

# HOUSE BILL No. 1503

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 20-49-11.

**Synopsis:** Loan forgiveness for distressed schools. Provides that certain school corporations that are distressed political subdivisions may qualify to have common school fund loans or advances forgiven. Provides that the budget agency may approve to deposit reversions to the state general fund into the common school fund to offset advances or loans forgiven.

**Effective:** July 1, 2019.

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## Smith V, Harris

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January 16, 2019, read first time and referred to Committee on Ways and Means.

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First Regular Session of the 121st General Assembly (2019)

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 2018 Regular and Special Session of the General Assembly.

# HOUSE BILL No. 1503

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 20-49-11 IS ADDED TO THE INDIANA CODE  
2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2019]:  
4 **Chapter 11. School Corporation Common Fund Loan**  
5 **Forgiveness**  
6 **Sec. 1. As used in this chapter, "fund" refers to the common**  
7 **school fund in the custody of the treasurer of state.**  
8 **Sec. 2. (a) A school corporation may receive forgiveness for**  
9 **principal or interest of loans or advances from the fund.**  
10 **(b) A school corporation may qualify for forgiveness of a loan**  
11 **or advance if:**  
12 **(1) at least sixty percent (60%) of the school corporation's**  
13 **students qualify for free or reduced price lunch under the**  
14 **national school lunch program;**  
15 **(2) the property tax collection rate over the immediately**  
16 **preceding year has been less than fifty percent (50%);**  
17 **(3) the school corporation is a distressed political subdivision**



1           **under IC 6-1.1-20.3;**  
2           **(4) the distressed unit appeal board recommends the advance**  
3           **or loan be forgiven; and**  
4           **(5) the state board approves the school corporation's request**  
5           **for forgiveness of an advance or loan from the fund.**  
6           **(c) A school corporation must apply to the state board for**  
7           **approval of a request under subsection (b)(5) in a manner**  
8           **prescribed by the state board.**  
9           **Sec. 3. The budget agency may approve to deposit into the fund**  
10          **to offset advances or loans forgiven under this chapter amounts**  
11          **reverted to the state general fund in a state fiscal year from funds**  
12          **appropriated. The amount the budget agency may approve may**  
13          **not exceed three percent (3%) of the amounts reverted to the state**  
14          **general fund. The amounts approved under this section shall be**  
15          **deposited into the fund.**

