



Reprinted
February 17, 2021

HOUSE BILL No. 1367

DIGEST OF HB 1367 (Updated February 16, 2021 5:21 pm - DI 116)

Citations Affected: IC 20-23.

Synopsis: School corporation disannexation. Establishes a two year pilot program whereby the John Glenn School Corporation may initiate a process to disannex certain territory from an existing school corporation and annex the territory.

Effective: July 1, 2021.

Teshka, Jordan, Clere

January 14, 2021, read first time and referred to Committee on Education.
February 11, 2021, amended, reported — Do Pass.
February 16, 2021, read second time, amended, ordered engrossed.

HB 1367—LS 6553/DI 125



Reprinted
February 17, 2021

First Regular Session of the 122nd General Assembly (2021)

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 2020 Regular Session of the General Assembly.

HOUSE BILL No. 1367

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 20-23-5.5 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2021]:

4 **Chapter 5.5. Pilot Program for Annexation and Disannexation**
5 **of a Township**

6 **Sec. 0.5. (a) A two (2) year pilot program is established to**
7 **monitor, measure, and gather data concerning the financial**
8 **impacts, including on transportation costs, of the disannexation of**
9 **a territory from a relinquishing school corporation to an acquiring**
10 **school corporation. The state board shall administer the pilot**
11 **program.**

12 **(b) A disannexation under the pilot program may be initiated**
13 **under section 9 of this chapter only by the governing body of the**
14 **John Glenn School Corporation.**

15 **Sec. 1. (a) A disannexation may not occur under the pilot**
16 **program if any of the following apply on the date a resolution is**
17 **adopted under section 9 of this chapter:**

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- 1 **(1) A building is located within the territory proposed to be**
 2 **disannexed that is being used as a school by the relinquishing**
 3 **school corporation.**
- 4 **(2) A building is located within the territory proposed to be**
 5 **disannexed on which there is bond indebtedness owed by the**
 6 **relinquishing school corporation.**
- 7 **(3) A building is located within the territory proposed to be**
 8 **disannexed that is the subject of a lease entered into by the**
 9 **relinquishing school corporation before April 15, 2021, to**
 10 **allow the relinquishing school corporation to use the building**
 11 **as a school.**
- 12 **(b) Subject to subsection (c), this chapter does not limit the**
 13 **ability of a school corporation to proceed in an annexation under**
 14 **IC 20-23-5.**
- 15 **(c) Territory annexed to an acquiring school corporation under**
 16 **this chapter may not be subsequently annexed to another school**
 17 **corporation for a period of twenty (20) years from the date a**
 18 **disannexation becomes effective under section 14(a) of this chapter.**
- 19 **Sec. 2. As used in this chapter, "acquiring school corporation"**
 20 **means a school corporation that acquires territory as a result of**
 21 **disannexation under the pilot program established by section 0.5**
 22 **of this chapter.**
- 23 **Sec. 3. As used in this chapter, "annex", "annexing",**
 24 **"annexation", and "school annexation" mean any action whereby**
 25 **the boundaries of an acquiring school corporation are changed so**
 26 **that additional territory, constituting all or part of any one (1) or**
 27 **more relinquishing school corporations, is transferred to the**
 28 **acquiring school corporation under the pilot program established**
 29 **by section 0.5 of this chapter.**
- 30 **Sec. 4. As used in this chapter, "disannex", "disannexing",**
 31 **"disannexation", and "school disannexation" mean any action**
 32 **whereby:**
- 33 **(1) the boundaries of a school corporation are changed by**
 34 **removing territory from a relinquishing school corporation;**
 35 **and**
- 36 **(2) the territory is transferred to an acquiring school**
 37 **corporation by annexation;**
- 38 **under the pilot program established by section 0.5 of this chapter.**
- 39 **Sec. 5. As used in this chapter, "relinquishing school**
 40 **corporation" means a school corporation that relinquishes**
 41 **territory to an acquiring school corporation by disannexation**
 42 **under the pilot program established by section 0.5 of this chapter.**



1 **Sec. 6.** As used in this chapter, "school corporation" has the
2 meaning set forth in IC 20-18-2-16(a).

3 **Sec. 7.** As used in this chapter, "territory" means the entire
4 territory of Greene Township.

5 **Sec. 8.** Except as provided in section 1 of this chapter, territory
6 may be disannexed from a school corporation under the pilot
7 program established by section 0.5 of this chapter.

8 **Sec. 9. (a)** Subject to approval of a plan described in subsection
9 (c) and section 0.5(b) of this chapter, a disannexation may be
10 initiated by the adoption of a resolution by the governing body of
11 the John Glenn School Corporation.

12 **(b)** The resolution described in subsection (a) must contain the
13 following items:

14 **(1)** The name of the school corporation from which the
15 territory is to be disannexed.

16 **(2)** A description of the territory to be disannexed.

17 **(3)** The name of the acquiring school corporation.

18 **(4)** The date the disannexation takes place.

19 **(5)** Any terms and conditions facilitating education of students
20 in the acquiring school corporation.

21 **(c)** Subject to section 14 of this chapter, the resolution must be
22 supported by a plan for the organization of the acquiring school
23 corporation that includes the following information:

24 **(1)** The willingness and ability of the acquiring school
25 corporation to accommodate and provide efficient and
26 equitable educational opportunity to students from the
27 territory.

28 **(2)** Proposed disposition of assets and liabilities of the
29 relinquishing school corporation to the acquiring school
30 corporation.

31 **(3)** Proposed allocation between the acquiring and
32 relinquishing school corporations of subsequently collected
33 school taxes levied on property in the annexed territory.

34 **(4)** Proposed amount, if any, to be paid by the acquiring
35 school corporation to the relinquishing school corporation on
36 account of property received from the relinquishing school
37 corporation.

38 **(5)** Additional information as required by the state board.

39 Dispositions, allocations, and amounts transferred under this
40 subsection must be equitable, as determined by the state board.

41 Dispositions, allocations, and amounts transferred shall be
42 considered equitable if the plan is approved by the state board



1 under section 10(a)(5) of this chapter.

2 (d) After adoption of the resolution:

3 (1) the resolution; and

4 (2) the plan for the organization of the acquiring school
5 corporation;

6 must be filed with the state board. The school corporation
7 initiating the disannexation shall provide to the relinquishing
8 school corporation a copy of the resolution and the plan for the
9 organization of the acquiring school corporation.

10 Sec. 10. (a) The state board shall:

11 (1) receive and examine each resolution and plan submitted
12 under section 9 of this chapter to determine whether the plan
13 meets the standards of the state board;

14 (2) adopt a set of minimum considerations for a plan that
15 include:

16 (A) ensuring efficient and equitable educational
17 opportunities for all students of the acquiring school
18 corporation and relinquishing school corporation;

19 (B) the positive and negative effects on the acquiring and
20 relinquishing school corporations;

21 (C) the economic interests of the acquiring and
22 relinquishing school corporations related to changing the
23 boundaries of the school corporations; and

24 (D) a determination of whether the disannexation is
25 prohibited under section 1 of this chapter;

26 (3) receive and consider a fiscal analysis of the impact of the
27 proposed disannexation of the territory submitted by the
28 relinquishing school corporation;

29 (4) not later than ninety (90) days after receipt of a plan, hold
30 a public hearing in the county in which the largest part of the
31 territory to be disannexed is located to allow residents of the
32 acquiring school corporation and relinquishing school
33 corporation to testify; and

34 (5) not later than sixty (60) days after the public hearing:

35 (A) approve or disapprove in writing all or part of the
36 plan; and

37 (B) notify in writing, by certified mail with return receipt
38 requested, the:

39 (i) acquiring school corporation; and

40 (ii) relinquishing school corporation.

41 (b) The state board is not required to hold a public hearing on
42 a plan that does not meet the minimum considerations required by



1 the state board. If the state board determines a plan does not meet
2 the minimum considerations required, the state board shall notify
3 in writing, by certified mail with return receipt requested, the
4 acquiring school corporation and the relinquishing school
5 corporation.

6 Sec. 11. (a) If the state board approves the plan under section
7 10(a)(5) of this chapter, the acquiring school corporation may:

8 (1) within sixty (60) days of the state board approval of the
9 plan, file a petition in favor of the proposed disannexation of
10 the territory (including the name of the territory) from the
11 relinquishing school corporation (including the name of the
12 relinquishing school corporation) to the acquiring school
13 corporation (including the name of the acquiring school
14 corporation) that is signed by at least fifty-one percent (51%)
15 of the registered voters residing in the territory proposed to
16 be disannexed with the clerk of the circuit court of the county
17 or counties in which the territory proposed to be disannexed
18 is located under section 12 of this chapter; or

19 (2) after approval of the plan, request that the state board
20 certify the approved plan to the clerk of the circuit court of
21 the county or counties in which the territory proposed to be
22 disannexed is located under section 13 of this chapter. The
23 state board shall certify the approved plan to the clerk of the
24 circuit court of the county or counties in which the territory
25 proposed to be disannexed is located under section 13 of this
26 chapter.

27 (b) If a petition described in subsection (a)(1) is not filed within
28 sixty (60) days of the state board approval of the plan and a request
29 for certification under subsection (a)(2) has not already been made,
30 the state board shall certify the approved plan to the clerk of the
31 circuit court of the county or counties in which the territory
32 proposed to be disannexed is located under section 13 of this
33 chapter.

34 Sec. 12. (a) If a petition described in section 11(a)(1) of this
35 chapter is filed with the clerk of the circuit court of the county or
36 counties in which the territory proposed to be disannexed is
37 located, the clerk of the circuit court shall make a certification
38 under the clerk's hand and seal of the clerk's office as to whether
39 the petition is signed by at least fifty-one percent (51%) of the
40 registered voters residing in the territory proposed to be
41 disannexed.

42 (b) If the clerk of the circuit court certifies under subsection (a)



1 that the petition is signed by at least fifty-one percent (51%) of the
 2 registered voters residing in the territory proposed to be
 3 disannexed, the state board shall:

4 (1) immediately cause notice of the result to be published in
 5 the county or counties where the disannexation will take
 6 place; and

7 (2) declare the disannexation final and approve the
 8 annexation of the territory to the acquiring school
 9 corporation by adopting a resolution to that effect.

10 (c) Notice of the adoption of a resolution under subsection (b)(2)
 11 must be published at least once in one (1) newspaper of general
 12 circulation published in the county or counties where the
 13 disannexation will take place.

14 Sec. 13. (a) If a petition is not filed as described in section
 15 11(a)(1) of this chapter, or following a request described in section
 16 11(a)(2) of this chapter, the state board shall certify the approved
 17 plan to the clerk of the circuit court of the county or counties in
 18 which the territory proposed to be disannexed is located.

19 (b) After receiving a certified plan under subsection (a), the
 20 clerk of the circuit court shall make a certification under the
 21 clerk's hand and seal of the clerk's office as to:

22 (1) the number of registered voters residing in:

23 (A) the territory proposed to be disannexed; or

24 (B) the part of the territory proposed to be disannexed that
 25 is located in the county, as disclosed by the voter
 26 registration records of the county; and

27 (2) the date of the filing of the plan with the clerk.

28 If a territory proposed to be disannexed includes only part of a
 29 voting precinct, the clerk of the circuit court shall ascertain, from
 30 any means available, the number of registered voters residing in
 31 the part of the voting precinct that is within the territory proposed
 32 to be disannexed.

33 (c) The clerk of the circuit court shall do the following:

34 (1) Certify to the county election board the public question of
 35 whether the disannexation should take place.

36 (2) Order the county election board to place the following
 37 question on the ballot in the territory of the proposed
 38 disannexation:

39 "Shall _____ (insert the name of the territory) be
 40 transferred from _____ (insert the relinquishing
 41 school corporation) to _____ (insert the acquiring
 42 school corporation)?"



1 (d) The county election board shall place the question set forth
2 in subsection (c)(2) on the ballot for the next primary election or
3 general election under IC 3-10-9 as a local public question.

4 (e) The county election board, under IC 5-3-1, shall give notice
5 of the public question on the ballot at the primary election or
6 general election. The notice must:

7 (1) clearly state that the election is being held to provide the
8 registered voters an opportunity to approve or reject a
9 proposal for the disannexation of territory from an existing
10 school corporation;

11 (2) state the name of the existing school corporation to which
12 the territory is proposed to be annexed; and

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

15 (f) The county election board shall place the public question on
16 the ballot in the form prescribed by IC 3-10-9-4. Except as
17 otherwise provided in this chapter, the election is governed by IC 3.

18 (g) The certified result of the local public question shall be filed
19 with the state board.

20 (h) If at least sixty percent (60%) of the voters voting in an
21 election under this section vote "yes" on the question of
22 disannexation, the state board shall:

23 (1) immediately cause notice of the result to be published in
24 the county or counties where the disannexation will take
25 place; and

26 (2) declare the disannexation final and approve the
27 annexation of the territory to the acquiring school
28 corporation by adopting a resolution to that effect.

29 (i) Notice of the adoption of a resolution under subsection (h)(2)
30 must be published at least once in one (1) newspaper of general
31 circulation published in the county or counties where the
32 disannexation will take place.

33 Sec. 14. (a) A disannexation and subsequent annexation to an
34 acquiring school corporation under section 12 or 13 of this chapter
35 take effect on the July 1 following the date of the publication of the
36 notice in section 12(c) or 13(i) of this chapter by the state board,
37 except that the disannexed territory is considered part of the
38 acquiring school corporation for purposes of determining budgets,
39 property tax rates, and property tax levies beginning with the
40 acquiring school corporation's budget year beginning on the
41 January 1 immediately following the July 1 effective date of the
42 disannexation.



1 (b) Except as provided in subsection (c), the relinquishing school
 2 corporation and taxpayers of the disannexed territory remain
 3 liable for any indebtedness of the relinquishing school corporation
 4 in effect on the date the disannexation is effective under this
 5 chapter. The amount of outstanding indebtedness for which
 6 taxpayers of the disannexed territory that has been transferred
 7 remain liable under this section consists of the portion of
 8 indebtedness that is in the same proportion as the assessed
 9 valuation of the real property in the disannexed territory bears to
 10 the assessed valuation of all the real property in the relinquishing
 11 school corporation, as determined for the last assessment date
 12 before the disannexation occurs. The department of local
 13 government finance shall determine the amount, if any, of
 14 outstanding indebtedness for which taxpayers of the disannexed
 15 territory that has been transferred remain liable under this section.
 16 The disannexed territory constitutes a special taxing district for
 17 only the purposes of imposing and collecting a property tax levy for
 18 payment of the amount of the disannexed territory's portion of the
 19 outstanding indebtedness. The relinquishing school corporation
 20 shall each year impose and collect the property tax levy in the
 21 disannexed territory in an amount determined by the department
 22 of local government finance to be used only for payment of the
 23 disannexed territory's portion of the outstanding indebtedness.

24 (c) After a disannexation is effective under this chapter, the
 25 following apply to debt incurred by the relinquishing school
 26 corporation during the period beginning on the date on which a
 27 resolution is adopted by an acquiring school corporation under
 28 section 9 of this chapter and ending on the date the disannexation
 29 is effective under subsection (a):

30 (1) The acquiring school corporation to which the territory is
 31 transferred is not liable for and is not required to pay any
 32 part of that indebtedness.

33 (2) A property tax may not be imposed on the taxpayers of the
 34 transferred territory to pay any part of that indebtedness.

35 (3) The territory that is transferred does not constitute a
 36 special taxing district for purposes of paying any part of that
 37 indebtedness.

38 Sec. 15. If the relinquishing school corporation owns a building
 39 that is located within the territory to be disannexed that:

40 (1) is not used in whole or in part for classroom instruction at
 41 the time a disannexation is initiated; and

42 (2) was previously used for classroom instruction;



1 the relinquishing school corporation shall comply with
 2 IC 20-26-7.1, including making the building available for lease, for
 3 one dollar (\$1) per year, or purchase, for one dollar (\$1), to any
 4 charter school or neighboring school corporation, before the
 5 relinquishing school corporation may sell or exchange the building
 6 in accordance with IC 20-25-4-14, IC 20-26-5-4(a)(7), or
 7 IC 20-26-7-1.

8 Sec. 16. (a) Within sixty (60) days after the date of the
 9 publication of a notice in section 12(c) or 13(i) of this chapter by
 10 the state board, the governing body of the acquiring school
 11 corporation shall adopt a plan determining the manner in which
 12 the governing body of the newly formed school corporation shall
 13 be constituted. The plan shall be adopted in accordance with the
 14 requirements and procedures of IC 20-23-8, except as set out in
 15 subsection (b).

16 (b) The adoption of a plan by the governing body in accordance
 17 with IC 20-23-8-10 and its submission to the state board under
 18 IC 20-23-8-15 are the only procedures required when an existing
 19 plan is changed as follows:

20 (1) All governing body members are elected at large, and
 21 there are no governing body member residency districts.

22 (2) Governing body members are elected from governing
 23 body member residency districts, and the annexed territory
 24 is added to or deleted from one (1) or more districts.

25 (3) A governing body member is appointed from a given area
 26 or district, and the annexed territory is added to or deleted
 27 from one (1) or more districts or areas.

28 (4) A governing body member is elected solely by the voters in
 29 a school governing body member district, but the addition or
 30 deletion of the annexed territory to or from an existing
 31 district does not constitute a denial of equal protection of the
 32 laws.

33 If a school corporation elects or appoints members of its governing
 34 body both from a school governing body member district
 35 encompassing the entire school corporation and from smaller
 36 districts, the governing body of the acquiring school corporation
 37 shall add the annexed territory both to the district consisting of the
 38 entire school corporation and to one (1) or more smaller districts.
 39 In a comparable situation, the relinquishing school corporation
 40 shall delete the annexed territory both from the district consisting
 41 of the entire school corporation and from any smaller district or
 42 districts. The change in the plan becomes effective upon its



1 approval by the state board. The application of this subsection does
2 not limit the initiation of, or further changes in, any plan under
3 IC 20-23-8.
4 Sec. 17. A disannexation that takes effect under this chapter
5 during the period of the pilot program remains in effect after the
6 expiration of the pilot program.
7 Sec. 18. Before July 1, 2023, the state board shall report any
8 data and information gathered from the pilot program to the
9 legislative council in an electronic format under IC 5-14-6.
10 Sec. 19. This chapter expires July 1, 2023.



COMMITTEE REPORT

Mr. Speaker: Your Committee on Education, to which was referred House Bill 1367, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, delete lines 12 through 14, begin a new paragraph and insert:

"(b) A disannexation under the pilot program may be initiated under section 9 of this chapter only by the:

- (1) governing body of the John Glenn School Corporation; or**
- (2) Clarksville Community School Corporation.**

Sec. 1. (a) This subsection applies to a disannexation initiated by the governing body of the John Glenn School Corporation."

Page 1, line 15, delete "Sec. 1. (a)".

Page 1, run in lines 14 through 15.

Page 2, between lines 11 and 12, begin a new paragraph and insert:

"(b) This subsection applies to a disannexation initiated by the governing body of the Clarksville Community School Corporation. Notwithstanding IC 36-1-11, the Clarksville school corporation may purchase a school building located in the territory subject to the disannexation under this chapter. The disposing agent, as defined in IC 36-1-11-2(2), for the Greater Clark County School Corporation shall first have the property appraised by two (2) appraisers. The appraisers must be:

- (1) professionally engaged in making appraisals;**
- (2) licensed under IC 25-34.1; or**
- (3) employees of the political subdivision familiar with the value of the property.**

If the Clarksville Community School Corporation requests to purchase a school building located in the territory that is subject to the disannexation under this chapter, the Greater Clark County School Corporation may sell the school building to the Clarksville Community School Corporation for an amount not more than the average of the two (2) appraisals required under this subsection."

Page 2, line 12, delete "(b) This" and insert "(c) Subject to subsection (d), this".

Page 2, between lines 13 and 14, begin a new paragraph and insert:

"(d) Territory annexed to an acquiring school corporation under this chapter may not be subsequently annexed to another school corporation for a period of twenty (20) years from the date a disannexation becomes effective under section 14(a) of this chapter."



Page 2, delete lines 40 through 41, begin a new paragraph and insert:

"Sec. 7. As used in this chapter, "territory" means:

- (1) for a disannexation initiated by the John Glenn School Corporation, the entire territory of Greene Township; or**
- (2) for a disannexation initiated by the Clarksville Community School Corporation, a noncontiguous attendance area controlled by the Greater Clark County School Corporation which is surrounded by the attendance area of the Clarksville Community School Corporation."**

Page 3, delete lines 3 through 9, begin a new paragraph and insert:

"Sec. 9. (a) Subject to approval of a plan described in subsection (c) and section 0.5(b) of this chapter, a disannexation may be initiated by the adoption of a resolution:

- (1) for a territory described in section 7(1) of this chapter, the governing body of the John Glenn School Corporation; or**
- (2) for a territory described in section 7(2) of this chapter, the Clarksville Community School Corporation."**

Page 3, line 41, delete "10(a)(4)" and insert "**10(a)(5)**".

Page 4, line 4, after "board." insert "**The school corporation initiating the disannexation shall provide to the relinquishing school corporation a copy of the resolution and the plan for the organization of the acquiring school corporation."**

Page 4, line 7, delete "and approve each plan that" and insert "**to determine whether the plan"**

Page 4, between lines 20 and 21, begin a new line block indented and insert:

"(3) receive and consider a fiscal analysis of the impact of the proposed disannexation of the territory submitted by the relinquishing school corporation;"

Page 4, line 21, delete "(3)" and insert "**(4)**".

Page 4, line 24, delete "affected territory" and insert "**acquiring school corporation and relinquishing school corporation"**

Page 4, line 25, delete "(4)" and insert "**(5)**".

Page 4, delete lines 28 through 31, begin a new line double block indented and insert:

"(B) notify in writing, by certified mail with return receipt requested, the:

- (i) acquiring school corporation; and**
- (ii) relinquishing school corporation."**

Page 4, line 37, delete "fiscal body of the township." and insert "**relinquishing school corporation."**



Page 4, line 39, delete "10(a)(4)" and insert "**10(a)(5)**".

Page 4, line 39, delete "and fiscal".

Page 4, line 40, delete "body of the township proposed to be disannexed".

Page 7, line 11, delete "the majority" and insert "**at least sixty percent (60%)**".

and when so amended that said bill do pass.

(Reference is to HB 1367 as introduced.)

BEHNING

Committee Vote: yeas 9, nays 4.

HOUSE MOTION

Mr. Speaker: I move that House Bill 1367 be amended to read as follows:

Page 1, line 13, delete "the:" and insert "**the**".

Page 1, line 14, delete "(1)".

Page 1, line 14, delete "; or" and insert ".".

Page 1, run in lines 13 through 14.

Page 1, delete line 15.

Page 1, line 16, delete "This subsection applies to a disannexation initiated by".

Page 1, line 17, delete "the governing body of the John Glenn School Corporation."

Page 2, delete lines 15 through 32.

Page 2, line 33, delete "(c)" and insert "**(b)**".

Page 2, line 33, delete "(d)," and insert "**(c),**".

Page 2, line 36, delete "(d)" and insert "**(c)**".

Page 3, delete lines 24 through 31, begin a new paragraph and insert:

"Sec. 7. As used in this chapter, "territory" means the entire territory of Greene Township."

Page 3, delete lines 35 through 41, begin a new paragraph and insert:

"Sec. 9. (a) Subject to approval of a plan described in subsection (c) and section 0.5(b) of this chapter, a disannexation may be initiated by the adoption of a resolution by the governing body of



the John Glenn School Corporation."

(Reference is to HB 1367 as printed February 11, 2021.)

FLEMING

