

HOUSE BILL No. 1040

DIGEST OF INTRODUCED BILL

Citations Affected: IC 20-49.

Synopsis: Muncie Community Schools. Provides that, not later than June 30, 2020, the Muncie Community Schools may request an interest free loan from the common school fund.

Effective: Upon passage.

Errington, Brown T

January 9, 2018, read first time and referred to Committee on Ways and Means.



Second Regular Session of the 120th General Assembly (2018)

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 2017 Regular Session of the General Assembly.

HOUSE BILL No. 1040

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

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

1 SECTION 1. IC 20-49-3-8, AS AMENDED BY P.L.118-2016,
2 SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 UPON PASSAGE]: Sec. 8. The fund may be used to make advances:
4 (1) to school corporations, including school corporation career
5 and technical education schools described in IC 20-37-1-1, under
6 IC 20-49-4 and IC 20-49-5;
7 **(2) before July 1, 2020, to the Muncie Community Schools**
8 **under IC 20-49-4.5;**
9 ~~(2)~~ **(3)** under IC 20-49-6; and
10 ~~(3)~~ **(4)** to charter and innovation network schools under
11 IC 20-49-9.

12 Unless the context clearly requires otherwise, a reference to a school
13 corporation in this chapter includes a school corporation career and
14 technical education school described in IC 20-37-1-1. However, an
15 advance to a school corporation career and technical education school
16 described in IC 20-37-1-1 is not considered an advance to a school
17 corporation for purposes of determining if the school corporation career



1 and technical education school described in IC 20-37-1-1 qualifies for
2 an advance.

3 SECTION 2. IC 20-49-4.5 IS ADDED TO THE INDIANA CODE
4 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
5 UPON PASSAGE]:

6 **Chapter 4.5. Advancement From Common School Fund;
7 Muncie Community Schools**

8 **Sec. 1. (a) This chapter applies only to Muncie Community
9 Schools.**

10 **(b) IC 6-1.1-20.3-7.1(b) applies to this chapter.**

11 **Sec. 2. As used in this chapter, "fund" refers to the common
12 school fund in the custody of the treasurer of state.**

13 **Sec. 3. (a) On or before June 30, 2020, and except as provided in
14 subsection (b), the governing body may request an interest free
15 loan from the common school fund to assist the school corporation
16 in overcoming short term financial problems and that may be used
17 to pay operational costs or debts or obligations of the school
18 corporation. If the governing body requests such a loan, the state
19 board of finance may, notwithstanding any other provision in this
20 article, make such a loan for a term of not more than ten (10)
21 years. Except as provided in subsection (b), the state board of
22 finance, in consultation with the governing body, shall determine
23 the payment schedule and commencement date of the loan.**

24 **(b) This subsection applies while the school corporation is
25 designated as a fiscally impaired school corporation under
26 IC 6-1.1-20.3-7.1(d) or if the school corporation is designated as a
27 distressed political subdivision under IC 6-1.1-20.3-7.1(f)(2).
28 Notwithstanding subsection (a), a loan described in subsection (a)
29 must be requested by the emergency manager (as defined in
30 IC 6-1.1-20.3-7.1(c)(1)) and recommended by the distressed unit
31 appeals board before the state board of finance may approve the
32 loan. The distressed unit appeals board shall determine the
33 payment schedule and the commencement date of the loan.**

34 **Sec. 4. This chapter expires July 1, 2035.**

35 **SECTION 3. An emergency is declared for this act.**

