

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 ENROLLED ACT No. 196

AN ACT to amend the Indiana Code concerning education and to make an appropriation.

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

SECTION 1. IC 20-48-1-11, AS AMENDED BY P.L.146-2008, SECTION 525, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11. (a) As used in this section, "debt service obligations" refers to the principal and interest payable: ~~during a calendar year~~

(1) on a school corporation's general obligation bonds and lease rentals under IC 20-47-2 and IC 20-47-3; **or**

(2) to a school corporation's designated paying agent under a written agreement entered into in connection with the issuance of the school corporation's general obligation bonds.

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

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

(2) appropriations;

that are sufficient to pay the debt service obligations **for that next succeeding calendar year.**

(c) Upon the failure of a school corporation to pay any of the school corporation's debt service obligations ~~during a calendar year~~ when due, the treasurer of state, upon being notified of the failure by a claimant, shall **within five (5) days, excluding Saturdays, Sundays, and legal holidays**, pay the unpaid debt service obligations that are due from the funds of the state **only to the extent of the amounts appropriated by the general assembly for the calendar year for distribution to the school corporation from state funds, deducting the payment from the appropriated amounts.** A deduction under this subsection must be made:

(1) first from all funds except state tuition support; and

(2) second from state tuition support.

in an amount equal to the amount of the unpaid debt service obligations that are due to the claimant, but only to the extent that amounts described in subsection (d) are available to the treasurer of state to fulfill the requirements of this subsection. Notwithstanding IC 4-13-2-18, IC 20-43-2-1, or any other law, administrative rule, policy, or schedule to the contrary, upon the treasurer of state receiving a request from a claimant as described in this subsection the treasurer of state shall immediately contact the school corporation and the claimant to confirm whether the school corporation is unable to make the required payment on the date on which it is due, and, if confirmed, the treasurer of state shall provide notice of the request to the budget director, the auditor of state, and any department or agency of the state responsible for distributing funds appropriated by the general assembly for distribution to the school corporation from state funds. A department or agency of the state shall, not later than three (3) days after receiving the treasurer of state's notice, excluding Saturdays, Sundays, or legal holidays, transfer the funds and make the funds available to the treasurer of state in order for the treasurer of state to fulfill the obligations of this subsection.

(d) Notwithstanding any other law to the contrary, amounts made available to the treasurer of state for purposes of subsection (c) shall be made from the following sources, in the following amounts, and in the following order of priority:

(1) First, from amounts appropriated by the general assembly



for the state fiscal year for distribution to the school corporation from state funds.

(2) Second, and to the extent that the amounts described in subdivision (1) are insufficient, from any remaining amounts appropriated by the general assembly for distribution for tuition support in each state fiscal year in excess of the aggregate amount of tuition support needed for distribution to school corporations in accordance with the schedule set and approved in accordance with IC 20-43-2-1.

(3) Third, and to the extent that the amounts described in subdivisions (1) and (2) are insufficient and the general assembly has adopted a biennial budget appropriating amounts in the immediately succeeding state fiscal year for distribution to the school corporation from state funds, then from such fund or account, as determined by the state budget director, from which fund or account there is appropriated to the treasurer of state in the current state fiscal year an amount equal to the lesser of:

(A) the unpaid debt service obligations not paid from sources described in subdivisions (1) and (2); or

(B) the amount appropriated by the general assembly for the immediately succeeding state fiscal year for distribution to the school corporation from state funds, subject to IC 4-13-2-18(i).

(e) Notwithstanding any other law to the contrary, if any amounts are transferred to the treasurer of state under subsection (c), the applicable department or agency shall recover those amounts by:

(1) deducting an amount equal to the transfer from any future amounts to be distributed to the school corporation from state funds appropriated by the general assembly; and

(2) transferring any amount deducted under subdivision (1) to the treasurer of state for the purpose of allowing the treasurer of state to reimburse the fund or account from which the transfer was made.

(f) A reduction of distributions to a school corporation under subsection (e) must be made:

(1) first, from all funds except state tuition support; and

(2) second, from state tuition support.

(g) This section shall be interpreted liberally so that the state shall to the extent legally valid ensure that the debt service obligations of each school corporation are paid. However, this section does not



create a debt of the state.

SECTION 2. 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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