



January 24, 2022

HOUSE BILL No. 1072

DIGEST OF HB 1072 (Updated January 20, 2022 7:53 pm - DI 134)

Citations Affected: IC 5-11; IC 6-1.1; IC 20-24; IC 20-26; IC 20-29; IC 20-40; IC 20-46.

Synopsis: School referendum levies. Provides that a school corporation must distribute a portion of revenue received from a school operating referendum tax levy or school safety referendum levy to each charter school in which students who reside within the attendance area of the school corporation attend. Provides that the governing body of a school corporation in which 10% or more of the school corporation's school buildings are occupied in whole or part by: (1) one or more innovation network schools; or (2) one or more participating innovation network charter schools; may sell a closed, unused, or unoccupied school building without first offering the school building to a charter school or state educational institution. Makes conforming amendments.

Effective: Upon passage; July 1, 2022.

Behning, Teshka

January 4, 2022, read first time and referred to Committee on Ways and Means.
January 24, 2022, amended, reported — Do Pass.

HB 1072—LS 6967/DI 116



January 24, 2022

Second Regular Session of the 122nd General Assembly (2022)

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 2021 Regular Session of the General Assembly.

HOUSE BILL No. 1072

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

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

1 SECTION 1. IC 5-11-1-31, AS ADDED BY P.L.136-2021,
2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2022]: Sec. 31. An examination of a school corporation
4 conducted under section 24.4, 25(d), or 30 of this chapter and a
5 financial report prepared in accordance with IC 5-1-11.5-3 must
6 include an examination of:
7 (1) any revenue spending plans adopted under IC 20-46-1-8 or
8 IC 20-46-9-6 for:
9 (A) an operating referendum tax levy approved by the voters
10 of the school corporation under IC 20-46-1; or
11 (B) a school safety referendum tax levy approved by the voters
12 of the school corporation under IC 20-46-9; and
13 (2) the operating referendum tax levy fund or school safety
14 referendum tax levy fund of the school corporation, whichever is
15 applicable, **including distributions to charter schools made**
16 **under IC 20-40-3-6 or IC 20-40-20-7;**
17 to determine whether the school corporation is using the revenue

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1 collected from the operating referendum tax levy or school safety
2 referendum tax levy in the amounts and for the purposes established in
3 the applicable revenue spending plan.

4 SECTION 2. IC 6-1.1-17-3, AS AMENDED BY P.L.220-2021,
5 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
6 JULY 1, 2022]: Sec. 3. (a) The proper officers of a political subdivision
7 shall formulate its estimated budget and its proposed tax rate and tax
8 levy on the form prescribed by the department of local government
9 finance and approved by the state board of accounts. In formulating a
10 political subdivision's estimated budget under this section, the proper
11 officers of the political subdivision must consider the net property tax
12 revenue that will be collected by the political subdivision during the
13 ensuing year, after taking into account the estimate by the department
14 of local government finance under IC 6-1.1-20.6-11.1 of the amount by
15 which the political subdivision's distribution of property taxes will be
16 reduced by credits under IC 6-1.1-20.6-9.5 in the ensuing year, after
17 taking into account the estimate by the department of local government
18 finance under section 0.7 of this chapter of the maximum amount of net
19 property tax revenue and miscellaneous revenue that the political
20 subdivision will receive in the ensuing year, and after taking into
21 account all payments for debt service obligations that are to be made
22 by the political subdivision during the ensuing year. The political
23 subdivision or appropriate fiscal body, if the political subdivision is
24 subject to section 20 of this chapter, shall submit the following
25 information to the department's computer gateway:

- 26 (1) The estimated budget.
- 27 (2) The estimated maximum permissible levy, as provided by the
28 department under IC 6-1.1-18.5-24.
- 29 (3) The current and proposed tax levies of each fund.
- 30 (4) The percentage change between the current and proposed tax
31 levies of each fund.
- 32 (5) The amount by which the political subdivision's distribution
33 of property taxes may be reduced by credits granted under
34 IC 6-1.1-20.6, as estimated by the department of local government
35 finance under IC 6-1.1-20.6-11.1.
- 36 (6) The amounts of excessive levy appeals to be requested.
- 37 (7) The time and place at which the political subdivision or
38 appropriate fiscal body will hold a public hearing on the items
39 described in subdivisions (1) through (6).
- 40 (8) The time and place at which the political subdivision or
41 appropriate fiscal body will meet to fix the budget, tax rate, and
42 levy under section 5 of this chapter.



- 1 (9) The date, time, and place of the final adoption of the budget,
2 tax rate, and levy under section 5 of this chapter.
3 Except as provided in section 5.6(b) of this chapter, the political
4 subdivision or appropriate fiscal body shall submit this information to
5 the department's computer gateway at least ten (10) days before the
6 public hearing required by this subsection in the manner prescribed by
7 the department. If the date, time, or place of the final adoption
8 subsequently changes, the political subdivision shall update the
9 information submitted to the department's computer gateway. The
10 department shall make this information available to taxpayers, at least
11 ten (10) days before the public hearing, through its computer gateway
12 and provide a telephone number through which taxpayers may request
13 mailed copies of a political subdivision's information under this
14 subsection. The department's computer gateway must allow a taxpayer
15 to search for the information under this subsection by the taxpayer's
16 address. The department shall review only the submission to the
17 department's computer gateway for compliance with this section.
- 18 (b) The board of directors of a solid waste management district
19 established under IC 13-21 or IC 13-9.5-2 (before its repeal) may
20 conduct the public hearing required under subsection (a):
21 (1) in any county of the solid waste management district; and
22 (2) in accordance with the annual notice of meetings published
23 under IC 13-21-5-2.
- 24 (c) The trustee of each township in the county shall estimate the
25 amount necessary to meet the cost of township assistance in the
26 township for the ensuing calendar year. The township board shall adopt
27 with the township budget a tax rate sufficient to meet the estimated cost
28 of township assistance. The taxes collected as a result of the tax rate
29 adopted under this subsection are credited to the township assistance
30 fund.
- 31 (d) A political subdivision for which any of the information under
32 subsection (a) is not submitted to the department's computer gateway
33 in the manner prescribed by the department shall have its most recent
34 annual appropriations and annual tax levy continued for the ensuing
35 budget year.
- 36 (e) If a political subdivision or appropriate fiscal body timely
37 submits the information under subsection (a) but subsequently
38 discovers the information contains an error, the political subdivision or
39 appropriate fiscal body may submit amended information to the
40 department's computer gateway. However, submission of an
41 amendment to information described in subsection (a)(1) through (a)(7)
42 must occur at least ten (10) days before the public hearing held under



1 subsection (a), and submission of an amendment to information
 2 described in subsection (a)(8) must occur at least twenty-four (24)
 3 hours before the time in which the meeting to fix the budget, tax rate,
 4 and levy was originally advertised to commence.

5 (f) Each year, the governing body of a school corporation that
 6 imposes property taxes to pay debt service on bonds or lease rentals on
 7 a lease for a controlled project under IC 6-1.1-20, property taxes under
 8 an operating referendum tax levy under IC 20-46-1, or property taxes
 9 under a school safety referendum tax levy under IC 20-46-9, shall
 10 submit the following information at least ten (10) days before the
 11 public hearing required by subsection (a) in the manner prescribed by
 12 the department:

13 (1) the purposes specified in the public question submitted to the
 14 voters or any revenue spending plans adopted under
 15 IC 6-1.1-20-13, IC 20-46-1-8, or IC 20-46-9-6 for:

16 (A) debt service on bonds or lease rentals on a lease for a
 17 controlled project under IC 6-1.1-20;

18 (B) an operating referendum tax levy approved by the voters
 19 of the school corporation under IC 20-46-1; or

20 (C) a school safety referendum tax levy approved by the voters
 21 of the school corporation under IC 20-46-9;

22 as applicable; ~~and~~

23 (2) the debt service levy fund, operating referendum tax levy
 24 fund, or school safety referendum tax levy fund of the school
 25 corporation, whichever is applicable; **and**

26 **(3) for a levy resulting from a resolution passed by the**
 27 **governing body of a school corporation under IC 20-46-1-8,**
 28 **IC 20-46-1-8.5, IC 20-46-9-6, or IC 20-46-9-7 after June 30,**
 29 **2022, the actual amount of revenue transferred to each**
 30 **applicable charter school under IC 20-40-3-6 or IC 20-46-9-7;**

31 to show whether the school corporation is using revenue collected from
 32 the referendum tax levy in the amounts and for the purposes
 33 established in the purposes specified in the public question submitted
 34 to the voters or the revenue spending plan, as applicable. The
 35 department shall make this information available to taxpayers at least
 36 ten (10) days before the public hearing.

37 SECTION 3. IC 20-24-7-6, AS AMENDED BY P.L.154-2020,
 38 SECTION 39, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 39 JULY 1, 2022]: Sec. 6. (a) With the approval of a majority of the
 40 members of the governing body, a school corporation may distribute a
 41 proportionate share of the school corporation's operations fund to a
 42 charter school. A charter school may elect to distribute a proportionate



1 share of the charter school's operations fund to the school corporation
2 in whose district the charter school is located.

3 **(b) This subsection applies to a levy resulting from a resolution**
4 **to place a referendum on the ballot adopted by the governing body**
5 **under IC 20-46-1-8 or IC 20-46-1-8.5 before July 1, 2022.** A
6 governing body may distribute money that is received as part of a tax
7 levy collected under IC 20-46-1 from the school corporation's
8 education fund to a charter school, excluding a virtual charter school,
9 in the manner provided by ~~IC 20-46-1-8(d)~~. **IC 20-46-1-8(e).**

10 **(c) This subsection applies to a levy resulting from resolution to**
11 **place a referendum on the ballot adopted by the governing body**
12 **under IC 20-46-9-6 or IC 20-46-9-7 before July 1, 2022.** A
13 governing body may distribute money from the school safety
14 referendum tax levy fund to a charter school, excluding a virtual
15 charter school, in the manner prescribed by IC 20-46-9-6(b).

16 SECTION 4. IC 20-24-7-6.1 IS ADDED TO THE INDIANA CODE
17 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
18 1, 2022]: **Sec. 6.1. (a) This section applies to a levy resulting from**
19 **a resolution to place a referendum on the ballot adopted by the**
20 **governing body under IC 20-46-1-8, IC 20-46-1-8.5, IC 20-46-9-6,**
21 **or IC 20-46-9-7 after June 30, 2022.**

22 **(b) A governing body shall distribute money that is received as**
23 **part of a tax levy collected under IC 20-46-1 from the school**
24 **corporation's operating referendum tax levy fund to a charter**
25 **school, excluding a virtual charter school, in the manner provided**
26 **by IC 20-40-3-6.**

27 **(c) A governing body shall distribute money from the school**
28 **safety referendum tax levy fund to a charter school, excluding a**
29 **virtual charter school, in the manner prescribed by IC 20-40-20-7.**

30 SECTION 5. IC 20-26-7.1-3, AS AMENDED BY P.L.155-2021,
31 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
32 UPON PASSAGE]: **Sec. 3. (a) This subsection applies to any school**
33 **building that is owned by a school corporation or any other entity that**
34 **is related in any way to, or created by, the school corporation or the**
35 **governing body, including but not limited to a building corporation,**
36 **and that has at any time been used for classroom instruction. Except as**
37 **provided in subsection (b)(1), before a governing body may sell,**
38 **exchange, lease, demolish, hold without operating, or dispose of a**
39 **school building, a governing body shall do the following:**

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



1 (2) **Except as provided in section 4(i) of this chapter**, the
 2 governing body shall make available for lease or purchase by a
 3 charter school or, after June 30, 2021, a state educational
 4 institution any school building owned by the school corporation
 5 or any other entity that is related in any way to, or created by, the
 6 school corporation or the governing body, including but not
 7 limited to a building corporation, that:

8 (A) is vacant or unused; and

9 (B) was previously used for classroom instruction;

10 in order for the charter school to conduct kindergarten through grade
 11 12 classroom instruction or to be used by a state educational institution
 12 for an academic purpose.

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

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

15 (A) renovate the school building for future use by the school
 16 corporation; or

17 (B) demolish the school building and build a new school
 18 building on the same site as the demolished building.

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

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

23 (c) Notwithstanding subsection (a), a lease entered into by a
 24 governing body under IC 20-26-5-4(a)(7) prior to January 1, 2019, with
 25 a state accredited nonpublic school shall remain in full force and effect.
 26 In addition, the governing body may, during or at the expiration of the
 27 term of such lease, sell the school building leased under
 28 IC 20-26-5-4(a)(7) to the nonpublic school at a purchase price mutually
 29 agreed to by the governing body and the nonpublic school.

30 SECTION 6. IC 20-26-7.1-4, AS AMENDED BY P.L.155-2021,
 31 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 32 UPON PASSAGE]: Sec. 4. (a) **Except as provided in subsection (i)**,
 33 not later than ten (10) days after passing a resolution or taking other
 34 official action to close, no longer use, or no longer occupy a school
 35 building that was previously used for classroom instruction under
 36 section 3 of this chapter, the governing body shall:

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

40 (2) make the school building available for inspection by a charter
 41 school or state educational institution that notifies the department
 42 that it is interested in leasing or purchasing the school building



- 1 described under section 3 of this chapter; and
 2 (3) make the following information available to a charter school
 3 or state educational institution described in subdivision (2):
 4 (A) Estimates of the operating expenses for the school
 5 building for the past three (3) years.
 6 (B) Written information regarding the condition of the
 7 building, including the age of the roof and the HVAC system,
 8 and any known conditions which, in the governing body's
 9 opinion, require prompt repair or replacement.
 10 (C) A legal description of the property.
- 11 (b) Within five (5) days of receiving notice under subsection (a)(1),
 12 the department shall provide written notification to each state
 13 educational institution, charter school authorizer (excluding school
 14 corporation authorizers as defined in IC 20-24-1-2.5(1)), and statewide
 15 organizations representing charter schools in Indiana of the school
 16 corporation's resolution or official action described in subsection (a),
 17 including the date when the school building will close, no longer be
 18 used, or become vacant.
- 19 (c) **Except as provided in subsection (i)**, the school corporation
 20 shall lease the school building to a charter school or state educational
 21 institution for one dollar (\$1) per year for as long as the state
 22 educational institution uses the building for an academic purpose or the
 23 charter school uses the school building for classroom instruction, for
 24 a term at the state educational institution's or charter school's
 25 discretion, or sell the school building for one dollar (\$1), if the charter
 26 school or state educational institution does the following:
- 27 (1) Within thirty (30) days of receiving the department's notice
 28 under subsection (b), a charter school or state educational
 29 institution must submit a preliminary request to purchase or lease
 30 the school building.
- 31 (2) Subject to subsection (d), within ninety (90) days of receiving
 32 the department's notice under subsection (b), a charter school or
 33 state educational institution must submit to the school corporation
 34 the following information:
- 35 (A) The name of the charter school or state educational
 36 institution that is interested in leasing or purchasing the vacant
 37 or unused school building.
- 38 (B) A time frame, which may not exceed two (2) years from
 39 the date that the school building is to be closed, no longer
 40 used, or no longer occupied, in which the:
- 41 (i) charter school intends to begin providing classroom
 42 instruction in the vacant or unused school building; or



- 1 (ii) state educational institution intends to begin using the
2 building for an academic purpose.
- 3 (C) A resolution, adopted by the board of the charter school or
4 state educational institution stating that the board of the
5 charter school or the state educational institution has
6 determined that, after the charter school or state educational
7 institution has made any necessary repairs or modifications,
8 the school building will be sufficient to meet the charter
9 school's or state educational institution's needs and can be
10 operated within the charter school's or state educational
11 institution's budget.
- 12 (D) This clause applies to a vacant or unused school building
13 with more than two hundred thousand (200,000) gross square
14 feet. In addition to the information provided in clauses (A)
15 through (C), a charter school shall submit the following:
- 16 (i) The charter school's projected enrollment when all of the
17 grade levels are added.
- 18 (ii) A letter from the charter school's authorizer or
19 prospective authorizer that indicates that the charter school's
20 authorizer or prospective authorizer has reviewed the items
21 described in clauses (B) through (C) and that the projected
22 enrollment of the charter school when all of the grade levels
23 are added or fully implemented will be at least sixty percent
24 (60%) of the maximum annual student enrollment of the
25 school building during the past twenty-five (25) years as
26 validated by records maintained or created by the
27 department.
- 28 (d) If the department does not receive any preliminary requests to
29 purchase or lease a school building within the time frame described in
30 subsection (c)(1) and except as provided in section 7 of this chapter,
31 the department shall send notification to the school corporation that the
32 department has not received any preliminary requests to purchase or
33 lease the school building. Upon receipt of the notification under this
34 subsection, the school corporation may sell or otherwise dispose of the
35 school building in accordance with IC 36-1-11, IC 20-25-4-14,
36 IC 20-26-5-4(a)(7), and section 8 of this chapter.
- 37 (e) Except as provided in subsection (g), in the event that two (2) or
38 more charter schools but no state educational institutions, submit a
39 preliminary request to purchase or lease a school building within the
40 time frame described in subsection (c)(1), the department shall send
41 notification to an authorizer described in IC 20-24-1-2.5(3) and each
42 statewide charter school authorizer and statewide organization



1 representing charter schools in Indiana (excluding school corporation
2 authorizers as defined in IC 20-24-1-2.5(1)) and the school corporation
3 that the department has received two (2) or more preliminary requests
4 under this section. An authorizer committee shall be established, with
5 each statewide authorizer that has authorized one (1) or more charter
6 schools appointing a representative, and the committee shall establish
7 the chairperson and procedures for the committee. Within sixty (60)
8 days of receiving notice under this subsection, the committee shall
9 select which charter school may proceed under subsection (c)(2) to
10 purchase or lease the school building or determine if two (2) or more
11 charter schools should co-locate within the school building. The
12 committee shall give priority to a charter school located within one (1)
13 mile of the vacant or unused school building. In the event that the
14 committee determines that two (2) or more charter schools should
15 co-locate in the school building and, if applicable, that the combined
16 enrollment of the charter schools will meet or exceed the requirements
17 in subsection (c)(2)(D), the charter schools have sixty (60) days to
18 submit a memorandum of understanding stating that the charter schools
19 shall be jointly and severally liable for the obligations related to the
20 sale or lease of the school building, and specifying how the charter
21 schools will utilize the school building and share responsibility for
22 operational, maintenance, and renovation expenses. If the charter
23 schools are unable to agree, the charter schools shall be deemed to have
24 revoked their prior request regarding the lease or sale of the school
25 building.

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

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

39 (2) determine if two (2) or more state educational institutions
40 should co-locate within the school building.

41 (g) If one (1) or more charter schools and one (1) or more state
42 educational institutions submit timely preliminary requests under



1 subsection (c)(1) regarding a school building, the charter school shall
 2 be provided preference to the school building. If more than one (1)
 3 charter school submits timely preliminary requests under subsection
 4 (c)(1) regarding a school building, the determination of which charter
 5 school may obtain the school building shall be resolved in the manner
 6 prescribed in subsection (e).

7 **(h) Except as provided in subsection (i),** a school corporation shall
 8 lease the school building for one dollar (\$1) per year to the charter
 9 school or the state educational institution for as long as the charter
 10 school uses the school building for classroom instruction for any
 11 combination of kindergarten through grade 12 or a state educational
 12 institution uses the building for an academic purpose. The term of the
 13 lease shall be established at the charter school's or state educational
 14 institution's discretion and include an option for the state educational
 15 institution or charter school to purchase the school building for one
 16 dollar (\$1). Alternatively, the school corporation shall sell the school
 17 building to the charter school or the state educational institution for one
 18 dollar (\$1), if the charter school or the state educational institution has
 19 met the requirements set forth in subsection (c) and uses the vacant or
 20 unused school building in the manner prescribed by this subsection. If
 21 a charter school or state educational institution has not met the
 22 requirements under subsection (c), the school corporation may, subject
 23 to section 7 of this chapter, sell or otherwise dispose of the school
 24 building in accordance with IC 36-1-11, IC 20-25-4-14,
 25 IC 20-26-5-4(a)(7), and section 8 of this chapter.

26 **(i) The governing body of a school corporation in which ten**
 27 **percent (10%) or more of the school corporation's school buildings**
 28 **are occupied in whole or part by:**

29 **(1) one (1) or more innovation network schools under**
 30 **IC 20-25.7-4;**

31 **(2) one (1) or more participating innovation network charter**
 32 **schools under IC 20-25.7-5; or**

33 **(3) any combination of (1) and (2);**

34 **may sell a closed, unused, or unoccupied school building pursuant**
 35 **to IC 36-1-11 and is not required to comply with the requirements**
 36 **provided in this section.**

37 SECTION 7. IC 20-29-2-6, AS AMENDED BY P.L.272-2019,
 38 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 39 JULY 1, 2022]: Sec. 6. "Deficit financing" for a budget year:

40 (1) means, except as provided in subdivision (2), actual
 41 expenditures exceeding the employer's current year actual
 42 education fund revenue and, for a school employer for which the



1 voters have passed an operating referendum tax levy under
 2 IC 20-46-1 or a school safety referendum tax levy under
 3 IC 20-46-9, the amount of revenue certified by the department of
 4 local government finance, **excluding money distributed to a**
 5 **charter school from a levy resulting from a resolution to place**
 6 **a referendum on the ballot that is adopted by the governing**
 7 **body under IC 20-46-1-8, IC 20-46-1-8.5, IC 20-46-9-6, or**
 8 **IC 20-46-9-7 after June 30, 2022;** or
 9 (2) means, in the case of any distressed school corporation, the
 10 Gary Community School Corporation, or the Muncie Community
 11 school corporation, actual expenditures plus additional payments
 12 against any outstanding debt obligations exceeding the employer's
 13 current year actual education fund revenue, and, for a school
 14 employer for which the voters have passed an operating
 15 referendum tax levy under IC 20-46-1 or a school safety
 16 referendum tax levy under IC 20-46-9, **excluding money**
 17 **distributed to a charter school from a levy resulting from a**
 18 **resolution to place a referendum on the ballot that is adopted**
 19 **by the governing body under IC 20-46-1-8, IC 20-46-1-8.5,**
 20 **IC 20-46-9-6, or IC 20-46-9-7 after June 30, 2022,** the amount
 21 of revenue certified by the department of local government
 22 finance.

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

26 SECTION 8. IC 20-29-8-7, AS AMENDED BY P.L.272-2019,
 27 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 28 JULY 1, 2022]: Sec. 7. (a) When a factfinder is requested or required
 29 under IC 20-29-6, the board shall appoint a factfinder.

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

32 (c) The factfinder:

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

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

- 40 (1) the parties;
- 41 (2) the board;
- 42 (3) the board's staff; or



- 1 (4) any other state agency.
- 2 (e) The factfinder shall conduct the factfinding hearing in public in
3 a room or facility owned by the county or local unit of government
4 located in the county in which the school employer is located, or if the
5 school employer is located in more than one (1) county, in the county
6 in which the greatest number of students who attend the school
7 employer's schools reside. The public hearing may begin not earlier
8 than November 15 in the first year of the state budget biennium and
9 must be concluded by February 15 of the calendar year after the start
10 of formal collective bargaining.
- 11 (f) The factfinding process may not exceed thirty (30) days from
12 beginning to end, and not more than two (2) of those days may be used
13 for public testimony, which may be taken at the discretion of the
14 factfinder. During the public hearing, each party shall present fully its
15 last, best offer, including the fiscal rationale for the offer. Only
16 education fund revenue and, for a school employer for which the voters
17 have passed an operating referendum tax levy under IC 20-46-1 or a
18 school safety referendum tax levy under IC 20-46-9, the amount of
19 revenue certified by the department of local government finance,
20 **excluding money distributed to a charter school from a levy**
21 **resulting from a resolution to place a referendum on the ballot that**
22 **is adopted by the governing body under IC 20-46-1-8,**
23 **IC 20-46-1-8.5, IC 20-46-9-6, or IC 20-46-9-7 after June 30, 2022,**
24 may be considered a source of the funding for items. Money estimated
25 to be or actually transferred from the school corporation's operations
26 fund to its education fund may not be considered a source of funding
27 for items.
- 28 (g) The factfinder shall make a recommendation as to the settlement
29 of the disputes over which the factfinder has jurisdiction.
- 30 (h) The factfinder shall:
- 31 (1) make the investigation, hearing, and findings as expeditiously
32 as the circumstances permit; and
- 33 (2) deliver the findings to the parties and to the board.
- 34 (i) The board, after receiving the findings and recommendations,
35 may make additional findings and recommendations to the parties
36 based on information in:
- 37 (1) the report; or
- 38 (2) the board's own possession.
- 39 The board may not make any recommendations to the parties related to
40 any items not specifically identified in IC 20-29-6-4.
- 41 (j) At any time within five (5) days after the findings and
42 recommendations are delivered to the board, the board may make the



1 findings and recommendations of the factfinder and the board's
 2 additional findings and recommendations, if any, available to the
 3 public through news media and other means the board considers
 4 effective.

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

8 SECTION 9. IC 20-40-3-5, AS AMENDED BY P.L.154-2020,
 9 SECTION 40, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 10 JULY 1, 2022]: Sec. 5. (a) Money in the fund may be used for any
 11 lawful school expenses, including making a transfer to the school
 12 corporation's education fund (IC 20-40-2) or operations fund
 13 (IC 20-40-18).

14 (b) **This subsection applies to a levy resulting from a resolution
 15 to place a referendum on the ballot adopted by the governing body
 16 under IC 20-46-1-8 or IC 20-46-1-8.5 before July 1, 2022.** A school
 17 corporation may distribute proceeds of a tax levy collected under
 18 IC 20-46-1 that is transferred to the school corporation's education fund
 19 to a charter school, excluding a virtual charter school, that is located
 20 within the attendance area of the school corporation.

21 (c) **This subsection applies to a levy resulting from a resolution
 22 to place a referendum on the ballot adopted by the governing body
 23 under IC 20-46-1-8 or IC 20-46-1-8.5 after June 30, 2022. A school
 24 corporation shall distribute proceeds of a tax levy collected under
 25 IC 20-46-1 in the manner described in section 6 of this chapter.**

26 SECTION 10. IC 20-40-3-6 IS ADDED TO THE INDIANA CODE
 27 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 28 1, 2022]: Sec. 6. (a) **This section applies to revenue received from
 29 a resolution that is approved by the governing body to impose a
 30 referendum levy under IC 20-46-1-8 or IC 20-46-1-8.5 after June
 31 30, 2022.**

32 (b) **Within thirty (30) days of the date that the county auditor
 33 distributes money for the fund under IC 6-1.1-22.5, the school
 34 corporation shall distribute an amount under subsection (d) to
 35 each charter school in which a student who resides within the
 36 attendance area of the school corporation attends. The department
 37 shall provide the school corporation with data and information
 38 necessary for the school corporation to determine:**

39 (1) **which charter schools are eligible to receive a distribution
 40 under this section; and**

41 (2) **the number of students who reside within the attendance
 42 area of the school corporation who are included in the ADM**



- 1 for each charter school described in subdivision (1).
- 2 (c) The following schools are not eligible to receive a
- 3 distribution under this section:
- 4 (1) A virtual charter school.
- 5 (2) An adult high school.
- 6 (d) Except as provided in subsection (e), the amount that a
- 7 school corporation shall distribute to a charter school under this
- 8 section is the amount determined in the last STEP of the following
- 9 STEPS:
- 10 STEP ONE: Determine, for each charter school that is eligible
- 11 to receive a distribution under this section, the number of
- 12 students who reside within the attendance area of the school
- 13 corporation who are currently included in the ADM of the
- 14 charter school.
- 15 STEP TWO: Determine the sum of:
- 16 (A) the current ADM count for the school corporation;
- 17 plus
- 18 (B) the STEP ONE amount.
- 19 STEP THREE: Determine the result of:
- 20 (A) the STEP ONE amount; divided by
- 21 (B) the STEP TWO amount.
- 22 STEP FOUR: Determine the result of:
- 23 (A) the STEP THREE amount; multiplied by
- 24 (B) the amount distributed to the fund when the county
- 25 auditor distributes money for the fund under IC 6-1.1-22.5.
- 26 (e) The total amount of money distributed to applicable charter
- 27 schools under this section for a particular year may not exceed one
- 28 hundred ten percent (110%) of the total amount of money that is
- 29 projected to be distributed to all applicable charter schools under
- 30 IC 20-46-1-8(f) for that particular year. If the total amount of
- 31 money to be distributed to charter schools for a particular year
- 32 exceeds one hundred ten percent (110%) of the amount projected
- 33 to be distributed to all applicable charter schools under
- 34 IC 20-46-1-8(f), the amount that is actually distributed to each
- 35 charter school under subsection (d) shall be proportionately
- 36 reduced so that the total amount of money distributed to all
- 37 applicable charter schools during that particular year equals an
- 38 amount determined under the last STEP of the following STEPS:
- 39 STEP ONE: Determine the amount projected to be
- 40 distributed to all applicable charter schools under
- 41 IC 20-46-1-8(f) for that particular year.
- 42 STEP TWO: Multiply the STEP ONE amount by ten percent



1 **(10%).**
2 **STEP THREE: Add the STEP TWO amount to the STEP**
3 **ONE amount.**
4 SECTION 11. IC 20-40-20-6, AS AMENDED BY P.L.154-2020,
5 SECTION 41, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
6 JULY 1, 2022]: Sec. 6. (a) Subject to subsections (c) and (d), money in
7 the fund may be used only for the following purposes:
8 (1) To employ or compensate a school resource officer or school
9 resource officers.
10 (2) To establish or fund a school safety office.
11 (3) To conduct a threat assessment of a school building.
12 (4) To create or update a school safety plan.
13 (5) To develop or update school emergency response systems.
14 (6) To purchase equipment to improve the safety of a school
15 building, school grounds, or school buses.
16 (7) To pay capital expenses to improve the safety of a school
17 building.
18 (8) To establish and administer programs to address youth
19 specific mental illness, addiction, anger management, bullying,
20 and school violence.
21 (9) To develop and administer professional development
22 programs for teachers, administrators, and other school employees
23 designed to improve school safety and reduce violence.
24 **(10) To make distributions to a charter school in accordance**
25 **with section 7 of this chapter.**
26 (b) A school corporation may distribute, with the approval of the
27 majority of members of the governing body, a portion of the proceeds
28 of a tax levy collected under IC 20-46-9 that is deposited in the fund to
29 a charter school, excluding a virtual charter school, that is located
30 within the attendance area of the school corporation, to be used by the
31 charter school for the purposes described in subsection (a).
32 (c) Expenditures paid using money collected from the levy shall be
33 included in a school's safety plan.
34 (d) Local law enforcement shall participate in:
35 (1) development of a school safety plan;
36 (2) development or updates to school emergency response
37 systems; and
38 (3) determination of capital expenses that would improve the
39 safety of a school building.
40 (e) Money in the fund may be transferred to the school corporation's
41 education fund (IC 20-40-2), operations fund (IC 20-40-18), or school
42 safety referendum debt service fund (IC 20-40-21), as applicable, to



1 pay for expenditures listed in subsection (a).

2 SECTION 12. IC 20-40-20-7 IS ADDED TO THE INDIANA
3 CODE AS A NEW SECTION TO READ AS FOLLOWS
4 [EFFECTIVE JULY 1, 2022]: **Sec. 7. (a) This section applies to**
5 **revenue received from a resolution that is approved by the**
6 **governing body to impose a referendum levy under IC 20-46-9-6 or**
7 **IC 20-46-9-7 after June 30, 2022.**

8 **(b) Within thirty (30) days of the date that the county auditor**
9 **distributes money for the fund under IC 6-1.1-22.5, the school**
10 **corporation shall distribute an amount under subsection (d) to**
11 **each charter school in which a student who resides within the**
12 **attendance area of the school corporation attends. The department**
13 **shall provide the school corporation with data and information**
14 **necessary for the school corporation to determine:**

15 **(1) which charter schools are eligible to receive a distribution**
16 **under this section; and**

17 **(2) the number of students who reside within the attendance**
18 **area of the school corporation who are included in the ADM**
19 **for each charter school described in subdivision (1).**

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

22 **(1) A virtual charter school.**

23 **(2) An adult high school.**

24 **(d) Except as provided in subsection (f), the amount that a**
25 **school corporation shall distribute to a charter school under this**
26 **section is the amount determined in the last STEP of the following**
27 **STEPS:**

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

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

34 **(A) the current ADM count for the school corporation;**

35 **plus**

36 **(B) the STEP ONE amount.**

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

38 **(A) the STEP ONE amount; divided by**

39 **(B) the STEP TWO amount.**

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

41 **(A) the STEP THREE amount; multiplied by**

42 **(B) the amount distributed to the fund when the county**



1 auditor distributes money for the fund under IC 6-1.1-22.5.

2 (e) If a charter school receives a distribution under this section,
3 the distribution may be used only for the purposes described in
4 section 6(a) of this chapter.

5 (f) The total amount of money distributed to applicable charter
6 schools under this section for a particular year may not exceed one
7 hundred ten percent (110%) of the total amount of money that is
8 projected to be distributed to all applicable charter schools under
9 IC 20-46-9-6(d) for that particular year. If the total amount of
10 money to be distributed to charter schools for a particular year
11 exceeds one hundred ten percent (110%) of the amount projected
12 to be distributed to all applicable charter schools under
13 IC 20-46-9-6(d), the amount that is actually distributed to each
14 charter school under subsection (d) shall be proportionately
15 reduced so that the total amount of money distributed to all
16 applicable charter schools during that particular year equals an
17 amount determined under the last STEP of the following STEPS:

18 **STEP ONE:** Determine the amount projected to be
19 distributed to all applicable charter schools under
20 IC 20-46-9-6(d) for that particular year.

21 **STEP TWO:** Multiply the STEP ONE amount by ten percent
22 (10%).

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

25 SECTION 13. IC 20-46-1-8, AS AMENDED BY P.L.136-2021,
26 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
27 JULY 1, 2022]: Sec. 8. (a) Subject to subsections ~~(e)~~, (d), ~~and~~ (e), (f),
28 **and (g)** and this chapter, the governing body of a school corporation
29 may adopt a resolution to place a referendum under this chapter on the
30 ballot for any of the following purposes:

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

34 (2) The governing body of the school corporation determines that
35 a referendum tax levy under this chapter should be imposed to
36 replace property tax revenue that the school corporation will not
37 receive because of the application of the credit under
38 IC 6-1.1-20.6.

39 (3) **For a resolution adopted before July 1, 2022**, the governing
40 body makes the determination required under subdivision (1) or
41 (2) and determines to share a portion of the referendum proceeds
42 with a charter school, excluding a virtual charter school, in the



1 manner prescribed in subsection ~~(d)~~: (e).

2 **(b) A resolution for a referendum passed after June 30, 2022,**
 3 **shall specify that a portion of the proposed levy will be distributed**
 4 **to applicable charter schools in the manner described under**
 5 **IC 20-40-3-6.**

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

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

16 The language of the public question must include the estimated
 17 average percentage increases certified by the county auditor under
 18 section 10(e) of this chapter. The governing body of the school
 19 corporation shall also provide the county auditor's certification
 20 described in section 10(e) of this chapter. The department of local
 21 government finance shall post the values certified by the county
 22 auditor to the department's Internet web site. The department shall
 23 review the language for compliance with section 10 or 10.1 of this
 24 chapter, whichever is applicable, and either approve or reject the
 25 language. The department shall send its decision to the governing
 26 body of the school corporation not more than ten (10) days after
 27 the resolution is submitted to the department. If the language is
 28 approved, the governing body of the school corporation shall
 29 certify a copy of the resolution, including the language for the
 30 question and the department's approval.

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

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

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

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

41 ~~(d)~~ (e) **This subsection applies to a resolution described in**
 42 **subsection (a) that is adopted before July 1, 2022.** The resolution



1 described in subsection (a) must indicate whether proceeds in the
 2 school corporation's education fund collected from a tax levy under this
 3 chapter will be used to provide a distribution to a charter school or
 4 charter schools, excluding a virtual charter school, under IC 20-40-3-5
 5 as well as the amount that will be distributed to the particular charter
 6 school or charter schools. A school corporation may request from the
 7 designated charter school or charter schools any financial
 8 documentation necessary to demonstrate the financial need of the
 9 charter school or charter schools.

10 **(f) This subsection applies to a resolution under subsection (a)**
 11 **adopted after June 30, 2022. The resolution described in subsection**
 12 **(a) shall include a projection of the amount that the school**
 13 **corporation expects to distribute to a particular charter school,**
 14 **excluding virtual charter schools or adult high schools, under**
 15 **IC 20-40-3-6. At least sixty (60) days before the resolution**
 16 **described in subsection (a) is voted on by the governing body, the**
 17 **school corporation shall contact the department to determine the**
 18 **number of students in kindergarten through grade 12 who reside**
 19 **within the attendance area of the school corporation but attend a**
 20 **charter school, excluding virtual charter schools or adult high**
 21 **schools. The department shall provide the school corporation with**
 22 **the number of students residing within the attendance area of the**
 23 **school corporation who attend a charter school which shall be**
 24 **disaggregated, for each particular charter school, excluding a**
 25 **virtual charter school or adult high school, in which the students**
 26 **residing within the attendance area attend. The projection may**
 27 **include an expected increase in charter schools during the term the**
 28 **levy is imposed. The department of local government finance shall**
 29 **prescribe the manner in which the projection shall be calculated.**
 30 **The governing body shall take into consideration the projection**
 31 **when adopting the revenue spending plan under subsection (g).**

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

- 35 (1) an estimate of the amount of annual revenue expected to be
 36 collected if a levy is imposed under this chapter;
- 37 (2) the specific purposes for which the revenue collected from a
 38 levy imposed under this chapter will be used; ~~and~~
- 39 (3) an estimate of the annual dollar amounts that will be expended
 40 for each purpose described in subdivision (2); **and**
- 41 **(4) for a resolution for a referendum passed after June 30,**
 42 **2022, the projected revenue that shall be distributed to**



1 **charter schools as provided in subsection (f). The spending**
 2 **plan shall also take into consideration deviations in the**
 3 **proposed revenue spending plan if the actual charter school**
 4 **distributions exceed or are lower than the projected charter**
 5 **school distribution described in subsection (f).**

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

10 SECTION 14. IC 20-46-1-8.5, AS ADDED BY P.L.138-2016,
 11 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 12 JULY 1, 2022]: Sec. 8.5. **(a)** A resolution to extend a referendum levy
 13 must be:

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

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

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

19 **(b) For a resolution adopted under this section after June 30,**
 20 **2022, the resolution must include the projected charter school**
 21 **distribution described in section 8(f) of this chapter and indicate**
 22 **the distributions to applicable charter schools in accordance with**
 23 **IC 20-40-3-6.**

24 SECTION 15. IC 20-46-1-19.5, AS AMENDED BY P.L.272-2019,
 25 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 26 JULY 1, 2022]: Sec. 19.5. (a) Subject to section 8~~(e)~~ **8(d)** of this
 27 chapter, if a referendum is approved by the voters in a school
 28 corporation under this chapter in a calendar year, another referendum
 29 may not be placed on the ballot in the school corporation under this
 30 chapter in the following calendar year.

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

38 SECTION 16. IC 20-46-9-6, AS AMENDED BY P.L.136-2021,
 39 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 40 JULY 1, 2022]: Sec. 6. (a) Subject to this chapter, the governing body
 41 of a school corporation may adopt a resolution to place a referendum
 42 under this chapter on the ballot if the governing body of the school



1 corporation determines that a referendum levy should be imposed for
 2 measures to improve school safety as described in IC 20-40-20-6(a) or
 3 IC 20-40-20-6(b).

4 **(b) This subsection applies to a resolution described in**
 5 **subsection (a) that is adopted before July 1, 2022.** A school
 6 corporation may, with the approval of the majority of members of the
 7 governing body, distribute a portion of the proceeds of a tax levy
 8 collected under this chapter that is deposited in the fund to a charter
 9 school, excluding a virtual charter school, that is located within the
 10 attendance area of the school corporation, to be used by the charter
 11 school for the purposes described in IC 20-40-20-6(a).

12 **(c) This subsection applies to a resolution described in**
 13 **subsection (a) that is adopted after June 30, 2022.** A resolution
 14 shall specify that a portion of the proposed levy will be distributed
 15 to applicable charter schools in the manner described under
 16 IC 20-40-20-7.

17 **(d) This subsection applies to a resolution described in**
 18 **subsection (a) that is adopted after June 30, 2022.** The resolution
 19 described in subsection (a) shall include a projection of the amount
 20 that the school corporation expects to distribute to a particular
 21 charter school, excluding virtual charter schools or adult high
 22 schools, under IC 20-40-20-7. At least sixty (60) days before the
 23 resolution described in subsection (a) is voted on by the governing
 24 body, the school corporation shall contact the department to
 25 determine the number of students in kindergarten through grade
 26 12 who reside within the attendance area of the school corporation
 27 but attend a charter school, excluding virtual charter schools or
 28 adult high schools. The department shall provide the school
 29 corporation with the number of students residing within the
 30 attendance area of the school corporation who attend a charter
 31 school which shall be disaggregated, for each particular charter
 32 school, excluding a virtual charter school or adult high school, in
 33 which the students residing within the attendance area attend. The
 34 projection may include an expected increase in charter schools
 35 during the term the levy is imposed. The department of local
 36 government finance shall prescribe the manner in which the
 37 projection shall be calculated. The governing body shall take into
 38 consideration the projection when adopting the revenue spending
 39 plan under subsection (g).

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

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



- 1 (A) the language for the question required by section 9 of this
 2 chapter, or in the case of a resolution to extend a referendum
 3 levy certified to the department of local government finance,
 4 section 10 of this chapter; and
 5 (B) a copy of the revenue spending plan adopted under
 6 subsection ~~(e)~~: **(g)**.
- 7 The language of the public question must include the estimated
 8 average percentage increases certified by the county auditor under
 9 section 9(d) of this chapter. The governing body of the school
 10 corporation shall also provide the county auditor's certification
 11 described in section 9(d) of this chapter. The department of local
 12 government finance shall post the values certified by the county
 13 auditor to the department's Internet web site. The department shall
 14 review the language for compliance with section 9 or 10 of this
 15 chapter, whichever is applicable, and either approve or reject the
 16 language. The department shall send its decision to the governing
 17 body of the school corporation not more than ten (10) days after
 18 the resolution is submitted to the department. If the language is
 19 approved, the governing body of the school corporation shall
 20 certify a copy of the resolution, including the language for the
 21 question and the department's approval.
- 22 (2) The county fiscal body of each county in which the school
 23 corporation is located (for informational purposes only).
- 24 (3) The circuit court clerk of each county in which the school
 25 corporation is located.
- 26 ~~(d)~~ **(f)** The resolution described in subsection (a) must indicate
 27 whether proceeds in the school corporation's fund collected from a tax
 28 levy under this chapter will be used to provide a distribution to a
 29 charter school or charter schools, excluding a virtual charter school,
 30 under IC 20-40-20-6(b) as well as the amount that will be distributed
 31 to the particular charter school or charter schools. A school corporation
 32 may request from the designated charter school or charter schools any
 33 financial documentation necessary to demonstrate the financial need of
 34 the charter school or charter schools.
- 35 ~~(e)~~ **(g)** As part of the resolution described in subsection (a), the
 36 governing body of the school corporation shall adopt a revenue
 37 spending plan for the proposed referendum tax levy that includes:
 38 (1) an estimate of the amount of annual revenue expected to be
 39 collected if a levy is imposed under this chapter;
 40 (2) the specific purposes described in IC 20-40-20-6 for which the
 41 revenue collected from a levy imposed under this chapter will be
 42 used; ~~and~~



1 (3) an estimate of the annual dollar amounts that will be expended
 2 for each purpose described in subdivision (2); **and**
 3 **(4) for a resolution for a referendum passed after June 30,**
 4 **2022, the projected revenue that shall be distributed to**
 5 **charter schools as provided in subsection (d). The spending**
 6 **plan shall also take into consideration deviations in the**
 7 **proposed revenue spending plan if the actual charter school**
 8 **distributions exceed or are lower than the projected charter**
 9 **school distribution described in subsection (d).**

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

14 SECTION 17. IC 20-46-9-7, AS ADDED BY P.L.272-2019,
 15 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 16 JULY 1, 2022]: Sec. 7. **(a)** A resolution to extend a referendum levy
 17 must be:

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

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

23 **(b) For a resolution adopted under this section after June 30,**
 24 **2022, the resolution must include the projected charter school**
 25 **distribution described in section 6(d) of this chapter and indicate**
 26 **the distributions to applicable charter schools in accordance with**
 27 **IC 20-40-20-7.**

28 SECTION 18. An emergency is declared for this act.



COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1072, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 5, between lines 29 and 30, begin a new paragraph and insert:

"SECTION 5. IC 20-26-7.1-3, AS AMENDED BY P.L.155-2021, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: 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 subsection (b)(1), before a governing body may sell, exchange, lease, demolish, hold without operating, or dispose of a 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) **Except as provided in section 4(i) of this chapter**, the governing body shall make available for lease or purchase by a charter school or, after June 30, 2021, a state educational institution any 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;

in order for the charter school to conduct kindergarten through grade 12 classroom instruction or to be used by a 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 school building in order to:

(A) renovate the school building for future use by the school corporation; or

(B) demolish the school building and build a new 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 a governing body under IC 20-26-5-4(a)(7) 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.

SECTION 6. IC 20-26-7.1-4, AS AMENDED BY P.L.155-2021, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) **Except as provided in subsection (i)**, not later than ten (10) 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, the governing body shall:

- (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;
- (2) make the 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 school building described under section 3 of this chapter; and
- (3) make the following information available to a charter school or state educational institution described in subdivision (2):
 - (A) Estimates of the operating expenses for the school building for the past three (3) years.
 - (B) Written information regarding the condition of the 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) Within five (5) days of receiving notice under subsection (a)(1), the department shall 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), including the date when the school building will close, no longer be used, or become vacant.

(c) **Except as provided in subsection (i)**, the school corporation shall lease the 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 building for an academic purpose or the



charter school uses the school building for classroom instruction, for a term at the state educational institution's or charter school's discretion, or sell the school building for one dollar (\$1), if the charter school or state educational institution does the following:

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

(2) Subject to subsection (d), within ninety (90) days of receiving the department's notice under subsection (b), 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 school building.

(B) A time frame, which may not exceed two (2) years from the date that the 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 school building; or

(ii) state educational institution intends to begin using the 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 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) If the department does not receive any preliminary requests to purchase or lease a school building within the time frame described in subsection (c)(1) and except as provided in section 7 of this chapter, the department shall send notification to the school corporation that the department has not received any preliminary requests to purchase or lease the school building. Upon receipt of the notification under this subsection, the school corporation may sell or otherwise dispose of the school building in accordance with IC 36-1-11, IC 20-25-4-14, IC 20-26-5-4(a)(7), and section 8 of this chapter.

(e) 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 school building within the time frame described in subsection (c)(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)) 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 (c)(2) to purchase or lease the school building or determine if two (2) or more charter schools should co-locate within the school building. The committee shall give priority to a charter school located within one (1) mile of the vacant or unused school building. In the event that the committee determines that two (2) or more charter schools should co-locate in the school building and, if applicable, that the combined enrollment of the charter schools will meet or exceed the requirements in subsection (c)(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 school building, and specifying how the charter schools will utilize the 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 school building.

(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) **Except as provided in subsection (i)**, a school corporation shall lease the school building for one dollar (\$1) per year to the charter school or the state educational institution for as long as the charter school uses the school building for classroom instruction for any combination of kindergarten through grade 12 or a state educational institution uses the 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 school building for one dollar (\$1). Alternatively, the school corporation shall sell the 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) and uses the vacant or unused school building in the manner prescribed by this subsection. If a charter school or state educational institution has not met the requirements under subsection (c), the school corporation may, subject



to section 7 of this chapter, sell or otherwise dispose of the school building in accordance with IC 36-1-11, IC 20-25-4-14, IC 20-26-5-4(a)(7), and section 8 of this chapter.

(i) The governing body of a school corporation in which ten percent (10%) or more of the school corporation's school buildings are occupied in whole or part by:

(1) one (1) or more innovation network schools under IC 20-25.7-4;

(2) one (1) or more participating innovation network charter schools under IC 20-25.7-5; or

(3) any combination of (1) and (2);

may sell a closed, unused, or unoccupied school building pursuant to IC 36-1-11 and is not required to comply with the requirements provided in this section."

Page 18, after line 20, begin a new paragraph and insert:

"SECTION 18. An emergency is declared for this act."

Renumber all SECTIONS consecutively

and when so amended that said bill do pass.

(Reference is to HB 1072 as introduced.)

BROWN T

Committee Vote: yeas 13, nays 8.

