



February 21, 2017

SENATE BILL No. 196

DIGEST OF SB 196 (Updated February 17, 2017 1:59 pm - DI MV)

Citations Affected: IC 20-48.

Synopsis: School debt service obligations. Amends the definition of "debt service obligations" used for purposes of the statute concerning department of local government finance review of school corporation bond and lease rental property tax levies.

Effective: Upon passage.

Kenley

January 4, 2017, read first time and referred to Committee on Rules and Legislative Procedure.
February 20, 2017, amended; reassigned to Committee on Appropriations.

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February 21, 2017

First Regular Session 120th General Assembly (2017)

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 2016 Regular Session of the General Assembly.

SENATE BILL No. 196

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

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

1 SECTION 1. IC 20-48-1-11, AS AMENDED BY P.L.146-2008,
2 SECTION 525, IS AMENDED TO READ AS FOLLOWS
3 [EFFECTIVE UPON PASSAGE]: Sec. 11. (a) As used in this section,
4 "debt service obligations" refers to the principal and interest payable
5 ~~during a calendar year~~ on a school corporation's general obligation
6 bonds and lease rentals under IC 20-47-2 and IC 20-47-3.

7 (b) Before the end of each calendar year, the department of local
8 government finance shall review the bond and lease rental levies, or
9 any levies that replace bond and lease rental levies, of each school
10 corporation that are payable in the next succeeding year and the
11 appropriations from the levies from which the school corporation is to
12 pay the amount, if any, of the school corporation's debt service
13 obligations. If the levies and appropriations of the school corporation
14 are not sufficient to pay the debt service obligations, the department of
15 local government finance shall establish for each school corporation:

16 (1) bond or lease rental levies, or any levies that replace the bond
17 and lease rental levies; and

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- 1 (2) appropriations;
2 that are sufficient to pay the debt service obligations.
3 (c) Upon the failure of a school corporation to pay any of the school
4 corporation's debt service obligations during a calendar year when due,
5 the treasurer of state, upon being notified of the failure by a claimant,
6 shall pay the unpaid debt service obligations that are due from the
7 funds of the state only to the extent of the amounts appropriated by the
8 general assembly for the calendar year for distribution to the school
9 corporation from state funds, deducting the payment from the
10 appropriated amounts. A deduction under this subsection must be
11 made:
12 (1) first from all funds except state tuition support; and
13 (2) second from state tuition support.
14 (d) This section shall be interpreted liberally so that the state shall
15 to the extent legally valid ensure that the debt service obligations of
16 each school corporation are paid. However, this section does not create
17 a debt of the state.
18 **SECTION 2. An emergency is declared for this act.**



COMMITTEE REPORT

Madam President: The Senate Committee on Rules and Legislative Procedure, to which was referred Senate Bill No. 196, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Delete everything after the enacting clause and insert the following:

(SEE TEXT OF BILL)

and when so amended that said bill be reassigned to the Senate Committee on Appropriations.

(Reference is to SB 196 as introduced.)

LONG, Chairperson

