

HOUSE BILL No. 1607

DIGEST OF INTRODUCED BILL

Citations Affected: IC 5-1.5-1-8; IC 6-2.5-10-1; IC 20-24; IC 20-29; IC 20-40; IC 20-46; IC 20-49.

Synopsis: Charter school matters. Provides all charter schools access to loans through the Indiana bond bank. Requires a county auditor to distribute a portion of revenue received from a school corporation's operations fund property tax levy to each: (1) charter school in which students who receive not more than 50% virtual instruction and who have legal settlement in the school corporation attend; and (2) transferee school corporation that a transferred student who has legal settlement in the school corporation attends. Phases in the distributions over three years. Provides that, for a resolution to adopt a school operating referendum tax levy adopted after June 30, 2023, a county auditor must distribute a portion of revenue received from the levy or school safety referendum tax levy to each transferee school corporation and charter school in which students who receive not more than 50% virtual instruction and who have legal settlement in the school corporation attend. Provides that if a charter school receives a distribution from a school corporation from a school operating referendum tax levy or a school safety referendum tax levy, the charter school must post certain information on the charter school's website. Provides that a charter school or transferee school corporation that may receive money from a school operating referendum tax levy or a school safety referendum tax levy may not promote a position on a referendum, in the same manner as a school corporation is prohibited from promoting a position on a referendum. Provides that the maximum length of a charter is 15 years. (Current law provides that the maximum length of a charter is seven years.) Amends the definition of "school building construction program" to: (1) include the purchase,
(Continued next page)

Effective: July 1, 2023; January 1, 2024.

Behning, Teshka

January 19, 2023, read first time and referred to Committee on Education.



Digest Continued

lease, or financing of land, the construction and equipping of school buildings, and the remodeling, repairing, or improving of school buildings by a charter school; and (2) replace "adjusted assessed valuation" with "assessed valuation" with regard to school corporation eligibility for an advance from the common school fund. Establishes the public school options program and fund. Provides that a charter school (excluding a virtual charter school or adult high school) may receive an advance from the common school fund if the charter school's authorizer approves the application. Provides that the state board of education shall repay a charter school's advance from proceeds in the public school options fund. Provides that the department of state revenue shall make a distribution from the state retail and use tax that it collects to the public school options fund. Makes conforming amendments. Makes a technical correction.



Introduced

First Regular Session of the 123rd General Assembly (2023)

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 2022 Regular Session of the General Assembly.

HOUSE BILL No. 1607

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

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

- 1 SECTION 1. IC 5-1.5-1-8, AS AMENDED BY P.L.81-2020,
2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2023]: Sec. 8. "Qualified entity" means:
4 (1) a political subdivision (as defined in IC 36-1-2-13);
5 (2) a state educational institution;
6 (3) a leasing body (as defined in IC 5-1-1-1(a));
7 (4) a not-for-profit utility (as defined in IC 8-1-2-125);
8 (5) any rural electric membership corporation organized under
9 IC 8-1-13;
10 (6) any corporation that was organized in 1963 under Acts 1935,
11 c. 157 and that engages in the generation and transmission of
12 electric energy;
13 (7) any communications cooperative corporation formed under
14 IC 8-1-17;
15 (8) any commission, authority, or authorized body of any qualified

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- 1 entity;
- 2 (9) any organization, association, or trust with members,
- 3 participants, or beneficiaries that are all individually qualified
- 4 entities;
- 5 (10) any commission, authority, or instrumentality of the state;
- 6 (11) any other participant (as defined in IC 5-1.2-2-54);
- 7 (12) a charter school established under IC 20-5.5 (before its
- 8 repeal) or IC 20-24; ~~that is not a qualified entity under~~
- 9 ~~IC 5-1.4-1-10;~~
- 10 (13) a volunteer fire department (as defined in IC 36-8-12-2); or
- 11 (14) a development authority (as defined in IC 36-7.6-1-8).
- 12 SECTION 2. IC 6-2.5-10-1, AS AMENDED BY P.L.218-2017,
- 13 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 14 JULY 1, 2023]: Sec. 1. (a) The department shall account for all state
- 15 gross retail and use taxes that it collects.
- 16 (b) Of all the state gross retail and use taxes that the department
- 17 collects, the department shall determine separately the parts that:
- 18 (1) the department collects under IC 6-2.5-3.5 (gasoline use tax);
- 19 and
- 20 (2) the department collects under this article, less the amount
- 21 described in subdivision (1).
- 22 (c) The department shall deposit the collections described in
- 23 subsection (b)(1) in the following manner:
- 24 (1) For state fiscal year 2017, the following:
- 25 (A) Fourteen and two hundred eighty-six thousandths percent
- 26 (14.286%) of the collections shall be deposited in the motor
- 27 vehicle highway account established under IC 8-14-1.
- 28 (B) Eighty-five and seven hundred fourteen thousandths
- 29 percent (85.714%) to the state general fund.
- 30 (2) For state fiscal year 2018, the following:
- 31 (A) Fourteen and two hundred eighty-six thousandths percent
- 32 (14.286%) of the collections shall be deposited in the motor
- 33 vehicle highway account established under IC 8-14-1.
- 34 (B) Fourteen and two hundred eighty-six thousandths percent
- 35 (14.286%) of the collections shall be deposited in the local
- 36 road and bridge matching grant fund established under
- 37 IC 8-23-30.
- 38 (C) Seventy-one and four hundred twenty-eight thousandths
- 39 percent (71.428%) to the state general fund.
- 40 (3) For state fiscal year 2019, the following:
- 41 (A) Fourteen and two hundred eighty-six thousandths percent
- 42 (14.286%) of the collections shall be deposited in the motor



- 1 vehicle highway account established under IC 8-14-1.
 2 (B) Twenty-one and four hundred twenty-nine thousandths
 3 percent (21.429%) of the collections shall be deposited in the
 4 local road and bridge matching grant fund established under
 5 IC 8-23-30.
 6 (C) Sixty-four and two hundred eighty-five thousandths
 7 percent (64.285%) shall be deposited in the state general fund.
 8 (4) For state fiscal year 2020 and for each state fiscal year
 9 thereafter, the following:
 10 (A) Fourteen and two hundred eighty-six thousandths percent
 11 (14.286%) of the collections shall be deposited in the motor
 12 vehicle highway account established under IC 8-14-1.
 13 (B) Twenty-one and four hundred twenty-nine thousandths
 14 percent (21.429%) of the collections shall be deposited in the
 15 local road and bridge matching grant fund established under
 16 IC 8-23-30.
 17 (C) The following shall be deposited in the state general fund:
 18 (i) For state fiscal year 2020, fifty-three and five hundred
 19 seventy-five thousandths percent (53.575%) shall be
 20 deposited in the state general fund.
 21 (ii) For state fiscal year 2021, forty-two and eight hundred
 22 sixty-five thousandths percent (42.865%) shall be deposited
 23 in the state general fund.
 24 (iii) For state fiscal year 2022, thirty-two and one hundred
 25 fifty-five thousandths percent (32.155%) shall be deposited
 26 in the state general fund.
 27 (iv) For state fiscal year 2023, twenty-one and four hundred
 28 forty-five thousandths percent (21.445%) shall be deposited
 29 in the state general fund.
 30 (v) For state fiscal year 2024, ten and seven hundred
 31 thirty-five thousandths percent (10.735%) shall be deposited
 32 in the state general fund.
 33 (D) The following shall be deposited in the special
 34 transportation flexibility fund established by IC 4-12-16.5-2:
 35 (i) For state fiscal year 2020, eight and five hundred
 36 sixty-eight thousandths percent (8.568%) of the collections
 37 shall be deposited in the special transportation flexibility
 38 fund established by IC 4-12-16.5-2.
 39 (ii) For state fiscal year 2021, twelve and eight hundred
 40 fifty-two thousandths percent (12.852%) of the collections
 41 shall be deposited in the special transportation flexibility
 42 fund established by IC 4-12-16.5-2.



- 1 (iii) For state fiscal year 2022, twelve and eight hundred
 2 fifty-two thousandths percent (12.852%) of the collections
 3 shall be deposited in the special transportation flexibility
 4 fund established by IC 4-12-16.5-2.
- 5 (iv) For state fiscal year 2023, eight and five hundred
 6 sixty-eight thousandths percent (8.568%) of the collections
 7 shall be deposited in the special transportation flexibility
 8 fund established by IC 4-12-16.5-2.
- 9 (E) The following shall be deposited in the state highway fund:
- 10 (i) For state fiscal year 2020, two and one hundred forty-two
 11 thousandths percent (2.142%) of the collections shall be
 12 deposited in the state highway fund.
- 13 (ii) For state fiscal year 2021, eight and five hundred
 14 sixty-eight thousandths percent (8.568%) of the collections
 15 shall be deposited in the state highway fund.
- 16 (iii) For state fiscal year 2022, nineteen and two hundred
 17 seventy-eight thousandths percent (19.278%) of the
 18 collections shall be deposited in the state highway fund.
- 19 (iv) For state fiscal year 2023, thirty-four and two hundred
 20 seventy-two thousandths percent (34.272%) of the
 21 collections shall be deposited in the state highway fund.
- 22 (v) For state fiscal year 2024, fifty-three and fifty-five
 23 hundredths percent (53.55%) of the collections shall be
 24 deposited in the state highway fund.
- 25 (vi) For state fiscal year 2025, and for each state fiscal year
 26 thereafter, sixty-four and two hundred eighty-five
 27 thousandths percent (64.285%) of the collections shall be
 28 deposited in the state highway fund.
- 29 (d) The department shall deposit those collections described in
 30 subsection (b)(2) in the following manner:
- 31 (1) Ninety-nine and ~~eight~~ **two** hundred thirty-eight thousandths
 32 percent (~~99.838%~~) **(99.238%)** of the collections shall be paid into
 33 the state general fund.
- 34 (2) Thirty-one thousandths of one percent (0.031%) of the
 35 collections shall be deposited into the industrial rail service fund
 36 established under IC 8-3-1.7-2.
- 37 (3) One hundred thirty-one thousandths of one percent (0.131%)
 38 of the collections shall be deposited into the commuter rail service
 39 fund established under IC 8-3-1.5-20.5.
- 40 **(4) Six-tenths of one percent (0.6%) of the collections shall be**
 41 **deposited into the public school options fund established by**
 42 **IC 20-49-11-5.**



1 SECTION 3. IC 20-24-4-1, AS AMENDED BY P.L.211-2021,
 2 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 3 JULY 1, 2023]: Sec. 1. (a) A charter must meet the following
 4 requirements:

- 5 (1) Be a written instrument.
 6 (2) Be executed by an authorizer and an organizer.
 7 (3) Confer certain rights, franchises, privileges, and obligations
 8 on a charter school.
 9 (4) Confirm the status of a charter school as a public school.
 10 (5) Subject to subdivision (6)(E), be granted for:
 11 (A) not less than three (3) years or more than ~~seven (7)~~ **fifteen**
 12 **(15)** years; and
 13 (B) a fixed number of years agreed to by the authorizer and the
 14 organizer.
 15 (6) Provide for the following:
 16 (A) A review by the authorizer of the charter school's
 17 performance, including the progress of the charter school in
 18 achieving the academic goals set forth in the charter, at least
 19 one (1) time in each five (5) year period while the charter is in
 20 effect.
 21 (B) Renewal, if the authorizer and the organizer agree to renew
 22 the charter.
 23 (C) The renewal application must include guidance from the
 24 authorizer, and the guidance must include the performance
 25 criteria that will guide the authorizer's renewal decisions.
 26 (D) The renewal application process must, at a minimum,
 27 provide an opportunity for the charter school to:
 28 (i) present additional evidence, beyond the data contained in
 29 the performance report, supporting its case for charter
 30 renewal;
 31 (ii) describe improvements undertaken or planned for the
 32 charter school; and
 33 (iii) detail the charter school's plans for the next charter
 34 term.
 35 (E) Not later than the end of the calendar year in which the
 36 charter school seeks renewal of a charter, the governing board
 37 of a charter school seeking renewal shall submit a renewal
 38 application to the charter authorizer under the renewal
 39 application guidance issued by the authorizer. The authorizer
 40 shall make a final ruling on the renewal application not later
 41 than April 1 after the filing of the renewal application. A
 42 renewal granted under this clause is not subject to the three (3)



- 1 year minimum described in subdivision (5). The April 1
 2 deadline does not apply to any review or appeal of a final
 3 ruling. After the final ruling is issued, the charter school may
 4 obtain further review by the authorizer of the authorizer's final
 5 ruling in accordance with the terms of the charter school's
 6 charter and the protocols of the authorizer.
- 7 (7) Specify the grounds for the authorizer to:
 8 (A) revoke the charter before the end of the term for which the
 9 charter is granted; or
 10 (B) not renew a charter.
- 11 (8) Set forth the methods by which the charter school will be held
 12 accountable for achieving the educational mission and goals of
 13 the charter school, including the following:
 14 (A) Evidence of improvement in:
 15 (i) assessment measures, including the statewide assessment
 16 program measures;
 17 (ii) attendance rates;
 18 (iii) graduation rates (if appropriate);
 19 (iv) increased numbers of Indiana diplomas with a Core 40
 20 designation and other college and career ready indicators
 21 including advanced placement participation and passage,
 22 dual credit participation and passage, and International
 23 Baccalaureate participation and passage (if appropriate);
 24 (v) increased numbers of Indiana diplomas with Core 40
 25 with academic honors and technical honors designations (if
 26 appropriate);
 27 (vi) student academic growth;
 28 (vii) financial performance and stability; and
 29 (viii) governing board performance and stewardship,
 30 including compliance with applicable laws, rules and
 31 regulations, and charter terms.
 32 (B) Evidence of progress toward reaching the educational
 33 goals set by the organizer.
- 34 (9) Describe the method to be used to monitor the charter
 35 school's:
 36 (A) compliance with applicable law; and
 37 (B) performance in meeting targeted educational performance.
- 38 (10) Specify that the authorizer and the organizer may amend the
 39 charter during the term of the charter by mutual consent and
 40 describe the process for amending the charter.
- 41 (11) Describe specific operating requirements, including all the
 42 matters set forth in the application for the charter.



- 1 (12) Specify a date when the charter school will:
 2 (A) begin school operations; and
 3 (B) have students attending the charter school.
 4 (13) Specify that records of a charter school relating to the
 5 school's operation and charter are subject to inspection and
 6 copying to the same extent that records of a public school are
 7 subject to inspection and copying under IC 5-14-3.
 8 (14) Specify that records provided by the charter school to the
 9 department or authorizer that relate to compliance by the
 10 organizer with the terms of the charter or applicable state or
 11 federal laws are subject to inspection and copying in accordance
 12 with IC 5-14-3.
 13 (15) Specify that the charter school is subject to the requirements
 14 of IC 5-14-1.5.
 15 (16) This subdivision applies to a charter established or renewed
 16 for an adult high school after June 30, 2014. The charter must
 17 require:
 18 (A) that the school will offer flexible scheduling;
 19 (B) that students will not complete the majority of instruction
 20 of the school's curriculum online or through remote
 21 instruction;
 22 (C) that the school will offer dual credit or industry
 23 certification course work that aligns with career pathways as
 24 recommended by the Indiana career council established by
 25 IC 22-4.5-9-3 (expired); and
 26 (D) a plan:
 27 (i) to support successful program completion and to assist
 28 transition of graduates to the workforce or to a
 29 postsecondary education upon receiving a diploma from the
 30 adult high school; and
 31 (ii) to review individual student accomplishments and
 32 success after a student receives a diploma from the adult
 33 high school.
 34 (b) A charter school shall set annual performance targets in
 35 conjunction with the charter school's authorizer. The annual
 36 performance targets shall be designed to help each school meet
 37 applicable federal, state, and authorizer expectations.
 38 SECTION 4. IC 20-24-7-6, AS AMENDED BY P.L.154-2020,
 39 SECTION 39, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 40 JULY 1, 2023]: Sec. 6. (a) With the approval of a majority of the
 41 members of the governing body, a school corporation may distribute a
 42 proportionate share of the school corporation's operations fund to a



1 charter school. A charter school may elect to distribute a proportionate
 2 share of the charter school's operations fund to the school corporation
 3 in whose district the charter school is located.

4 **(b) This subsection applies to a levy resulting from a resolution**
 5 **to place a referendum on the ballot adopted by the governing body**
 6 **under IC 20-46-1-8 or IC 20-46-1-8.5 before July 1, 2023.** A
 7 governing body may distribute money that is received as part of a tax
 8 levy collected under IC 20-46-1 from the school corporation's
 9 education fund to a charter school, excluding a virtual charter school,
 10 in the manner provided by ~~IC 20-46-1-8(d)~~: **IC 20-46-1-8(e).**

11 **(c) This subsection applies to a levy resulting from a resolution**
 12 **to place a referendum on the ballot adopted by the governing body**
 13 **under IC 20-46-9-6 or IC 20-46-9-7 before July 1, 2023.** A
 14 governing body may distribute money from the school safety
 15 referendum tax levy fund to a charter school, excluding a virtual
 16 charter school, in the manner prescribed by IC 20-46-9-6(b).

17 SECTION 5. IC 20-24-7-6.1 IS ADDED TO THE INDIANA CODE
 18 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
 19 JANUARY 1, 2024]: **Sec. 6.1. (a) This section applies to revenue**
 20 **collected after December 31, 2023, from a tax levy imposed by a**
 21 **governing body under IC 20-46-8.**

22 **(b) The county auditor shall distribute money that is received as**
 23 **part of a tax levy collected under IC 20-46-8 to an eligible charter**
 24 **school, excluding a virtual charter school, in the manner provided**
 25 **by IC 20-46-8-11.**

26 SECTION 6. IC 20-24-7-6.2 IS ADDED TO THE INDIANA CODE
 27 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 28 1, 2023]: **Sec. 6.2. (a) This section applies to a levy resulting from**
 29 **a resolution to place a referendum on the ballot adopted by the**
 30 **governing body under IC 20-46-1-8, IC 20-46-1-8.5, IC 20-46-9-6,**
 31 **or IC 20-46-9-7 after June 30, 2023.**

32 **(b) The county auditor in the county in which the applicable**
 33 **school corporation is located shall distribute money that is received**
 34 **as part of a tax levy collected under IC 20-46-1 to an applicable**
 35 **charter school, excluding a virtual charter school, in the manner**
 36 **provided by IC 20-46-1-21.**

37 **(c) The county auditor in the county in which the applicable**
 38 **school corporation is located shall distribute money that is received**
 39 **as part of a tax levy collected under IC 20-46-9 to an applicable**
 40 **charter school, excluding a virtual charter school, in the manner**
 41 **prescribed by IC 20-46-9-22.**

42 **(d) A charter school that may receive money from a school**



1 corporation's tax levy collected under IC 20-46-1 or a school safety
 2 referendum tax levy under IC 20-46-9 may not promote a position
 3 on a referendum in the same manner as a school corporation is
 4 prohibited from promoting a position on a referendum under
 5 IC 20-46-1-20.

6 (e) If a charter school receives a distribution from a school
 7 corporation from the school corporation's tax levy collected under
 8 IC 20-46-1 or a school safety referendum tax levy under
 9 IC 20-46-9, the charter school must post the following on the
 10 charter school's website:

11 (1) The specific purposes for which the revenue received from
 12 the tax levy will be used.

13 (2) An estimate of the annual dollar amounts that will be
 14 expended for each purpose described in subdivision (1).

15 SECTION 7. IC 20-29-2-6, AS AMENDED BY P.L.272-2019,
 16 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 17 JULY 1, 2023]: Sec. 6. "Deficit financing" for a budget year:

18 (1) means, except as provided in subdivision (2), actual
 19 expenditures exceeding the employer's current year actual
 20 education fund revenue and, for a school employer for which the
 21 voters have passed an operating referendum tax levy under
 22 IC 20-46-1 or a school safety referendum tax levy under
 23 IC 20-46-9, the amount of revenue certified by the department of
 24 local government finance, **excluding money distributed to a**
 25 **charter school or transferee school corporation from a levy**
 26 **resulting from a resolution to place a referendum on the**
 27 **ballot that is adopted by the governing body under**
 28 **IC 20-46-1-8, IC 20-46-1-8.5, IC 20-46-9-6, or IC 20-46-9-7**
 29 **after June 30, 2023; or**

30 (2) means, in the case of any distressed school corporation, the
 31 Gary Community School Corporation, or the Muncie Community
 32 school corporation, actual expenditures plus additional payments
 33 against any outstanding debt obligations exceeding the employer's
 34 current year actual education fund revenue, and, for a school
 35 employer for which the voters have passed an operating
 36 referendum tax levy under IC 20-46-1 or a school safety
 37 referendum tax levy under IC 20-46-9, **excluding money**
 38 **distributed to a charter school or transferee school**
 39 **corporation from a levy resulting from a resolution to place**
 40 **a referendum on the ballot that is adopted by the governing**
 41 **body under IC 20-46-1-8, IC 20-46-1-8.5, IC 20-46-9-6, or**
 42 **IC 20-46-9-7 after June 30, 2023, the amount of revenue**



1 certified by the department of local government finance.
 2 Except as provided in IC 20-29-6-3(c), revenue does not include money
 3 estimated to be or actually transferred from the school corporation's
 4 operations fund to its education fund.

5 SECTION 8. IC 20-29-8-7, AS AMENDED BY P.L.272-2019,
 6 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 7 JULY 1, 2023]: Sec. 7. (a) When a factfinder is requested or required
 8 under IC 20-29-6, the board shall appoint a factfinder.

9 (b) The factfinder shall make an investigation and hold hearings as
 10 the factfinder considers necessary in connection with a dispute.

11 (c) The factfinder:

12 (1) may restrict the factfinder's findings to those issues that the
 13 factfinder determines significant;

14 (2) must restrict the findings to the items listed in IC 20-29-6-4;
 15 and

16 (3) may not impose terms beyond those proposed by the parties in
 17 their last, best offers.

18 (d) The factfinder may use evidence furnished to the factfinder by:

19 (1) the parties;

20 (2) the board;

21 (3) the board's staff; or

22 (4) any other state agency.

23 (e) The factfinder shall conduct the factfinding hearing in public in
 24 a room or facility owned by the county or local unit of government
 25 located in the county in which the school employer is located, or if the
 26 school employer is located in more than one (1) county, in the county
 27 in which the greatest number of students who attend the school
 28 employer's schools reside. The public hearing may begin not earlier
 29 than November 15 in the first year of the state budget biennium and
 30 must be concluded by February 15 of the calendar year after the start
 31 of formal collective bargaining.

32 (f) The factfinding process may not exceed thirty (30) days from
 33 beginning to end, and not more than two (2) of those days may be used
 34 for public testimony, which may be taken at the discretion of the
 35 factfinder. During the public hearing, each party shall present fully its
 36 last, best offer, including the fiscal rationale for the offer. Only
 37 education fund revenue and, for a school employer for which the voters
 38 have passed an operating referendum tax levy under IC 20-46-1 or a
 39 school safety referendum tax levy under IC 20-46-9, the amount of
 40 revenue certified by the department of local government finance,
 41 **excluding money distributed to a charter school or transferee**
 42 **school corporation from a levy resulting from a resolution to place**



1 **a referendum on the ballot that is adopted by the governing body**
 2 **under IC 20-46-1-8, IC 20-46-1-8.5, IC 20-46-9-6, or IC 20-46-9-7**
 3 **after June 30, 2023**, may be considered a source of the funding for
 4 items. Money estimated to be or actually transferred from the school
 5 corporation's operations fund to its education fund may not be
 6 considered a source of funding for items.

7 (g) The factfinder shall make a recommendation as to the settlement
 8 of the disputes over which the factfinder has jurisdiction.

9 (h) The factfinder shall:

10 (1) make the investigation, hearing, and findings as expeditiously
 11 as the circumstances permit; and

12 (2) deliver the findings to the parties and to the board.

13 (i) The board, after receiving the findings and recommendations,
 14 may make additional findings and recommendations to the parties
 15 based on information in:

16 (1) the report; or

17 (2) the board's own possession.

18 The board may not make any recommendations to the parties related to
 19 any items not specifically identified in IC 20-29-6-4.

20 (j) At any time within five (5) days after the findings and
 21 recommendations are delivered to the board, the board may make the
 22 findings and recommendations of the factfinder and the board's
 23 additional findings and recommendations, if any, available to the
 24 public through news media and other means the board considers
 25 effective.

26 (k) The board shall make the findings and recommendations
 27 described in subsection (j) available to the public not later than ten (10)
 28 days after the findings and recommendations are delivered to the board.

29 SECTION 9. IC 20-40-3-5, AS AMENDED BY P.L.154-2020,
 30 SECTION 40, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 31 JULY 1, 2023]: Sec. 5. (a) Money in the fund may be used for any
 32 lawful school expenses, including making a transfer to the school
 33 corporation's education fund (IC 20-40-2) or operations fund (IC
 34 20-40-18).

35 (b) **This subsection applies to a levy resulting from a resolution**
 36 **to place a referendum on the ballot that is adopted by the**
 37 **governing body under IC 20-46-1-8 or IC 20-46-1-8.5 before July**
 38 **1, 2023**. A school corporation may distribute proceeds of a tax levy
 39 collected under IC 20-46-1 that is transferred to the school
 40 corporation's education fund to a charter school, excluding a virtual
 41 charter school, that is located within the attendance area of the school
 42 corporation.



1 SECTION 10. IC 20-40-20-6, AS AMENDED BY P.L.154-2020,
 2 SECTION 41, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 3 JULY 1, 2023]: Sec. 6. (a) Subject to subsections (c) and (d), money in
 4 the fund may be used only for the following purposes:

5 (1) To employ or compensate a school resource officer or school
 6 resource officers.

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

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

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

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

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

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

15 (8) To establish and administer programs to address youth
 16 specific mental illness, addiction, anger management, bullying,
 17 and school violence.

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

21 (b) **This subsection applies to a levy resulting from a resolution**
 22 **to place a referendum on the ballot adopted by the governing body**
 23 **under IC 20-46-9-6 or IC 20-46-9-7 before July 1, 2023.** A school
 24 corporation may distribute, with the approval of the majority of
 25 members of the governing body, a portion of the proceeds of a tax levy
 26 collected under IC 20-46-9 that is deposited in the fund to a charter
 27 school, excluding a virtual charter school, that is located within the
 28 attendance area of the school corporation, to be used by the charter
 29 school for the purposes described in subsection (a).

30 (c) Expenditures paid using money collected from the levy shall be
 31 included in a school's safety plan.

32 (d) Local law enforcement shall participate in:

33 (1) development of a school safety plan;

34 (2) development or updates to school emergency response
 35 systems; and

36 (3) determination of capital expenses that would improve the
 37 safety of a school building.

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

42 SECTION 11. IC 20-46-1-8, AS AMENDED BY P.L.174-2022,



1 SECTION 51, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
2 JULY 1, 2023]: Sec. 8. (a) Subject to subsections ~~(c)~~, ~~(d)~~, and (e), (f),
3 **and (g)** and this chapter, the governing body of a school corporation
4 may adopt a resolution to place a referendum under this chapter on the
5 ballot for any of the following purposes:

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

9 (2) The governing body of the school corporation determines that
10 a referendum tax levy under this chapter should be imposed to
11 replace property tax revenue that the school corporation will not
12 receive because of the application of the credit under
13 IC 6-1.1-20.6.

14 (3) **For a resolution adopted before July 1, 2023**, the governing
15 body makes the determination required under subdivision (1) or
16 (2) and determines to share a portion of the referendum proceeds
17 with a charter school, excluding a virtual charter school, in the
18 manner prescribed in subsection ~~(d)~~: (e).

19 **(b) A resolution for a referendum that is adopted after June 30,**
20 **2023, shall specify that a portion of the proceeds collected from the**
21 **proposed levy will be distributed to applicable charter schools and**
22 **transferee school corporations in the manner described under**
23 **section 21 of this chapter.**

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

27 (1) The department of local government finance, including:

28 (A) the language for the question required by section 10 of this
29 chapter, or in the case of a resolution to extend a referendum
30 levy certified to the department of local government finance
31 after March 15, 2016, section 10.1 of this chapter; and

32 (B) a copy of the revenue spending plan adopted under
33 subsection ~~(e)~~: (g).

34 The language of the public question must include the estimated
35 average percentage increases certified by the county auditor under
36 section 10(e) or 10.1(f) of this chapter, as applicable. The
37 governing body of the school corporation shall also provide the
38 county auditor's certification described in section 10(e) or 10.1(f)
39 of this chapter, as applicable. The department of local government
40 finance shall post the values certified by the county auditor to the
41 department's ~~Internet web site~~: **website**. The department shall
42 review the language for compliance with section 10 or 10.1 of this



1 chapter, whichever is applicable, and either approve or reject the
 2 language. The department shall send its decision to the governing
 3 body of the school corporation not more than ten (10) days after
 4 the resolution is submitted to the department. If the language is
 5 approved, the governing body of the school corporation shall
 6 certify a copy of the resolution, including the language for the
 7 question and the department's approval.

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

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

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

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

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

18 ~~(d)~~ **(e)** **This subsection applies to a resolution described in**
 19 **subsection (a) that is adopted before July 1, 2023.** The resolution
 20 described in subsection (a) must indicate whether proceeds in the
 21 school corporation's education fund collected from a tax levy under this
 22 chapter will be used to provide a distribution to a charter school or
 23 charter schools, excluding a virtual charter school, under IC 20-40-3-5
 24 as well as the amount that will be distributed to the particular charter
 25 school or charter schools. A school corporation may request from the
 26 designated charter school or charter schools any financial
 27 documentation necessary to demonstrate the financial need of the
 28 charter school or charter schools.

29 **(f) This subsection applies to a resolution described in**
 30 **subsection (a) that is adopted after June 30, 2023. The resolution**
 31 **described in subsection (a) shall include a projection of the amount**
 32 **that the school corporation expects to be distributed to a particular**
 33 **transferee school corporation and charter school, excluding virtual**
 34 **charter schools or adult high schools, under section 21 of this**
 35 **chapter. At least sixty (60) days before the resolution described in**
 36 **subsection (a) is voted on by the governing body, the school**
 37 **corporation shall contact the department to determine the number**
 38 **of students in kindergarten through grade 12 who have legal**
 39 **settlement in the school corporation but attend a transferee school**
 40 **corporation or charter school, excluding virtual charter schools or**
 41 **adult high schools, and who receive not more than fifty percent**
 42 **(50%) virtual instruction. The department shall provide the school**



1 corporation with the number of students with legal settlement in
 2 the school corporation who attend a transferee school corporation
 3 or charter school and who receive not more than fifty percent
 4 (50%) virtual instruction, which shall be disaggregated for each
 5 particular transferee school corporation and charter school,
 6 excluding a virtual charter school or adult high school. The
 7 projection may include an expected increase in charter schools
 8 during the term the levy is imposed under this chapter. The
 9 department of local government finance shall prescribe the manner
 10 in which the projection shall be calculated. The governing body
 11 shall take into consideration the projection when adopting the
 12 revenue spending plan under subsection (g).

13 ~~(e)~~ (g) As part of the resolution described in subsection (a), the
 14 governing body of the school corporation shall adopt a revenue
 15 spending plan for the proposed referendum tax levy that includes:

16 (1) an estimate of the amount of annual revenue expected to be
 17 collected if a levy is imposed under this chapter;

18 (2) the specific purposes for which the revenue collected from a
 19 levy imposed under this chapter will be used; ~~and~~

20 (3) an estimate of the annual dollar amounts that will be expended
 21 for each purpose described in subdivision (2); ~~and~~

22 **(4) for a resolution for a referendum that is adopted after**
 23 **June 30, 2023, the projected revenue that shall be distributed**
 24 **to charter schools or transferee school corporations as**
 25 **provided in subsection (f). The revenue spending plan shall**
 26 **also take into consideration deviations in the proposed**
 27 **revenue spending plan if the actual charter school and**
 28 **transferee school corporation distributions exceed or are**
 29 **lower than the projected charter school and transferee school**
 30 **corporation distributions described in subsection (f).**

31 ~~(f)~~ (h) A school corporation shall specify in its proposed budget the
 32 school corporation's revenue spending plan adopted under subsection
 33 ~~(e)~~ (g) and annually present the revenue spending plan at its public
 34 hearing on the proposed budget under IC 6-1.1-17-3.

35 SECTION 12. IC 20-46-1-8.5, AS ADDED BY P.L.138-2016,
 36 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 37 JULY 1, 2023]: Sec. 8.5. (a) A resolution to extend a referendum levy
 38 must be:

39 (1) adopted by the governing body of a school corporation; and

40 (2) approved in a referendum under this chapter;

41 before December 31 of the final calendar year in which the school
 42 corporation's previously approved referendum levy is imposed under



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this chapter.

(b) For a resolution adopted under this section after June 30, 2023, the resolution must include the projected charter school and transferee school corporation distributions described in section 8(f) of this chapter and indicate the distributions to applicable charter schools and transferee school corporations in accordance with section 21 of this chapter.

SECTION 13. IC 20-46-1-10, AS AMENDED BY P.L.174-2022, SECTION 52, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 10. (a) This section does not apply to a referendum on a resolution certified to the department of local government finance after March 15, 2016, to extend a referendum levy.

(b) The question to be submitted to the voters in the referendum must read as follows:

"Shall the school corporation increase property taxes paid to ~~the school corporation~~ **schools** by homeowners and businesses for _____ (insert number of years) years immediately following the holding of the referendum for the purpose of funding _____ (insert short description of purposes)? If this public question is approved by the voters, the average property tax paid to ~~the school corporation~~ **schools** per year on a residence would increase by _____% (insert the estimated average percentage of property tax increase paid to ~~the school corporation~~ **schools** on a residence within the school corporation as determined under subsection (c)) and the average property tax paid to ~~the school corporation~~ **schools** per year on a business property would increase by _____% (insert the estimated average percentage of property tax increase paid to ~~the school corporation~~ **schools** on a business property within the school corporation as determined under subsection (d)). The most recent property tax referendum proposed by the school corporation was held in _____ (insert year) and _____ (insert whether the measure passed or failed)."

(c) At the request of the governing body of a school corporation that proposes to impose property taxes under this chapter, the county auditor of the county in which the school corporation is located shall determine the estimated average percentage of property tax increase on a homestead to be paid to ~~the school corporation~~ **schools** that must be included in the public question under subsection (b) as follows:

- STEP ONE: Determine the average assessed value of a homestead located within the school corporation.
- STEP TWO: For purposes of determining the net assessed value



1 of the average homestead located within the school corporation,
 2 subtract:
 3 (A) an amount for the homestead standard deduction under
 4 IC 6-1.1-12-37 as if the homestead described in STEP ONE
 5 was eligible for the deduction; and
 6 (B) an amount for the supplemental homestead deduction
 7 under IC 6-1.1-12-37.5 as if the homestead described in STEP
 8 ONE was eligible for the deduction;
 9 from the result of STEP ONE.
 10 STEP THREE: Divide the result of STEP TWO by one hundred
 11 (100).
 12 STEP FOUR: Determine the overall average tax rate per one
 13 hundred dollars (\$100) of assessed valuation for the current year
 14 imposed on property located within the school corporation.
 15 STEP FIVE: For purposes of determining net property tax liability
 16 of the average homestead located within the school corporation:
 17 (A) multiply the result of STEP THREE by the result of STEP
 18 FOUR; and
 19 (B) as appropriate, apply any currently applicable county
 20 property tax credit rates and the credit for excessive property
 21 taxes under IC 6-1.1-20.6-7.5(a)(1).
 22 STEP SIX: Determine the amount of the school corporation's part
 23 of the result determined in STEP FIVE.
 24 STEP SEVEN: Multiply:
 25 (A) the tax rate that will be imposed if the public question is
 26 approved by the voters; by
 27 (B) the result of STEP THREE.
 28 STEP EIGHT: Divide the result of STEP SEVEN by the result of
 29 STEP SIX, expressed as a percentage.
 30 (d) At the request of the governing body of a school corporation that
 31 proposes to impose property taxes under this chapter, the county
 32 auditor of the county in which the school corporation is located shall
 33 determine the estimated average percentage of property tax increase on
 34 a business property to be paid to ~~the school corporation~~ **schools** that
 35 must be included in the public question under subsection (b) as
 36 follows:
 37 STEP ONE: Determine the average assessed value of business
 38 property located within the school corporation.
 39 STEP TWO: Divide the result of STEP ONE by one hundred
 40 (100).
 41 STEP THREE: Determine the overall average tax rate per one
 42 hundred dollars (\$100) of assessed valuation for the current year



1 imposed on property located within the school corporation.
 2 STEP FOUR: For purposes of determining net property tax
 3 liability of the average business property located within the school
 4 corporation:
 5 (A) multiply the result of STEP TWO by the result of STEP
 6 THREE; and
 7 (B) as appropriate, apply any currently applicable county
 8 property tax credit rates and the credit for excessive property
 9 taxes under IC 6-1.1-20.6-7.5 as if the applicable percentage
 10 was three percent (3%).
 11 STEP FIVE: Determine the amount of the school corporation's
 12 part of the result determined in STEP FOUR.
 13 STEP SIX: Multiply:
 14 (A) the result of STEP TWO; by
 15 (B) the tax rate that will be imposed if the public question is
 16 approved by the voters.
 17 STEP SEVEN: Divide the result of STEP SIX by the result of
 18 STEP FIVE, expressed as a percentage.
 19 (e) The county auditor shall certify the estimated average percentage
 20 of property tax increase on a homestead to be paid to ~~the school~~
 21 ~~corporation schools~~ determined under subsection (c), and the estimated
 22 average percentage of property tax increase on a business property to
 23 be paid to ~~the school corporation schools~~ determined under subsection
 24 (d), in a manner prescribed by the department of local government
 25 finance, and provide the certification to the governing body of the
 26 school corporation that proposes to impose property taxes.
 27 SECTION 14. IC 20-46-1-19.5, AS AMENDED BY P.L.272-2019,
 28 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 29 JULY 1, 2023]: Sec. 19.5. (a) Subject to section ~~8(e)~~ **8(d)** of this
 30 chapter, if a referendum is approved by the voters in a school
 31 corporation under this chapter in a calendar year, another referendum
 32 may not be placed on the ballot in the school corporation under this
 33 chapter in the following calendar year.
 34 (b) Notwithstanding any other provision of this chapter and in
 35 addition to the restriction specified in subsection (a), if a school
 36 corporation imposes in a calendar year a referendum levy approved in
 37 a referendum under this chapter, the school corporation may not
 38 simultaneously impose in that calendar year more than one (1)
 39 additional referendum levy approved in a subsequent referendum under
 40 this chapter.
 41 SECTION 15. IC 20-46-1-20, AS ADDED BY P.L.198-2011,
 42 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE



1 JULY 1, 2023]: Sec. 20. (a) Except as otherwise provided in this
 2 section, during the period beginning with the adoption of a resolution
 3 by the governing body of a school corporation to place a referendum
 4 under this chapter on the ballot and continuing through the day on
 5 which the referendum is submitted to the voters, the school corporation
 6 may not promote a position on the referendum by doing any of the
 7 following:

8 (1) Using facilities or equipment, including mail and messaging
 9 systems, owned by the school corporation to promote a position
 10 on the referendum, unless equal access to the facilities or
 11 equipment is given to persons with a position opposite to that of
 12 the school corporation.

13 (2) Making an expenditure of money from a fund controlled by
 14 the school corporation to promote a position on the referendum.

15 (3) Using an employee to promote a position on the referendum
 16 during the employee's normal working hours or paid overtime, or
 17 otherwise compelling an employee to promote a position on the
 18 referendum at any time. However, if a person described in
 19 subsection (d) is advocating for or against a position on the
 20 referendum or discussing the referendum as authorized under
 21 subsection (d), an employee of the school corporation may assist
 22 the person in presenting information on the referendum, if
 23 requested to do so by the person described in subsection (d).

24 (4) Promoting a position on the referendum by:

25 (A) using students to transport written materials to their
 26 residences or in any way involving students in a school
 27 organized promotion of a position;

28 (B) including a statement within another communication sent
 29 to the students' residences; or

30 (C) initiating discussion of the referendum at a meeting
 31 between a teacher and parents of a student regarding the
 32 student's performance or behavior at school. However, if the
 33 parents initiate a discussion of the referendum at the meeting,
 34 the teacher may acknowledge the issue and direct the parents
 35 to a source of factual information on the referendum.

36 However, this section does not prohibit an official or employee of the
 37 school corporation from carrying out duties with respect to a
 38 referendum that are part of the normal and regular conduct of the
 39 official's or employee's office or agency, including the furnishing of
 40 factual information regarding the referendum in response to inquiries
 41 from any person.

42 (b) The staff and employees of a school corporation may not



1 personally identify a student as the child of a parent or guardian who
2 supports or opposes the referendum.

3 (c) This subsection does not apply to:

4 (1) a personal expenditure to promote a position on a local public
5 question by an employee of a school corporation whose
6 employment is governed by a collective bargaining contract or an
7 employment contract; or

8 (2) an expenditure to promote a position on a local public
9 question by a person or an organization that has a contract or an
10 arrangement (whether formal or informal) with the school
11 corporation solely for the use of the school corporation's facilities.

12 A person or an organization that has a contract or arrangement
13 (whether formal or informal) with a school corporation to provide
14 goods or services to the school corporation may not spend any money
15 to promote a position on the petition or remonstrance. A person or an
16 organization that violates this subsection commits a Class A infraction.

17 (d) Notwithstanding any other law, an elected or appointed school
18 board member or a school corporation superintendent, school
19 corporation assistant superintendent, or chief school business official
20 of a school corporation may at any time:

21 (1) personally advocate for or against a position on a referendum;
22 or

23 (2) discuss the referendum with any individual, group, or
24 organization or personally advocate for or against a position on a
25 referendum before any individual, group, or organization;

26 so long as it is not done by using public funds. Advocacy or discussion
27 allowed under this subsection is not considered a use of public funds.
28 However, this subsection does not authorize or apply to advocacy or
29 discussion by a school board member, superintendent, assistant
30 superintendent, or school business official to or with students that
31 occurs during the regular school day.

32 (e) A student may use school equipment or facilities to report or
33 editorialize about a local public question as part of the news coverage
34 of the referendum by a student newspaper or broadcast.

35 **(f) A transferee school corporation that may receive money**
36 **from a school corporation's tax levy under this chapter may not**
37 **promote a position on a referendum in the same manner as a**
38 **school corporation is prohibited from promoting a position on a**
39 **referendum.**

40 SECTION 16. IC 20-46-1-21 IS ADDED TO THE INDIANA
41 CODE AS A NEW SECTION TO READ AS FOLLOWS
42 [EFFECTIVE JULY 1, 2023]: **Sec. 21. (a) This section applies to**



1 revenue received from a resolution that is approved by the
 2 governing body to impose a referendum levy under section 8 or 8.5
 3 of this chapter after June 30, 2023.

4 (b) The county auditor in which the school corporation is
 5 located shall distribute an amount under subsection (d) to each
 6 charter school or transferee school corporation that a student who
 7 resides within the attendance area of the school corporation
 8 attends. The department shall provide the county auditor with data
 9 and information necessary for the county auditor to determine:

- 10 (1) which charter schools and transferee school corporations
 11 are eligible to receive a distribution under this section; and
 12 (2) the number of students who reside within the attendance
 13 area of the school corporation who are included in the ADM
 14 for each charter school or transferee school corporation
 15 described in subdivision (1).

16 (c) The following schools are not eligible to receive a
 17 distribution under this section:

- 18 (1) A virtual charter school.
 19 (2) An adult high school.

20 (d) Except as provided in subsection (e), the amount that the
 21 county auditor shall distribute to a charter school or transferee
 22 school corporation under this section is the amount determined in
 23 the last STEP of the following STEPS:

24 **STEP ONE:** Determine, for each charter school or transferee
 25 school corporation that is eligible to receive a distribution
 26 under this section, the number of students who reside within
 27 the attendance area of the school corporation who are
 28 currently included in the ADM of the charter school or
 29 transferee school corporation.

30 **STEP TWO:** Determine the sum of:

- 31 (A) the current ADM count for the school corporation;
 32 plus
 33 (B) the STEP ONE amount.

34 **STEP THREE:** Determine the result of:

- 35 (A) the STEP ONE amount; divided by
 36 (B) the STEP TWO amount.

37 **STEP FOUR:** Determine the result of:

- 38 (A) the STEP THREE amount; multiplied by
 39 (B) the amount collected by the county auditor during the
 40 most recent installment period.

41 (e) The total amount of money distributed to applicable charter
 42 schools and transferee school corporations under this section for



1 a particular year may not exceed one hundred ten percent (110%)
 2 of the total amount of money that is projected to be distributed to
 3 all applicable charter schools or transferee school corporations
 4 under section 8(f) of this chapter for that particular year. If the
 5 total amount of money to be distributed to charter schools and
 6 transferee school corporations for a particular year exceeds one
 7 hundred ten percent (110%) of the amount projected to be
 8 distributed to all applicable charter schools and transferee school
 9 corporations under section 8(f) of this chapter, the amount that is
 10 actually distributed to each charter school and transferee school
 11 corporation under subsection (d) shall be proportionately reduced
 12 so that the total amount of money distributed to all applicable
 13 charter schools and transferee school corporations during that
 14 particular year equals an amount determined under the last STEP
 15 of the following STEPS:

16 **STEP ONE:** Determine the amount projected to be
 17 distributed to all applicable charter schools and transferee
 18 school corporations under section 8(f) of this chapter for that
 19 particular year.

20 **STEP TWO:** Multiply the STEP ONE amount by ten percent
 21 (10%).

22 **STEP THREE:** Add the STEP TWO amount to the STEP
 23 ONE amount.

24 SECTION 17. IC 20-46-8-11 IS ADDED TO THE INDIANA
 25 CODE AS A NEW SECTION TO READ AS FOLLOWS
 26 [EFFECTIVE JANUARY 1, 2024]: Sec. 11. (a) This section applies
 27 only to revenue collected after December 31, 2023, from a tax levy
 28 imposed under this chapter.

29 (b) Subject to subsection (c), the county auditor shall distribute,
 30 as provided under subsection (f), an amount of revenue received
 31 from a tax levy imposed by a school corporation under this chapter
 32 to each:

33 (1) charter school that a student who receives not more than
 34 fifty percent (50%) virtual instruction and who has legal
 35 settlement in the school corporation attends; and

36 (2) transferee school corporation that a transferred student
 37 who has legal settlement in the school corporation attends.

38 (c) The following schools are not eligible to receive a
 39 distribution under this section:

40 (1) A virtual charter school.

41 (2) An adult high school.

42 (d) Not later than thirty (30) days before the date that the



1 county auditor distributes money for the school corporation's
 2 operations fund (IC 20-40-18) under IC 6-1.1-27, the department
 3 shall determine the corresponding percentages of revenue received
 4 from the tax levy that must be distributed among the school
 5 corporation, each eligible charter school, and each eligible
 6 transferee school corporation according to the following formula:

7 **STEP ONE: Determine each:**

- 8 (A) charter school that a student who receives not more
 9 than fifty percent (50%) virtual instruction and who has
 10 legal settlement in the school corporation attends; and
 11 (B) transferee school corporation that a transferred
 12 student who has legal settlement in the school corporation
 13 attends.

14 **STEP TWO: Determine, for each:**

15 (A) charter school described in clause (A) of STEP ONE,
 16 the number of students who:

- 17 (i) have legal settlement within the school corporation;
 18 (ii) are currently included in the ADM for the charter
 19 school; and
 20 (iii) receive not more than fifty percent (50%) virtual
 21 instruction; and

22 (B) transferee school corporation described in clause (B) of
 23 STEP ONE, the number of students who:

- 24 (i) have legal settlement within the school corporation;
 25 and
 26 (ii) are currently included in the ADM for the transferee
 27 school corporation.

28 **STEP THREE: Determine the sum of:**

29 (A) the aggregate of the STEP TWO results for all
 30 applicable charter schools and all applicable transferee
 31 school corporations; plus

32 (B) the current ADM count for the school corporation.

33 **STEP FOUR: For each charter school described in clause (A)
 34 of STEP ONE and each transferee school corporation
 35 described in clause (B) of STEP ONE, determine the result of:**

- 36 (A) the applicable STEP TWO amount; divided by
 37 (B) the STEP THREE amount;

38 expressed as a percentage.

39 **STEP FIVE: Determine the sum of all of the amounts
 40 computed under STEP FOUR and subtract the result from
 41 one hundred percent (100%).**

42 (e) The department shall provide:



- 1 (1) each charter school determined under STEP ONE of
- 2 subsection (d) and the charter school's corresponding
- 3 percentage calculated under STEP FOUR of subsection (d);
- 4 (2) each transferee school corporation determined under
- 5 STEP ONE of subsection (d) and the transferee school
- 6 corporation's corresponding percentage calculated under
- 7 STEP FOUR of subsection (d); and
- 8 (3) the percentage calculated under STEP FIVE of subsection
- 9 (d) for the school corporation;

10 to the county auditor in the form prescribed by the county auditor.

11 (f) The county auditor shall distribute to the school corporation,
12 each applicable charter school, and each applicable transferee
13 school corporation the amount determined in the last STEP of the
14 following STEPS:

15 STEP ONE: For the school corporation, each applicable
16 charter school, and each applicable transferee school
17 corporation, determine the result of:

- 18 (A) in the case of:
 - 19 (i) an applicable charter school, the applicable
 - 20 percentage under STEP FOUR of subsection (d);
 - 21 (ii) an applicable transferee school corporation, the
 - 22 applicable percentage under STEP FOUR of subsection
 - 23 (d); and
 - 24 (iii) the school corporation, the applicable percentage
 - 25 under STEP FIVE of subsection (d); multiplied by

26 (B) the amount collected by the county treasurer during
27 the most recent installment period.

28 STEP TWO: Determine the result of the following:

- 29 (A) For distributions made in 2024, an amount equal to:
 - 30 (i) in the case of each applicable charter school and each
 - 31 applicable transferee school corporation, thirty-three
 - 32 and thirty-three hundredths percent (33.33%) of the
 - 33 STEP ONE amount; and
 - 34 (ii) in the case of the school corporation, the amount
 - 35 collected by the county treasurer during the most recent
 - 36 installment period that remains after subtracting each of
 - 37 the amounts to be distributed to applicable charter
 - 38 schools and applicable transferee school corporations
 - 39 under item (i).
- 40 (B) For distributions made in 2025, an amount equal to:
 - 41 (i) in the case of each applicable charter school and each
 - 42 applicable transferee school corporation, sixty-six and



1 sixty-seven hundredths percent (66.67%) of the STEP
2 ONE amount; and

3 (ii) in the case of the school corporation, the amount
4 collected by the county treasurer during the most recent
5 installment period that remains after subtracting each of
6 the amounts to be distributed to applicable charter
7 schools and applicable transferee school corporations,
8 under item (i).

9 (C) For distributions made in 2026 and each year
10 thereafter, an amount equal to:

11 (i) in the case of the school corporation, one hundred
12 percent (100%);

13 (ii) in the case of each applicable charter school, one
14 hundred percent (100%); and

15 (iii) in the case of each transferee school corporation, one
16 hundred percent (100%);

17 of the STEP ONE amount determined for the school
18 corporation, the applicable charter school, and the
19 applicable transferee school corporation.

20 SECTION 18. IC 20-46-9-6, AS AMENDED BY P.L.174-2022,
21 SECTION 54, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
22 JULY 1, 2023]: Sec. 6. (a) Subject to this chapter, the governing body
23 of a school corporation may adopt a resolution to place a referendum
24 under this chapter on the ballot if the governing body of the school
25 corporation determines that a referendum levy should be imposed for
26 measures to improve school safety as described in IC 20-40-20-6(a) or
27 IC 20-40-20-6(b).

28 (b) **This subsection applies to a resolution described in**
29 **subsection (a) that is adopted before July 1, 2023.** A school
30 corporation may, with the approval of the majority of members of the
31 governing body, distribute a portion of the proceeds of a tax levy
32 collected under this chapter that is deposited in the fund to a charter
33 school, excluding a virtual charter school, that is located within the
34 attendance area of the school corporation, to be used by the charter
35 school for the purposes described in IC 20-40-20-6(a).

36 (c) **This subsection applies to a resolution described in**
37 **subsection (a) that is adopted after June 30, 2023.** A resolution
38 shall specify that a portion of the proceeds of the proposed levy will
39 be distributed to applicable charter schools or transferee school
40 corporations in the manner described under section 22 of this
41 chapter.

42 (d) **This subsection applies to a resolution described in**



1 subsection (a) that is adopted after June 30, 2023. The resolution
 2 described in subsection (a) shall include a projection of the amount
 3 that the school corporation expects to be distributed to a particular
 4 transferee school corporation or charter school, excluding virtual
 5 charter schools or adult high schools, under section 22 of this
 6 chapter. At least sixty (60) days before the resolution described in
 7 subsection (a) is voted on by the governing body, the school
 8 corporation shall contact the department to determine the number
 9 of students in kindergarten through grade 12 who have legal
 10 settlement in the school corporation but attend a transferee school
 11 corporation or charter school, excluding virtual charter schools or
 12 adult high schools, and who receive not more than fifty percent
 13 (50%) virtual instruction. The department shall provide the school
 14 corporation with the number of students with legal settlement in
 15 the school corporation who attend a transferee school corporation
 16 or charter school, which shall be disaggregated for each particular
 17 transferee school corporation and charter school, excluding a
 18 virtual charter school or adult high school. The projection may
 19 include an expected increase in charter schools during the term the
 20 levy is imposed. The department of local government finance shall
 21 prescribe the manner in which the projection shall be calculated.
 22 The governing body shall take into consideration the projection
 23 when adopting the revenue spending plan under subsection (g).

24 (e) (e) The governing body of the school corporation shall certify a
 25 copy of the resolution to the following:

26 (1) The department of local government finance, including:

27 (A) the language for the question required by section 9 of this
 28 chapter, or in the case of a resolution to extend a referendum
 29 levy certified to the department of local government finance,
 30 section 10 of this chapter; and

31 (B) a copy of the revenue spending plan adopted under
 32 subsection ~~(e)~~: (g).

33 The language of the public question must include the estimated
 34 average percentage increases certified by the county auditor under
 35 section 9(d) or 10(f) of this chapter, as applicable. The governing
 36 body of the school corporation shall also provide the county
 37 auditor's certification described in section 9(d) or 10(f) of this
 38 chapter, as applicable. The department of local government
 39 finance shall post the values certified by the county auditor to the
 40 department's ~~Internet web site~~: website. The department shall
 41 review the language for compliance with section 9 or 10 of this
 42 chapter, whichever is applicable, and either approve or reject the



1 language. The department shall send its decision to the governing
 2 body of the school corporation not more than ten (10) days after
 3 the resolution is submitted to the department. If the language is
 4 approved, the governing body of the school corporation shall
 5 certify a copy of the resolution, including the language for the
 6 question and the department's approval.

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

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

11 ~~(d)~~ **(f) This subsection applies to a resolution described in**
 12 **subsection (a) that is adopted before July 1, 2023.** The resolution
 13 described in subsection (a) must indicate whether proceeds in the
 14 school corporation's fund collected from a tax levy under this chapter
 15 will be used to provide a distribution to a charter school or charter
 16 schools, excluding a virtual charter school, under IC 20-40-20-6(b) as
 17 well as the amount that will be distributed to the particular charter
 18 school or charter schools. A school corporation may request from the
 19 designated charter school or charter schools any financial
 20 documentation necessary to demonstrate the financial need of the
 21 charter school or charter schools.

22 ~~(e)~~ **(g) As part of the resolution described in subsection (a), the**
 23 **governing body of the school corporation shall adopt a revenue**
 24 **spending plan for the proposed referendum tax levy that includes:**

25 (1) an estimate of the amount of annual revenue expected to be
 26 collected if a levy is imposed under this chapter;

27 (2) the specific purposes described in IC 20-40-20-6 for which the
 28 revenue collected from a levy imposed under this chapter will be
 29 used; ~~and~~

30 (3) an estimate of the annual dollar amounts that will be expended
 31 for each purpose described in subdivision (2); ~~and~~

32 **(4) for a resolution for a referendum that is adopted after**
 33 **June 30, 2023, the projected revenue that shall be distributed**
 34 **to charter schools or transferee school corporations as**
 35 **provided in subsection (d). The revenue spending plan shall**
 36 **also take into consideration deviations in the proposed**
 37 **revenue spending plan if the actual charter school and**
 38 **transferee school corporation distributions exceed or are**
 39 **lower than the projected charter school and transferee school**
 40 **corporation distributions described in subsection (d).**

41 ~~(f)~~ **(h) A school corporation shall specify in its proposed budget the**
 42 **school corporation's revenue spending plan adopted under subsection**



1 (e) (g) and annually present the revenue spending plan at its public
2 hearing on the proposed budget under IC 6-1.1-17-3.

3 SECTION 19. IC 20-46-9-7, AS ADDED BY P.L.272-2019,
4 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
5 JULY 1, 2023]: Sec. 7. (a) A resolution to extend a referendum levy
6 must be:

7 (1) adopted by the governing body of a school corporation; and

8 (2) approved in a referendum under this chapter;

9 before December 31 of the final calendar year in which the school
10 corporation's previously approved referendum levy is imposed under
11 this chapter.

12 **(b) For a resolution adopted under this section after June 30,**
13 **2023, the resolution must include the projected charter school and**
14 **transferee school corporation distributions described in section**
15 **6(d) of this chapter and indicate the distributions to applicable**
16 **charter schools and transferee school corporations in accordance**
17 **with section 22 of this chapter.**

18 SECTION 20. IC 20-46-9-9, AS AMENDED BY P.L.174-2022,
19 SECTION 55, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
20 JULY 1, 2023]: Sec. 9. (a) The question to be submitted to the voters
21 in the referendum must read as follows:

22 "Shall the school corporation increase property taxes paid to ~~the~~
23 ~~school corporation schools~~ by homeowners and businesses for
24 _____ (insert number of years) years immediately following the
25 holding of the referendum for the purpose of funding _____
26 (insert short description of purposes)? If this public question is
27 approved by the voters, the average property tax paid to ~~the~~
28 ~~school corporation schools~~ per year on a residence would increase
29 by _____% (insert the estimated average percentage of property
30 tax increase paid to ~~the school corporation schools~~ on a residence
31 within the school corporation as determined under subsection (b))
32 and the average property tax paid to ~~the school corporation~~
33 ~~schools~~ per year on a business property would increase by
34 _____% (insert the estimated average percentage of property tax
35 increase paid to ~~the school corporation schools~~ on a business
36 property within the school corporation as determined under
37 subsection (c)). The most recent property tax referendum
38 proposed by the school corporation was held in _____ (insert
39 year) and _____ (insert whether the measure passed or
40 failed)."

41 (b) At the request of the governing body of a school corporation that
42 proposes to impose property taxes under this chapter, the county



1 auditor of the county in which the school corporation is located shall
 2 determine the estimated average percentage of property tax increase on
 3 a homestead to be paid to the school corporation that must be included
 4 in the public question under subsection (a) as follows:

5 STEP ONE: Determine the average assessed value of a homestead
 6 located within the school corporation.

7 STEP TWO: For purposes of determining the net assessed value
 8 of the average homestead located within the school corporation,
 9 subtract:

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

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

16 from the result of STEP ONE.

17 STEP THREE: Divide the result of STEP TWO by one hundred
 18 (100).

19 STEP FOUR: Determine the overall average tax rate per one
 20 hundred dollars (\$100) of assessed valuation for the current year
 21 imposed on property located within the school corporation.

22 STEP FIVE: For purposes of determining net property tax liability
 23 of the average homestead located within the school corporation:

24 (A) multiply the result of STEP THREE by the result of STEP
 25 FOUR; and

26 (B) as appropriate, apply any currently applicable county
 27 property tax credit rates and the credit for excessive property
 28 taxes under IC 6-1.1-20.6-7.5(a)(1).

29 STEP SIX: Determine the amount of the school corporation's part
 30 of the result determined in STEP FIVE.

31 STEP SEVEN: Multiply:

32 (A) the tax rate that will be imposed if the public question is
 33 approved by the voters; by

34 (B) the result of STEP THREE.

35 STEP EIGHT: Divide the result of STEP SEVEN by the result of
 36 STEP SIX, expressed as a percentage.

37 (c) At the request of the governing body of a school corporation that
 38 proposes to impose property taxes under this chapter, the county
 39 auditor of the county in which the school corporation is located shall
 40 determine the estimated average percentage of property tax increase on
 41 a business property to be paid to the school corporation that must be
 42 included in the public question under subsection (a) as follows:



- 1 STEP ONE: Determine the average assessed value of business
 2 property located within the school corporation.
 3 STEP TWO: Divide the result of STEP ONE by one hundred
 4 (100).
 5 STEP THREE: Determine the overall average tax rate per one
 6 hundred dollars (\$100) of assessed valuation for the current year
 7 imposed on property located within the school corporation.
 8 STEP FOUR: For purposes of determining net property tax
 9 liability of the average business property located within the school
 10 corporation:
 11 (A) multiply the result of STEP TWO by the result of STEP
 12 THREE; and
 13 (B) as appropriate, apply any currently applicable county
 14 property tax credit rates and the credit for excessive property
 15 taxes under IC 6-1.1-20.6-7.5 as if the applicable percentage
 16 was three percent (3%).
 17 STEP FIVE: Determine the amount of the school corporation's
 18 part of the result determined in STEP FOUR.
 19 STEP SIX: Multiply:
 20 (A) the result of STEP TWO; by
 21 (B) the tax rate that will be imposed if the public question is
 22 approved by the voters.
 23 STEP SEVEN: Divide the result of STEP SIX by the result of
 24 STEP FIVE, expressed as a percentage.
 25 (d) The county auditor shall certify the estimated average
 26 percentage of property tax increase on a homestead to be paid to ~~the~~
 27 ~~school corporation schools~~ determined under subsection (b), and the
 28 estimated average percentage of property tax increase on a business
 29 property to be paid to ~~the school corporation schools~~ determined under
 30 subsection (c), in a manner prescribed by the department of local
 31 government finance, and provide the certification to the governing
 32 body of the school corporation that proposes to impose property taxes.
 33 SECTION 21. IC 20-46-9-21, AS ADDED BY P.L.272-2019,
 34 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 35 JULY 1, 2023]: Sec. 21. (a) Except as otherwise provided in this
 36 section, during the period beginning with the adoption of a resolution
 37 by the governing body of a school corporation to place a referendum
 38 under this chapter on the ballot and continuing through the day on
 39 which the referendum is submitted to the voters, the school corporation
 40 may not promote a position on the referendum by doing any of the
 41 following:
 42 (1) Using facilities or equipment, including mail and messaging



1 systems, owned by the school corporation to promote a position
 2 on the referendum, unless equal access to the facilities or
 3 equipment is given to persons with a position opposite to that of
 4 the school corporation.

5 (2) Making an expenditure of money from a fund controlled by
 6 the school corporation to promote a position on the referendum.

7 (3) Using an employee to promote a position on the referendum
 8 during the employee's normal working hours or paid overtime, or
 9 otherwise compelling an employee to promote a position on the
 10 referendum at any time. However, if a person described in
 11 subsection (d) is advocating for or against a position on the
 12 referendum or discussing the referendum as authorized under
 13 subsection (d), an employee of the school corporation may assist
 14 the person in presenting information on the referendum, if
 15 requested to do so by the person described in subsection (d).

16 (4) Promoting a position on the referendum by:

17 (A) using students to transport written materials to their
 18 residences or in any way involving students in a school
 19 organized promotion of a position;

20 (B) including a statement within another communication sent
 21 to the students' residences; or

22 (C) initiating discussion of the referendum at a meeting
 23 between a teacher and parents of a student regarding the
 24 student's performance or behavior at school. However, if the
 25 parents initiate a discussion of the referendum at the meeting,
 26 the teacher may acknowledge the issue and direct the parents
 27 to a source of factual information on the referendum.

28 However, this section does not prohibit an official or employee of the
 29 school corporation from carrying out duties with respect to a
 30 referendum that are part of the normal and regular conduct of the
 31 official's or employee's office or agency, including the furnishing of
 32 factual information regarding the referendum in response to inquiries
 33 from any person.

34 (b) The staff and employees of a school corporation may not
 35 personally identify a student as the child of a parent or guardian who
 36 supports or opposes the referendum.

37 (c) This subsection does not apply to:

38 (1) a personal expenditure to promote a position on a local public
 39 question by an employee of a school corporation whose
 40 employment is governed by a collective bargaining contract or an
 41 employment contract; or

42 (2) an expenditure to promote a position on a local public



1 question by a person or an organization that has a contract or an
 2 arrangement (whether formal or informal) with the school
 3 corporation solely for the use of the school corporation's facilities.

4 A person or an organization that has a contract or arrangement
 5 (whether formal or informal) with a school corporation to provide
 6 goods or services to the school corporation may not spend any money
 7 to promote a position on the petition or remonstrance. A person or an
 8 organization that violates this subsection commits a Class A infraction.

9 (d) Notwithstanding any other law, an elected or appointed school
 10 board member or a school corporation superintendent, school
 11 corporation assistant superintendent, or chief school business official
 12 of a school corporation may at any time:

13 (1) personally advocate for or against a position on a referendum;
 14 or

15 (2) discuss the referendum with any individual, group, or
 16 organization or personally advocate for or against a position on a
 17 referendum before any individual, group, or organization;

18 so long as it is not done by using public funds. Advocacy or discussion
 19 allowed under this subsection is not considered a use of public funds.
 20 However, this subsection does not authorize or apply to advocacy or
 21 discussion by a school board member, superintendent, assistant
 22 superintendent, or school business official to or with students that
 23 occurs during the regular school day.

24 (e) A student may use school equipment or facilities to report or
 25 editorialize about a local public question as part of the news coverage
 26 of the referendum by a student newspaper or broadcast.

27 **(f) This subsection applies to a levy resulting from a resolution**
 28 **to place a referendum on the ballot adopted by the governing body**
 29 **under section 6 or 7 of this chapter after June 30, 2023. A**
 30 **transferee school corporation that may receive money from a**
 31 **school corporation's tax levy under this chapter may not promote**
 32 **a position on a referendum in the same manner as a school**
 33 **corporation is prohibited from promoting a position on a**
 34 **referendum.**

35 SECTION 22. IC 20-46-9-22 IS ADDED TO THE INDIANA
 36 CODE AS A NEW SECTION TO READ AS FOLLOWS
 37 [EFFECTIVE JULY 1, 2023]: **Sec. 22. (a) This section applies to**
 38 **revenue received from a resolution that is approved by the**
 39 **governing body to impose a referendum levy under section 6 or 7**
 40 **of this chapter after June 30, 2023.**

41 **(b) The county auditor shall distribute an amount under**
 42 **subsection (d) to each charter school or transferee school**



1 corporation that a student who resides within the attendance area
 2 of the school corporation attends. The department shall provide
 3 the county auditor with data and information necessary for the
 4 county auditor to determine:

5 (1) which charter schools or transferee school corporations
 6 are eligible to receive a distribution under this section; and

7 (2) the number of students who reside within the attendance
 8 area of the school corporation who are included in the ADM
 9 for each charter school or transferee school corporation
 10 described in subdivision (1).

11 (c) The following schools are not eligible to receive a
 12 distribution under this section:

13 (1) A virtual charter school.

14 (2) An adult high school.

15 (d) Except as provided in subsection (e), the amount that the
 16 county auditor shall distribute to a charter school or transferee
 17 school corporation under this section is the amount determined in
 18 the last STEP of the following STEPS:

19 **STEP ONE:** Determine, for each charter school and
 20 transferee school corporation that is eligible to receive a
 21 distribution under this section, the number of students who
 22 reside within the attendance area of the school corporation
 23 who are currently included in the ADM of the charter school
 24 or transferee school corporation.

25 **STEP TWO:** Determine the sum of:

26 (A) the current ADM count for the school corporation;
 27 plus

28 (B) the STEP ONE amount.

29 **STEP THREE:** Determine the result of:

30 (A) the STEP ONE amount; divided by

31 (B) the STEP TWO amount.

32 **STEP FOUR:** Determine the result of:

33 (A) the STEP THREE amount; multiplied by

34 (B) the amount collected by the county auditor during the
 35 most recent installment period.

36 (e) If a charter school or transferee school corporation receives
 37 a distribution under this section, the distribution may be used only
 38 for the purposes described in IC 20-40-20-6(a).

39 (f) The total amount of money distributed to applicable charter
 40 schools or transferee school corporations under this section for a
 41 particular year may not exceed one hundred ten percent (110%) of
 42 the total amount of money that is projected to be distributed to all



1 applicable charter schools or transferee school corporations under
 2 section 6(d) of this chapter for that particular year. If the total
 3 amount of money to be distributed to charter schools and
 4 transferee school corporations for a particular year exceeds one
 5 hundred ten percent (110%) of the amount projected to be
 6 distributed to all applicable charter schools and transferee school
 7 corporations under section 6(d) of this chapter, the amount that is
 8 actually distributed to each charter school or transferee school
 9 corporation under subsection (d) shall be proportionately reduced
 10 so that the total amount of money distributed to all applicable
 11 charter schools and transferee school corporations during that
 12 particular year equals an amount determined under the last STEP
 13 of the following STEPS:

14 **STEP ONE:** Determine the amount projected to be
 15 distributed to all applicable charter schools and transferee
 16 school corporations under section 6(d) of this chapter for that
 17 particular year.

18 **STEP TWO:** Multiply the STEP ONE amount by ten percent
 19 (10%).

20 **STEP THREE:** Add the STEP TWO amount to the STEP
 21 ONE amount.

22 SECTION 23. IC 20-49-3-8, AS AMENDED BY P.L.211-2018(ss),
 23 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 24 JULY 1, 2023]: Sec. 8. The fund may be used to make advances:

25 (1) to school corporations, including school corporation career
 26 and technical education schools described in IC 20-37-1-1, under
 27 IC 20-49-4 and IC 20-49-5;

28 **(2) to charter schools approved to obtain an advance under
 29 IC 20-49-11-7;**

30 ~~(2) (3)~~ under IC 20-49-6;

31 ~~(3) (4)~~ to charter and innovation network schools under
 32 IC 20-49-9; and

33 ~~(4) (5)~~ to a school corporation or charter school (or a coalition of
 34 public schools applying jointly) under IC 20-49-10.

35 Unless the context clearly requires otherwise, a reference to a school
 36 corporation in this chapter includes a school corporation career and
 37 technical education school described in IC 20-37-1-1. However, an
 38 advance to a school corporation career and technical education school
 39 described in IC 20-37-1-1 is not considered an advance to a school
 40 corporation for purposes of determining if the school corporation career
 41 and technical education school described in IC 20-37-1-1 qualifies for
 42 an advance.



1 SECTION 24. IC 20-49-4-1, AS AMENDED BY P.L.233-2015,
 2 SECTION 312, IS AMENDED TO READ AS FOLLOWS
 3 [EFFECTIVE JULY 1, 2023]: Sec. 1. This chapter applies to:

- 4 (1) school corporations organized and formed through
 5 reorganization under IC 20-23-4, IC 20-23-6, or IC 20-23-7; ~~and~~
 6 (2) school corporation career and technical education schools
 7 described in IC 20-37-1-1; ~~and~~
 8 (3) **charter schools approved to obtain an advance under**
 9 **IC 20-49-11-7.**

10 Unless the context clearly requires otherwise, a reference to a school
 11 corporation in this chapter includes a school corporation career and
 12 technical education school described in IC 20-37-1-1.

13 SECTION 25. IC 20-49-4-2, AS ADDED BY P.L.2-2006,
 14 SECTION 172, IS AMENDED TO READ AS FOLLOWS
 15 [EFFECTIVE JULY 1, 2023]: Sec. 2. Sections 9, 12, and 13 of this
 16 chapter do not apply if a school corporation **or charter school** sustains
 17 loss from a disaster.

18 SECTION 26. IC 20-49-4-3.5 IS ADDED TO THE INDIANA
 19 CODE AS A NEW SECTION TO READ AS FOLLOWS
 20 [EFFECTIVE JULY 1, 2023]: **Sec. 3.5. (a) As used in this chapter,**
 21 **"charter school" refers to a school established under IC 20-24.**

22 **(b) The term does not include the following:**

- 23 (1) **A virtual charter school (as defined in IC 20-24-1-10).**
 24 (2) **An adult high school (as defined in IC 20-24-1-2.3).**

25 SECTION 27. IC 20-49-4-7, AS AMENDED BY P.L.40-2014,
 26 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 27 JULY 1, 2023]: Sec. 7. **(a) As used in this chapter, "school building**
 28 **construction program" means the following:**

29 (1) The purchase, lease, or financing of land, the construction and
 30 equipping of school buildings, and the remodeling, repairing, or
 31 improving of school buildings by a school corporation:

- 32 (1) (A) that sustained a loss from a disaster;
 33 (2) (B) whose ~~adjusted~~ assessed valuation (~~as determined~~
 34 ~~under IC 6-1.1-34-8~~) per current ADM is within the lowest
 35 forty percent (40%) of the assessed valuation per current ADM
 36 when compared with all school corporation ~~adjusted~~ assessed
 37 valuation (~~as adjusted (if applicable) under IC 6-1.1-34-8~~) per
 38 current ADM; or
 39 (3) (C) with an advance under this chapter outstanding on July
 40 1, 1993, that bears interest of at least seven and one-half
 41 percent (7.5%).

42 (2) **The purchase, lease, or financing of land, the construction**



1 **and equipping of school buildings, and the remodeling,**
 2 **repairing, or improving of school buildings by a charter**
 3 **school approved to receive an advance under IC 20-49-11-7.**
 4 **This subdivision includes the attainment of an advance to**
 5 **repay existing leases or debt obtained by a charter school for**
 6 **the purpose of making improvements to charter school**
 7 **property.**

8 **(b)** The term does not include facilities used or to be used primarily
 9 for interscholastic or extracurricular activities. If a program involves a
 10 school corporation career and technical education school described in
 11 IC 20-37-1-1, the ~~adjusted~~ assessed valuation and current ADM of all
 12 those school corporations that are members of the career and technical
 13 education school are to be used for making determinations under this
 14 section.

15 SECTION 28. IC 20-49-4-8, AS ADDED BY P.L.2-2006,
 16 SECTION 172, IS AMENDED TO READ AS FOLLOWS
 17 [EFFECTIVE JULY 1, 2023]: Sec. 8. **(a)** The state board may advance
 18 money to school corporations to be used for:

- 19 (1) school building construction programs; and
 20 (2) educational technology programs;
 21 as provided in this chapter.

22 **(b) The state board shall advance money to a charter school**
 23 **approved to receive an advance under IC 20-49-11-7 in accordance**
 24 **with IC 20-49-11-8 to be used for:**

- 25 **(1) school building construction programs; and**
 26 **(2) educational technology programs;**
 27 **as provided in this chapter.**

28 SECTION 29. IC 20-49-4-9, AS AMENDED BY P.L.40-2014,
 29 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 30 JULY 1, 2023]: Sec. 9. **(a) This section does not apply to a charter**
 31 **school approved to receive an advance under IC 20-49-11-7.**

32 **(b)** Priority of advances for school building construction programs
 33 shall be made to school corporations that have the least amount of
 34 ~~adjusted~~ assessed valuation (~~as determined under IC 6-1.1-34-8~~) per
 35 ~~student in current~~ ADM. If a program involves a school corporation
 36 career and technical education school described in IC 20-37-1-1, the
 37 ~~adjusted~~ assessed valuation and current ADM of all those school
 38 corporations that are members of the career and technical education
 39 school are to be used for making determinations under this section.

40 SECTION 30. IC 20-49-4-10, AS ADDED BY P.L.2-2006,
 41 SECTION 172, IS AMENDED TO READ AS FOLLOWS
 42 [EFFECTIVE JULY 1, 2023]: Sec. 10. **(a) This section does not apply**



1 to a charter school approved to receive an advance under
2 IC 20-49-11-7.

3 (b) Priority of advances for educational technology programs shall
4 be on whatever basis the state board, after consulting with the
5 department and the budget agency, periodically determines.

6 SECTION 31. IC 20-49-4-11, AS ADDED BY P.L.2-2006,
7 SECTION 172, IS AMENDED TO READ AS FOLLOWS
8 [EFFECTIVE JULY 1, 2023]: Sec. 11. (a) A school corporation
9 desiring to obtain an advance must submit an application to the state
10 board in the form established by the state board, after consulting with
11 the department and the budget agency.

12 (b) A charter school organizer (as defined in IC 20-24-1-7) shall
13 submit an application for an advance in the manner prescribed in
14 IC 20-49-11-6.

15 SECTION 32. IC 20-49-4-12, AS AMENDED BY P.L.244-2017,
16 SECTION 120, IS AMENDED TO READ AS FOLLOWS
17 [EFFECTIVE JULY 1, 2023]: Sec. 12. (a) For a school corporation
18 or charter school to qualify for an advance under this chapter, a:

19 (1) school corporation must establish an operations fund under
20 IC 20-40-18; and

21 (2) charter school must establish an operations fund.

22 (b) The state board, after consulting with the department and the
23 budget agency, may waive or modify this the requirement under this
24 section upon a showing of good cause by the school corporation or
25 charter school.

26 SECTION 33. IC 20-49-4-13, AS ADDED BY P.L.2-2006,
27 SECTION 172, IS AMENDED TO READ AS FOLLOWS
28 [EFFECTIVE JULY 1, 2023]: Sec. 13. An advance to a school
29 corporation or charter school for any school building construction
30 program may not exceed the greater of the following:

31 (1) Fifteen million dollars (\$15,000,000).

32 (2) The product of fifteen thousand dollars (\$15,000) multiplied
33 by the number of students accommodated as a result of the school
34 building construction program.

35 However, if a school corporation or charter school has sustained loss
36 by disaster, this limitation may be waived by the state board after
37 consulting with the department and the budget agency.

38 SECTION 34. IC 20-49-4-14, AS ADDED BY P.L.2-2006,
39 SECTION 172, IS AMENDED TO READ AS FOLLOWS
40 [EFFECTIVE JULY 1, 2023]: Sec. 14. An advance for an educational
41 technology program is without limitation in amount other than the
42 availability of funds in the fund for this purpose and the ability of the



1 school corporation **or charter school** desiring an advance to pay the
2 advance according to the terms of the advance.

3 SECTION 35. IC 20-49-4-15, AS ADDED BY P.L.2-2006,
4 SECTION 172, IS AMENDED TO READ AS FOLLOWS
5 [EFFECTIVE JULY 1, 2023]: Sec. 15. (a) Money advanced to a school
6 corporation **or charter school** for a school building construction
7 program may be advanced for a period not exceeding twenty-five (25)
8 years. The school corporation **or charter school** to which money is
9 advanced must pay interest on the advance. For advances made before
10 July 1, 1993, the state board may provide, either before an advance is
11 made or before an advance is fully paid, that the payment of the
12 advance may not be prepaid by more than six (6) months. For advances
13 made after June 30, 1993, for school building construction programs,
14 the state board may provide that the advances are prepayable at any
15 time.

16 (b) The state board of finance shall periodically establish the rate or
17 rates of interest payable on advances for school building construction
18 programs as long as:

- 19 (1) the established interest rate or rates do not exceed seven and
20 one-half percent (7.5%); and
21 (2) the interest rate or rates on advances made to school
22 corporations with advances outstanding on July 1, 1993, bearing
23 interest at seven and one-half percent (7.5%) or more shall not
24 exceed four percent (4%).

25 SECTION 36. IC 20-49-4-16, AS ADDED BY P.L.2-2006,
26 SECTION 172, IS AMENDED TO READ AS FOLLOWS
27 [EFFECTIVE JULY 1, 2023]: Sec. 16. (a) Money advanced to a school
28 corporation **or charter school** for an educational technology program
29 may be for a period not exceeding five (5) years. The school
30 corporation **or charter school** to which an advance is made shall pay
31 interest on the advance. Advances for educational technology programs
32 may be prepaid at any time.

33 (b) The state board of finance shall periodically establish the rate or
34 rates of interest payable on advances for educational technology
35 programs as long as the established interest rate or rates:

- 36 (1) are not less than one percent (1%); and
37 (2) do not exceed four percent (4%).

38 SECTION 37. IC 20-49-4-17, AS ADDED BY P.L.2-2006,
39 SECTION 172, IS AMENDED TO READ AS FOLLOWS
40 [EFFECTIVE JULY 1, 2023]: Sec. 17. An advance is not an obligation
41 of the school corporation within the meaning of the limitation on or
42 prohibition against indebtedness under the Constitution of the State of



1 Indiana. Nothing in this chapter relieves the governing body of a school
 2 corporation **or charter school** receiving an advance of any obligation
 3 under Indiana law to qualify the school corporation **or charter school**
 4 for state tuition support. The school corporation **or charter school**
 5 shall continue to perform all acts necessary to obtain these funds.

6 SECTION 38. IC 20-49-4-18, AS AMENDED BY P.L.40-2014,
 7 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 8 JULY 1, 2023]: Sec. 18. **(a) This section does not apply to a charter**
 9 **school unless the state board suspends repayment of an advance**
 10 **and interest on the advance from the public school options fund**
 11 **established in IC 20-49-11-5 in accordance with IC 20-49-11-9(b).**

12 **(b)** To ensure timely payment of advances according to the terms,
 13 the state may in its sole discretion withhold from funds due to school
 14 corporations **or a charter school subject to IC 20-49-11-9(b)** to which
 15 advances are made amounts necessary to pay the advances and the
 16 interest on the advances in accordance with their respective terms. The
 17 terms of the advances shall be established by the state board after
 18 consulting with the department and upon the approval of the budget
 19 agency in advance of the time the respective advances are made.
 20 However, in the case of school corporations with advances outstanding
 21 on July 1, 1993, the withholding may be adjusted to conform with this
 22 chapter.

23 **(c)** To the extent available, funds shall first be withheld from the
 24 distribution of state tuition support. However, if this distribution is not
 25 available or is inadequate, funds may be withheld from the distribution
 26 of other state funds to the school corporation **or a charter school**
 27 **subject to IC 20-49-11-9(b)** to which the advance is made.

28 **(d)** If an advance is made to a school corporation career and
 29 technical education school described in IC 20-37-1-1, a part of the
 30 advance and the payment obligation for that part of the advance shall
 31 be determined by allocating the advance and payment amounts among
 32 the members of the career and technical education school using the
 33 number of students from each member school corporation that are
 34 enrolled in the career and technical education school in the school year
 35 the advance is made.

36 SECTION 39. IC 20-49-4-19, AS AMENDED BY P.L.40-2014,
 37 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 38 JULY 1, 2023]: Sec. 19. **(a) This section does not apply to a charter**
 39 **school unless the state board suspends repayment of an advance**
 40 **and interest on the advance from the public school options fund**
 41 **established in IC 20-49-11-5 in accordance with IC 20-49-11-9(b).**

42 **(b) A Each school corporation or charter school subject to**



1 **IC 20-49-11-9(b)** receiving an advance shall agree to have the money
 2 advanced, together with the interest on the advance, deducted from the
 3 distribution of state tuition support until all the money advanced,
 4 together with the interest on the advance, has been paid. The state
 5 board and the state board of finance shall reduce each distribution of
 6 state tuition support to each school corporation **or charter school**
 7 **subject to IC 20-49-11-9(b)** to which an advance is made in an amount
 8 to be agreed upon by the state and the school corporation **or charter**
 9 **school subject to IC 20-49-11-9(b)**. If an advance is made to a school
 10 corporation career and technical education school described in
 11 IC 20-37-1-1, the reduction for a payment obligation for the advance
 12 shall be allocated as provided in section 18 of this chapter.

13 SECTION 40. IC 20-49-4-23, AS AMENDED BY P.L.217-2017,
 14 SECTION 139, IS AMENDED TO READ AS FOLLOWS
 15 [EFFECTIVE JULY 1, 2023]: Sec. 23. (a) **This section does not apply**
 16 **to a charter school unless the state board suspends repayment of**
 17 **an advance and interest on the advance from the public school**
 18 **options fund established in IC 20-49-11-5 in accordance with**
 19 **IC 20-49-11-9(b).**

20 (b) Upon request of the treasurer of state, the state board of finance
 21 may periodically sell, transfer, or liquidate agreements, in whole or in
 22 part, including without limitation the sale, transfer, or liquidation of all
 23 or any part of the principal or interest to be received at any time under
 24 one (1) or more agreements that evidence the right of the state to make
 25 deductions from state tuition support to pay advances under this
 26 chapter under the terms and conditions that the state board of finance
 27 considers necessary and appropriate.

28 ~~(b)~~ (c) Each sale, transfer, or liquidation under this section is subject
 29 to the following conditions:

- 30 (1) Each sale, transfer, or liquidation may be made only to a
 31 department, an agency, a commission, an instrumentality, or a
 32 public body of the state, including the Indiana bond bank.
 33 (2) Each sale, transfer, or liquidation of agreements may be made
 34 only for cash.
 35 (3) Payments under the sale, transfer, or liquidation must be made
 36 to the treasurer of state for the fund and reported to the state board
 37 of finance.
 38 (4) The total amount of cash received by the fund from the sale
 39 may not be less than the outstanding principal amount of all or a
 40 part of the agreements sold plus accrued interest owed.
 41 (5) If necessary to facilitate a sale, transfer, or liquidation, the
 42 state board or the state board of finance may agree to act on



1 behalf of an entity described in subdivision (1) by collecting
2 payment on advances that are:

3 (A) received directly from a school corporation **or charter**
4 **school subject to IC 20-49-11-9(b)**, if any direct payments are
5 received; or

6 (B) deducted from amounts appropriated and made available
7 for state tuition support.

8 An agreement by the state board or the state board of finance
9 under this subdivision is a valid and enforceable contractual
10 obligation but is not a debt of the state within the meaning of the
11 limitation against indebtedness under the Constitution of the State
12 of Indiana.

13 (6) Each proposed sale, transfer, or liquidation must be reviewed
14 by the budget committee and approved by the budget agency.

15 ~~(e)~~ **(d)** The state board of finance shall notify the state board and the
16 department of any action that the state board of finance takes under this
17 section.

18 SECTION 41. IC 20-49-11 IS ADDED TO THE INDIANA CODE
19 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
20 JULY 1, 2023]:

21 **Chapter 11. Public School Options Program and Fund**

22 **Sec. 1. As used in the chapter, "authorizer" has the meaning set**
23 **forth in IC 20-24-1-2.5.**

24 **Sec. 2. (a) As used in this chapter, "charter school" refers to a**
25 **school established under IC 20-24.**

26 **(b) The term does not include the following:**

27 **(1) A virtual charter school (as defined in IC 20-24-1-10).**

28 **(2) An adult high school (as defined in IC 20-24-1-2.3).**

29 **Sec. 3. As used in this chapter, "fund" refers to the public school**
30 **options fund established by section 5 of this chapter.**

31 **Sec. 4. As used in this chapter, "organizer" has the meaning set**
32 **forth in IC 20-24-1-7.**

33 **Sec. 5. (a) The public school options fund is established for the**
34 **purposes of this chapter. Administrative expenses necessary to**
35 **carry out this chapter are also payable from the fund.**

36 **(b) The fund consists of:**

37 **(1) amounts distributed to the fund by the department of**
38 **revenue under IC 6-2.5-10-1(d)(4);**

39 **(2) appropriations to the fund from other sources;**

40 **(3) grants, gifts, and donations intended for deposit in the**
41 **fund; and**

42 **(4) interest that accrues from money in the fund.**



1 (c) The fund shall be administered by the state board. The
 2 treasurer of state shall invest the money in the fund not currently
 3 needed to meet the obligations of the fund in the same manner as
 4 public money is invested.

5 Sec. 6. (a) In order for a charter school to obtain an advance
 6 from the common school fund under IC 20-49-4, a charter school's
 7 organizer must submit an application to the charter school's
 8 authorizer. The state board shall prescribe a standard application
 9 and the authorizer may prescribe a supplemental application
 10 requiring the organizer to include additional information not
 11 included on the state board's standard application.

12 (b) The standard application described in subsection (a) must
 13 require the organizer to:

14 (1) describe how the advance will be used in accordance to
 15 IC 20-49-4-7; and

16 (2) provide information to demonstrate a need for the
 17 advance.

18 (c) In addition to the requirements described in subsection (b),
 19 the authorizer must require the organizer to develop and present
 20 a plan for providing security for any outstanding balance of the
 21 advance in the event that the charter school closes or to recoup any
 22 gain from the sale of the applicable charter school property
 23 resulting from the advance made under IC 20-49-4 if the applicable
 24 property is sold:

25 (1) while the advance is being repaid; or

26 (2) within five (5) years after the advance is repaid;

27 in accordance with section 9 of this chapter.

28 Sec. 7. (a) Upon receipt of the application described in section
 29 6 of this chapter, the authorizer shall review the application and
 30 may require the organizer to provide supporting documentation
 31 relating to the organizer's application. The authorizer shall
 32 consider:

33 (1) the charter school's current and projected student
 34 enrollment;

35 (2) the academic needs of students attending the charter
 36 school;

37 (3) the facility needs of the charter school;

38 (4) the financial health of the charter school; and

39 (5) the organizer's ability to secure the loan in accordance
 40 with section 6 of this chapter;

41 when reviewing the organizer's application.

42 (b) The authorizer may approve, deny, or require the organizer



1 to modify the organizer's application.

2 (c) The authorizer may require the organizer to provide security
3 for the advance made under IC 20-49-4.

4 (d) The authorizer may only approve an advance for terms of
5 the advance prescribed in:

6 (1) IC 20-49-4-12;

7 (2) IC 20-49-4-13;

8 (3) IC 20-49-4-14; and

9 (4) IC 20-49-4-15.

10 Sec. 8. (a) If the authorizer approves an organizer's application
11 under section 7 of this chapter, the authorizer shall send a copy of
12 the approved application to the state board within ten (10) business
13 days of the date the application is approved.

14 (b) Upon receipt of the copy of the approved application by the
15 state board, the state board shall approve the application and
16 provide the advance under IC 20-49-4 to the applicable charter
17 school.

18 Sec. 9. (a) The state board shall repay the money advanced by
19 the applicable charter school together with the interest on the
20 advance in accordance with IC 20-49-4 from the fund.

21 (b) The state board may suspend the repayment of an advance
22 or interest from the fund at the written request of the charter
23 school's authorizer. The authorizer may only request that an
24 advance be suspended under this subsection in instances where an
25 applicable charter school building is sold by the organizer. In the
26 event that the state board suspends repayment of an advance or
27 interest under this subsection, the charter school organizer is
28 responsible for completing the terms of repayment of the advance
29 in accordance with the terms approved by the state board in
30 consultation with the charter school's authorizer.

31 (c) When an advance together with interest on the advance has
32 been paid in full under this section, the state board shall send
33 notice to the charter school's authorizer and organizer indicating
34 the date that the advance together with interest on the advance has
35 been satisfied.

