



Reprinted
February 2, 2016

SENATE BILL No. 307

DIGEST OF SB 307 (Updated February 1, 2016 3:00 pm - DI 116)

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

Synopsis: Consolidation of school administrative functions. Provides that the governing body of each school corporation 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 together 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 of the date that the proposed resolution and petition are submitted to the governing body to discuss the proposed consolidation. Provides that, if after 30
(Continued next page)

Effective: July 1, 2016.

Kenley, Mishler, Raatz

January 6, 2016, read first time and referred to Committee on Education & Career Development.

January 28, 2016, amended, reported favorably — Do Pass.

February 1, 2016, read second time, amended, ordered engrossed.

SB 307—LS 6868/DI 116



Digest Continued

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. Makes changes to the itemized list of administrative functions being consolidated in the resolution. Removes a requirement that the proposed resolution must declare that the proposed new school corporation's subunit shall be under the direction of an assistant superintendent. Provides that the election shall 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 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 a period of 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 or not 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 to set new maximum levies, which must equal the sum of the existing maximum levies adjusted for assessed value growth. Requires the department of local government finance to establish a maximum capital projects levy rate.

SB 307—LS 6868/DI 116



Reprinted
February 2, 2016

Second Regular Session 119th General Assembly (2016)

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 2015 Regular Session of the General Assembly.

SENATE BILL No. 307

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, 2016]: 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

SB 307—LS 6868/DI 116



1 JULY 1, 2016]:

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 school corporations under this chapter.**

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

20 **Sec. 4. (a) If the governing bodies of each school corporation**
21 **situated in a particular county desire to consolidate school**
22 **corporations under this chapter, the governing bodies may meet**
23 **together and adopt a joint resolution declaring their intention to**
24 **consolidate school corporations in the manner provided in this**
25 **chapter.**

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

34 **(c) On or before the sixth day following the last publication**
35 **under subsection (b) of the notice of intention to consolidate,**
36 **twenty percent (20%) of the legal voters residing in the district of**
37 **any of the school corporations sought to be consolidated may**
38 **protest the joint resolution by filing a petition with the governing**
39 **body of their respective school corporation to hold an election to**
40 **determine whether or not the majority of the voters residing in the**
41 **district of that school corporation is in favor of consolidation. If**
42 **such a protest petition is filed, an election shall be held in the**



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

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

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

11 (2) prepares a resolution;

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

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

28 **Sec. 6. (a) A resolution under section 4 or 5 of this chapter must**
 29 **set out the following concerning the proposed consolidation:**

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

31 (2) The number of members on the governing body of the
 32 proposed new school corporation and the manner in which
 33 the members shall be elected or appointed, including the
 34 manner of the nomination of members.

35 (3) If there is to be an election, who shall constitute the board
 36 of election commissioners, who shall appoint inspectors,
 37 judges, clerks, and sheriffs, and any other provisions desirable
 38 in facilitating any election. Where applicable and not in
 39 conflict with the resolution, the election is governed by the
 40 general election laws of Indiana, including the registration
 41 laws.

42 (4) Limitations on residence, term of office, and other



1 **qualifications required of the members of the governing body.**
 2 **A resolution may not provide for an appointive or elective**
 3 **term of more than four (4) years. A member may succeed**
 4 **himself or herself in office.**

5 **(5) Names of present school corporations that are to be**
 6 **merged together as a consolidated school corporation.**

7 **(6) Unless otherwise declared in the resolution, a declaration**
 8 **that the name or attendance area of each school within a**
 9 **subunit will not be changed for a period of at least ten (10)**
 10 **years after the date the consolidation comes into existence.**

11 **(7) A declaration that debts or obligations paid by a debt**
 12 **service levy under IC 20-40-9 incurred by a subunit before the**
 13 **new consolidated school corporation comes into existence may**
 14 **be levied only on the taxpayers of the proposed subunit that**
 15 **initially incurred the debts or obligations.**

16 **(8) An itemized listing of the administrative functions to be**
 17 **consolidated in the proposed new school corporation,**
 18 **including, but not limited to, one (1) or more of the following:**

19 **(A) Administrative staffing, including staffing for business**
 20 **functions and curricular services.**

21 **(B) Transportation services.**

22 **(C) Food preparation services.**

23 **(D) Library services.**

24 **(E) Janitorial services.**

25 **(9) A declaration that the proposed new school corporation**
 26 **shall be under the direction of a superintendent selected by**
 27 **the governing body.**

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

30 **(b) The number of members on the governing body of the**
 31 **proposed consolidated school corporation as provided in a**
 32 **resolution described in this section may not be less than three (3)**
 33 **or more than seven (7).**

34 **Sec. 7. (a) If:**

35 **(1) a petition is filed in one (1) or more of the school**
 36 **corporations protesting consolidation, as provided in a**
 37 **resolution adopted by a governing body under section 4 of this**
 38 **chapter, by the legal voters of the school corporation**
 39 **proposed to be consolidated; or**

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

42 **the governing body in each school corporation in which a petition**



1 or protest petition is filed shall certify the public question to each
 2 county election board of the county in which the school corporation
 3 is located. The county election board shall call an election of the
 4 voters of the school corporation to determine if a majority of the
 5 legal voters of the school corporation is in favor of consolidating
 6 the school corporations.

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

- 15 (1) township;
- 16 (2) town; or
- 17 (3) city;

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

26 (c) The governing body of each school corporation in which an
 27 election is held is bound by the majority vote of those voting. The
 28 question of consolidation shall be held in the next primary election,
 29 general election, or municipal election in which all the registered
 30 voters who are residents of the school corporation are entitled to
 31 vote after certification of the question under IC 3-10-9-3. The
 32 certification of the question must occur not later than noon:

- 33 (1) sixty (60) days before a primary election if the question is
 34 to be placed on the primary or municipal primary election
 35 ballot; or
- 36 (2) August 1 if the question is to be placed on the general or
 37 municipal election ballot.

38 (d) If a majority of those voting in any one (1) school
 39 corporation votes against the plan of consolidation, the plan fails.

40 Sec. 8. (a) The election shall be governed by IC 3, except as
 41 provided in this chapter.

42 (b) The county election board shall conduct the election. The



1 public question shall be placed on the ballot in the form prescribed
 2 by IC 3-10-9-4 and must state "Shall the administration of (here
 3 insert the names of the school corporations that the resolution
 4 proposes to consolidate) be consolidated into a consolidated school
 5 corporation?".

6 (c) A brief statement of the provisions in the resolution for
 7 appointment or election of a governing body may be placed on the
 8 ballot in the form prescribed by IC 3-10-9-4. A certificate of the
 9 votes cast for and against the consolidation of the school
 10 corporations shall be filed with:

11 (1) the governing body of all school corporations subject to
 12 the election;

13 (2) the state superintendent; and

14 (3) the county recorder of each county in which a consolidated
 15 school corporation is located;

16 together with a copy of the resolution.

17 (d) If a majority of the votes cast at each of the elections are in
 18 favor of the consolidation of each school corporation of the county,
 19 the governing bodies of the school corporations shall proceed to
 20 consolidate the school corporation.

21 Sec. 9. Each school of the consolidated schools is under the
 22 control and management of the original governing body until the
 23 consolidated school corporation comes into existence at the time
 24 provided in section 10 of this chapter. When the consolidated
 25 school corporation comes into existence, the term of office of each
 26 of the members of the original governing bodies expires.

27 Sec. 10. (a) Consolidated schools are under the control and
 28 management of the consolidated governing body created under this
 29 chapter, and a new consolidated school corporation comes into
 30 existence the later of:

31 (1) the time specified in the resolutions provided in section 4
 32 of this chapter;

33 (2) if a protest petition under section 4 of this chapter has not
 34 been filed and the creation is accomplished by the adoption of
 35 a joint resolution following publication of notice as provided
 36 in section 3 of this chapter, thirty (30) days after the adoption
 37 of the joint resolution; or

38 (3) if the creation is accomplished after an election as
 39 provided in section 8 of this chapter, thirty (30) days after the
 40 election.

41 (b) The members of the consolidated governing body shall:

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



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



1 (3) privileges; and
 2 (4) debts and obligations;
 3 of the former school corporation are considered to accrue to and
 4 be assumed by the new consolidated school corporation.

5 (c) The title of property shall pass to and become vested in the
 6 new consolidated school corporation. All debts of the former school
 7 corporations shall be assumed and paid by the new consolidated
 8 school corporation. However, a debt service levy under IC 20-46-7
 9 for debts and obligations incurred by a school corporation prior to
 10 the date the school corporation consolidates under this chapter
 11 may be levied only in the subunit of the consolidated school
 12 corporation that initially incurred the debt or obligation. All the
 13 privileges and rights conferred by law upon the former school
 14 corporation are granted to the newly consolidated school
 15 corporation. All debts and obligations incurred by the consolidated
 16 school corporation after the date on which the consolidation
 17 becomes effective are considered a debt or obligation of the
 18 consolidated school corporation as a whole.

19 Sec. 12. The governing body of a consolidated school
 20 corporation shall, after the members have taken their oath of
 21 office, cause a copy of the resolution to consolidate to be filed with
 22 the:

- 23 (1) county recorder in the county in which the new school
 24 district is located;
 25 (2) department of local government finance; and
 26 (3) state board.

27 Any consolidated school district is declared to be and is made a
 28 school corporation for school purposes, separate and distinct from
 29 any civil corporation.

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

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

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

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

42 STEP THREE: Determine the certified net assessed values



1 **for the subunits.**
2 **STEP FOUR: Divide the STEP TWO amount by the STEP**
3 **THREE amount (rounded to the nearest ten-thousandth**
4 **(0.0001)).**
5 SECTION 3. IC 20-46-7-4, AS ADDED BY P.L.2-2006, SECTION
6 169, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY
7 1, 2016]: Sec. 4. **(a)** The governing body of each school corporation
8 shall establish a levy in every calendar year sufficient to pay all
9 obligations.
10 **(b) This subsection applies to a school corporation that**
11 **consolidates under IC 20-23-6.5. The governing body shall**
12 **establish a levy for each subunit (as defined in IC 20-23-6.5-2) in**
13 **each calendar year sufficient to pay the debts and obligations that**
14 **the particular subunit incurred prior to consolidating with one (1)**
15 **or more school corporations under IC 20-23-6.5.**



COMMITTEE REPORT

Madam President: The Senate Committee on Education and Career Development, to which was referred Senate Bill No. 307, 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:

Page 3, delete lines 6 through 16, begin a new paragraph and insert:

"Sec. 5. (a) Whenever a petitioner:

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

(2) prepares a resolution;

the petitioner shall submit certified copies of the resolution and petition to the governing bodies of each school corporation contained in the proposed consolidation. Each governing body named in the resolution shall hold a public meeting within sixty (60) days of the date that the proposed resolution and petition are submitted to the governing body to discuss the proposed consolidation. If, after thirty (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."

Page 4, line 14, delete "staffing." and insert **"staffing, including staffing for business functions and curricular services."**

Page 4, line 21, delete "body with an assistant superintendent" and insert **"body."**

Page 4, delete line 22.

Page 5, line 3, delete "." and insert **"at a general or primary election in which voters of each school corporation will vote."**

Page 6, line 39, delete "reorganize on" and insert **"organize in the manner set forth in IC 20-26-4-1."**

Page 6, delete line 40.

Page 6, line 41, delete "is changed."

Run in lines 39 through 41.

Page 8, delete lines 24 through 28, begin a new paragraph and insert:

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

(1) new maximum levies under IC 20-46-4 and IC 20-46-5, which may not be less than 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 certified net assessed values for the subunits.

STEP FOUR: Divide the STEP TWO amount by the STEP THREE amount (rounded to the nearest ten-thousandth (0.0001))."

and when so amended that said bill do pass.

(Reference is to SB 307 as introduced.)

KRUSE, Chairperson

Committee Vote: Yeas 9, Nays 0.

SENATE MOTION

Madam President: I move that Senate Bill 307 be amended to read as follows:

Page 8, line 33, delete "may not be less than" and insert "**must equal**".

(Reference is to SB 307 as printed January 29, 2016.)

KENLEY

