

HOUSE BILL No. 1403

DIGEST OF INTRODUCED BILL

Citations Affected: IC 20-24-7-6; IC 20-40; IC 20-46.

Synopsis: School corporation referenda. Repeals provisions that provide: (1) that a school corporation may distribute money that is received as part of a referendum tax levy to a charter school that is located in the attendance area of the school corporation; and (2) that the resolution adopted by a school corporation to place a referendum on the ballot must indicate whether proceeds collected from the tax levy will be used to provide a distribution to a charter school, as well as the amount that will be distributed.

Effective: July 1, 2021.

Pack

January 14, 2021, read first time and referred to Committee on Education.



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. 1403

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 20-24-7-6, AS AMENDED BY P.L.154-2020,
2 SECTION 39, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2021]: Sec. 6. (a) With the approval of a majority of the
4 members of the governing body, a school corporation may distribute a
5 proportionate share of the school corporation's operations fund to a
6 charter school. A charter school may elect to distribute a proportionate
7 share of the charter school's operations fund to the school corporation
8 in whose district the charter school is located.

9 (b) A governing body may distribute money that is received as part
10 of a tax levy collected under IC 20-46-1 from the school corporation's
11 education fund to a charter school, excluding a virtual charter school,
12 in the manner provided by IC 20-46-1-8(d).

13 (c) A governing body may distribute money from the school safety
14 referendum tax levy fund to a charter school, excluding a virtual
15 charter school, in the manner prescribed by IC 20-46-9-6(b).

16 SECTION 2. IC 20-40-3-5, AS AMENDED BY P.L.154-2020,
17 SECTION 40, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE



1 JULY 1, 2021]: Sec. 5. ~~(a)~~ Money in the fund may be used for any
 2 lawful school expenses, including making a transfer to the school
 3 corporation's education fund (IC 20-40-2) or operations fund (IC
 4 20-40-18).

5 ~~(b) A school corporation may distribute proceeds of a tax levy~~
 6 ~~collected under IC 20-46-1 that is transferred to the school~~
 7 ~~corporation's education fund to a charter school, excluding a virtual~~
 8 ~~charter school, that is located within the attendance area of the school~~
 9 ~~corporation.~~

10 SECTION 3. IC 20-40-20-6, AS AMENDED BY P.L.154-2020,
 11 SECTION 41, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 12 JULY 1, 2021]: Sec. 6. (a) Subject to subsections ~~(c)~~ and ~~(d)~~; **(b) and**
 13 **(c)**, money in the fund may be used only for the following purposes:

14 (1) To employ or compensate a school resource officer or school
 15 resource officers.

16 (2) To establish or fund a school safety office.

17 (3) To conduct a threat assessment of a school building.

18 (4) To create or update a school safety plan.

19 (5) To develop or update school emergency response systems.

20 (6) To purchase equipment to improve the safety of a school
 21 building, school grounds, or school buses.

22 (7) To pay capital expenses to improve the safety of a school
 23 building.

24 (8) To establish and administer programs to address youth
 25 specific mental illness, addiction, anger management, bullying,
 26 and school violence.

27 (9) To develop and administer professional development
 28 programs for teachers, administrators, and other school employees
 29 designed to improve school safety and reduce violence.

30 ~~(b) A school corporation may distribute, with the approval of the~~
 31 ~~majority of members of the governing body, a portion of the proceeds~~
 32 ~~of a tax levy collected under IC 20-46-9 that is deposited in the fund to~~
 33 ~~a charter school, excluding a virtual charter school, that is located~~
 34 ~~within the attendance area of the school corporation, to be used by the~~
 35 ~~charter school for the purposes described in subsection (a):~~

36 ~~(c)~~ **(b)** Expenditures paid using money collected from the levy shall
 37 be included in a school's safety plan.

38 ~~(d)~~ **(c)** Local law enforcement shall participate in:

39 (1) development of a school safety plan;

40 (2) development or updates to school emergency response
 41 systems; and

42 (3) determination of capital expenses that would improve the



1 safety of a school building.

2 ~~(e)~~ (d) Money in the fund may be transferred to the school
3 corporation's education fund (IC 20-40-2), operations fund (IC
4 20-40-18), or school safety referendum debt service fund (IC
5 20-40-21), as applicable, to pay for expenditures listed in subsection
6 (a).

7 SECTION 4. IC 20-46-1-8, AS AMENDED BY P.L.154-2020,
8 SECTION 43, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
9 JULY 1, 2021]: Sec. 8. (a) Subject to subsection (c) and this chapter,
10 the governing body of a school corporation may adopt a resolution to
11 place a referendum under this chapter on the ballot for ~~any~~ **either** of
12 the following purposes:

13 (1) The governing body of the school corporation determines that
14 it cannot, in a calendar year, carry out its public educational duty
15 unless it imposes a referendum tax levy under this chapter.

16 (2) The governing body of the school corporation determines that
17 a referendum tax levy under this chapter should be imposed to
18 replace property tax revenue that the school corporation will not
19 receive because of the application of the credit under
20 IC 6-1.1-20.6.

21 ~~(3) The governing body makes the determination required under~~
22 ~~subdivision (1) or (2) and determines to share a portion of the~~
23 ~~referendum proceeds with a charter school, excluding a virtual~~
24 ~~charter school, in the manner prescribed in subsection (d).~~

25 (b) The governing body of the school corporation shall certify a
26 copy of the resolution to place a referendum on the ballot to the
27 following:

28 (1) The department of local government finance, including the
29 language for the question required by section 10 of this chapter,
30 or in the case of a resolution to extend a referendum levy certified
31 to the department of local government finance after March 15,
32 2016, section 10.1 of this chapter. The department shall review
33 the language for compliance with section 10 or 10.1 of this
34 chapter, whichever is applicable, and either approve or reject the
35 language. The department shall send its decision to the governing
36 body of the school corporation not more than ten (10) days after
37 the resolution is submitted to the department. If the language is
38 approved, the governing body of the school corporation shall
39 certify a copy of the resolution, including the language for the
40 question and the department's approval.

41 (2) The county fiscal body of each county in which the school
42 corporation is located (for informational purposes only).



1 (3) The circuit court clerk of each county in which the school
2 corporation is located.

3 (c) If a school safety referendum tax levy under IC 20-46-9 has been
4 approved by the voters in a school corporation at any time in the
5 previous three (3) years, the school corporation may not:

6 (1) adopt a resolution to place a referendum under this chapter on
7 the ballot; or

8 (2) otherwise place a referendum under this chapter on the ballot.

9 ~~(d) The resolution described in subsection (a) must indicate whether~~
10 ~~proceeds in the school corporation's education fund collected from a~~
11 ~~tax levy under this chapter will be used to provide a distribution to a~~
12 ~~charter school or charter schools, excluding a virtual charter school,~~
13 ~~under IC 20-40-3-5 as well as the amount that will be distributed to the~~
14 ~~particular charter school or charter schools. A school corporation may~~
15 ~~request from the designated charter school or charter schools any~~
16 ~~financial documentation necessary to demonstrate the financial need of~~
17 ~~the charter school or charter schools.~~

18 SECTION 5. IC 20-46-1-18, AS AMENDED BY P.L.154-2020,
19 SECTION 44, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
20 JULY 1, 2021]: Sec. 18. A school corporation's levy may not be
21 considered in the determination of the school corporation's ~~or a charter~~
22 ~~school's (excluding a virtual charter school)~~ state tuition support
23 distribution under IC 20-43 or the determination of any other property
24 tax levy imposed by the school corporation.

25 SECTION 6. IC 20-46-9-6, AS AMENDED BY P.L.154-2020,
26 SECTION 45, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
27 JULY 1, 2021]: Sec. 6. (a) Subject to this chapter, the governing body
28 of a school corporation may adopt a resolution to place a referendum
29 under this chapter on the ballot if the governing body of the school
30 corporation determines that a referendum levy should be imposed for
31 measures to improve school safety as described in IC 20-40-20-6(a). ~~or~~
32 ~~IC 20-40-20-6(b).~~

33 ~~(b) A school corporation may, with the approval of the majority of~~
34 ~~members of the governing body, distribute a portion of the proceeds of~~
35 ~~a tax levy collected under this chapter that is deposited in the fund to~~
36 ~~a charter school, excluding a virtual charter school, that is located~~
37 ~~within the attendance area of the school corporation, to be used by the~~
38 ~~charter school for the purposes described in IC 20-40-20-6(a).~~

39 ~~(c) (b)~~ The governing body of the school corporation shall certify a
40 copy of the resolution to the following:

41 (1) The department of local government finance, including the
42 language for the question required by section 9 of this chapter, or



1 in the case of a resolution to extend a referendum levy certified to
2 the department of local government finance, section 10 of this
3 chapter. The department shall review the language for compliance
4 with section 9 or 10 of this chapter, whichever is applicable, and
5 either approve or reject the language. The department shall send
6 its decision to the governing body of the school corporation not
7 more than ten (10) days after the resolution is submitted to the
8 department. If the language is approved, the governing body of
9 the school corporation shall certify a copy of the resolution,
10 including the language for the question and the department's
11 approval.

12 (2) The county fiscal body of each county in which the school
13 corporation is located (for informational purposes only).

14 (3) The circuit court clerk of each county in which the school
15 corporation is located.

16 ~~(d) The resolution described in subsection (a) must indicate whether~~
17 ~~proceeds in the school corporation's fund collected from a tax levy~~
18 ~~under this chapter will be used to provide a distribution to a charter~~
19 ~~school or charter schools, excluding a virtual charter school; under~~
20 ~~IC 20-40-20-6(b) as well as the amount that will be distributed to the~~
21 ~~particular charter school or charter schools. A school corporation may~~
22 ~~request from the designated charter school or charter schools any~~
23 ~~financial documentation necessary to demonstrate the financial need of~~
24 ~~the charter school or charter schools.~~

