

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. 248

AN ACT to amend the Indiana Code concerning education.

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

SECTION 1. IC 20-23-6-0.5 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: **Sec. 0.5. As used in this chapter, "subunit" refers to the geographic territory of a school corporation as the school corporation exists at the time the school corporation consolidates with one (1) or more other school corporations under section 12.5 of this chapter.**

SECTION 2. IC 20-23-6-2, AS ADDED BY P.L.1-2005, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: **Sec. 2.** The governing body of two (2) or more school corporations, whether:

- (1) towns;
- (2) cities;
- (3) townships;
- (4) joint schools; or
- (5) consolidated schools;

situated in the same or adjoining counties may, **in the manner and upon the conditions prescribed in this chapter**, consolidate **their respective school corporations or be required to consolidate** their respective school corporations **as provided under section 5.5 of this chapter.** in the manner and upon the conditions prescribed in this chapter.



SECTION 3. IC 20-23-6-3, AS ADDED BY P.L.1-2005, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 3. (a) If the governing bodies of at least two (2) school corporations desire to consolidate school corporations, the governing bodies may meet together and adopt a joint resolution declaring intention to consolidate school corporations. The resolution must set out the following information concerning the proposed consolidation:

- (1) The name of the proposed new school corporation.
- (2) The number of members on the governing body and the manner in which they shall be elected or appointed.

(A) If members are to be elected, the resolution must provide for:

- (i) the manner of the nomination of members;
- (ii) who shall constitute the board of election commissioners;
- (iii) who shall appoint inspectors, judges, clerks, and sheriffs; and
- (iv) any other provisions desirable in facilitating the election.

(B) Where applicable and not in conflict with the resolution, the election is governed by the general election laws of Indiana, including the registration laws.

- (3) Limitations on residences, term of office, and other qualifications required of the members of the governing body. A resolution may not provide for an appointive or elective term of more than four (4) years. A member may succeed himself or herself in office.

- (4) Names of present school corporations that are to be merged together as a consolidated school corporation.

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

(b) The number of members on the governing body as provided in the resolution may not be less than three (3) or more than seven (7). However, the joint resolution may provide for a board of nine (9) members if the proposed consolidated school corporation is formed out of two (2) or more school corporations that:

- (1) have entered into an interlocal agreement to construct and operate a joint high school; or
- (2) are operating a joint high school that has an enrollment of at least six hundred (600) in grades 9 through 12 at the time the joint resolution is adopted.

(c) The members of the governing body shall, after adopting a joint



resolution, give notice by publication once each week for two (2) consecutive weeks in a newspaper of general circulation, if any, in each of the school corporations. If a newspaper is not published in the school corporation, publication shall be made in the nearest newspaper published in the county in which the school corporation is located. The governing bodies of school corporations shall ~~meet~~ **hold a public meeting** one (1) week following the date of the appearance of the last publication of notice of intention to consolidate. If a protest has not been filed, as provided in this chapter, the governing bodies shall declare by joint resolution the consolidation of the school corporations to be accomplished, to take effect as provided in section 8 of this chapter. However, on or before the sixth day following the last publication of the notice of intention to consolidate, twenty percent (20%) of the legal voters residing in any school corporation may petition the governing body of the school corporations for an election to determine whether or not the majority of the voters of the school corporation is in favor of consolidation.

SECTION 4. IC 20-23-6-5, AS AMENDED BY P.L.1-2006, SECTION 315, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 5. (a) If a petition is filed in one (1) or more of the school corporations protesting consolidation as provided in this chapter by the legal voters of any school corporation the governing body of which proposes to consolidate, the governing body in each school corporation in which a protest petition is filed shall certify the public question to each county election board of the county in which the school corporation is located. The county election board shall call an election of the voters of the school corporation to determine if a majority of the legal voters of the corporation is in favor of consolidating the school corporations.

(b) If a protest is filed in more than one (1) school corporation, the elections shall be held on the same day. Each county election board shall give notice by publication once each week for two (2) consecutive weeks in a newspaper of general circulation in the school corporation. If a newspaper is not published in the:

- (1) township;
- (2) town; or
- (3) city;

the notice shall be published in the nearest newspaper published in the county or counties, that on a day and at an hour to be named in the notice, the polls will be open at the usual voting places in the various precincts in the corporation for taking the vote of the legal voters upon whether the school corporation shall be consolidated with the other



school corporations joining in the resolution.

(c) The public question shall be placed on the ballot in the form provided by IC 3-10-9-4 and must state: "Shall (insert name of school corporation) be consolidated with (insert names of other school corporations)?".

(d) Notice shall be given not later than thirty (30) days after the petition is filed. The election shall be held not less than ten (10) days or more than twenty (20) days after the last publication of the notice.

(e) The governing body of each school corporation in which an election is held is bound by the majority vote of those voting. However, if the election falls within a period of not more than six (6) months before a primary or general election, the election shall be held concurrently with the primary or general election.

(f) If a majority of those voting in any one (1) school corporation votes against the plan of consolidation, the plan fails. However, the failure does not prevent any or all the school corporations from taking further initial action for the consolidation of school corporations under this chapter.

(g) Whenever twenty percent (20%) of the legal voters residing in any school corporation; jointly with twenty percent (20%) of the legal voters in each of one (1) or more other school corporations:

(1) prepare a resolution; and

(2) petition the trustees of their respective school corporations to consolidate the school corporations; as set out in the resolution; each governing body petitioned shall call the school election provided for in this chapter in its school corporations:

(h) Notice of the election shall be published within thirty (30) days after the filing of the resolution with the governing body of the school corporation where it is last filed. However, if any of the petitioned governing bodies agrees to the consolidation as set out in the resolution, an election in that school corporation may not be required under the resolution.

(i) Notice as set out in this section shall be given; and a protest requesting an election may be filed in conformity with section 3 of this chapter.

SECTION 5. IC 20-23-6-5.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: **Sec. 5.5. (a) If twenty percent (20%) of the legal voters residing in any school corporation jointly with twenty percent (20%) of the legal voters in each of one (1) or more other school corporations:**

(1) prepare a resolution for a proposed consolidation that sets



forth:

(A) subject to section 3(b) of this chapter, the information required in section 3(a)(1) through 3(a)(4) of this chapter; and

(B) if applicable, the declarations in section 12.5 of this chapter; and

(2) petition the trustees of their respective school corporations to consolidate the school corporations, as set forth in the resolution;

each governing body petitioned shall hold, not later than sixty (60) days after the date the governing body receives the resolution and petition, a public meeting for discussion on the proposed consolidation.

(b) If any of the petitioned governing bodies agrees to the proposed consolidation as set forth in the resolution, the governing body shall give notice by publication of its intention to adopt the resolution on the proposed consolidation once each week for two (2) consecutive weeks in a newspaper of general circulation, if any, in each of the school corporations. If a newspaper is not published in the school corporation, publication shall be made in the nearest newspaper published in the county in which the school corporation is located.

(c) On or before the sixth day following the last publication of the notice of intention to consolidate required under subsection (b), twenty percent (20%) of the legal voters residing in any school corporation proposed to be consolidated may petition the governing body of the school corporation for an election to determine whether or not the majority of the voters of the school corporation is in favor of consolidation.

(d) If a protest has not been filed under subsection (c), the governing bodies may declare by joint resolution the consolidation of the school corporations to be accomplished, to take effect as provided in section 8 of this chapter.

(e) Except as provided in subsection (b), if:

(1) a resolution and petition for consolidation has not been withdrawn thirty (30) days after the date of the public meeting under subsection (a); or

(2) a protest petition described in subsection (c) has been filed;

each governing body shall call an election in each school corporation included in the proposed consolidation in the same manner as described in sections 5 and 6 of this chapter.



(f) The governing body of each school corporation in which an election is held is bound by the majority vote of those voting. If a majority of those voting in any one (1) school corporation votes against the plan of consolidation, the plan fails. If a majority of the votes cast at each of the elections is in favor of the consolidation of two (2) or more school corporations, the trustees of the school corporations shall proceed to consolidate the schools and provide the necessary buildings and equipment. However, the failure does not prevent any or all the school corporations from taking further initial action for the consolidation of school corporations under this chapter.

SECTION 6. IC 20-23-6-8, AS AMENDED BY P.L.2-2006, SECTION 96, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 8. (a) Consolidated schools are under the control and management of the consolidated governing body created under this chapter, and a new consolidated school corporation comes into existence:

(1) at the time specified in the resolutions provided in section 3, or 4, **5.5**, or **12.5** of this chapter; or

(2) if a time is not specified, at the following times:

(A) If a protest has not been filed and the creation is accomplished by the adoption of a joint resolution following publication of notice as provided in section 3 or **5.5** of this chapter, thirty (30) days after the adoption of the joint resolution.

(B) If the creation is accomplished after an election as provided in section 6 of this chapter, thirty (30) days after the election.

(b) The members of the governing body shall:

(1) take an oath to faithfully discharge the duties of office; and

(2) meet at least five (5) days before the time the new consolidated school corporation comes into existence to organize.

(c) The governing body shall meet to reorganize ~~on August 1 of each year and at any time the personnel of the board is changed:~~ **at the time provided in IC 20-26-4-1(b).** At the organization or reorganization meeting, the members of the governing body shall elect the following:

(1) A president.

(2) A secretary.

(3) A treasurer.

(d) The treasurer, before starting the duties of the treasurer's office, shall execute a bond to the acceptance of the county auditor. The fee



for the bond shall be paid from the school general fund of the consolidated school corporation. Any vacancy occurring in the membership in any governing body ~~other than vacancy in the office of an ex officio member~~, shall be filled in the following manner:

(1) If the membership was originally made by appointment, the vacancy shall be filled by appointment by the legislative body of the:

- (A) city;
- (B) town;
- (C) township; or
- (D) other body;

or other official making the original appointment.

(2) If the membership was elected, the vacancy shall be filled by a majority vote of the remaining members of the governing body of the consolidated school corporation. **shall be filled in the manner provided in IC 20-26-4-4.**

(e) The members of the governing body ~~other than the township executive or ex officio member~~, shall receive compensation for services as fixed by resolution of the governing body. The members, other than the township executive or any ex officio member, may not receive more than two hundred dollars (\$200) annually. Any:

- (1) township executive; or
- (2) ex officio member of the governing body;

shall serve without additional compensation: **in the manner provided in IC 20-26-4-7.**

(f) The governing body of a consolidated school corporation may elect and appoint personnel it considers necessary.

SECTION 7. IC 20-23-6-11, AS ADDED BY P.L.1-2005, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 11. A governing body shall, after the members have taken their oath of office, cause a copy of the resolution to consolidate to be filed with **the department of local government finance and** the county recorder in the county in which the new school district is located. Any consolidated school district is declared to be and is made a school corporation for school purposes, separate and distinct from any civil corporation.

SECTION 8. IC 20-23-6-12.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: **Sec. 12.5. (a) The governing body of two (2) or more school corporations situated in the same or adjoining counties may:**

- (1) consolidate; or



(2) be required to consolidate under section 5.5 of this chapter;
 their respective school corporations under the conditions prescribed in this section. A school corporation that consolidates with one (1) or more school corporations as prescribed under this section is considered a subunit of the consolidated school corporation.

(b) A resolution for consolidation under this section must include:

- (1) subject to section 3(b) of this chapter, the information required in section 3(a)(1) through 3(a)(4) of this chapter; and
- (2) a declaration that debts or obligations paid by a debt service levy under IC 20-40-9 incurred by a subunit before the consolidated school corporation comes into existence may be levied only on the taxpayers of the subunit that initially incurred the debts or obligations.

(c) A resolution for consolidation under this section may include any declarations concerning the proposed consolidation that are otherwise permitted under this chapter, including the following:

- (1) A declaration that the name or attendance area of each school within a subunit may remain unchanged after the date on which the consolidated school corporation comes into existence.
- (2) A declaration that the administrative functions of each subunit will be consolidated in the proposed consolidated school corporation.

(d) All debts of the former school corporations shall be assumed and paid by the new consolidated school corporation. However, a debt service levy under IC 20-46-7 for debts and obligations incurred by a school corporation before the date the school corporation consolidates under this chapter may be levied only in the subunit of the consolidated school corporation that initially incurred the debt or obligation, unless otherwise provided in the resolution.

(e) All debts and obligations incurred by the consolidated school corporation after the date on which the consolidation becomes effective are considered a debt or obligation of the consolidated school corporation as a whole.

(f) This subsection applies to a consolidation under this section. Upon receipt of the resolution to consolidate under section 11 of this chapter, the department of local government finance shall set for the consolidated school corporation:



- (1) new maximum levies under IC 20-46-4 and IC 20-46-5, which must equal the sum of the existing maximum levies adjusted for assessed value growth; and
- (2) a new maximum rate under IC 20-46-6, which equals an amount determined as follows:

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

STEP TWO: Determine the sum of the STEP ONE amounts.

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

STEP FOUR: Divide the STEP TWO amount by the STEP THREE amount.

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

- (i) the STEP FOUR amount; multiplied by
- (ii) one hundred (100).

(g) A consolidation under this section is subject to all other provisions of this chapter to the extent the provisions are not inconsistent with and do not conflict with this section. If there is a conflict between any provision in this chapter and a provision in this section, this section governs.

SECTION 9. IC 20-46-7-4, AS ADDED BY P.L.2-2006, SECTION 169, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 4. **(a)** The governing body of each school corporation shall establish a levy in every calendar year sufficient to pay all obligations.

(b) This subsection applies to a school corporation that consolidates under IC 20-23-6-12.5. The governing body shall establish a levy for each subunit (as defined in IC 20-23-6-0.5) in each calendar year sufficient to pay the debts and obligations that the particular subunit incurred before consolidating with one (1) or more school corporations under IC 20-23-6-12.5.



President of the Senate

President Pro Tempore

Speaker of the House of Representatives

Governor of the State of Indiana

Date: _____ Time: _____

