

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.

SENATE ENROLLED ACT No. 391

AN ACT to amend the Indiana Code concerning education.

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

SECTION 1. IC 5-1.5-1-8, AS AMENDED BY P.L.81-2020, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 8. "Qualified entity" means:

- (1) a political subdivision (as defined in IC 36-1-2-13);
- (2) a state educational institution;
- (3) a leasing body (as defined in IC 5-1-1-1(a));
- (4) a not-for-profit utility (as defined in IC 8-1-2-125);
- (5) any rural electric membership corporation organized under IC 8-1-13;
- (6) any corporation that was organized in 1963 under Acts 1935, c. 157 and that engages in the generation and transmission of electric energy;
- (7) any communications cooperative corporation formed under IC 8-1-17;
- (8) any commission, authority, or authorized body of any qualified entity;
- (9) any organization, association, or trust with members, participants, or beneficiaries that are all individually qualified entities;
- (10) any commission, authority, or instrumentality of the state;
- (11) any other participant (as defined in IC 5-1.2-2-54);
- (12) a charter school established under IC 20-5.5 (before its repeal) or IC 20-24; ~~that is not a qualified entity under~~

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~~IC 5-1.4-1-10;~~

(13) a volunteer fire department (as defined in IC 36-8-12-2); or

(14) a development authority (as defined in IC 36-7.6-1-8).

SECTION 2. IC 20-20-13-7, AS AMENDED BY P.L.244-2017, SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 7. (a) Notwithstanding any other law, a:

(1) school corporation ~~is not entitled to:~~ may not:

~~(1) (A)~~ receive any money under this chapter;

~~(2) (B)~~ use money from the school corporation's education fund for educational technology equipment under IC 20-40-2;

or

~~(3) (C)~~ receive an advance from the common school fund for an educational technology program under IC 20-49-4; **and**

(2) charter school may not receive:

(A) a technology plan grant under sections 13 through 24 of this chapter; or

(B) an advance from the common school fund for an educational technology program under IC 20-49-4;

unless the school corporation **or charter school** develops a three (3) year technology plan.

(b) Each technology plan must include at least the following information:

(1) A description of the school corporation's **or charter school's** intent to integrate technology into the school corporation's **or charter school's** curriculum.

(2) A plan for providing inservice training.

(3) A schedule for maintaining and replacing educational technology equipment.

(4) A description of the criteria used to select the appropriate educational technology equipment for the appropriate use.

(5) Other information requested by the department after consulting with the budget agency.

(c) The department shall develop guidelines concerning the development of technology plans. The guidelines developed under this subsection are subject to the approval of the governor.

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

(1) Be a written instrument.

(2) Be executed by an authorizer and an organizer.

(3) Confer certain rights, franchises, privileges, and obligations



on a charter school.

(4) Confirm the status of a charter school as a public school.

(5) Subject to subdivision (6)(E), be granted for:

(A) not less than three (3) years or more than ~~seven (7)~~ **fifteen (15)** years; and

(B) a fixed number of years agreed to by the authorizer and the organizer.

(6) Provide for the following:

(A) A review by the authorizer of the charter school's performance, including the progress of the charter school in achieving the academic goals set forth in the charter, at least one (1) time in each five (5) year period while the charter is in effect.

(B) Renewal, if the authorizer and the organizer agree to renew the charter.

(C) The renewal application must include guidance from the authorizer, and the guidance must include the performance criteria that will guide the authorizer's renewal decisions.

(D) The renewal application process must, at a minimum, provide an opportunity for the charter school to:

(i) present additional evidence, beyond the data contained in the performance report, supporting its case for charter renewal;

(ii) describe improvements undertaken or planned for the charter school; and

(iii) detail the charter school's plans for the next charter term.

(E) Not later than the end of the calendar year in which the charter school seeks renewal of a charter, the governing board of a charter school seeking renewal shall submit a renewal application to the charter authorizer under the renewal application guidance issued by the authorizer. The authorizer shall make a final ruling on the renewal application not later than April 1 after the filing of the renewal application. A renewal granted under this clause is not subject to the three (3) year minimum described in subdivision (5). The April 1 deadline does not apply to any review or appeal of a final ruling. After the final ruling is issued, the charter school may obtain further review by the authorizer of the authorizer's final ruling in accordance with the terms of the charter school's charter and the protocols of the authorizer.

(7) Specify the grounds for the authorizer to:



- (A) revoke the charter before the end of the term for which the charter is granted; or
 - (B) not renew a charter.
- (8) Set forth the methods by which the charter school will be held accountable for achieving the educational mission and goals of the charter school, including the following:
- (A) Evidence of improvement in:
 - (i) assessment measures, including the statewide assessment program measures;
 - (ii) attendance rates;
 - (iii) graduation rates (if appropriate);
 - (iv) increased numbers of Indiana diplomas with a Core 40 designation and other college and career ready indicators including advanced placement participation and passage, dual credit participation and passage, and International Baccalaureate participation and passage (if appropriate);
 - (v) increased numbers of Indiana diplomas with Core 40 with academic honors and technical honors designations (if appropriate);
 - (vi) student academic growth;
 - (vii) financial performance and stability; and
 - (viii) governing board performance and stewardship, including compliance with applicable laws, rules and regulations, and charter terms.
 - (B) Evidence of progress toward reaching the educational goals set by the organizer.
- (9) Describe the method to be used to monitor the charter school's:
- (A) compliance with applicable law; and
 - (B) performance in meeting targeted educational performance.
- (10) Specify that the authorizer and the organizer may amend the charter during the term of the charter by mutual consent and describe the process for amending the charter.
- (11) Describe specific operating requirements, including all the matters set forth in the application for the charter.
- (12) Specify a date when the charter school will:
- (A) begin school operations; and
 - (B) have students attending the charter school.
- (13) Specify that records of a charter school relating to the school's operation and charter are subject to inspection and copying to the same extent that records of a public school are subject to inspection and copying under IC 5-14-3.



(14) Specify that records provided by the charter school to the department or authorizer that relate to compliance by the organizer with the terms of the charter or applicable state or federal laws are subject to inspection and copying in accordance with IC 5-14-3.

(15) Specify that the charter school is subject to the requirements of IC 5-14-1.5.

(16) This subdivision applies to a charter established or renewed for an adult high school after June 30, 2014. The charter must require:

(A) that the school will offer flexible scheduling;

(B) that students will not complete the majority of instruction of the school's curriculum online or through remote instruction;

(C) that the school will offer dual credit or industry certification course work that aligns with career pathways as recommended by the Indiana career council established by IC 22-4.5-9-3 (expired); and

(D) a plan:

(i) to support successful program completion and to assist transition of graduates to the workforce or to a postsecondary education upon receiving a diploma from the adult high school; and

(ii) to review individual student accomplishments and success after a student receives a diploma from the adult high school.

(b) A charter school shall set annual performance targets in conjunction with the charter school's authorizer. The annual performance targets shall be designed to help each school meet applicable federal, state, and authorizer expectations.

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

(b) **Except as provided in IC 20-46-1-21 and IC 20-46-9-22**, a governing body may distribute money that is received as part of a tax levy collected under IC 20-46-1 from the school corporation's education fund to a charter school, excluding a virtual charter school,



in the manner provided by ~~IC 20-46-1-8(d)~~. **IC 20-46-1-8(e)**.

(c) **Except as provided in IC 20-46-1-21 and IC 20-46-9-22**, a governing body may distribute money from the school safety referendum tax levy fund to a charter school, excluding a virtual charter school, in the manner prescribed by IC 20-46-9-6(b).

SECTION 5. IC 20-24-7-6.2 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 6.2. (a) This section applies to a levy resulting from a resolution to place a referendum on the ballot adopted by the governing body under IC 20-46-1-8, IC 20-46-1-8.5, IC 20-46-9-6, or IC 20-46-9-7 after May 10, 2023, for counties described in IC 20-46-1-21(a) and IC 20-46-9-22(a).**

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

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

(d) **A charter school that may receive money from a school corporation's tax levy collected under IC 20-46-1 or a school safety referendum tax levy under IC 20-46-9 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 under IC 20-46-1-20.**

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

- (1) **The specific purposes for which the revenue received from the tax levy will be used.**
- (2) **An estimate of the annual dollar amounts that will be expended for each purpose described in subdivision (1).**

SECTION 6. IC 20-24-14 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]:

Chapter 14. Charter School Facility Grant Program

Sec. 1. This chapter does not apply to a virtual charter school or



an adult high school.

Sec. 2. As used in this chapter, "grant" refers to a grant awarded to a charter school under this chapter.

Sec. 3. As used in this chapter, "program" refers to the charter school facility grant program established by section 4 of this chapter.

Sec. 4. (a) The charter school facility grant program is established to provide grants to charter schools that may be used for the following:

(1) The purposes listed in IC 20-40-9-6 for which a school corporation may use money in the school corporation's debt service fund.

(2) The purposes listed in IC 20-40-18-7 for which a school corporation may use money in the school corporation's operations fund.

(b) The state board shall administer the program.

Sec. 5. (a) The state board may award grants under this chapter, subject to appropriations by the general assembly for this purpose, to a charter school that:

(1) applies on a form and in a manner established by the state board;

(2) submits with the application a budget plan to the state board detailing the expenses for which money from a grant awarded under this chapter would be used;

(3) submits with the application a facilities master plan and the associated facilities budget plan; and

(4) submits any other information prescribed by the state board.

(b) The amount of a grant awarded under this chapter to each charter school may not exceed an amount equal to STEP TWO in the following formula:

STEP ONE: Determine the result of:

(A) the total amount of funds appropriated by the general assembly in a state fiscal year for grants under the program; divided by

(B) the sum total of current ADM for all charter schools, not including students for whom, of the instructional services that the students receive from the charter schools, more than fifty percent (50%) is virtual instruction.

STEP TWO: Determine the result of:

(A) the STEP ONE result; multiplied by

(B) the applicable charter school's current ADM, not



including a student for whom, of the instructional services that the student receives from the charter school, more than fifty percent (50%) is virtual instruction.

Sec. 6. Money appropriated by the general assembly to the program may not be considered as a stream of revenue against which any bond, lease, or other obligation may be pledged.

SECTION 7. IC 20-26-7-5, AS AMENDED BY P.L.233-2015, SECTION 108, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 5. **Except as otherwise provided in IC 20-26-7.1**, a school corporation (as defined in IC 36-1-2-17) may convey property owned by the school corporation to a civil city or other political subdivision for civic purposes if:

- (1) the governing body adopts a resolution recommending the transfer and conveyance of the school property;
- (2) the civil city or political subdivision agrees to accept the school property; and
- (3) the governing body executes a deed for the school property.

SECTION 8. IC 20-26-7-39, AS ADDED BY P.L.1-2005, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 39. (a) **Except as otherwise provided in IC 20-26-7.1**, if:

- (1) a school corporation; and
- (2) the state, either in the name of the state or in the name of the trustees of an agency of the state;

each own improved or unimproved real estate that lies within the boundaries of the school corporation and that is not needed or required for the purpose for which it was acquired, the school corporation and the state may sell, trade, exchange, or convey to or with each other the unneeded real estate upon such terms and conditions mutually agreed upon and incorporated in an agreement between the trustees or board of trustees of the school corporation and the state or, if the real estate is held in the name of the trustees of an agency of the state, by the trustees.

(b) A value must be assigned to each parcel of real estate involved in the sale, trade, or exchange in the agreement. The assigned value must be the fair market value of the real estate as determined by three (3) appraisers appointed as follows:

- (1) One (1) to be appointed by the board of trustees of the school corporation.
- (2) One (1) to be appointed by the state or, if the real estate is held in the name of the trustees of an agency of the state, by the trustees.



(3) One (1) to be appointed by the two (2).

(c) The agreement must provide for payment by the party owning the real estate of the smaller value to the other party of the difference of value of the properties.

SECTION 9. IC 20-26-7-47 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: **Sec. 47. (a) The following definitions apply throughout this section:**

(1) "Covered school building" has the meaning set forth in IC 20-26-7.1-2.1.

(2) "Current school year" refers to a year in which the governing body is required to conduct a review of school building usage under subsection (c).

(3) "Enrollment" refers to the following:

(A) Except as provided in clause (B), students counted in ADM (as defined in IC 20-43-1-6) in the first count date for a school year fixed under IC 20-43-4-3.

(B) With regard to a school corporation, students counted in a school corporation's fall count of ADM minus all students counted in the fall count of ADM who are enrolled in eligible schools that:

(i) have entered into an agreement with the school corporation to participate as a participating innovation network charter school under IC 20-25.7-5; and

(ii) are included in the school corporation's fall ADM count.

(4) "Interested person" has the meaning set forth in IC 20-26-7.1-2.2.

(b) This section applies to a school corporation only if:

(1) the total student enrollment for in-person instruction in the school corporation in the current school year is at least ten percent (10%) less than the student enrollment for in-person instruction in the school corporation in a school year that precedes the current school year by five (5); and

(2) the school corporation in the current school year has more than one (1) school building serving the same grade level as the school building subject to closure under this section.

(c) Each school year, the governing body of a school corporation shall review the usage of school buildings used by the school corporation to determine whether any school building should be closed for the ensuing school year and subsequent school years.

(d) A school corporation may close a school building for the



ensuing school year (and subsequent school years) if:

- (1) at any time the school building had been used for classroom instruction;
- (2) in the current school year and the two (2) school years immediately preceding the current school year the school building was underutilized for classroom instruction purposes or other allowable uses specified by this section;
- (3) as of the end of the school year before the school building is required to be closed under this section, the school corporation was not subject to a transitional plan adopted by the governing body and approved by the department to use the school building for an allowable use not later than the next school year after the school building is otherwise required to be closed under this section;
- (4) in the case of a school building that was used in any part in the current school year for instructional purposes, the school corporation has another school building:
 - (A) with sufficient capacity to take the students using the school building being considered for closure; and
 - (B) that does not require more than twenty (20) minutes of travel time by car or bus from the school building being considered for closure; and
- (5) the school building is not a school building described in IC 20-26-7.1-1, IC 20-26-7.1-3(b), IC 20-26-7.1-3(c), or IC 20-26-7.1-3(d).

(e) For purposes of this section, a school building is underutilized in a school year if the school building is not used for any of the following allowable uses:

- (1) The number of full-time equivalent students enrolled for in-person instruction in the school building on instructional days (as determined under IC 20-30-2) for instructional purposes, averaged over the current school year and the two (2) school years immediately preceding the current school year, is at least sixty percent (60%) of:
 - (A) the known classroom design capacity of the school building; or
 - (B) if the design capacity is not known, the average maximum full-time equivalent enrollment in any of the last twenty-five (25) years, as validated by records created or maintained by the department.
- (2) The school corporation demonstrates through facts included in a resolution that the school building is being used



and that it is financially prudent to continue to use the school building, considering all community resources, for a distinct student population that reasonably cannot be served through integration with the general school population, such as students attending an alternative education program (as defined in IC 20-30-8-1). However, to be an allowable use under this subdivision, the average number of full-time equivalent students using the school building in a school year for instructional purposes must be at least thirty percent (30%) of:

(A) the known classroom design capacity of the school building; or

(B) if the design capacity is not known, the average maximum full-time equivalent enrollment in any of the last twenty-five (25) years, as validated by records created or maintained by the department; and

(if multiple school buildings are used for the same purposes) combining the student populations into fewer school buildings is not reasonably feasible.

(3) The school corporation demonstrates through facts included in a resolution that the school building is being used and that it is financially prudent to continue to use the school building, considering all community resources, for administrative or other school offices. However, to be an allowable use under this subdivision, at least fifty percent (50%) of the square footage of the school building must be used for offices, the personnel headquartered in the school building must consistently use the space for office purposes, and the occupancy cost of using the school building cannot be more than comparable office space that is available in the school district.

(4) The school corporation demonstrates through facts included in a resolution that the school building is being used and that it is financially prudent to continue to use the school building, considering all community resources, for storage. However, to be an allowable use under this subdivision, at least fifty percent (50%) of the square footage of the school building must be used for storage, on average the storage space must be used to capacity, and the cost of using the school building for storage must be less than comparable storage space that is available in the school district.

(5) The school corporation demonstrates through facts



included in a resolution that the school building is being used and that it is financially prudent to continue to use the school building, considering all community resources, for a combination of office space and storage. However, to be an allowable use under this subdivision, at least fifty percent (50%) of the square footage of the school building must be used for a combination of office space and storage and:

(A) the personnel headquartered in the school building must consistently use the office space for office purposes, and the occupancy cost of using the office space, calculated using the costs of operating the school building, cannot be more than comparable office space that is available in the school district; and

(B) on average, the storage space must be used to capacity and the cost of using the school building for storage must be less than comparable storage space that is available in the school district.

(f) Closure of a school building that is:

(1) owned by the school corporation or any other entity that is related in any way to, or created by, the school corporation or the governing body; or

(2) jointly owned in the same manner by two (2) or more school corporations;

shall be carried out in conformity with IC 20-26-7.1.

(g) Before filing a petition under subsection (h), a charter school or state educational institution that is interested in a school corporation's school building must give written notice to the school corporation to determine whether an agreement can be reached regarding the school corporation making the school building available for lease or purchase under IC 20-26-7.1.

(h) If an agreement is not reached within forty-five (45) days after the date that the school corporation receives the notice under subsection (g), the charter school or state educational institution may petition the department to initiate or the department on its own may initiate a proceeding for a determination as to whether a school building meets the criteria for closure under this section or a covered school building that is no longer used for classroom instruction by a school corporation should be made available under IC 20-26-7.1. If a charter school or state educational institution petitions the department under this subsection, the charter school or state educational institution must provide a copy of the petition to the applicable school corporation.



(i) An interested person that is not otherwise a party to the proceeding may intervene in the proceeding under subsection (h) as a party. The school corporation has the burden of going forward with the evidence and the burden of proof to demonstrate that the school building does not meet the criteria for closure or the covered school building is not required to be made available under IC 20-26-7.1.

(j) Not more than sixty (60) days after receiving notice of a petition under subsection (h), the school corporation must:

(1) file a response to the petition that notifies the department that the school corporation:

(A) is not contesting the petition; or

(B) is contesting the petition and states the facts upon which the school corporation relies in contesting the petition; and

(2) provide a copy of the response to the petitioner and any intervening party.

(k) If the school corporation:

(1) files a response that the school corporation is not contesting the petition; or

(2) fails to submit a timely response under subsection (j);

the department shall issue an order granting the petition. A petition and any response or reply are public documents.

(l) If a school corporation contests a petition under subsection (j), a party to the proceeding has not more than sixty (60) days after the date that the school corporation files a response under subsection (j) to submit a reply to the school corporation's response.

(m) The department shall make a determination regarding a petition under subsection (h) not more than one hundred twenty (120) days after the date that the:

(1) petitioner and any intervening party have submitted a reply under subsection (l); or

(2) time period to reply under subsection (l) has expired.

(n) A school corporation or another party to the proceeding may file with the state board a petition requesting review of the department's determination. Upon receipt of a petition under this subsection, the state board shall review the department's determination. An appeal to the state board shall be subject to the procedure described in IC 20-26-11-15(b).

(o) Upon the issuance of a final unappealable order granting a petition, the school corporation may make the school building



available for lease or purchase in accordance with IC 20-26-7.1.

SECTION 10. IC 20-26-7-48 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: **Sec. 48. (a) The following definitions apply throughout this section:**

(1) "Current school year" refers to a year in which the governing body is required to conduct a review of school building usage under section 47(c) of this chapter.

(2) "Enrollment" has the meaning set forth in section 47(a)(3) of this chapter.

(b) This section applies to a school corporation only if:

(1) the total student enrollment for in-person instruction in the school corporation in the current school year is at least ten percent (10%) less than the student enrollment for in-person instruction in the school corporation in a school year that precedes the current school year by five (5); and

(2) the school corporation in the current school year has more than one (1) school building serving the same grade level as a school building subject to closure under section 47 of this chapter.

(c) Each school corporation shall annually report to the department, in the form and on the schedule specified by the department, the following information:

(1) A listing of all buildings owned or leased by the school corporation that were originally designed as a school building.

(2) The following information for each building listed in subdivision (1):

(A) Designed occupancy, regardless of current use.

(B) Current use (and percentage of use) for classroom instruction, as special use classrooms, as office space, or as storage or alternatively the building's status as transitioning from one (1) use or combination of uses to another.

(C) The following information:

(i) Current average full-time equivalent student enrollment for in-person instruction in the school building on instructional days (as determined under IC 20-30-2) in a school year.

(ii) Percentage of instructional use.

(iii) Percentage of use for other purposes.

(D) Self-evaluation of whether the building qualifies for closure under section 47 of this chapter or the school board



otherwise intends to close the building and the date closure will occur (if applicable).

SECTION 11. IC 20-26-7.1-1, AS ADDED BY P.L.270-2019, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 1. This chapter does not apply to **a the following:**

(1) A school building that ~~on~~ **since** July 1, 2011, is leased or loaned by the school corporation that owns the school building to another entity, if the entity is not a building corporation or other entity that is related in any way to, or created by, the school corporation or the governing body.

(2) A school corporation that distributes money that is received as part of a tax levy collected under IC 20-46-1 or IC 20-46-9 to an applicable charter school.

SECTION 12. IC 20-26-7.1-2.1 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 2.1. As used in this chapter, "covered school building" means a school building that is owned by a school corporation or any other entity that is related in any way to, or created by, the school corporation or the governing body, including a building corporation, and that has at any time been used for classroom instruction.

SECTION 13. IC 20-26-7.1-2.2 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 2.2. As used in this chapter, "interested person" refers to the following:

(1) Each state educational institution.

(2) Each charter school in a county where a school corporation with a covered school building subject to closure is located.

(3) All charter school authorizers (excluding school corporation authorizers as defined in IC 20-24-1-2.5(1)).

(4) Each trade or professional organization representing charter schools listed as an organization representing charter schools on the website of the department or otherwise known to a school corporation with a covered school building subject to closure.

(5) The Indiana charter school board.

(6) Each charter school that is not described in subdivision (2) that has provided a written notice of interest in a covered school building to the department.

SECTION 14. IC 20-26-7.1-2.8 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS



[EFFECTIVE JULY 1, 2023]: **Sec. 2.8. When a notice is given to an authorizer under this chapter or IC 20-26-7-47, the authorizer is responsible for notifying all charter schools authorized by or applying for authorization by the authorizer. The authorizer must provide the notice to charter schools not more than ten (10) days after the authorizer received the notice.**

SECTION 15. IC 20-26-7.1-3, AS AMENDED BY P.L.155-2021, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 3. (a) ~~This subsection applies to any school building that is owned by a school corporation or any other entity that is related in any way to, or created by, the school corporation or the governing body, including but not limited to a building corporation, and that has at any time been used for classroom instruction. Except as provided in section 1 of this chapter or subsection (b)(1), (b), (c), or (d), before a governing body may sell, exchange, lease, demolish, hold without operating, or dispose of a covered school building, a governing body shall do the following:~~

~~(1) This subdivision applies after June 30, 2021. The governing body shall obtain a certification from the attorney general's office under section 8.5 of this chapter.~~

~~(2) The governing body shall make available for lease or purchase by a charter school or after June 30, 2021, a state educational institution any covered school building owned by the school corporation or any other entity that is related in any way to, or created by, the school corporation or the governing body, including but not limited to a building corporation, that~~

~~(A) is vacant or unused; and~~

~~(B) was previously used for classroom instruction;~~

the governing body elects to close or the school corporation is required to close under IC 20-26-7-47, in order for the covered school building to be used by a:

(1) charter school to conduct kindergarten prekindergarten through grade 12 classroom instruction; or to be used by a

(2) state educational institution for an academic purpose.

(b) The following are not required to comply with this chapter:

(1) A governing body that vacates a covered school building in order to:

(A) renovate the covered school building for a future allowable use by the school corporation as permitted under IC 20-26-7-47; or

(B) demolish the covered school building, in whole or part, and build a new school building or an addition to a school



building on the same site as the demolished building.

(2) An emergency manager of a distressed school corporation under IC 6-1.1-20.3.

(3) The governing body of the School City of East Chicago school corporation for the Carrie Gosch Elementary School building.

(c) ~~Notwithstanding subsection (a), a lease entered into by This section does not apply to a covered school building in which a governing body under IC 20-26-5-4(a)(7) entered a lease prior to January 1, 2019, with a state accredited nonpublic school. shall remain in full force and effect.~~ In addition, the governing body may, during or at the expiration of the term of such lease, sell the school building leased under IC 20-26-5-4(a)(7) to the nonpublic school at a purchase price mutually agreed to by the governing body and the nonpublic school.

(d) This section does not apply to a covered school building of a school corporation to which the following apply:

(1) The school corporation had, before January 1, 2023, entered into a lease or memorandum of understanding with a nonprofit organization exempt from federal taxation under Section 501(c)(3) through 501(c)(7) of the Internal Revenue Code for the use of the covered school building.

(2) The lease or memorandum of understanding described in subdivision (1):

(A) continues in effect;

(B) is renewed; or

(C) is replaced by a new lease or memorandum of understanding that is entered into between the school corporation and the nonprofit organization described in subdivision (1).

(3) The nonprofit organization described in subdivision (1) uses the covered school building for an educational purpose throughout the term of any lease or memorandum of understanding.

If at any time the conditions under subdivisions (2) and (3) are not met, the covered school building is subject to IC 20-26-7-47 and this chapter.

(e) A covered school building that a school corporation closes or is required to close may not be retained by the school corporation for storage or office use unless the conditions of IC 20-26-7-47(e)(3), IC 20-26-7-47(e)(4), or IC 20-26-7-47(e)(5) are met.

SECTION 16. IC 20-26-7.1-4, AS AMENDED BY P.L.155-2021,



SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 4. (a) **A school corporation shall notify the department not later than thirty (30) days after the date the governing body elects to close a covered school building and include with the notification whether the school corporation contends that the building should or should not be made available as provided by this chapter. The school corporation shall notify the department in the annual report required under IC 20-26-7-48 that the school corporation elects to or is required under IC 20-26-7-47 to close a covered school building. The notice must be in the annual report submitted under IC 20-26-7-48 after the school elects to or is required to close the covered school building. The department shall notify interested persons concerning the availability of a covered school building under subsection (d).**

(b) Not later than ten (10) fifteen (15) days after: passing a resolution or taking other official action to close; no longer use; or no longer occupy a school building that was previously used for classroom instruction under section 3 of this chapter;

(1) the department receives the earliest notice under subsection (a); or

(2) if the department determines that a covered school building qualifies for closure under IC 20-26-7-47, the date a final order to close a covered school building is issued under IC 20-26-7-47;

the governing body shall take the actions specified by this subsection and subsection (c). The department shall order a school corporation to comply with this subsection and subsection (c) and request that the attorney general enforce the order under section 9(a) of this chapter.

(1) notify the department of the official action and the effective date that the school building will be closed; no longer used; or no longer occupied;

(c) The governing body shall do the following:

(2) (1) Make the covered school building available for inspection by a charter school or state educational institution that notifies the department that it is interested in leasing or purchasing the covered school building. described under section 3 of this chapter; and

(3) (2) Make the following information available to a charter school or state educational institution described in subdivision (2): (1):

(A) Estimates of the operating expenses for the covered



school building for the past three (3) years.

(B) Written information regarding the condition of the **covered school** building, including the age of the roof and the HVAC system, and any known conditions which, in the governing body's opinion, require prompt repair or replacement.

(C) A legal description of the property.

~~(b)~~ **(d)** ~~Within Not later than five (5) fifteen (15) days of after the earlier of:~~

(1) receiving the earliest notice under subsection ~~(a)(1); subsection (a);~~ or

(2) if the department determines that a covered school building qualifies for closure under IC 20-26-7-47, the date a final unappealable order to close a covered school building is issued under IC 20-26-7-47;

the department shall **place a notice on the department's website that the covered school building is available for purchase or lease under this chapter and** provide written notification to each state educational institution; charter school authorizer (excluding school corporation authorizers as defined in IC 20-24-1-2.5(1)); and statewide organizations representing charter schools in Indiana of the school corporation's resolution or official action described in subsection (a); **interested person**, including the date when the **covered** school building will close, no longer be used, or become vacant.

~~(c)~~ **(e)** The school corporation shall lease the **covered** school building to a charter school or state educational institution for one dollar (\$1) per year for as long as the state educational institution uses the **covered school** building for an academic purpose or the charter school uses the **covered** school building for classroom instruction, for a term at the state educational institution's or charter school's discretion, or sell the **covered** school building for one dollar (\$1), if the charter school or state educational institution does the following:

(1) Within ~~thirty (30) ninety (90)~~ **thirty (30) ninety (90)** days of receiving the department's notice under subsection ~~(b); (d)~~, a charter school or state educational institution must submit a preliminary request to purchase or lease the **covered** school building.

(2) Subject to subsection ~~(d); (f)~~, **(f)**, within ninety (90) days of receiving the department's notice under subsection ~~(b); (d)~~, a charter school or state educational institution must submit to the school corporation the following information:

(A) The name of the charter school or state educational institution that is interested in leasing or purchasing the ~~vacant~~



or unused covered school building.

(B) A time frame, which may not exceed two (2) years from the date that the **covered** school building is to be closed, no longer used, or no longer occupied, in which the:

(i) charter school intends to begin providing classroom instruction in the vacant or unused **covered** school building;

or

(ii) state educational institution intends to begin using the **covered school** building for an academic purpose.

(C) A resolution, adopted by the board of the charter school or state educational institution stating that the board of the charter school or the state educational institution has determined that, after the charter school or state educational institution has made any necessary repairs or modifications, the **covered** school building will be sufficient to meet the charter school's or state educational institution's needs and can be operated within the charter school's or state educational institution's budget.

~~(D)~~ This clause applies to a vacant or unused school building with more than two hundred thousand (200,000) gross square feet. In addition to the information provided in clauses (A) through (C), a charter school shall submit the following:

(i) The charter school's projected enrollment when all of the grade levels are added.

(ii) A letter from the charter school's authorizer or prospective authorizer that indicates that the charter school's authorizer or prospective authorizer has reviewed the items described in clauses (B) through (C) and that the projected enrollment of the charter school when all of the grade levels are added or fully implemented will be at least sixty percent (60%) of the maximum annual student enrollment of the school building during the past twenty-five (25) years as validated by records maintained or created by the department.

~~(d)~~ (f) If the department does not receive any preliminary requests to purchase or lease a **covered** school building within the time frame described in subsection (c)(1), and except as provided in section 7 of this chapter, (e)(1), the department shall send notification to the school corporation that the department has not received any preliminary requests to purchase or lease the **covered** school building. Upon receipt of the notification under this subsection, the school corporation may sell or otherwise dispose of the **covered** school building in accordance



with IC 36-1-11, IC 20-25-4-14, and IC 20-26-5-4(a)(7). and section 8 of this chapter.

(e) (g) If only one (1) charter school submits a preliminary request to purchase or lease the covered school building, the department shall notify the school corporation of the identity of the charter school and direct the school corporation to complete a sale or lease to the charter school in accordance with subsection (k). Except as provided in subsection (g), In the event that two (2) or more charter schools ~~but no state educational institutions~~, submit a preliminary request to purchase or lease a **covered** school building within the time frame described in subsection ~~(e)(1)~~; **(e)(1)**, the department shall send notification to ~~an authorizer described in IC 20-24-1-2.5(3) and each statewide charter school authorizer and statewide organization representing charter schools in Indiana (excluding school corporation authorizers as defined in IC 20-24-1-2.5(1))~~; **each interested person** and the school corporation that the department has received two (2) or more preliminary requests under this section. An authorizer committee shall be established, with each statewide authorizer that has authorized one (1) or more charter schools appointing a representative, and the committee shall establish the chairperson and procedures for the committee. Within sixty (60) days of receiving notice under this subsection, the committee shall select which charter school may proceed under subsection ~~(e)(2)~~ **(k)** to purchase or lease the **covered** school building or determine if two (2) or more charter schools should co-locate within the **covered** school building. The committee shall ~~give priority to a charter school located within one (1) mile of the vacant or unused school building.~~ **base the committee's decision on the following criteria:**

- (1) Preference shall be given to existing charter schools that have a proven track record of student academic performance.**
- (2) If two (2) or more charter schools of proven academic performance are competing and only one (1) charter school is operating in the county in which the covered school building is located, the charter school in the same county as the covered school building shall be given preference.**

In the event that the committee determines that two (2) or more charter schools should co-locate in the **covered** school building, ~~and~~; if applicable, that the combined enrollment of the charter schools will meet or exceed the requirements in subsection ~~(e)(2)(D)~~; the charter schools have sixty (60) days to submit a memorandum of understanding stating that the charter schools shall be jointly and severally liable for the obligations related to the sale or lease of the



covered school building, and specifying how the charter schools will utilize the **covered** school building and share responsibility for operational, maintenance, and renovation expenses. If the charter schools are unable to agree, the charter schools shall be deemed to have revoked their prior request regarding the lease or sale of the **covered** school building. **The committee shall give notice of the committee's decision to the school corporation and each interested person. A charter school that is not selected by the committee may appeal the decision to the state board not more than thirty (30) days after receipt of the committee's decision. The state board shall issue a final order in the appeal not more than sixty (60) days after receipt of a properly filed appeal. Notice of the appeal and the final order in the appeal must be given to the school corporation.**

(f) If two (2) or more state educational institutions but no charter schools submit timely preliminary requests under subsection (c)(1) regarding a school building, the secretary of education shall appoint three (3) representatives of other state educational institutions. The appointed representatives shall act as a committee to determine which of the state educational institutions that have submitted preliminary requests as described in this subsection is best able to meet the needs of the students in the locality in which the school building is located. Not later than sixty (60) days after the date that the secretary of education appoints the committee of representatives under this subsection, the committee of representatives shall:

- (1) select which state educational institution may proceed to purchase or lease the building; or
- (2) determine if two (2) or more state educational institutions should co-locate within the school building.

(g) If one (1) or more charter schools and one (1) or more state educational institutions submit timely preliminary requests under subsection (c)(1) regarding a school building, the charter school shall be provided preference to the school building. If more than one (1) charter school submits timely preliminary requests under subsection (c)(1) regarding a school building, the determination of which charter school may obtain the school building shall be resolved in the manner prescribed in subsection (e).

(h) **If a charter school does not submit a preliminary request to purchase or lease the covered school building and only one (1) state educational institution submits a preliminary request to purchase or lease the covered school building, the department shall:**

- (1) **notify the school corporation of the identity of the state educational institution; and**



(2) direct the school corporation to complete a sale or lease to the state educational institution in accordance with subsection (k).

(i) If one (1) or more state educational institutions submit preliminary requests to purchase or lease a covered school building, a selection committee shall be established consisting of one (1) member appointed by the executive of the largest city or town in the county in which the covered school building is located, one (1) member appointed by the city or town council of the largest city or town in the county in which the covered school building is located, one (1) member appointed by the county commissioners of the county in which the covered school building is located, one (1) member appointed by the county council of the county in which the covered school building is located, and one (1) member appointed by the chamber of commerce of the county in which the covered school building is located.

(j) Not later than sixty (60) days after the date that a member is appointed under subsection (i), the committee shall:

(1) select which state educational institution may proceed to purchase or lease the covered school building; or

(2) determine whether more than one (1) state educational institution should co-locate within the covered school building.

In making the committee's determination, the committee shall give preference to a state educational institution whose proposed use of the covered school building is assessed as having the greatest educational benefit for prekindergarten through grade 12 education. A committee determination under this subsection may not be appealed.

~~(k)~~ **(k)** A school corporation shall lease the **covered** school building for one dollar (\$1) per year to the charter school or ~~the~~ state educational institution for as long as the:

(1) charter school uses the **covered school building for classroom instruction for any combination of kindergarten through grade 12; or a**

(2) state educational institution uses the **covered school building for an academic purpose.**

The term of the lease shall be established at the charter school's or state educational institution's discretion and include an option for the state educational institution or charter school to purchase the **covered** school building for one dollar (\$1). Alternatively, the school corporation shall sell the **covered** school building to the charter school or ~~the~~ state



educational institution for one dollar (\$1), if the charter school or ~~the~~ state educational institution has met the requirements set forth in subsection ~~(c)~~ **(e)** and uses the ~~vacant or unused~~ **covered** school building in the manner prescribed by this subsection. **If the charter school or state educational institution selected to lease or purchase the covered school building has met the requirements under subsection (e), the school corporation has not more than ninety (90) days after the date notice of a final unappealable decision is received by the school corporation to complete the lease or sale of the covered school building to the charter school or state educational institution. If the transaction is not completed within ninety (90) days, the department or the selected charter school or state educational institution may, under section 9 of this chapter, request that the attorney general enforce the sale or lease or may file suit to enforce the sale or lease.** If a charter school or state educational institution has not met the requirements under subsection ~~(c); (e)~~, the school corporation may ~~subject to section 7 of this chapter,~~ sell or otherwise dispose of the **covered** school building in accordance with IC 36-1-11, IC 20-25-4-14, **and IC 20-26-5-4(a)(7).** ~~and section 8 of this chapter.~~

SECTION 17. IC 20-26-7.1-4.5, AS ADDED BY P.L.155-2021, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 4.5. (a) After a governing body passes a resolution or takes official action to close, no longer use, or no longer occupy a **covered** school building ~~that was previously used for classroom instruction under section 3 of this chapter,~~ **or the covered school building is required to be closed under IC 20-26-7-47,** a school corporation is responsible for meeting the requirements described in subsection (b) until the applicable **covered** school building is:

- (1) sold or leased to a charter school or state educational institution;
- ~~(2) sold to an accredited nonpublic school or postsecondary educational institution other than a state educational institution under section 7 of this chapter;~~ or
- ~~(3)~~ **(2)** eligible to be sold or otherwise disposed in accordance with IC 36-1-11, IC 20-25-4-14, **and IC 20-26-5-4(a)(7).** ~~and section 8 of this chapter.~~

(b) During the period described in subsection (a), a school corporation is:

- (1) responsible for the maintenance of a ~~vacant or unused~~ **covered** school building, including:
 - (A) protection against theft or vandalism;



- (B) fire protection; and
- (C) ensuring the ~~vacant or unused~~ **covered** school building is not damaged during adverse weather conditions;
- (2) responsible for maintaining the physical condition of the ~~vacant or unused~~ **covered** school building in the same physical condition the applicable **covered** school building was on the last day that it was used for classroom instruction; and
- (3) financially responsible for any damage or destruction that occurs to the ~~vacant or unused~~ **covered** school building.

SECTION 18. IC 20-26-7.1-5, AS AMENDED BY P.L.155-2021, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 5. (a) ~~If: a school building is sold to a charter school or state educational institution under section 3 or 4 of this chapter and the charter school or the state educational institution, or any subsequent owner, subsequently sells or transfers~~

- (1) a covered school building is sold to a charter school or state educational institution under section 4 of this chapter; and**
- (2) the charter school or state educational institution described in subdivision (1) no longer intends to use the covered school building for the purposes described in section 4(e) of this chapter;**

the charter school or state educational institution shall offer to transfer the covered school building back to the school corporation that initially sold the covered school building to the charter school or state educational institution.

(b) If a school corporation described in subsection (a) declines the offer to transfer a covered school building back to the school corporation, the charter school or state educational institution may sell or transfer the covered school building to a third party. ~~the~~ If a charter school or state educational institution ~~or subsequent owner,~~ sells or transfers a covered school building to a third party under this subsection, the charter school or state educational institution must transfer an amount equal to the gain in the property minus the adjusted basis (including costs of improvements to the covered school building) to the school corporation that initially sold the ~~vacant~~ **covered school building to the charter school or ~~the~~ state educational institution. Gain and adjusted basis shall be determined in the manner prescribed by the Internal Revenue Code and the applicable Internal Revenue Service regulations and guidelines.**

~~(b)~~ **(c) A charter school or state educational institution that purchases a covered school building assumes total control of the**



covered school building and must maintain the **covered** school building, including utilities, insurance, maintenance, and repairs. In the event a:

- (1) charter school does not use the **covered** school building for classroom instruction; or
- (2) state educational institution does not use the **covered** school building for an academic purpose;

within two (2) years after acquiring the **covered** school building, the **covered** school building shall revert to the school corporation, which may sell or otherwise dispose of the **covered** school building under IC 36-1-11.

SECTION 19. IC 20-26-7.1-5.3 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: **Sec. 5.3. (a) This section applies to a covered school building purchased or leased by a charter school under this chapter.**

(b) A school corporation may not petition the department under subsection (c) within the first five (5) years after a charter school purchased or initially leased a covered school building under this chapter.

(c) If the number of full-time equivalent students enrolled for in-person instruction in a school building on instructional days (as determined under IC 20-30-2) for instructional purposes for a school year is not at least sixty percent (60%) of:

- (1) the known classroom design capacity of the school building; or**
- (2) if the design capacity is not known, the average maximum full-time equivalent enrollment in any of the last twenty-five (25) years, as validated by records created or maintained by the department;**

the school corporation that leased or sold the school building to the charter school may file a petition with the department requesting that the charter school transfer the school building back to the school corporation.

(d) Before filing a petition under subsection (c), the school corporation must give written notice to the charter school to determine whether an agreement can be reached regarding transferring the school building to the school corporation.

(e) A petition filed under this section is subject to the same procedures under IC 20-26-7-47 as a petition filed under IC 20-26-7-47(h).

SECTION 20. IC 20-26-7.1-6, AS AMENDED BY P.L.155-2021,



SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 6. During the term of a lease under section 4 of this chapter, the charter school or ~~the~~ state educational institution is responsible for the direct expenses related to the **covered** school building leased, including utilities, insurance, maintenance, repairs, and remodeling. If the lease involves co-locating charter schools or a co-location with a state educational institution, the obligations under the lease of the **covered** school building shall be joint and several. The school corporation is responsible for any debt incurred for or liens that attached to the **covered** school building before the charter school **or state educational institution** leased the **covered** school building.

SECTION 21. IC 20-26-7.1-7 IS REPEALED [EFFECTIVE JULY 1, 2023]. Sec. 7. (a) As used in this section, "accredited nonpublic school" means a nonpublic school that:

- (1) has voluntarily become accredited under IC 20-31-4.1; or
- (2) is accredited by a national or regional accrediting agency that is recognized by the state board.

(b) This section applies to a school building with a gross square footage of two hundred thousand (200,000) square feet or less.

(c) If the school corporation receives notification from the department that the department has not received any preliminary requests to purchase or lease a vacant or unused school building under section 4(c)(1) of this chapter or a charter school or state educational institution has not met the requirements under section 4(c)(2) or 4(e) of this chapter, the school corporation must sell the school building to an accredited nonpublic school or a postsecondary educational institution other than a state educational institution that sends a letter of intent to the school corporation to purchase the vacant or unused school building for an amount not more than the minimum bid for the vacant or unused school building determined in accordance with IC 36-1-11, or an amount agreed to by both parties.

(d) The accredited nonpublic school or postsecondary educational institution, other than a state educational institution, must submit its letter of intent to purchase the school building within thirty (30) days of the date the school corporation passes a resolution or takes other official action to close, no longer use, or no longer occupy a school building that was previously used for classroom instruction. However, in the event that a charter school or state educational institution has submitted a preliminary request to purchase or lease a school building, the accredited nonpublic school or postsecondary educational institution other than a state educational institution may send a letter of intent to purchase or lease the school building within ninety (90) days



of the date that the school corporation passed a resolution or took official action to close; no longer use; or no longer occupy a school building.

(e) Within forty-five (45) days of notice of the minimum bid, the accredited nonpublic school or postsecondary educational institution other than a state educational institution must provide a binding offer to the school corporation to purchase the property in its current condition and provide a nonrefundable down payment equal to five percent (5%) of the minimum bid or an amount agreed to by both parties. In the event that two (2) or more binding offers are submitted to the school corporation under this subsection, the school corporation may select which offer to accept.

(f) If the sale of the property does not close within one hundred eighty (180) days of the school corporation's receipt of the binding offer, and the delay in closing is not caused by the school corporation or its representatives, the school corporation may refund the down payment and sell or otherwise dispose of the school building under IC 20-25-4-14, IC 20-26-5-4(a)(7), or IC 36-1-11.

SECTION 22. IC 20-26-7.1-8 IS REPEALED [EFFECTIVE JULY 1, 2023]. Sec. 8: (a) This section applies to the sale of a vacant or unused school building with more than two hundred thousand (200,000) gross square feet under IC 36-1-11, as permitted by this chapter.

(b) In determining whether to accept a proposal to purchase and redevelop the school building and any adjacent property, the governing body must ensure that a charter school that is located within one (1) mile of the site to be redeveloped and has notified the governing body in writing of its interest in locating the charter school on the redeveloped site is provided with the opportunity to lease adequate facilities on the redeveloped site at fifty percent (50%) or less than the current market rate for the redeveloped property or a rate agreed upon by the parties.

(c) In the event that a charter school does not enter into a lease for the appropriate facilities as part of the initial development of the school building parcel, this section shall no longer be binding on the school corporation or the purchaser of the property, which shall not be required to make the space available for use by another charter school.

SECTION 23. IC 20-26-7.1-8.5 IS REPEALED [EFFECTIVE JULY 1, 2023]. Sec. 8.5: (a) This section applies after June 30, 2021.

(b) Except as provided in section 3(b)(1) of this chapter, if a governing body passes a resolution to sell, exchange, lease, demolish, hold without operation, or dispose of a school building, the governing



body of the school corporation must receive a certification from the attorney general to ensure that the governing body is in compliance with the requirements of this chapter. The governing body of the school corporation shall submit an application, not later than fifteen (15) days after the governing body passes the resolution described in this subsection; to the attorney general in a manner prescribed by the attorney general. The attorney general shall approve or deny a certification within thirty (30) days of the date the request for certification is received by the attorney general. If the attorney general denies a certification under this section, the attorney general shall provide the specific reason why the request for certification was denied. If a governing body's request for certification is denied under this subsection, the governing body may reapply for certification upon remedying the reason for the attorney general's certification denial.

(c) A contract entered by a school corporation to sell, lease, demolish, or otherwise dispose of a school building without receiving a certification from attorney general under this section is null and void.

(d) The attorney general shall submit all certification findings to the department, which shall post the attorney general's certification findings on the department's Internet web site.

SECTION 24. IC 20-26-7.1-9, AS AMENDED BY P.L.155-2021, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 9. (a) The attorney general shall investigate complaints that a school corporation has not complied with the requirements under this chapter if the complaint is filed within one (1) year of the date in which the governing body is alleged to have taken an official action that does not comply with this chapter. The attorney general shall notify the school corporation of the investigation within five (5) business days of receipt of a complaint under this section. The attorney general shall complete the investigation within sixty (60) days of the date of the complaint. The school corporation must provide any information requested by the attorney general necessary to conduct the investigation. Upon completion of the investigation, the attorney general shall issue findings indicating whether the complaint is either substantiated or unsubstantiated.

(b) Subject to subsection (d), in the event that a complaint is substantiated; (a) The attorney general, in consultation with the department and state board, is authorized to take any action necessary to remedy a substantiated complaint, which may include actions to be performed by the state board or the department to ensure compliance of a school corporation under this section.

(c) Upon completion of the investigation under subsection (a); the



attorney general shall publish findings of an investigation under subsection (a) on the attorney general's Internet web site. In the event a complaint is substantiated, a copy of the findings shall be sent to the state board and the department. **enforce a department or state board order under IC 20-26-7-47 or this chapter (or an order issued by the attorney general under this chapter (as effective before July 1, 2023)), including equitable actions to enjoin or mandate an action of a school corporation. No final court order shall be issued until the school corporation has had ninety (90) days after the department or state board has issued a final order to complete a sale or lease of the covered school building. If the attorney general does not commence legal action for an injunction to enforce a final order to make a covered school building available for purchase or lease under this chapter within one hundred (100) days after the date the final order was issued, the charter school or state educational institution that submitted the preliminary notice of interest to acquire or lease the covered school building may file a civil action to enforce this chapter.**

~~(d)~~ **(b) In addition to the remedy under subsection (a), if a school corporation does not comply with the requirements to sell or lease a vacant covered school building provided in under this chapter, as determined by the attorney general under subsection (a), the school corporation shall submit any proceeds from the sale of the vacant covered school building to the state board, which shall be distributed equally between each charter school located in the attendance area of the school corporation. If no charter schools are located in the attendance area, the state board must use the proceeds to provide grants under the charter school and innovation grant program under IC 20-24-13. The attorney general is authorized to initiate any legal action necessary to ensure compliance with this section: chapter.**

SECTION 25. IC 20-26-7.1-10 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: **Sec. 10. (a) The following may adopt rules under IC 4-22-2 to carry out this chapter:**

- (1) The department.**
- (2) The state board.**
- (3) The attorney general.**

(b) A finding by the attorney general of a violation of this chapter (as effective before July 1, 2023) shall have the effect of a final order of the state board under this chapter (as effective after June 30, 2023).

(c) A finding by the attorney general under this chapter (as



effective before July 1, 2023) does not determine whether there is a violation of this chapter (as effective after June 30, 2023).

SECTION 26. IC 20-29-2-6, AS AMENDED BY P.L.272-2019, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 6. "Deficit financing" for a budget year:

- (1) means, except as provided in subdivision (2), actual expenditures exceeding the employer's current year actual education fund revenue and, for a school employer for which the voters have passed an operating referendum tax levy under IC 20-46-1 or a school safety referendum tax levy under IC 20-46-9, the amount of revenue certified by the department of local government finance, **excluding money distributed to a charter school under IC 20-46-1-21 or IC 20-46-9-22;** or
- (2) means, in the case of any distressed school corporation, the Gary Community School Corporation, or the Muncie Community school corporation, actual expenditures plus additional payments against any outstanding debt obligations exceeding the employer's current year actual education fund revenue, and, for a school employer for which the voters have passed an operating referendum tax levy under IC 20-46-1 or a school safety referendum tax levy under IC 20-46-9, **excluding money distributed to a charter school under IC 20-46-1-21 or IC 20-46-9-22,** the amount of revenue certified by the department of local government finance.

Except as provided in IC 20-29-6-3(c), revenue does not include money estimated to be or actually transferred from the school corporation's operations fund to its education fund.

SECTION 27. IC 20-29-8-7, AS AMENDED BY P.L.272-2019, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 7. (a) When a factfinder is requested or required under IC 20-29-6, the board shall appoint a factfinder.

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

(c) The factfinder:

- (1) may restrict the factfinder's findings to those issues that the factfinder determines significant;
- (2) must restrict the findings to the items listed in IC 20-29-6-4; and
- (3) may not impose terms beyond those proposed by the parties in their last, best offers.

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

- (1) the parties;



- (2) the board;
- (3) the board's staff; or
- (4) any other state agency.

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

(f) The factfinding process may not exceed thirty (30) days from beginning to end, and not more than two (2) of those days may be used for public testimony, which may be taken at the discretion of the factfinder. During the public hearing, each party shall present fully its last, best offer, including the fiscal rationale for the offer. Only education fund revenue and, for a school employer for which the voters have passed an operating referendum tax levy under IC 20-46-1 or a school safety referendum tax levy under IC 20-46-9, the amount of revenue certified by the department of local government finance, **excluding money distributed to a charter school under IC 20-46-1-21 or IC 20-46-9-22**, may be considered a source of the funding for items. Money estimated to be or actually transferred from the school corporation's operations fund to its education fund may not be considered a source of funding for items.

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

(h) The factfinder shall:

- (1) make the investigation, hearing, and findings as expeditiously as the circumstances permit; and
- (2) deliver the findings to the parties and to the board.

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

- (1) the report; or
- (2) the board's own possession.

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

(j) At any time within five (5) days after the findings and recommendations are delivered to the board, the board may make the findings and recommendations of the factfinder and the board's



additional findings and recommendations, if any, available to the public through news media and other means the board considers effective.

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

SECTION 28. IC 20-40-3-5, AS AMENDED BY P.L.154-2020, SECTION 40, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) Money in the fund may be used for any lawful school expenses, including making a transfer to the school corporation's education fund (IC 20-40-2) or operations fund (IC 20-40-18).

(b) **Except as provided in IC 20-46-1-21**, a school corporation may distribute proceeds of a tax levy collected under IC 20-46-1 that is transferred to the school corporation's education fund to a charter school, excluding a virtual charter school, that is located within the attendance area of the school corporation.

SECTION 29. IC 20-40-20-6, AS AMENDED BY P.L.154-2020, SECTION 41, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) Subject to subsections (c) and (d), money in the fund may be used only for the following purposes:

- (1) To employ or compensate a school resource officer or school resource officers.
- (2) To establish or fund a school safety office.
- (3) To conduct a threat assessment of a school building.
- (4) To create or update a school safety plan.
- (5) To develop or update school emergency response systems.
- (6) To purchase equipment to improve the safety of a school building, school grounds, or school buses.
- (7) To pay capital expenses to improve the safety of a school building.
- (8) To establish and administer programs to address youth specific mental illness, addiction, anger management, bullying, and school violence.
- (9) To develop and administer professional development programs for teachers, administrators, and other school employees designed to improve school safety and reduce violence.

(b) **Except as provided in IC 20-46-9-22**, a school corporation may distribute, with the approval of the majority of members of the governing body, a portion of the proceeds of a tax levy collected under IC 20-46-9 that is deposited in the fund to a charter school, excluding a virtual charter school, that is located within the attendance area of the



school corporation, to be used by the charter school for the purposes described in subsection (a).

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

(d) Local law enforcement shall participate in:

- (1) development of a school safety plan;
- (2) development or updates to school emergency response systems; and
- (3) determination of capital expenses that would improve the safety of a school building.

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

SECTION 30. IC 20-46-1-8, AS AMENDED BY P.L.174-2022, SECTION 51, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. (a) Subject to subsections ~~(c)~~, ~~(d)~~, and ~~(e)~~, **(f), and (g)** and this chapter, the governing body of a school corporation may adopt a resolution to place a referendum under this chapter on the ballot for any of the following purposes:

- (1) The governing body of the school corporation determines that it cannot, in a calendar year, carry out its public educational duty unless it imposes a referendum tax levy under this chapter.
- (2) The governing body of the school corporation determines that a referendum tax levy under this chapter should be imposed to replace property tax revenue that the school corporation will not receive because of the application of the credit under IC 6-1.1-20.6.
- (3) **Except for resolutions described in subsection (b),** the governing body makes the determination required under subdivision (1) or (2) and determines to share a portion of the referendum proceeds with a charter school, excluding a virtual charter school, in the manner prescribed in subsection ~~(d)~~: **(e)**.

(b) A resolution for a referendum for a county described in section 21 of this chapter that is adopted after May 10, 2023, shall specify that a portion of the proceeds collected from the proposed levy will be distributed to applicable charter schools in the manner described under section 21 of this chapter.

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

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



- (A) the language for the question required by section 10 of this chapter, or in the case of a resolution to extend a referendum levy certified to the department of local government finance after March 15, 2016, section 10.1 of this chapter; and
- (B) a copy of the revenue spending plan adopted under subsection ~~(e)~~ **(g)**.

The language of the public question must include the estimated average percentage increases certified by the county auditor under section 10(e) or 10.1(f) of this chapter, as applicable. The governing body of the school corporation shall also provide the county auditor's certification described in section 10(e) or 10.1(f) of this chapter, as applicable. The department of local government finance shall post the values certified by the county auditor to the department's ~~Internet web site~~ **website**. The department shall review the language for compliance with section 10 or 10.1 of this chapter, whichever is applicable, and either approve or reject the language. The department shall send its decision to the governing body of the school corporation not more than ten (10) days after the resolution is submitted to the department. If the language is approved, the governing body of the school corporation shall certify a copy of the resolution, including the language for the question and the department's approval.

- (2) The county fiscal body of each county in which the school corporation is located (for informational purposes only).
- (3) The circuit court clerk of each county in which the school corporation is located.

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

- (1) adopt a resolution to place a referendum under this chapter on the ballot; or
- (2) otherwise place a referendum under this chapter on the ballot.

~~(d)~~ **(e)** **Except as provided in section 21 of this chapter**, the resolution described in subsection (a) must indicate whether proceeds in the school corporation's education fund collected from a tax levy under this chapter will be used to provide a distribution to a charter school or charter schools, excluding a virtual charter school, under IC 20-40-3-5 as well as the amount that will be distributed to the particular charter school or charter schools. A school corporation may request from the designated charter school or charter schools any financial documentation necessary to demonstrate the financial need of the charter school or charter schools.



(f) This subsection applies to a resolution described in subsection (a) for a county described in section 21(a) of this chapter that is adopted after May 10, 2023. The resolution described in subsection (a) shall include a projection of the amount that the school corporation expects to be distributed to a particular charter school, excluding virtual charter schools or adult high schools, under section 21 of this chapter if the charter school voluntarily elects to participate in the referendum in the manner described in subsection (i). At least sixty (60) days before the resolution described in subsection (a) is voted on by the governing body, the school corporation shall contact the department to determine the number of students in kindergarten through grade 12 who have legal settlement in the school corporation but attend a charter school, excluding virtual charter schools or adult high schools, and who receive not more than fifty percent (50%) virtual instruction. The department shall provide the school corporation with the number of students with legal settlement in the school corporation who attend a charter school and who receive not more than fifty percent (50%) virtual instruction, which shall be disaggregated for each particular charter school, excluding a virtual charter school or adult high school. The projection may include an expected increase in charter schools during the term the levy is imposed under this chapter. The department of local government finance shall prescribe the manner in which the projection shall be calculated. The governing body shall take into consideration the projection when adopting the revenue spending plan under subsection (g).

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

- (1) an estimate of the amount of annual revenue expected to be collected if a levy is imposed under this chapter;
- (2) the specific purposes for which the revenue collected from a levy imposed under this chapter will be used; ~~and~~
- (3) an estimate of the annual dollar amounts that will be expended for each purpose described in subdivision (2); ~~and~~
- (4) for a resolution for a referendum that is adopted after May 10, 2023, for a county described in section 21(a) of this chapter, the projected revenue that shall be distributed to charter schools as provided in subsections (f) and (i). The revenue spending plan shall also take into consideration deviations in the proposed revenue spending plan if the actual**



charter school distributions exceed or are lower than the projected charter school distributions described in subsection (f). The resolution shall include for each charter school that elects to participate under subsection (i) information described in subdivisions (1) through (3).

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

(i) This subsection applies to a resolution described in subsection **(a)** for a county described in section 21(a) of this chapter that is adopted after May 10, 2023. At least forty-five (45) days before the resolution described in subsection **(a)** is voted on by the governing body, the school corporation shall contact each charter school, excluding virtual charter schools or adult high schools, disclosed by the department to the school corporation under subsection **(f)** to determine whether the charter school will participate in the referendum. The charter school must respond in writing to the school corporation at least fifteen (15) days prior to the date that the resolution described in subsection **(a)** is to be voted on by the governing body. If the charter school elects to not participate in the referendum, the school corporation may exclude distributions to the charter school under section 21 of this chapter and from the projection described in subsection **(f)**. If the charter school elects to participate in the referendum, the charter school may receive distributions under section 21 of this chapter and must be included in the projection described in subsection **(f)**. In addition, a charter school that elects to participate in the referendum under this subsection shall contribute a proportionate share of the cost to conduct the referendum based on the total combined ADM of the school corporation and any participating charter schools.

(j) This subsection applies to a resolution described in subsection **(a)** for a county described in section 21(a) of this chapter that is adopted after May 10, 2023. At least thirty (30) days before the resolution described in subsection **(a)** is voted on by the governing body, the school corporation that is pursuing the resolution and any charter school that has elected to participate under subsection **(i)**, shall post a referendum disclosure statement on each school's respective website that contains the following information:

(1) The salaries of all employees employed by the school corporation or charter school listed from highest salary to



lowest salary.

(2) An acknowledgment that the school corporation or charter school is not committing any crime described in IC 35-44.1-1.

(3) A link to the school corporation's or charter school's most recent state board of accounts audit on the state board of accounts' website.

(4) The current enrollment of the school corporation or charter school disaggregated by student group and race.

(5) The school corporation's or charter school's high school graduation rate.

(6) The school corporation's or charter school's annual retention rate for teachers for the previous five (5) years.

SECTION 31. IC 20-46-1-8.5, AS ADDED BY P.L.138-2016, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8.5. **(a)** A resolution to extend a referendum levy must be:

- (1) adopted by the governing body of a school corporation; and
- (2) approved in a referendum under this chapter;

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

(b) For a resolution adopted under this section after May 10, 2023, for a county described in section 21(a) of this chapter, the resolution must include the projected charter school distributions described in section 8(f) of this chapter and indicate the distributions to applicable charter schools in accordance with section 21 of this chapter.

SECTION 32. IC 20-46-1-10, AS AMENDED BY P.L.174-2022, SECTION 52, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: 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 of the average homestead located within the school corporation, subtract:

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

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

from the result of STEP ONE.

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

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

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

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

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

STEP SIX: Determine the amount of the school corporation's part



of the result determined in STEP FIVE.

STEP SEVEN: Multiply:

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

(B) the result of STEP THREE.

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

(d) 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 business property 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 business property located within the school corporation.

STEP TWO: Divide the result of STEP ONE by one hundred (100).

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

STEP FOUR: For purposes of determining net property tax liability of the average business property located within the school corporation:

(A) multiply the result of STEP TWO by the result of STEP THREE; and

(B) as appropriate, apply any currently applicable county property tax credit rates and the credit for excessive property taxes under IC 6-1.1-20.6-7.5 as if the applicable percentage was three percent (3%).

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

STEP SIX: Multiply:

(A) the result of STEP TWO; by

(B) the tax rate that will be imposed if the public question is approved by the voters.

STEP SEVEN: Divide the result of STEP SIX by the result of STEP FIVE, expressed as a percentage.

(e) The county auditor shall certify the estimated average percentage of property tax increase on a homestead to be paid to ~~the school corporation~~ **schools** determined under subsection (c), and the estimated average percentage of property tax increase on a business property to



be paid to ~~the school corporation~~ **schools** determined under subsection (d), in a manner prescribed by the department of local government finance, and provide the certification to the governing body of the school corporation that proposes to impose property taxes.

SECTION 33. IC 20-46-1-19.5, AS AMENDED BY P.L.272-2019, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 19.5. (a) Subject to section ~~8(e)~~ **8(d)** of this chapter, if a referendum is approved by the voters in a school corporation under this chapter in a calendar year, another referendum may not be placed on the ballot in the school corporation under this chapter in the following calendar year.

(b) Notwithstanding any other provision of this chapter and in addition to the restriction specified in subsection (a), if a school corporation imposes in a calendar year a referendum levy approved in a referendum under this chapter, the school corporation may not simultaneously impose in that calendar year more than one (1) additional referendum levy approved in a subsequent referendum under this chapter.

SECTION 34. IC 20-46-1-21 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 21. (a) This section applies to revenue received from a resolution that is approved by the governing body to impose a referendum levy under section 8 or 8.5 of this chapter after May 10, 2023, for a school corporation located in:**

- (1) Lake County;**
- (2) Marion County;**
- (3) St. Joseph County; or**
- (4) Vanderburgh County.**

(b) The county auditor in which the school corporation is located shall distribute an amount under subsection (d) to each charter school, excluding virtual charter schools or adult high schools, that a student who resides within the attendance area of the school corporation attends if the charter school elects to participate in the referendum under section 8(i) of this chapter. The department shall provide the county auditor with data and information necessary for the county auditor to determine:

- (1) which charter schools are eligible to receive a distribution under this section; and**
- (2) the number of students who reside within the attendance area of the school corporation who are included in the ADM for each charter school, excluding virtual charter schools or**



adult high schools, described in subdivision (1).

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

(1) A virtual charter school.

(2) An adult high school.

(d) For the purposes of the calculations made in this subsection, each eligible school that has entered into an agreement with a school corporation to participate as a participating innovation network charter school under IC 20-25.7-5 is considered to have an ADM that is separate from the school corporation. The amount that the county auditor shall distribute to a charter school, excluding virtual charter schools or adult high schools, under this section is the amount determined in the last STEP of the following STEPS:

STEP ONE: Determine, for each charter school, excluding virtual charter schools or adult high schools, that is eligible to receive a distribution under this section, the number of students who reside within the attendance area of the school corporation who are currently included in the ADM of the charter school.

STEP TWO: Determine the sum of:

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

(B) total number of all students who reside within the attendance area of the school corporation who are currently included in the ADM of a charter school, excluding virtual charter schools or adult high schools.

STEP THREE: Determine the result of:

(A) the STEP ONE amount; divided by

(B) the STEP TWO amount.

STEP FOUR: Determine the result of:

(A) the STEP THREE amount; multiplied by

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

SECTION 35. IC 20-46-9-6, AS AMENDED BY P.L.174-2022, SECTION 54, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) Subject to this chapter, the governing body of a school corporation may adopt a resolution to place a referendum under this chapter on the ballot if the governing body of the school corporation determines that a referendum levy should be imposed for measures to improve school safety as described in IC 20-40-20-6(a) or IC 20-40-20-6(b).



(b) **Except as provided in section 22 of this chapter**, a school corporation may, with the approval of the majority of members of the governing body, distribute a portion of the proceeds of a tax levy collected under this chapter that is deposited in the fund to a charter school, excluding a virtual charter school, that is located within the attendance area of the school corporation, to be used by the charter school for the purposes described in IC 20-40-20-6(a).

(c) **This subsection applies to a resolution described in subsection (a) that is adopted after May 10, 2023, in a county described in section 22(a) of this chapter. A resolution shall specify that a portion of the proceeds of the proposed levy will be distributed to applicable charter schools in the manner described under section 22 of this chapter if the charter school voluntarily elects to participate in the referendum in the manner described in subsection (i).**

(d) **This subsection applies to a resolution described in subsection (a) that is adopted after May 10, 2023, in a county described in section 22(a) of this chapter. The resolution described in subsection (a) shall include a projection of the amount that the school corporation expects to be distributed to a particular charter school, excluding virtual charter schools or adult high schools, under section 22 of this chapter that elects to participate in the referendum under subsection (i). At least sixty (60) days before the resolution described in subsection (a) is voted on by the governing body, the school corporation shall contact the department to determine the number of students in kindergarten through grade 12 who have legal settlement in the school corporation but attend a charter school, excluding virtual charter schools or adult high schools, and who receive not more than fifty percent (50%) virtual instruction. The department shall provide the school corporation with the number of students with legal settlement in the school corporation who attend a charter school, which shall be disaggregated for each particular charter school, excluding a virtual charter school or adult high school. The projection may include an expected increase in charter schools during the term the levy is imposed. The department of local government finance shall prescribe the manner in which the projection shall be calculated. The governing body shall take into consideration the projection when adopting the revenue spending plan under subsection (g).**

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

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



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

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

The language of the public question must include the estimated average percentage increases certified by the county auditor under section 9(d) or 10(f) of this chapter, as applicable. The governing body of the school corporation shall also provide the county auditor's certification described in section 9(d) or 10(f) of this chapter, as applicable. The department of local government finance shall post the values certified by the county auditor to the department's ~~Internet web site~~: **website**. The department shall review the language for compliance with section 9 or 10 of this chapter, whichever is applicable, and either approve or reject the language. The department shall send its decision to the governing body of the school corporation not more than ten (10) days after the resolution is submitted to the department. If the language is approved, the governing body of the school corporation shall certify a copy of the resolution, including the language for the question and the department's approval.

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

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

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

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

- (1) an estimate of the amount of annual revenue expected to be collected if a levy is imposed under this chapter;
- (2) the specific purposes described in IC 20-40-20-6 for which the



revenue collected from a levy imposed under this chapter will be used; ~~and~~

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

(4) for a resolution for a referendum that is adopted after May 10, 2023, for a county described in section 22(a) of this chapter, the projected revenue that shall be distributed to charter schools as provided in subsection (d). The revenue spending plan shall also take into consideration deviations in the proposed revenue spending plan if the actual charter school distributions exceed or are lower than the projected charter school distributions described in subsection (d). The resolution shall include for each charter school that elects to participate under subsection (i) information described in subdivisions (1) through (3).

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

(i) This subsection applies to a resolution described in subsection (a) for a county described in section 22(a) of this chapter that is adopted after May 10, 2023. At least forty-five (45) days before the resolution described in subsection (a) is voted on by the governing body, the school corporation shall contact each charter school, excluding virtual charter schools or adult high schools, disclosed by the department to the school corporation under subsection (f) to determine whether the charter school will participate in the referendum. The charter school must respond in writing to the school corporation at least fifteen (15) days prior to the date that the resolution described in subsection (a) is to be voted on by the governing body. If the charter school elects to not participate in the referendum, the school corporation may exclude distributions to the charter school under section 22 of this chapter and from the projection described in subsection (d). If the charter school elects to participate in the referendum, the charter school may receive distributions under section 22 of this chapter and must be included in the projection described in subsection (d). In addition, a charter school that elects to participate in the referendum under this subsection shall contribute a proportionate share of the cost to conduct the referendum based on the total combined ADM of the school corporation and any participating charter schools.

(j) This subsection applies to a resolution described in



subsection (a) for a county described in section 22(a) of this chapter that is adopted after May 10, 2023. At least thirty (30) days before the resolution described in subsection (a) is voted on by the governing body, the school corporation that is pursuing the resolution and any charter school that has elected to participate under subsection (i), shall post a referendum disclosure statement on each school's respective website that contains the following information:

- (1) The salaries of all employees employed by the school corporation or charter school listed from highest salary to lowest salary.
- (2) An acknowledgment that the school corporation or charter school is not committing any crime described in IC 35-44.1-1.
- (3) A link to the school corporation's or charter school's most recent state board of accounts audit on the state board of accounts' website.
- (4) The current enrollment of the school corporation or charter school disaggregated by student group and race.
- (5) The school corporation's or charter school's high school graduation rate.
- (6) The school corporation's or charter school's annual retention rate for teachers for the previous five (5) years.

SECTION 36. IC 20-46-9-7, AS ADDED BY P.L.272-2019, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. (a) A resolution to extend a referendum levy must be:

- (1) adopted by the governing body of a school corporation; and
- (2) approved in a referendum under this chapter;

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

(b) For a resolution adopted under this section after May 10, 2023, for a county described in section 22(a) of this chapter, the resolution must include the projected charter school distributions described in section 6(d) of this chapter and indicate the distributions to applicable charter schools in accordance with section 22 of this chapter.

SECTION 37. IC 20-46-9-9, AS AMENDED BY P.L.174-2022, SECTION 55, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) 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 (b)) 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 (c)). The most recent property tax referendum proposed by the school corporation was held in _____ (insert year) and _____ (insert whether the measure passed or failed)."

(b) 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 that must be included in the public question under subsection (a) 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 of the average homestead located within the school corporation, subtract:

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

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

from the result of STEP ONE.

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

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

STEP FIVE: For purposes of determining net property tax liability



of the average homestead located within the school corporation:

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

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

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

STEP SEVEN: Multiply:

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

(B) the result of STEP THREE.

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

(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 business property to be paid to the school corporation that must be included in the public question under subsection (a) as follows:

STEP ONE: Determine the average assessed value of business property located within the school corporation.

STEP TWO: Divide the result of STEP ONE by one hundred (100).

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

STEP FOUR: For purposes of determining net property tax liability of the average business property located within the school corporation:

(A) multiply the result of STEP TWO by the result of STEP THREE; and

(B) as appropriate, apply any currently applicable county property tax credit rates and the credit for excessive property taxes under IC 6-1.1-20.6-7.5 as if the applicable percentage was three percent (3%).

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

STEP SIX: Multiply:

(A) the result of STEP TWO; by

(B) the tax rate that will be imposed if the public question is approved by the voters.



STEP SEVEN: Divide the result of STEP SIX by the result of STEP FIVE, expressed as a percentage.

(d) The county auditor shall certify the estimated average percentage of property tax increase on a homestead to be paid to ~~the school corporation~~ **schools** determined under subsection (b), and the estimated average percentage of property tax increase on a business property to be paid to ~~the school corporation~~ **schools** determined under subsection (c), in a manner prescribed by the department of local government finance, and provide the certification to the governing body of the school corporation that proposes to impose property taxes.

SECTION 38. IC 20-46-9-22 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 22. (a) This section applies to revenue received from a resolution that is approved by the governing body to impose a referendum levy under section 6 or 7 of this chapter after May 10, 2023, for a school corporation located in:**

- (1) Lake County;**
- (2) Marion County;**
- (3) St. Joseph County; or**
- (4) Vanderburgh County.**

(b) The county auditor shall distribute an amount under subsection (d) to each charter school, excluding virtual charter schools or adult high schools, that a student who resides within the attendance area of the school corporation attends if the charter school, excluding virtual charter schools or adult high schools, elects to participate in the referendum under section 6(i) of this chapter. The department shall provide the county auditor with data and information necessary for the county auditor to determine:

- (1) which charter schools, excluding virtual charter schools or adult high schools, are eligible to receive a distribution under this section; and**
- (2) the number of all students who reside within the attendance area of the school corporation who are included in the ADM for each charter school, excluding virtual charter schools or adult high schools, described in subdivision (1).**

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

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

(d) For the purposes of the calculations made in this subsection,



each eligible school that has entered into an agreement with a school corporation to participate as a participating innovation network charter school under IC 20-25.7-5 is considered to have an ADM that is separate from the school corporation. The amount that the county auditor shall distribute to a charter school, excluding virtual charter schools or adult high schools, under this section is the amount determined in the last STEP of the following STEPS:

STEP ONE: Determine, for each charter school, excluding virtual charter schools or adult high schools, that is eligible to receive a distribution under this section, the number of students who reside within the attendance area of the school corporation who are currently included in the ADM of the charter school.

STEP TWO: Determine the sum of:

- (A) the current ADM count for the school corporation;
plus
- (B) the total number of students who reside within the attendance area of the school corporation who are currently included in the ADM of a charter school, excluding virtual charter schools or adult high schools.

STEP THREE: Determine the result of:

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

STEP FOUR: Determine the result of:

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

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

SECTION 39. IC 20-49-3-8, AS AMENDED BY P.L.211-2018(ss), SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 8. The fund may be used to make advances:

- (1) to school corporations, including school corporation career and technical education schools described in IC 20-37-1-1, under IC 20-49-4 and IC 20-49-5;
- (2) to charter schools under IC 20-49-4;**
- ~~(2)~~ **(3)** under IC 20-49-6;
- ~~(3)~~ **(4)** to charter and innovation network schools under IC 20-49-9; and
- ~~(4)~~ **(5)** to a school corporation or charter school (or a coalition of



public schools applying jointly) under IC 20-49-10.

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

SECTION 40. IC 20-49-4-1, AS AMENDED BY P.L.233-2015, SECTION 312, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 1. This chapter applies to:

- (1) school corporations organized and formed through reorganization under IC 20-23-4, IC 20-23-6, or IC 20-23-7; ~~and~~
- (2) school corporation career and technical education schools described in IC 20-37-1-1; ~~and~~
- (3) **charter schools.**

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

SECTION 41. IC 20-49-4-2, AS ADDED BY P.L.2-2006, SECTION 172, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 2. Sections 9, 12, and 13 of this chapter do not apply if a school corporation **or charter school** sustains loss from a disaster.

SECTION 42. IC 20-49-4-3.5 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: **Sec. 3.5. (a) As used in this chapter, "charter school" refers to a school established under IC 20-24.**

(b) The term does not include the following:

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

SECTION 43. IC 20-49-4-7, AS AMENDED BY P.L.40-2014, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 7. **(a) As used in this chapter, "school building construction program" means the following:**

- (1) The purchase, lease, or financing of land, the construction and equipping of school buildings, and the remodeling, repairing, or improving of school buildings by a school corporation:
 - (+) **(A)** that sustained a loss from a disaster;
 - (-) **(B)** whose ~~adjusted~~ assessed valuation (~~as determined under IC 6-1.1-34-8~~) per current ADM is within the lowest



forty percent (40%) of ~~the~~ assessed valuation per current ADM when compared with all school corporation ~~adjusted~~ assessed valuation (~~as adjusted (if applicable) under IC 6-1.1-34-8~~) per current ADM; or

~~(3)~~ (C) with an advance under this chapter outstanding on July 1, 1993, that bears interest of at least seven and one-half percent (7.5%).

(2) The purchase, 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.

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

SECTION 44. IC 20-49-4-8, AS ADDED BY P.L.2-2006, SECTION 172, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 8. The state board may advance money to school corporations **and charter schools** to be used for:

(1) school building construction programs; and

(2) **subject to IC 20-20-13-7**, educational technology programs; as provided in this chapter.

SECTION 45. IC 20-49-4-9, AS AMENDED BY P.L.40-2014, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 9. Priority of advances for school building construction programs shall be made to school corporations that have the least amount of ~~adjusted~~ assessed valuation (~~as determined under IC 6-1.1-34-8~~) per student in **current** ADM. If a program involves a school corporation career and technical education school described in IC 20-37-1-1, the ~~adjusted~~ assessed valuation and current ADM of all those school corporations that are members of the career and technical education school are to be used for making determinations under this section.

SECTION 46. IC 20-49-4-11, AS ADDED BY P.L.2-2006, SECTION 172, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 11. A school corporation **or charter school** desiring to obtain an advance must submit an application to the state board in the form established by the state board, after consulting with the department and the budget agency.



SECTION 47. IC 20-49-4-12, AS AMENDED BY P.L.244-2017, SECTION 120, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 12. **(a) For a school corporation or charter school** to qualify for an advance under this chapter, a:

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

(2) charter school must establish an operations fund.

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

SECTION 48. IC 20-49-4-13, AS ADDED BY P.L.2-2006, SECTION 172, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 13. An advance to a school corporation **or charter school** for any school building construction program may not exceed the greater of the following:

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

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

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

SECTION 49. IC 20-49-4-14, AS ADDED BY P.L.2-2006, SECTION 172, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 14. An advance for an educational technology program is without limitation in amount other than the availability of funds in the fund for this purpose and the ability of the school corporation **or charter school** desiring an advance to pay the advance according to the terms of the advance.

SECTION 50. IC 20-49-4-15, AS ADDED BY P.L.2-2006, SECTION 172, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 15. (a) Money advanced to a school corporation **or charter school** for a school building construction program may be advanced for a period not exceeding twenty-five (25) years. The school corporation **or charter school** to which money is advanced must pay interest on the advance. For advances made before July 1, 1993, the state board may provide, either before an advance is made or before an advance is fully paid, that the payment of the advance may not be prepaid by more than six (6) months. For advances made after June 30, 1993, for school building construction programs, the state board may provide that the advances are prepayable at any



time.

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

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

SECTION 51. IC 20-49-4-16, AS ADDED BY P.L.2-2006, SECTION 172, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 16. (a) Money advanced to a school corporation **or charter school** for an educational technology program may be for a period not exceeding five (5) years. The school corporation **or charter school** to which an advance is made shall pay interest on the advance. Advances for educational technology programs may be prepaid at any time.

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

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

SECTION 52. IC 20-49-4-17, AS ADDED BY P.L.2-2006, SECTION 172, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 17. (a) An advance is not an obligation of the school corporation within the meaning of the limitation on or prohibition against indebtedness under the Constitution of the State of Indiana. Nothing in this chapter relieves the governing body of a school corporation **or charter school** receiving an advance of any obligation under Indiana law to qualify the school corporation **or charter school** for state tuition support. The school corporation **or charter school** shall continue to perform all acts necessary to obtain these funds.

(b) Notwithstanding any bankruptcy, reorganization, or other insolvency proceedings with respect to a charter school, an advance to a charter school under this chapter is a preferred claim and has priority over all other claims.

SECTION 53. IC 20-49-4-18, AS AMENDED BY P.L.40-2014, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 18. (a) To ensure timely payment of advances according to the terms, the state may in its sole discretion withhold



from funds due to school corporations **or charter schools** to which advances are made amounts necessary to pay the advances and the interest on the advances in accordance with their respective terms. The terms of the advances shall be established by the state board after consulting with the department and upon the approval of the budget agency in advance of the time the respective advances are made. However, in the case of school corporations with advances outstanding on July 1, 1993, the withholding may be adjusted to conform with this chapter.

(b) To the extent available, funds shall first be withheld from the distribution of state tuition support. However, if this distribution is not available or is inadequate, funds may be withheld from the distribution of other state funds to the school corporation **or charter school** to which the advance is made.

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

SECTION 54. IC 20-49-4-19, AS AMENDED BY P.L.40-2014, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 19. ~~A~~ **Each** school corporation **or charter school** receiving an advance shall agree to have the money advanced, together with the interest on the advance, deducted from the distribution of state tuition support until all the money advanced, together with the interest on the advance, has been paid. The state board and the state board of finance shall reduce each distribution of state tuition support to each school corporation **or charter school** to which an advance is made in an amount to be agreed upon by the state and the school corporation **or charter school**. If an advance is made to a school corporation career and technical education school described in IC 20-37-1-1, the reduction for a payment obligation for the advance shall be allocated as provided in section 18 of this chapter.

SECTION 55. IC 20-49-4-23, AS AMENDED BY P.L.217-2017, SECTION 139, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 23. (a) Upon request of the treasurer of state, the state board of finance may periodically sell, transfer, or liquidate agreements, in whole or in part, including without limitation the sale, transfer, or liquidation of all or any part of the



principal or interest to be received at any time under one (1) or more agreements that evidence the right of the state to make deductions from state tuition support to pay advances under this chapter under the terms and conditions that the state board of finance considers necessary and appropriate.

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

(1) Each sale, transfer, or liquidation may be made only to a department, an agency, a commission, an instrumentality, or a public body of the state, including the Indiana bond bank.

(2) Each sale, transfer, or liquidation of agreements may be made only for cash.

(3) Payments under the sale, transfer, or liquidation must be made to the treasurer of state for the fund and reported to the state board of finance.

(4) The total amount of cash received by the fund from the sale may not be less than the outstanding principal amount of all or a part of the agreements sold plus accrued interest owed.

(5) If necessary to facilitate a sale, transfer, or liquidation, the state board or the state board of finance may agree to act on behalf of an entity described in subdivision (1) by collecting payment on advances that are:

(A) received directly from a school corporation **or charter school**, if any direct payments are received; or

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

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

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

(c) The state board of finance shall notify the state board and the department of any action that the state board of finance takes under this section.

SECTION 56. An emergency is declared for this act.



President of the Senate

President Pro Tempore

Speaker of the House of Representatives

Governor of the State of Indiana

Date: _____ Time: _____

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