

SENATE BILL No. 248

DIGEST OF INTRODUCED BILL

Citations Affected: IC 20-23; IC 20-46-7-4.

Synopsis: Consolidation of school administrative functions. Provides that the governing body of two or more school corporations situated in the same county may consolidate administrative functions while continuing the historical legacy of their respective school corporations. Provides that each school corporation is considered a subunit of the consolidated school corporation. Provides that school corporations in a particular county may consolidate: (1) if the governing bodies meet and adopt a joint resolution declaring their intention to consolidate school corporations; or (2) whenever 20% of the legal voters residing in the district of any school corporation, jointly with 20% of the legal voters in each other school corporation situated in a particular county, prepare a resolution and petition the governing body of their respective school corporations to consolidate the school corporations. Provides that a petitioner who wishes to consolidate school corporations in an election shall submit certified copies of the resolution and petition to the governing bodies of each school corporation contained in the proposed consolidation. Provides that each governing body named in the resolution shall hold a public meeting within 60 days after the date the proposed resolution and petition are submitted to the governing body to discuss the proposed consolidation. Provides that, if after 30 days after the date of the public meeting the petitioner does not withdraw the petition, each governing body petitioned shall call the school election provided for in each school corporation. Provides that the election must be held on the same day in each school corporation proposed to be consolidated at a general or primary election in which voters of each school corporation will vote. Provides that the governing

(Continued next page)

Effective: July 1, 2017.

Raatz, Kenley

January 9, 2017, read first time and referred to Committee on Education and Career Development.



Digest Continued

body shall meet to organize not later than 15 days after the commencement date of the members' terms of office. Provides that debts or obligations paid by a debt service levy incurred by a school corporation before the new consolidated school corporation comes into existence may be levied only on the taxpayers of the subunit that initially incurred the debt or obligation before consolidation. Provides that the resolution consolidating the school corporations must contain an itemized listing of the administrative functions to be consolidated in the proposed new school corporation. Provides that the name or attendance area of each school within a subunit may not be changed for at least 10 years after the date the consolidation comes into existence. Provides that 20% of the legal voters residing in the district of any school corporation may petition the governing body of the school corporation for an election to determine whether the majority of the voters residing in the district in which the school corporation is located is in favor of consolidation. Requires the department of local government finance (department) to set new maximum levies, which must equal the sum of the existing maximum levies adjusted for assessed value growth. Requires the department to establish a maximum capital projects levy rate.



Introduced

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. 248

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 20-23-6-15, AS ADDED BY P.L.1-2005,
2 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2017]: Sec. 15. An action to test or question the legality of a
4 consolidated school corporation may only be brought in an action of
5 quo warranto in the name of the state on information filed by the
6 prosecuting attorney of the county in which the principal office of the
7 consolidated school corporation is located where attempts are made or
8 have been made to consolidate or join together school corporations
9 under the provisions of IC 20-23-6, **IC 20-23-6.5**, or IC 20-23-7, and
10 an election on the question of consolidation has been held and the
11 certificate certifying the vote is filed as provided by law or, an election
12 is not held and the number of days allowed by statutes for filing a
13 petition for an election has expired.

14 SECTION 2. IC 20-23-6.5 IS ADDED TO THE INDIANA CODE
15 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE

2017

IN 248—LS 6569/DI 116



1 JULY 1, 2017]:

2 **Chapter 6.5. Administrative Consolidation of School**
3 **Corporations**

4 **Sec. 1. As used in this chapter, "school corporation" means a**
5 **local public school corporation established under the laws of**
6 **Indiana. The term does not include a school corporation covered**
7 **by IC 20-23-12, IC 20-23-13, IC 20-23-14, IC 20-23-15,**
8 **IC 20-23-17, or IC 20-23-17.2.**

9 **Sec. 2. As used in this chapter, "subunit" refers to the**
10 **geographic territory of a school corporation as the school**
11 **corporation exists at the time the school corporation consolidates**
12 **with one (1) or more other school corporations under this chapter.**

13 **Sec. 3. The governing body of two (2) or more school**
14 **corporations situated in the same county may consolidate**
15 **administrative functions while continuing the historical legacy of**
16 **their respective school corporations in the manner and under the**
17 **conditions prescribed in this chapter. A school corporation that**
18 **consolidates with one (1) or more school corporations under this**
19 **chapter is considered a subunit of the consolidated school**
20 **corporation.**

21 **Sec. 4. (a) If the governing bodies of two (2) or more school**
22 **corporations situated in a particular county desire to consolidate**
23 **school corporations under this chapter, the governing bodies may**
24 **meet and adopt a joint resolution declaring their intention to**
25 **consolidate school corporations in the manner prescribed in this**
26 **chapter.**

27 **(b) The members of the governing body of each school**
28 **corporation described in subsection (a) shall, after adopting a joint**
29 **resolution, give notice by publication once each week for two (2)**
30 **consecutive weeks in a newspaper of general circulation, if any, in**
31 **the district of each school corporation proposing to consolidate. If**
32 **a newspaper is not published in the district of a school corporation,**
33 **publication shall be made in the nearest newspaper published in**
34 **the county in which the school corporation is located.**

35 **(c) On or before the sixth day following the last publication**
36 **under subsection (b) of the notice of intention to consolidate,**
37 **twenty percent (20%) of the legal voters residing in the district of**
38 **any of the school corporations sought to be consolidated may**
39 **protest the joint resolution by filing a petition with the governing**
40 **body of their respective school corporation to hold an election to**
41 **determine whether the majority of the voters residing in the**
42 **district of that school corporation are in favor of consolidation. If**



1 such a protest petition is filed, an election must be held in the
 2 manner provided in sections 7 and 8 of this chapter. If a protest
 3 petition is not filed by legal voters under this subsection, the
 4 governing bodies proposing to consolidate shall declare by joint
 5 resolution the consolidation of the school corporations to be
 6 accomplished, to take effect as provided in section 10 of this
 7 chapter.

8 **Sec. 5. (a) Whenever a petitioner:**

9 (1) obtains the signatures of twenty percent (20%) of the legal
 10 voters residing in each school corporation that is part of a
 11 proposed consolidation under this chapter; and

12 (2) prepares a proposed resolution;

13 the petitioner shall submit certified copies of the proposed
 14 resolution and petition to the governing bodies of each school
 15 corporation contained in the proposed consolidation. Each
 16 governing body named in the proposed resolution shall hold a
 17 public meeting within sixty (60) days after the date that the
 18 proposed resolution and petition are submitted to the governing
 19 body to discuss the proposed consolidation. If, after thirty (30) days
 20 after the date of the public meeting the petitioner does not
 21 withdraw the petition, each governing body petitioned shall call the
 22 school election provided for in each school corporation included in
 23 the proposed consolidation in the manner described in section 7 of
 24 this chapter.

25 (b) Notice of an election described in subsection (a) shall be
 26 published within thirty (30) days after the filing of the resolution
 27 with the governing body of the school corporation where the
 28 resolution is last filed. However, if any of the petitioned governing
 29 bodies agree to the consolidation as set forth in the resolution, an
 30 election in that school corporation is not required under the
 31 resolution.

32 **Sec. 6. (a) A resolution under section 4 or 5 of this chapter must**
 33 **include the following concerning the proposed consolidation:**

34 (1) The name of the proposed new school corporation.

35 (2) The number of members on the governing body of the
 36 proposed new school corporation and the manner in which
 37 the members shall be elected or appointed, including the
 38 manner of the nomination of members.

39 (3) If there is to be an election, the names of the individuals
 40 who constitute the board of election commissioners, the names
 41 of the individuals who shall appoint inspectors, judges, clerks,
 42 and sheriffs, and any other provisions desirable in facilitating



1 the election. Where applicable and not in conflict with the
 2 resolution, an election is governed by the general election laws
 3 of Indiana, including the registration laws.

4 (4) Limitations on residence, term of office, and other
 5 qualifications required of the members of the governing body
 6 of the proposed consolidated school corporation. A resolution
 7 may not provide for an appointive or elective term of more
 8 than four (4) years. A member may succeed himself or herself
 9 in office.

10 (5) The names of the school corporations that are to be
 11 merged as a consolidated school corporation.

12 (6) Unless otherwise declared in the resolution, a declaration
 13 that the name or attendance area of each school within a
 14 subunit will not be changed for at least ten (10) years after the
 15 date on which the consolidated school corporation comes into
 16 existence.

17 (7) A declaration that debts or obligations paid by a debt
 18 service levy under IC 20-40-9 incurred by a subunit before the
 19 consolidated school corporation comes into existence may be
 20 levied only on the taxpayers of the subunit that initially
 21 incurred the debts or obligations.

22 (8) An itemized listing of the administrative functions to be
 23 consolidated in the proposed consolidated school corporation,
 24 including one (1) or more of the following:

25 (A) Administrative staffing, including staffing for business
 26 functions and academic services.

27 (B) Transportation services.

28 (C) Food preparation services.

29 (D) Library services.

30 (E) Janitorial services.

31 (9) A declaration that the proposed consolidated school
 32 corporation is under the direction of a superintendent selected
 33 by the governing body of the consolidated school corporation.

34 In addition, the resolution may specify the time the consolidated
 35 school corporation comes into existence.

36 (b) The number of members on the governing body of the
 37 proposed consolidated school corporation as provided in a
 38 resolution described in this section may not be less than three (3)
 39 nor more than seven (7).

40 Sec. 7. (a) If:

41 (1) a petition is filed in one (1) or more of the school
 42 corporations protesting consolidation, as provided in a



1 resolution adopted by a governing body under section 4 of this
 2 chapter, by the legal voters of the school corporation
 3 proposed to be consolidated; or

4 (2) the governing body receives a resolution and a petition
 5 under section 5 of this chapter;

6 the governing body in each school corporation in which a petition
 7 or protest petition is filed shall certify the public question to each
 8 county election board of the county in which the school corporation
 9 is located. The county election board shall call an election of the
 10 voters of the school corporation to determine if a majority of the
 11 legal voters of the school corporation are in favor of consolidating
 12 the school corporations.

13 (b) The elections under this section must be held on the same
 14 day in each school corporation proposed to be consolidated at a
 15 general or primary election in which voters of each school
 16 corporation will vote. The county election board shall give notice
 17 of an election by publication once each week for two (2)
 18 consecutive weeks in a newspaper of general circulation in the
 19 district in which each school corporation is located. If a newspaper
 20 is not published in the:

21 (1) township;

22 (2) town; or

23 (3) city;

24 a notice shall be published in the nearest newspaper published in
 25 the county or counties that, on a day and at an hour to be named
 26 in the notice, the polls will be open at the usual voting places in the
 27 various precincts in the school corporation for taking the vote of
 28 the legal voters upon whether the school corporation should be
 29 consolidated with the other school corporation or corporations
 30 joining in the resolution. The last notice made under this
 31 subsection shall be made not less than ten (10) days before the
 32 election.

33 (c) The governing body of each school corporation in which an
 34 election is held is bound by the majority vote of those voting. The
 35 question of consolidation shall be held in the next primary election
 36 or general election in which all the registered voters who are
 37 residents of the school corporation are entitled to vote after
 38 certification of the question under IC 3-10-9-3. The certification of
 39 the question must occur not later than noon:

40 (1) sixty (60) days before a primary election if the question is
 41 to be placed on the primary election ballot; or

42 (2) August 1 if the question is to be placed on the general



- 1 election ballot.
- 2 (d) If a majority of those voting in any one (1) school
3 corporation vote against the plan of consolidation, the plan fails.
- 4 Sec. 8. (a) An election under this chapter shall be governed by
5 IC 3, except as provided in this chapter.
- 6 (b) The county election board shall conduct the election. The
7 public question shall be placed on the ballot in the form prescribed
8 by IC 3-10-9-4 and must state: "Shall the administration of (insert
9 the names of the school corporations that the resolution proposes
10 to consolidate) be consolidated into a consolidated school
11 corporation?".
- 12 (c) A brief statement of the provisions in the resolution for
13 appointment or election of a governing body of the consolidated
14 school corporation may be placed on the ballot in the form
15 prescribed by IC 3-10-9-4. A certificate of the votes cast for and
16 against the consolidation of the school corporations shall be filed
17 with:
- 18 (1) the governing body of all school corporations subject to
19 the election;
 - 20 (2) the state superintendent; and
 - 21 (3) the county recorder of each county in which a consolidated
22 school corporation is located;
- 23 together with a copy of the resolution.
- 24 (d) If a majority of the votes cast at each of the elections are in
25 favor of the consolidation of each school corporation, the
26 governing bodies of the school corporations shall proceed to
27 consolidate the school corporations.
- 28 Sec. 9. Each school of the consolidated schools is under the
29 control and management of the original governing body until the
30 consolidated school corporation comes into existence at the time
31 provided in section 10 of this chapter. When the consolidated
32 school corporation comes into existence, the term of office of each
33 of the members of the original governing bodies expires.
- 34 Sec. 10. (a) A consolidated school is under the control and
35 management of the consolidated governing body created under this
36 chapter, and a consolidated school corporation comes into
37 existence the latest of:
- 38 (1) the time specified in the joint resolutions adopted under
39 section 4 of this chapter;
 - 40 (2) if a protest petition under section 4 of this chapter has not
41 been filed and the creation is accomplished by the adoption of
42 a joint resolution following publication of notice as provided



- 1 in section 4 of this chapter, thirty (30) days after the adoption
2 of the joint resolution; or
3 (3) if the creation is accomplished after an election as
4 provided in section 8 of this chapter, thirty (30) days after the
5 election.
- 6 (b) The members of the consolidated school corporation
7 governing body shall:
8 (1) take an oath to faithfully discharge the duties of office; and
9 (2) meet, for purposes of organizing or reorganizing, at least
10 five (5) days before the time the consolidated school
11 corporation comes into existence.
- 12 (c) The consolidated school corporation governing body shall
13 meet to organize or reorganize in the manner set forth in
14 IC 20-26-4-1. At the organization or reorganization meeting, the
15 members of the consolidated school corporation governing body
16 shall elect the following:
17 (1) A president.
18 (2) A secretary.
19 (3) A treasurer.
- 20 (d) The treasurer of the consolidated school corporation
21 governing body, before starting the duties of office, shall execute a
22 bond to the acceptance of the county auditor. The fee for the bond
23 shall be paid from the school general fund of the consolidated
24 school corporation. Any vacancy occurring in the membership in
25 any governing body, other than a vacancy in the office of an ex
26 officio member, shall be filled in the following manner:
27 (1) If the membership was originally made by appointment,
28 the vacancy shall be filled by appointment by the legislative
29 body of the:
30 (A) city;
31 (B) town;
32 (C) township; or
33 (D) other body;
34 or other official making the original appointment.
35 (2) If the membership was elected, the vacancy shall be filled
36 by a majority vote of the remaining members of the
37 consolidated school corporation governing body.
- 38 (e) The members of the consolidated school corporation
39 governing body shall be paid in the manner provided in
40 IC 20-26-4-7.
- 41 (f) A consolidated school corporation governing body may elect
42 and appoint personnel the governing body considers necessary in



1 a manner consistent with a resolution adopted under this chapter.

2 **Sec. 11. (a) When any school corporation is consolidated by**
 3 **resolution or election under this chapter and the new governing**
 4 **body has been appointed and legally organized under this chapter,**
 5 **the former school corporation is considered a subunit of the**
 6 **consolidated school corporation.**

7 (b) All:

8 (1) property;

9 (2) rights;

10 (3) privileges; and

11 (4) debts and obligations;

12 of the former school corporation are considered to accrue to and
 13 be assumed by the consolidated school corporation.

14 (c) The title of property passes to and becomes vested in the new
 15 consolidated school corporation. All debts of the former school
 16 corporations shall be assumed and paid by the new consolidated
 17 school corporation. However, a debt service levy under IC 20-46-7
 18 for debts and obligations incurred by a school corporation before
 19 the date the school corporation consolidates under this chapter
 20 may be levied only in the subunit of the consolidated school
 21 corporation that initially incurred the debt or obligation. All the
 22 privileges and rights conferred by law upon the former school
 23 corporation are granted to the consolidated school corporation. All
 24 debts and obligations incurred by the consolidated school
 25 corporation after the date on which the consolidation becomes
 26 effective are considered a debt or obligation of the consolidated
 27 school corporation as a whole.

28 (d) The governing body of the consolidated school corporation
 29 shall negotiate with each subunit and each subunit's respective
 30 exclusive representative (as defined in IC 20-29-2-9) regarding the
 31 transition of employees from a subunit to the consolidated school
 32 corporation.

33 **Sec. 12. The governing body of a consolidated school**
 34 **corporation shall, after the members have taken their oath of**
 35 **office, cause a copy of the resolution to consolidate to be filed with**
 36 **the:**

37 (1) county recorder in the county in which the new school
 38 district is located;

39 (2) department of local government finance; and

40 (3) state board.

41 Any consolidated school district is declared to be and is made a
 42 school corporation for school purposes, separate and distinct from



1 any civil corporation.

2 **Sec. 13.** Upon receipt of the resolution under section 12 of this
3 chapter, the department of local government finance shall set:

4 (1) new maximum levies under IC 20-46-4 and IC 20-46-5,
5 which must equal the sum of the existing maximum levies
6 adjusted for assessed value growth; and

7 (2) a new maximum rate under IC 20-46-6, which equals an
8 amount determined as follows:

9 **STEP ONE:** Determine the maximum amount that may be
10 levied under each subunit's maximum capital projects fund
11 tax rate.

12 **STEP TWO:** Determine the sum of the STEP ONE
13 amounts.

14 **STEP THREE:** Determine the sum of the certified net
15 assessed values for the subunits.

16 **STEP FOUR:** Divide the STEP TWO amount by the STEP
17 THREE amount.

18 **STEP FIVE:** Determine the product (rounded to the
19 nearest ten-thousandth (0.0001)) of:

20 (i) the STEP FOUR amount; multiplied by

21 (ii) one hundred (100).

22 SECTION 3. IC 20-46-7-4, AS ADDED BY P.L.2-2006, SECTION
23 169, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY
24 1, 2017]: Sec. 4. (a) The governing body of each school corporation
25 shall establish a levy in every calendar year sufficient to pay all
26 obligations.

27 (b) This subsection applies to a school corporation that
28 consolidates under IC 20-23-6.5. The governing body shall
29 establish a levy for each subunit (as defined in IC 20-23-6.5-2) in
30 each calendar year sufficient to pay the debts and obligations that
31 the particular subunit incurred before consolidating with one (1)
32 or more school corporations under IC 20-23-6.5.

