and there is a presumption that the
13 individual is entitled to sign the petition under this section. Except
14 as otherwise provided in this chapter, in determining whether an
15 individual is a registered voter, the county voter registration office
16 shall apply the requirements and procedures used under IC 3 to
17 determine whether a person is a registered voter for purposes of
18 voting in an election governed by IC 3. However, an individual is
19 not required to comply with the provisions concerning providing
20 proof of identification to be considered a registered voter for
21 purposes of this chapter. A person is entitled to sign a petition
22 only one (1) time in a particular petition and remonstrance
23 process under this chapter, regardless of whether the person owns
24 more than one (1) parcel of real property, mobile home assessed
25 as personal property, or manufactured home assessed as personal
26 property, or a combination of those types of property within the
27 subdivision and regardless of whether the person is both a
28 registered voter in the political subdivision and the owner of
29 property within the political subdivision. Notwithstanding any
30 other provision of this section, if a petition is presented to the
31 county voter registration office within forty-five (45) days before
32 an election, the county voter registration office may defer acting
33 on the petition, and the time requirements under this section for
34 action by the county voter registration office do not begin to run
35 until five (5) days after the date of the election.

36 (10) The county voter registration office must file a certificate and
37 each petition with:

- 38 (A) the township trustee, if the political subdivision is a
39 township, who shall present the petition or petitions to the
40 township board; or

1 (B) the body that has the authority to authorize the issuance of
2 the bonds or the execution of a lease, if the political
3 subdivision is not a township;
4 within thirty-five (35) business days of the filing of the petition
5 requesting a petition and remonstrance process. The certificate
6 must state the number of petitioners that are owners of property
7 within the political subdivision and the number of petitioners who
8 are registered voters residing within the political subdivision.

9 If a sufficient petition requesting a petition and remonstrance process
10 is not filed by owners of property or registered voters as set forth in this
11 section, the political subdivision may issue bonds or enter into a lease
12 by following the provisions of law relating to the bonds to be issued or
13 lease to be entered into.

14 (c) A political subdivision may not divide a controlled project in
15 order to avoid the requirements of this section and section 3.2 of this
16 chapter. A person that owns property within a political subdivision or
17 a person that is a registered voter residing within a political subdivision
18 may file a petition with the department of local government finance
19 objecting that the political subdivision has divided a controlled project
20 in order to avoid the requirements of this section and section 3.2 of this
21 chapter. The petition must be filed not more than ten (10) days after the
22 political subdivision gives notice of the political subdivision's decision
23 to issue bonds or enter into leases for a capital project that the person
24 believes is the result of a division of a controlled project that is
25 prohibited by this subsection. If the department of local government
26 finance receives a petition under this subsection, the department shall
27 not later than thirty (30) days after receiving the petition make a final
28 determination on the issue of whether the political subdivision divided
29 a controlled project in order to avoid the requirements of this section
30 and section 3.2 of this chapter. If the department of local government
31 finance determines that a political subdivision divided a controlled
32 project in order to avoid the requirements of this section and section
33 3.2 of this chapter and the political subdivision continues to desire to
34 proceed with the project, the political subdivision shall fulfill the
35 requirements of this section and section 3.2 of this chapter, if
36 applicable, regardless of the cost of the project in dispute. A political
37 subdivision shall be considered to have divided a capital project in
38 order to avoid the requirements of this section and section 3.2 of this
39 chapter if the result of one (1) or more of the subprojects cannot
40 reasonably be considered an independently desirable end in itself

1 without reference to another capital project. This subsection does not
2 prohibit a political subdivision from undertaking a series of capital
3 projects in which the result of each capital project can reasonably be
4 considered an independently desirable end in itself without reference
5 to another capital project.

6 SECTION 7. IC 6-1.1-20-3.5, AS AMENDED BY P.L.239-2023,
7 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
8 JANUARY 1, 2024 (RETROACTIVE)]: Sec. 3.5. (a) This section
9 applies only to a controlled project that meets the following conditions:

10 (1) The controlled project is described in one (1) of the following
11 categories:

12 (A) An elementary school building, middle school building,
13 high school building, or other school building for academic
14 instruction that will be used for any combination of
15 kindergarten through grade 12 and will cost more than the
16 lesser of the following:

17 (i) The threshold amount determined under this item. In the
18 case of an ordinance or resolution adopted before January 1,
19 2018, making a preliminary determination to issue bonds or
20 enter into a lease for the project, the threshold amount is ten
21 million dollars (\$10,000,000). In the case of an ordinance or
22 resolution adopted after December 31, 2017, and before
23 January 1, 2019, making a preliminary determination to
24 issue bonds or enter into a lease for the project, the threshold
25 amount is fifteen million dollars (\$15,000,000). In the case
26 of an ordinance or resolution adopted in a calendar year after
27 December 31, 2018, making a preliminary determination to
28 issue bonds or enter into a lease for the project, the threshold
29 amount is an amount (as determined by the department of
30 local government finance) equal to the result of the
31 maximum levy growth quotient determined under
32 IC 6-1.1-18.5-2 for the year multiplied by the threshold
33 amount determined under this item for the preceding
34 calendar year. In the case of a threshold amount determined
35 under this item that applies for a calendar year after
36 December 31, 2018, the department of local government
37 finance shall publish the threshold in the Indiana Register
38 under IC 4-22-7-7 not more than sixty (60) days after the
39 date the budget agency releases the maximum levy growth
40 quotient for the ensuing year under IC 6-1.1-18.5-2.

1 (ii) An amount equal to one percent (1%) of the total gross
2 assessed value of property within the political subdivision
3 on the last assessment date, if that total gross assessed value
4 is more than one billion dollars (\$1,000,000,000), or ten
5 million dollars (\$10,000,000), if the total gross assessed
6 value of property within the political subdivision on the last
7 assessment date is not more than one billion dollars
8 (\$1,000,000,000).

9 (B) Any other controlled project that is not a controlled project
10 described in clause (A) and will cost the political subdivision
11 more than the lesser of the following:

12 (i) The threshold amount determined under this item. In the
13 case of an ordinance or resolution adopted before January 1,
14 2018, making a preliminary determination to issue bonds or
15 enter into a lease for the project, the threshold amount is
16 twelve million dollars (\$12,000,000). In the case of an
17 ordinance or resolution adopted after December 31, 2017,
18 and before January 1, 2019, making a preliminary
19 determination to issue bonds or enter into a lease for the
20 project, the threshold amount is fifteen million dollars
21 (\$15,000,000). In the case of an ordinance or resolution
22 adopted in a calendar year after December 31, 2018, making
23 a preliminary determination to issue bonds or enter into a
24 lease for the project, the threshold amount is an amount (as
25 determined by the department of local government finance)
26 equal to the result of the maximum levy growth quotient
27 determined under IC 6-1.1-18.5-2 for the year multiplied by
28 the threshold amount determined under this item for the
29 preceding calendar year. In the case of a threshold amount
30 determined under this item that applies for a calendar year
31 after December 31, 2018, the department of local
32 government finance shall publish the threshold in the
33 Indiana Register under IC 4-22-7-7 not more than sixty (60)
34 days after the date the budget agency releases the maximum
35 levy growth quotient for the ensuing year under
36 IC 6-1.1-18.5-2.

37 (ii) An amount equal to one percent (1%) of the total gross
38 assessed value of property within the political subdivision
39 on the last assessment date, if that total gross assessed value
40 is more than one hundred million dollars (\$100,000,000), or

1 one million dollars (\$1,000,000), if the total gross assessed
 2 value of property within the political subdivision on the last
 3 assessment date is not more than one hundred million
 4 dollars (\$100,000,000).

5 (C) Any other controlled project for which a political
 6 subdivision adopts an ordinance or resolution making a
 7 preliminary determination to issue bonds or enter into a lease
 8 for the project, if the sum of:

9 (i) the cost of that controlled project; plus
 10 (ii) the costs of all other controlled projects for which the
 11 political subdivision has previously adopted within the
 12 preceding three hundred sixty-five (365) days an ordinance
 13 or resolution making a preliminary determination to issue
 14 bonds or enter into a lease for those other controlled
 15 projects;

16 exceeds twenty-five million dollars (\$25,000,000).

17 (D) This clause does not apply to a project for which a public
 18 hearing to issue bonds or enter into a lease has been conducted
 19 under IC 20-26-7-37 before July 1, 2023. Except as provided
 20 in section 4.5 of this chapter, any other controlled project if the
 21 political subdivision's total debt service tax rate is at least
 22 eighty cents (\$0.80) per one hundred dollars (\$100) of
 23 assessed value. ~~This clause expires December 31, 2024.~~ **For**
 24 **purposes of this clause, a political subdivision's total debt**
 25 **service tax rate does not include a tax rate imposed in a**
 26 **referendum debt service tax levy approved by voters.**

27 (2) The proper officers of the political subdivision make a
 28 preliminary determination after June 30, 2008, in the manner
 29 described in subsection (b) to issue bonds or enter into a lease for
 30 the controlled project.

31 (b) Subject to subsection (d), a political subdivision may not impose
 32 property taxes to pay debt service on bonds or lease rentals on a lease
 33 for a controlled project without completing the following procedures:

34 (1) The proper officers of a political subdivision shall publish
 35 notice in accordance with IC 5-3-1 and send notice by first class
 36 mail to the circuit court clerk and to any organization that delivers
 37 to the officers, before January 1 of that year, an annual written
 38 request for notices of any meeting to consider the adoption of an
 39 ordinance or a resolution making a preliminary determination to
 40 issue bonds or enter into a lease and shall conduct at least two (2)

1 public hearings on the preliminary determination before adoption
2 of the ordinance or resolution. The political subdivision must at
3 each of the public hearings on the preliminary determination
4 allow the public to testify regarding the preliminary determination
5 and must make the following information available to the public
6 at each of the public hearings on the preliminary determination,
7 in addition to any other information required by law:

8 (A) The result of the political subdivision's current and
9 projected annual debt service payments divided by the net
10 assessed value of taxable property within the political
11 subdivision.

12 (B) The result of:

13 (i) the sum of the political subdivision's outstanding long
14 term debt plus the outstanding long term debt of other taxing
15 units that include any of the territory of the political
16 subdivision; divided by

17 (ii) the net assessed value of taxable property within the
18 political subdivision.

19 (C) The information specified in subdivision (3)(A) through
20 (3)(G).

21 (2) If the proper officers of a political subdivision make a
22 preliminary determination to issue bonds or enter into a lease, the
23 officers shall give notice of the preliminary determination by:

24 (A) publication in accordance with IC 5-3-1; and

25 (B) first class mail to the circuit court clerk and to the
26 organizations described in subdivision (1).

27 (3) A notice under subdivision (2) of the preliminary
28 determination of the political subdivision to issue bonds or enter
29 into a lease must include the following information:

30 (A) The maximum term of the bonds or lease.

31 (B) The maximum principal amount of the bonds or the
32 maximum lease rental for the lease.

33 (C) The estimated interest rates that will be paid and the total
34 interest costs associated with the bonds or lease.

35 (D) The purpose of the bonds or lease.

36 (E) A statement that the proposed debt service or lease
37 payments must be approved in an election on a local public
38 question held under section 3.6 of this chapter.

39 (F) With respect to bonds issued or a lease entered into to
40 open:

- 1 (i) a new school facility; or
 2 (ii) an existing facility that has not been used for at least
 3 three (3) years and that is being reopened to provide
 4 additional classroom space;
 5 the estimated costs the school corporation expects to annually
 6 incur to operate the facility.
- 7 (G) The following information:
- 8 (i) The political subdivision's current debt service levy and
 9 rate.
 10 (ii) The estimated increase to the political subdivision's debt
 11 service levy and rate that will result if the political
 12 subdivision issues the bonds or enters into the lease.
 13 (iii) The estimated amount of the political subdivision's debt
 14 service levy and rate that will result during the following ten
 15 (10) years if the political subdivision issues the bonds or
 16 enters into the lease, after also considering any changes that
 17 will occur to the debt service levy and rate during that
 18 period on account of any outstanding bonds or lease
 19 obligations that will mature or terminate during that period.
- 20 (H) The information specified in subdivision (1)(A) through
 21 (1)(B).
- 22 (4) This subdivision does not apply to a controlled project
 23 described in subsection (a)(1)(D). ~~(before its expiration)~~. After
 24 notice is given, a petition requesting the application of the local
 25 public question process under section 3.6 of this chapter may be
 26 filed by the lesser of:
- 27 (A) five hundred (500) persons who are either owners of
 28 property within the political subdivision or registered voters
 29 residing within the political subdivision; or
 30 (B) five percent (5%) of the registered voters residing within
 31 the political subdivision.
- 32 (5) This subdivision does not apply to a controlled project
 33 described in subsection (a)(1)(D). ~~(before its expiration)~~. The
 34 state board of accounts shall design and, upon request by the
 35 county voter registration office, deliver to the county voter
 36 registration office or the county voter registration office's
 37 designated printer the petition forms to be used solely in the
 38 petition process described in this section. The county voter
 39 registration office shall issue to an owner or owners of property
 40 within the political subdivision or a registered voter residing

1 within the political subdivision the number of petition forms
2 requested by the owner or owners or the registered voter. Each
3 form must be accompanied by instructions detailing the
4 requirements that:

5 (A) the carrier and signers must be owners of property or
6 registered voters;

7 (B) the carrier must be a signatory on at least one (1) petition;

8 (C) after the signatures have been collected, the carrier must
9 swear or affirm before a notary public that the carrier
10 witnessed each signature; and

11 (D) govern the closing date for the petition period.

12 Persons requesting forms may be required to identify themselves
13 as owners of property or registered voters and may be allowed to
14 pick up additional copies to distribute to other owners of property
15 or registered voters. Each person signing a petition must indicate
16 whether the person is signing the petition as a registered voter
17 within the political subdivision or is signing the petition as the
18 owner of property within the political subdivision. A person who
19 signs a petition as a registered voter must indicate the address at
20 which the person is registered to vote. A person who signs a
21 petition as an owner of property must indicate the address of the
22 property owned by the person in the political subdivision.

23 (6) This subdivision does not apply to a controlled project
24 described in subsection (a)(1)(D). ~~(before its expiration)~~. Each
25 petition must be verified under oath by at least one (1) qualified
26 petitioner in a manner prescribed by the state board of accounts
27 before the petition is filed with the county voter registration office
28 under subdivision (7).

29 (7) This subdivision does not apply to a controlled project
30 described in subsection (a)(1)(D). ~~(before its expiration)~~. Each
31 petition must be filed with the county voter registration office not
32 more than thirty (30) days after publication under subdivision (2)
33 of the notice of the preliminary determination.

34 (8) This subdivision does not apply to a controlled project
35 described in subsection (a)(1)(D). ~~(before its expiration)~~. The
36 county voter registration office shall determine whether each
37 person who signed the petition is a registered voter. However,
38 after the county voter registration office has determined that at
39 least five hundred twenty-five (525) persons who signed the
40 petition are registered voters within the political subdivision, the

1 county voter registration office is not required to verify whether
2 the remaining persons who signed the petition are registered
3 voters. If the county voter registration office does not determine
4 that at least five hundred twenty-five (525) persons who signed
5 the petition are registered voters, the county voter registration
6 office, not more than fifteen (15) business days after receiving a
7 petition, shall forward a copy of the petition to the county auditor.
8 Not more than ten (10) business days after receiving the copy of
9 the petition, the county auditor shall provide to the county voter
10 registration office a statement verifying:

11 (A) whether a person who signed the petition as a registered
12 voter but is not a registered voter, as determined by the county
13 voter registration office, is the owner of property in the
14 political subdivision; and

15 (B) whether a person who signed the petition as an owner of
16 property within the political subdivision does in fact own
17 property within the political subdivision.

18 (9) This subdivision does not apply to a controlled project
19 described in subsection (a)(1)(D). ~~(before its expiration)~~. The
20 county voter registration office, not more than ten (10) business
21 days after determining that at least five hundred twenty-five (525)
22 persons who signed the petition are registered voters or after
23 receiving the statement from the county auditor under subdivision
24 (8), as applicable, shall make the final determination of whether
25 a sufficient number of persons have signed the petition. Whenever
26 the name of an individual who signs a petition form as a
27 registered voter contains a minor variation from the name of the
28 registered voter as set forth in the records of the county voter
29 registration office, the signature is presumed to be valid, and there
30 is a presumption that the individual is entitled to sign the petition
31 under this section. Except as otherwise provided in this chapter,
32 in determining whether an individual is a registered voter, the
33 county voter registration office shall apply the requirements and
34 procedures used under IC 3 to determine whether a person is a
35 registered voter for purposes of voting in an election governed by
36 IC 3. However, an individual is not required to comply with the
37 provisions concerning providing proof of identification to be
38 considered a registered voter for purposes of this chapter. A
39 person is entitled to sign a petition only one (1) time in a
40 particular referendum process under this chapter, regardless of

1 whether the person owns more than one (1) parcel of real
2 property, mobile home assessed as personal property, or
3 manufactured home assessed as personal property or a
4 combination of those types of property within the political
5 subdivision and regardless of whether the person is both a
6 registered voter in the political subdivision and the owner of
7 property within the political subdivision. Notwithstanding any
8 other provision of this section, if a petition is presented to the
9 county voter registration office within forty-five (45) days before
10 an election, the county voter registration office may defer acting
11 on the petition, and the time requirements under this section for
12 action by the county voter registration office do not begin to run
13 until five (5) days after the date of the election.

14 (10) This subdivision does not apply to a controlled project
15 described in subsection (a)(1)(D). ~~(before its expiration)~~. The
16 county voter registration office must file a certificate and each
17 petition with:

18 (A) the township trustee, if the political subdivision is a
19 township, who shall present the petition or petitions to the
20 township board; or

21 (B) the body that has the authority to authorize the issuance of
22 the bonds or the execution of a lease, if the political
23 subdivision is not a township;

24 within thirty-five (35) business days of the filing of the petition
25 requesting the referendum process. The certificate must state the
26 number of petitioners who are owners of property within the
27 political subdivision and the number of petitioners who are
28 registered voters residing within the political subdivision.

29 (11) This subdivision does not apply to a controlled project
30 described in subsection (a)(1)(D). ~~(before its expiration)~~. If a
31 sufficient petition requesting the local public question process is
32 not filed by owners of property or registered voters as set forth in
33 this section, the political subdivision may issue bonds or enter
34 into a lease by following the provisions of law relating to the
35 bonds to be issued or lease to be entered into.

36 (c) If the proper officers of a political subdivision make a
37 preliminary determination to issue bonds or enter into a lease, the
38 officers shall provide to the county auditor:

39 (1) a copy of the notice required by subsection (b)(2); and

40 (2) any other information the county auditor requires to fulfill the

1 county auditor's duties under section 3.6 of this chapter.

2 (d) In addition to the procedures in subsection (b), if any capital
3 improvement components addressed in the most recent:

4 (1) threat assessment of the buildings within the school
5 corporation; or

6 (2) school safety plan (as described in IC 20-26-18.2-2(b));
7 concerning a particular school have not been completed or require
8 additional funding to be completed, before the school corporation may
9 impose property taxes to pay debt service on bonds or lease rentals for
10 a lease for a controlled project, and in addition to any other components
11 of the controlled project, the controlled project must include any capital
12 improvements necessary to complete those components described in
13 subdivisions (1) and (2) that have not been completed or that require
14 additional funding to be completed.

15 (e) In addition to the other procedures in this section, an ordinance
16 or resolution making a preliminary determination to issue bonds or
17 enter into leases that is considered for adoption must include a
18 statement of:

19 (1) the maximum annual debt service for the controlled project for
20 each year in which the debt service will be paid; and

21 (2) the schedule of the estimated annual tax levy and rate over a
22 ten (10) year period;

23 factoring in changes that will occur to the debt service levy and tax rate
24 during the period on account of any outstanding bonds or lease
25 obligations that will mature or terminate during the period.

26 SECTION 8. IC 6-1.1-20-3.6, AS AMENDED BY P.L.239-2023,
27 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
28 JANUARY 1, 2024 (RETROACTIVE)]: Sec. 3.6. (a) Except as
29 provided in sections 3.7 and 3.8 of this chapter, this section applies
30 only to a controlled project described in section 3.5(a) of this chapter.

31 (b) In the case of a controlled project:

32 (1) described in section 3.5(a)(1)(A) through 3.5(a)(1)(C) of this
33 chapter, if a sufficient petition requesting the application of the
34 local public question process has been filed as set forth in section
35 3.5 of this chapter; or

36 (2) described in section 3.5(a)(1)(D) of this chapter; ~~(before its~~
37 ~~expiration);~~

38 a political subdivision may not impose property taxes to pay debt
39 service on bonds or lease rentals on a lease for a controlled project
40 unless the political subdivision's proposed debt service or lease rental

1 is approved in an election on a local public question held under this
2 section.

3 (c) Except as provided in subsection (k), the following question
4 shall be submitted to the eligible voters at the election conducted under
5 this section:

6 "Shall _____ (insert the name of the political subdivision)
7 increase property taxes paid to the _____ (insert the type of
8 taxing unit) by homeowners and businesses? If this public
9 question is approved by the voters, the average property tax paid
10 to the _____ (insert the type of taxing unit) per year on a
11 residence would increase by _____% (insert the estimated
12 average percentage of property tax increase paid to the political
13 subdivision on a residence within the political subdivision as
14 determined under subsection (n)) and the average property tax
15 paid to the _____ (insert the type of taxing unit) per year on a
16 business property would increase by _____% (insert the
17 estimated average percentage of property tax increase paid to the
18 political subdivision on a business property within the political
19 subdivision as determined under subsection (o)). The political
20 subdivision may issue bonds or enter into a lease to _____
21 (insert a brief description of the controlled project), which is
22 estimated to cost _____ (insert the total cost of the project)
23 over _____ (insert number of years to bond maturity or
24 termination of lease) years. The most recent property tax
25 referendum within the boundaries of the political subdivision for
26 which this public question is being considered was proposed by
27 _____ (insert name of political subdivision) in _____ (insert
28 year of most recent property tax referendum) and _____
29 (insert whether the measure passed or failed)."

30 The public question must appear on the ballot in the form approved by
31 the county election board. If the political subdivision proposing to issue
32 bonds or enter into a lease is located in more than one (1) county, the
33 county election board of each county shall jointly approve the form of
34 the public question that will appear on the ballot in each county. The
35 form approved by the county election board may differ from the
36 language certified to the county election board by the county auditor.
37 If the county election board approves the language of a public question
38 under this subsection, the county election board shall submit the
39 language and the certification of the county auditor described in
40 subsection (p) to the department of local government finance for

1 review.

2 (d) The department of local government finance shall review the
3 language of the public question to evaluate whether the description of
4 the controlled project is accurate and is not biased against either a vote
5 in favor of the controlled project or a vote against the controlled
6 project. The department of local government finance shall post the
7 estimated average percentage of property tax increases to be paid to a
8 political subdivision on a residence and business property that are
9 certified by the county auditor under subsection (p) on the department's
10 Internet web site. The department of local government finance may
11 either approve the ballot language as submitted or recommend that the
12 ballot language be modified as necessary to ensure that the description
13 of the controlled project is accurate and is not biased. The department
14 of local government finance shall certify its approval or
15 recommendations to the county auditor and the county election board
16 not more than ten (10) days after the language of the public question is
17 submitted to the department for review. If the department of local
18 government finance recommends a modification to the ballot language,
19 the county election board shall, after reviewing the recommendations
20 of the department of local government finance, submit modified ballot
21 language to the department for the department's approval or
22 recommendation of any additional modifications. The public question
23 may not be certified by the county auditor under subsection (e) unless
24 the department of local government finance has first certified the
25 department's final approval of the ballot language for the public
26 question.

27 (e) The county auditor shall certify the finally approved public
28 question under IC 3-10-9-3 to the county election board of each county
29 in which the political subdivision is located. The certification must
30 occur not later than noon:

31 (1) seventy-four (74) days before a primary election if the public
32 question is to be placed on the primary or municipal primary
33 election ballot; or

34 (2) August 1 if the public question is to be placed on the general
35 or municipal election ballot.

36 Subject to the certification requirements and deadlines under this
37 subsection and except as provided in subsection (j), the public question
38 shall be placed on the ballot at the next primary election, general
39 election or municipal election in which all voters of the political
40 subdivision are entitled to vote. However, if a primary election, general

1 election, or municipal election will not be held during the first year in
2 which the public question is eligible to be placed on the ballot under
3 this section and if the political subdivision requests the public question
4 to be placed on the ballot at a special election, the public question shall
5 be placed on the ballot at a special election to be held on the first
6 Tuesday after the first Monday in May or November of the year. The
7 certification must occur not later than noon seventy-four (74) days
8 before a special election to be held in May (if the special election is to
9 be held in May) or noon on August 1 (if the special election is to be
10 held in November). The fiscal body of the political subdivision that
11 requests the special election shall pay the costs of holding the special
12 election. The county election board shall give notice under IC 5-3-1 of
13 a special election conducted under this subsection. A special election
14 conducted under this subsection is under the direction of the county
15 election board. The county election board shall take all steps necessary
16 to carry out the special election.

17 (f) The circuit court clerk shall certify the results of the public
18 question to the following:

- 19 (1) The county auditor of each county in which the political
20 subdivision is located.
- 21 (2) The department of local government finance.

22 (g) Subject to the requirements of IC 6-1.1-18.5-8, the political
23 subdivision may issue the proposed bonds or enter into the proposed
24 lease rental if a majority of the eligible voters voting on the public
25 question vote in favor of the public question.

26 (h) If a majority of the eligible voters voting on the public question
27 vote in opposition to the public question, both of the following apply:

- 28 (1) The political subdivision may not issue the proposed bonds or
29 enter into the proposed lease rental.
- 30 (2) Another public question under this section on the same or a
31 substantially similar project may not be submitted to the voters
32 earlier than:

33 (A) except as provided in clause (B), seven hundred (700)
34 days after the date of the public question; or

35 (B) three hundred fifty (350) days after the date of the election,
36 if a petition that meets the requirements of subsection (m) is
37 submitted to the county auditor.

38 (i) IC 3, to the extent not inconsistent with this section, applies to an
39 election held under this section.

40 (j) A political subdivision may not divide a controlled project in

1 order to avoid the requirements of this section and section 3.5 of this
2 chapter. A person that owns property within a political subdivision or
3 a person that is a registered voter residing within a political subdivision
4 may file a petition with the department of local government finance
5 objecting that the political subdivision has divided a controlled project
6 into two (2) or more capital projects in order to avoid the requirements
7 of this section and section 3.5 of this chapter. The petition must be filed
8 not more than ten (10) days after the political subdivision gives notice
9 of the political subdivision's decision under section 3.5 of this chapter
10 or a determination under section 5 of this chapter to issue bonds or
11 enter into leases for a capital project that the person believes is the
12 result of a division of a controlled project that is prohibited by this
13 subsection. If the department of local government finance receives a
14 petition under this subsection, the department shall not later than thirty
15 (30) days after receiving the petition make a final determination on the
16 issue of whether the political subdivision divided a controlled project
17 in order to avoid the requirements of this section and section 3.5 of this
18 chapter. If the department of local government finance determines that
19 a political subdivision divided a controlled project in order to avoid the
20 requirements of this section and section 3.5 of this chapter and the
21 political subdivision continues to desire to proceed with the project, the
22 political subdivision may appeal the determination of the department
23 of local government finance to the Indiana board of tax review. A
24 political subdivision shall be considered to have divided a capital
25 project in order to avoid the requirements of this section and section
26 3.5 of this chapter if the result of one (1) or more of the subprojects
27 cannot reasonably be considered an independently desirable end in
28 itself without reference to another capital project. This subsection does
29 not prohibit a political subdivision from undertaking a series of capital
30 projects in which the result of each capital project can reasonably be
31 considered an independently desirable end in itself without reference
32 to another capital project.

33 (k) This subsection applies to a political subdivision for which a
34 petition requesting a public question has been submitted under section
35 3.5 of this chapter. The legislative body (as defined in IC 36-1-2-9) of
36 the political subdivision may adopt a resolution to withdraw a
37 controlled project from consideration in a public question. If the
38 legislative body provides a certified copy of the resolution to the county
39 auditor and the county election board not later than sixty-three (63)
40 days before the election at which the public question would be on the

1 ballot, the public question on the controlled project shall not be placed
2 on the ballot and the public question on the controlled project shall not
3 be held, regardless of whether the county auditor has certified the
4 public question to the county election board. If the withdrawal of a
5 public question under this subsection requires the county election
6 board to reprint ballots, the political subdivision withdrawing the
7 public question shall pay the costs of reprinting the ballots. If a political
8 subdivision withdraws a public question under this subsection that
9 would have been held at a special election and the county election
10 board has printed the ballots before the legislative body of the political
11 subdivision provides a certified copy of the withdrawal resolution to
12 the county auditor and the county election board, the political
13 subdivision withdrawing the public question shall pay the costs
14 incurred by the county in printing the ballots. If a public question on a
15 controlled project is withdrawn under this subsection, a public question
16 under this section on the same controlled project or a substantially
17 similar controlled project may not be submitted to the voters earlier
18 than three hundred fifty (350) days after the date the resolution
19 withdrawing the public question is adopted.

20 (1) If a public question regarding a controlled project is placed on
21 the ballot to be voted on at an election under this section, the political
22 subdivision shall submit to the department of local government finance,
23 at least thirty (30) days before the election, the following information
24 regarding the proposed controlled project for posting on the
25 department's Internet web site:

26 (1) The cost per square foot of any buildings being constructed as
27 part of the controlled project.

28 (2) The effect that approval of the controlled project would have
29 on the political subdivision's property tax rate.

30 (3) The maximum term of the bonds or lease.

31 (4) The maximum principal amount of the bonds or the maximum
32 lease rental for the lease.

33 (5) The estimated interest rates that will be paid and the total
34 interest costs associated with the bonds or lease.

35 (6) The purpose of the bonds or lease.

36 (7) In the case of a controlled project proposed by a school
37 corporation:

38 (A) the current and proposed square footage of school building
39 space per student;

40 (B) enrollment patterns within the school corporation; and

1 (C) the age and condition of the current school facilities.

2 (m) If a majority of the eligible voters voting on the public question
3 vote in opposition to the public question, a petition may be submitted
4 to the county auditor to request that the limit under subsection
5 (h)(2)(B) apply to the holding of a subsequent public question by the
6 political subdivision. If such a petition is submitted to the county
7 auditor and is signed by the lesser of:

8 (1) five hundred (500) persons who are either owners of property
9 within the political subdivision or registered voters residing
10 within the political subdivision; or

11 (2) five percent (5%) of the registered voters residing within the
12 political subdivision;

13 the limit under subsection (h)(2)(B) applies to the holding of a second
14 public question by the political subdivision and the limit under
15 subsection (h)(2)(A) does not apply to the holding of a second public
16 question by the political subdivision.

17 (n) At the request of a political subdivision that proposes to impose
18 property taxes to pay debt service on bonds or lease rentals on a lease
19 for a controlled project, the county auditor of a county in which the
20 political subdivision is located shall determine the estimated average
21 percentage of property tax increase on a homestead to be paid to the
22 political subdivision that must be included in the public question under
23 subsection (c) as follows:

24 STEP ONE: Determine the average assessed value of a homestead
25 located within the political subdivision.

26 STEP TWO: For purposes of determining the net assessed value
27 of the average homestead located within the political subdivision,
28 subtract:

29 (A) an amount for the homestead standard deduction under
30 IC 6-1.1-12-37 as if the homestead described in STEP ONE
31 was eligible for the deduction; and

32 (B) an amount for the supplemental homestead deduction
33 under IC 6-1.1-12-37.5 as if the homestead described in STEP
34 ONE was eligible for the deduction;

35 from the result of STEP ONE.

36 STEP THREE: Divide the result of STEP TWO by one hundred
37 (100).

38 STEP FOUR: Determine the overall average tax rate per one
39 hundred dollars (\$100) of assessed valuation for the current year
40 imposed on property located within the political subdivision.

- 1 STEP FIVE: For purposes of determining net property tax liability
2 of the average homestead located within the political subdivision:
3 (A) multiply the result of STEP THREE by the result of STEP
4 FOUR; and
5 (B) as appropriate, apply any currently applicable county
6 property tax credit rates and the credit for excessive property
7 taxes under IC 6-1.1-20.6-7.5(a)(1).
8 STEP SIX: Determine the amount of the political subdivision's
9 part of the result determined in STEP FIVE.
10 STEP SEVEN: Determine the estimated tax rate that will be
11 imposed if the public question is approved by the voters.
12 STEP EIGHT: Multiply the result of STEP SEVEN by the result
13 of STEP THREE.
14 STEP NINE: Divide the result of STEP EIGHT by the result of
15 STEP SIX, expressed as a percentage.
16 (o) At the request of a political subdivision that proposes to impose
17 property taxes to pay debt service on bonds or lease rentals on a lease
18 for a controlled project, the county auditor of a county in which the
19 political subdivision is located shall determine the estimated average
20 percentage of property tax increase on a business property to be paid
21 to the political subdivision that must be included in the public question
22 under subsection (c) as follows:
23 STEP ONE: Determine the average assessed value of business
24 property located within the political subdivision.
25 STEP TWO: Divide the result of STEP ONE by one hundred
26 (100).
27 STEP THREE: Determine the overall average tax rate per one
28 hundred dollars (\$100) of assessed valuation for the current year
29 imposed on property located within the political subdivision.
30 STEP FOUR: For purposes of determining net property tax
31 liability of the average business property located within the
32 political subdivision:
33 (A) multiply the result of STEP TWO by the result of STEP
34 THREE; and
35 (B) as appropriate, apply any currently applicable county
36 property tax credit rates and the credit for excessive property
37 taxes under IC 6-1.1-20.6-7.5 as if the applicable percentage
38 was three percent (3%).
39 STEP FIVE: Determine the amount of the political subdivision's
40 part of the result determined in STEP FOUR.

1 STEP SIX: Determine the estimated tax rate that will be imposed
2 if the public question is approved by the voters.

3 STEP SEVEN: Multiply the result of STEP TWO by the result of
4 STEP SIX.

5 STEP EIGHT: Divide the result of STEP SEVEN by the result of
6 STEP FIVE, expressed as a percentage.

7 (p) The county auditor shall certify the estimated average
8 percentage of property tax increase on a homestead to be paid to the
9 political subdivision determined under subsection (n), and the
10 estimated average percentage of property tax increase on a business
11 property to be paid to the political subdivision determined under
12 subsection (o), in a manner prescribed by the department of local
13 government finance, and provide the certification to the political
14 subdivision that proposes to impose property taxes. The political
15 subdivision shall provide the certification to the county election board
16 and include the estimated average percentages in the language of the
17 public question at the time the language of the public question is
18 submitted to the county election board for approval as described in
19 subsection (c).

20 SECTION 9. IC 6-1.1-20-4.5, AS ADDED BY P.L.239-2023,
21 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
22 JANUARY 1, 2024 (RETROACTIVE)]: Sec. 4.5. (a) As used in this
23 section, "maintenance emergency" refers to a response to a condition
24 that is not otherwise subject to the application of section 1.1(a)(6) of
25 this chapter and includes:

26 (1) repair of a boiler or chiller system;
27 (2) roof repair;
28 (3) storm damage repair; or
29 (4) any other repair that the department determines is a
30 maintenance emergency for which waiver of the application of
31 section 3.5(a)(1)(D) of this chapter (~~before its expiration~~) is
32 warranted.

33 (b) A political subdivision may submit a request to the department
34 to waive the application of section 3.5(a)(1)(D) of this chapter, (~~before~~
35 ~~its expiration~~); if the proposed controlled project of the political
36 subdivision is to address a maintenance emergency with respect to a
37 building owned or leased by the political subdivision.

38 (c) The department shall require the political subdivision to submit
39 any information that the department considers necessary to determine
40 whether the condition that the political subdivision contends is a

1 maintenance emergency.

2 (d) The department shall review a request and issue a determination
3 not later than forty-five (45) days after the department receives a
4 request under this section determining whether the condition that the
5 political subdivision contends is a maintenance emergency is sufficient
6 to waive the application of section 3.5(a)(1)(D) of this chapter. ~~(before~~
7 ~~its expiration)~~. If the department determines that the condition is a
8 maintenance emergency then section 3.5(a)(1)(D) of this chapter
9 ~~(before its expiration)~~ is waived and does not apply to the proposed
10 controlled project.

11 (e) A waiver of the application of section 3.5(a)(1)(D) of this
12 chapter ~~(before its expiration)~~ in accordance with this section may not
13 be construed as a waiver of any other requirement of this chapter with
14 respect to the proposed controlled project.

15 ~~(f) This section expires December 31, 2024.~~

16 SECTION 10. IC 20-26-12-1, AS AMENDED BY P.L.201-2023,
17 SECTION 163, IS AMENDED TO READ AS FOLLOWS
18 [EFFECTIVE JULY 1, 2024]: Sec. 1. (a) Except as provided in
19 subsection (b) but notwithstanding any other law, each governing body
20 of a school corporation and each organizer of a charter school shall
21 purchase from a publisher, either individually or through a purchasing
22 cooperative of school corporations, as applicable, the curricular
23 materials selected by the proper local officials, and shall provide at no
24 cost the curricular materials to each student enrolled in the school
25 corporation or charter school. Curricular materials provided to a
26 student under this section remain the property of the governing body of
27 the school corporation or organizer of the charter school.

28 (b) This section does not prohibit a governing body of a school
29 corporation or an organizer of a charter school from assessing and
30 collecting a reasonable fee for lost or significantly damaged curricular
31 materials in accordance with rules established by the state board under
32 subsection (c). Fees collected under this subsection must be deposited
33 in the: ~~separate curricular materials account established under~~
34 ~~IC 20-40-22-9 for~~

35 **(1) education fund of the school corporation; or**
36 **(2) education fund of the charter school, or, if the charter**
37 **school does not have an education fund, the same fund into**
38 **which state tuition support is deposited for the charter school;**
39 in which the student was enrolled at the time the fee was imposed.

40 (c) The state board shall adopt rules under IC 4-22-2, including

1 emergency rules in the manner provided in IC 4-22-2-37.1, to
2 implement this section.

3 SECTION 11. IC 20-26-12-2, AS AMENDED BY P.L.201-2023,
4 SECTION 164, IS AMENDED TO READ AS FOLLOWS
5 [EFFECTIVE JULY 1, 2024]: Sec. 2. (a) A governing body or an
6 organizer of a charter school may purchase from a publisher any
7 curricular material selected by the proper local officials. The governing
8 body or the organizer of a charter school may not rent the curricular
9 materials to students enrolled in any public school.

10 (b) A governing body may rent curricular materials to students
11 enrolled in any nonpublic school that is located within the attendance
12 unit served by the governing body. An organizer of a charter school
13 may rent curricular materials to students enrolled in any nonpublic
14 school.

15 (c) A governing body or an organizer of a charter school may
16 negotiate the rental rate for the curricular materials rented to any
17 nonpublic school under subsection (b).

18 (d) A governing body shall collect and deposit the amounts received
19 from the rental of curricular materials to a nonpublic school into the
20 ~~curricular materials account, in accordance with IC 20-40-22-9, in~~
21 ~~equal amounts for each public school of the school corporation: school~~
22 **corporation's education fund.**

23 (e) An organizer of a charter school shall deposit all money received
24 from the rental of curricular materials to a nonpublic school into the
25 charter school's ~~curricular materials account described in~~
26 ~~IC 20-40-22-9. education fund, or, if the charter school does not~~
27 **have an education fund, the same fund into which state tuition**
28 **support is deposited for the charter school.**

29 (f) This section does not limit other laws.

30 SECTION 12. IC 20-28-9-28, AS AMENDED BY P.L.246-2023,
31 SECTION 37, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
32 JULY 1, 2024]: Sec. 28. (a) **Subject to subsection (g)**, for each school
33 year in a state fiscal year beginning after June 30, 2023, a school
34 corporation shall expend an amount for teacher compensation that is
35 not less than an amount equal to sixty-two percent (62%) of the state
36 tuition support distributed to the school corporation during the state
37 fiscal year. For purposes of determining whether a school corporation
38 has complied with this requirement, the amount a school corporation
39 expends for teacher compensation shall include the amount the school
40 corporation expends for adjunct teachers, supplemental pay for

1 teachers, stipends, and for participating in a special education
2 cooperative or an interlocal agreement or consortium that is directly
3 attributable to the compensation of teachers employed by the
4 cooperative or interlocal agreement or consortium. Teacher benefits
5 include all benefit categories collected by the department for Form 9
6 purposes.

7 (b) If a school corporation determines that the school corporation
8 cannot comply with the requirement under subsection (a) for a
9 particular school year, the school corporation shall apply for a waiver
10 from the department.

11 (c) The waiver application must include an explanation of the
12 financial challenges, with detailed data, that preclude the school
13 corporation from meeting the requirement under subsection (a) and
14 describe the cost saving measures taken by the school corporation in
15 attempting to meet the requirement in subsection (a). The waiver may
16 also include an explanation of an innovative or efficient approach in
17 delivering instruction that is responsible for the school corporation
18 being unable to meet the requirement under subsection (a).

19 (d) If, after review, the department determines that the school
20 corporation has exhausted all reasonable efforts in attempting to meet
21 the requirement in subsection (a), the department may grant the school
22 corporation a one (1) year exception from the requirement.

23 (e) A school corporation that receives a waiver under this section
24 shall work with the department to develop a plan to identify additional
25 cost saving measures and any other steps that may be taken to allow the
26 school corporation to meet the requirement under subsection (a).

27 (f) A school corporation may not receive more than three (3)
28 waivers under this section.

29 **(g) For purposes of determining whether a school corporation**
30 **has complied with the requirement in subsection (a), distributions**
31 **from the curricular materials fund established by IC 20-40-22-5**
32 **that are deposited in a school corporation's education fund in a**
33 **state fiscal year are not considered to be state tuition support**
34 **distributed to the school corporation during the state fiscal year.**

35 ~~(g)~~ (h) Before November 1, 2022, and before November 1 of each
36 year thereafter, the department shall submit a report to the legislative
37 council in an electronic format under IC 5-14-6 and the state budget
38 committee that contains information as to:

39 (1) the percent and amount that each school corporation expended
40 and the statewide total expended for teacher compensation;

- 1 (2) the percent and amount that each school corporation expended
 2 and statewide total expended for teacher benefits, including
 3 health, dental, life insurance, and pension benefits;
 4 (3) whether the school corporation met the requirement set forth
 5 in subsection (a); and
 6 (4) whether the school corporation received a waiver under
 7 subsection (d).

8 SECTION 13. IC 20-40-2-3, AS AMENDED BY P.L.244-2017,
 9 SECTION 68, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 10 JULY 1, 2024]: Sec. 3. Distributions of:

- 11 (1) tuition support; **and**
 12 (2) **money for curricular materials;**
 13 shall be received in the education fund.

14 SECTION 14. IC 20-40-2-4, AS AMENDED BY P.L.201-2023,
 15 SECTION 182, IS AMENDED TO READ AS FOLLOWS
 16 [EFFECTIVE JULY 1, 2024]: Sec. 4. Except as provided in
 17 IC 36-1-8-5.1 (school corporation rainy day fund), the education fund
 18 of the school corporation or, if applicable, a charter school, shall be
 19 used only to pay for expenses:

- 20 (1) allocated to student instruction and learning under IC 20-42.5;
 21 **and**
 22 (2) **related to the cost of providing curricular materials.**

23 The fund may not be used to pay directly any expenses that are not
 24 allocated to student instruction and learning under IC 20-42.5, **are not**
 25 **expenses related to the cost of providing curricular materials,** or
 26 expenses permitted to be paid from the school corporation's or charter
 27 school's operations fund.

28 SECTION 15. IC 20-40-2-5.5 IS ADDED TO THE INDIANA
 29 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
 30 [EFFECTIVE JULY 1, 2024]: **Sec. 5.5. The department may take**
 31 **action, including the establishment of an account code, to track**
 32 **expenditures of money distributed for curricular materials.**

33 SECTION 16. IC 20-40-2-6, AS AMENDED BY P.L.201-2023,
 34 SECTION 183, IS AMENDED TO READ AS FOLLOWS
 35 [EFFECTIVE JULY 1, 2024]: Sec. 6. (a) Each school corporation and,
 36 if applicable, charter school, shall make every reasonable effort to
 37 transfer not more than fifteen percent (15%) of the total revenue
 38 deposited in the school corporation's or, if applicable, charter school's,
 39 education fund from the school corporation's or, if applicable, charter
 40 school's, education fund to the school corporation's or, if applicable,

1 charter school's, operations fund during a calendar year.

2 (b) Only after the transfer is authorized by the governing body in a
3 public meeting with public notice, money in the education fund may be
4 transferred to the operations fund to cover expenditures that are not
5 allocated to student instruction and learning under IC 20-42.5 **or**
6 **related to the cost of providing curricular materials.** The amount
7 transferred from the education fund to the operations fund shall be
8 reported by the school corporation or, if applicable, charter school, to
9 the department. The transfers made during the:

10 (1) first six (6) months of each state fiscal year shall be reported
11 before January 31 of the following year; and

12 (2) last six (6) months of each state fiscal year shall be reported
13 before July 31 of that year.

14 (c) The report must include information as required by the
15 department and in the form required by the department.

16 (d) The department must post the report submitted under subsection
17 (b) on the department's website.

18 (e) Beginning in 2020, the department shall track for each school
19 corporation or, if applicable, charter school, transfers from the school
20 corporation's or, if applicable, charter school's, education fund to its
21 operations fund for the preceding six (6) month period. Beginning in
22 2021, before March 1 of each year, the department shall compile an
23 excessive education fund transfer list comprised of all school
24 corporations or, if applicable, charter schools, that transferred more
25 than fifteen percent (15%) of the total revenue deposited in the school
26 corporation's or, if applicable, charter school's, education fund from the
27 school corporation's or, if applicable, charter school's, education fund
28 to the school corporation's or, if applicable, charter school's, operations
29 fund during the immediately preceding calendar year. A school
30 corporation or, if applicable, charter school, that is not included on the
31 excessive education fund transfer list is considered to have met the
32 education fund transfer target percentage for the immediately preceding
33 calendar year.

34 SECTION 17. IC 20-40-2-7, AS ADDED BY P.L.244-2017,
35 SECTION 72, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
36 JULY 1, 2024]: Sec. 7. (a) On January 1, 2019, the balance, as of
37 December 31, 2018, in the school corporation's general fund shall be
38 transferred to the education fund.

39 (b) Before March 1, 2019, the governing body of a school
40 corporation may transfer to the school corporation's operations fund,

1 from the amounts transferred from the school corporation's general
 2 fund under subsection (a), any amounts that are not allocated to student
 3 instruction and learning under IC 20-42.5 **or related to the cost of**
 4 **providing curricular materials.** A school corporation may make a
 5 transfer under this section only after complying with section 6 of this
 6 chapter, including the requirements for public notice and a public
 7 hearing.

8 SECTION 18. IC 20-40-22-9 IS REPEALED [EFFECTIVE JULY
 9 1, 2024]. ~~Sec. 9: Each public school shall establish a separate curricular~~
 10 ~~materials account for the purpose of receiving distributions under this~~
 11 ~~chapter, amounts received from the rental of curricular materials to~~
 12 ~~nonpublic schools, and fees collected under IC 20-26-12-1(b) for lost~~
 13 ~~or significantly damaged curricular materials. A public school that~~
 14 ~~receives a distribution of money from the curricular materials fund~~
 15 ~~under this chapter shall deposit the distributed amount in the public~~
 16 ~~school's curricular materials account. Money in the account may be~~
 17 ~~used only for the costs of curricular materials.~~

18 SECTION 19. IC 20-40-22-10 IS ADDED TO THE INDIANA
 19 CODE AS A NEW SECTION TO READ AS FOLLOWS
 20 [EFFECTIVE JULY 1, 2024]: **Sec. 10. (a) A school maintained by a**
 21 **school corporation that receives a distribution of money from the**
 22 **curricular materials fund under this chapter shall deposit the**
 23 **amount in the education fund of the school corporation that**
 24 **maintains the school. A charter school that receives a distribution**
 25 **of money from the curricular materials fund under this chapter**
 26 **shall deposit the amount in the charter school's education fund, or,**
 27 **if the charter school does not have an education fund, in the same**
 28 **fund into which state tuition support is deposited for the charter**
 29 **school.**

30 **(b) Money received from the curricular materials fund under**
 31 **this chapter by a public school may be used only for the costs of**
 32 **curricular materials.**

33 **(c) The department may take action, including the establishment**
 34 **of an account code for the funds into which distributions are**
 35 **deposited under this section, to track expenditures of money**
 36 **distributed for curricular materials."**

37 Page 19, between lines 28 and 29, begin a new paragraph and insert:

38 "SECTION 23. [EFFECTIVE UPON PASSAGE] **(a) As used in**
 39 **this SECTION, "public school" has the meaning set forth in**
 40 **IC 20-40-22-4.**

1 **(b) Any balance in a public school's curricular materials**
2 **account established under IC 20-40-22-9, as repealed by this act,**
3 **shall be transferred to:**
4 **(1) in the case of a school maintained by a school corporation,**
5 **the education fund of the school corporation that maintains**
6 **the school; and**
7 **(2) in the case of a charter school, the education fund of the**
8 **charter school, or, if the charter school does not have an**
9 **education fund, the same fund into which state tuition support**
10 **is deposited for the charter school;**
11 **on June 30, 2024.**
12 **(c) This SECTION expires July 1, 2024."**
13 Renumber all SECTIONS consecutively.
 (Reference is to HB 1120 as introduced.)