

PREVAILED	Roll Call No. _____
FAILED	Ayes _____
WITHDRAWN	Noes _____
RULED OUT OF ORDER	

HOUSE MOTION _____

MR. SPEAKER:

I move that House Bill 1272 be amended to read as follows:

- 1 Page 1, between the enacting clause and line 1, begin anew
- 2 paragraph and insert:
- 3 "SECTION 1. IC 4-4-8-9 IS AMENDED TO READ AS
- 4 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 9. Any qualified entity
- 5 receiving a loan under this chapter may levy an annual tax on personal
- 6 and real property located within its geographical limits for industrial
- 7 development purposes, in addition to any other tax authorized by
- 8 statute to be levied for such purposes, at such rate as will produce
- 9 sufficient revenue to pay the annual installment and interest on any
- 10 loan made under this chapter. Such a tax may be in addition to the
- 11 maximum annual rates prescribed by IC 6-1.1-18, IC 6-1.1-18.5,
- 12 ~~IC 6-1.1-19~~, and other statutes.
- 13 SECTION 2. IC 6-1.1-1-8.3 IS ADDED TO THE INDIANA
- 14 CODE AS A NEW SECTION TO READ AS FOLLOWS
- 15 [EFFECTIVE JANUARY 1, 2000]: **Sec. 8.3. For purposes of**
- 16 **IC 6-1.1-19, "general fund" means the fund that the governing**
- 17 **body of a school corporation is required to establish by**
- 18 **IC 21-2-11-2.**
- 19 SECTION 3. IC 6-1.1-1-16.5 IS ADDED TO THE INDIANA
- 20 CODE AS A NEW SECTION TO READ AS FOLLOWS
- 21 [EFFECTIVE JANUARY 1, 2000]: **Sec. 16.5. For purposes of**
- 22 **IC 6-1.1-19, "school year" means the period from July 1 of each**
- 23 **year until June 30 of the following year.**
- 24 SECTION 4. IC 6-1.1-1-19.5 IS ADDED TO THE INDIANA

1 CODE AS A NEW SECTION TO READ AS FOLLOWS
 2 [EFFECTIVE JANUARY 1, 2000]: **Sec. 19.5. For purposes of**
 3 **IC 6-1.1-19, "tax control board" means the school property tax**
 4 **control board established by IC 6-1.1-19-4.1.**

5 SECTION 5. IC 6-1.1-17-1.5 IS ADDED TO THE INDIANA
 6 CODE AS A NEW SECTION TO READ AS FOLLOWS
 7 [EFFECTIVE JULY 1, 1998]: **Sec. 1.5. (a) This section applies to a**
 8 **budget governing an expenditure from a school corporation's**
 9 **general fund after December 31, 1999.**

10 **(b) A budget for a school corporation's general fund is subject**
 11 **to the same budget and review procedures under this chapter as a**
 12 **fund for which a property tax is levied.**

13 SECTION 6. IC 6-1.1-17-3, AS AMENDED BY P.L.50-1996,
 14 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 15 JANUARY 1, 1999]: **Sec. 3. (a) The proper officers of a political**
 16 **subdivision shall formulate its estimated budget and its proposed tax**
 17 **rate and tax levy on the form prescribed by the state board of tax**
 18 **commissioners and approved by the state board of accounts. The**
 19 **political subdivision shall give notice by publication to taxpayers of:**

- 20 (1) the estimated budget;
 21 (2) the estimated maximum permissible levy;
 22 (3) the current and proposed tax levies of each fund; ~~and~~
 23 (4) the amounts of excessive levy appeals to be requested; **and**
 24 **(5) after December 31, 1998, the current and proposed**
 25 **amount of revenue to be distributed by the state during the**
 26 **budget year to the general fund of a school corporation.**

27 In the notice, the political subdivision shall also state the time and
 28 place at which a public hearing will be held on these items. The notice
 29 shall be published twice in accordance with IC 5-3-1 with the first
 30 publication at least ten (10) days before the date fixed for the public
 31 hearing.

- 32 (b) The trustee of each township of the county shall:
 33 (1) estimate the amount necessary to meet the cost of poor relief
 34 in the township for the ensuing calendar year; and
 35 (2) publish with the township budget a tax rate sufficient to meet
 36 the estimated cost of poor relief.

37 The taxes collected as a result of this rate shall be credited to the
 38 county poor fund.

39 (c) The board of directors of a solid waste management district
 40 established under IC 13-21 or IC 13-9.5-2 (before its repeal) may
 41 conduct the public hearing required under subsection (a):

- 42 (1) in any county of the solid waste management district; and
 43 (2) in accordance with the annual notice of meetings published
 44 under IC 13-21-5-2.

45 SECTION 7. IC 6-1.1-17-5.1, AS AMENDED BY P.L.2-1997,
 46 SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

1 JULY 1, 1998]: Sec. 5.1. (a) As used in this section, "school
2 corporation" has the meaning set forth in IC 20-10.1-1-1.

3 (b) Before February 1 of each year, the officers of a school
4 corporation shall meet to fix the budget for the school corporation for
5 the ensuing budget year, with notice given by the same officers.

6 (c) Not later than two (2) days after a school corporation fixes a
7 budget under subsection (b), the officers of the school corporation shall
8 file the budget adopted by the school corporation for the ensuing
9 budget year with the state board of tax commissioners.

10 (d) Each year at least two (2) days before the first meeting of the
11 county board of tax adjustment held under IC 6-1.1-29-4, a school
12 corporation shall file with the county auditor:

13 (1) a statement of the tax rate and tax levy fixed by the school
14 corporation for the ensuing budget year;

15 **(2) after December 31, 1998, the proposed amount of revenue
16 to be distributed by the state during the budget year to the
17 general fund of a school corporation;**

18 ~~(3)~~ (3) two (2) copies of the budget adopted by the school
19 corporation for the ensuing budget year; and

20 ~~(4)~~ (4) any written notification from the state board of tax
21 commissioners under section 16(i) of this chapter that specifies
22 a proposed revision, reduction, or increase in the budget adopted
23 by the school corporation for the ensuing budget year.

24 Each year the county auditor shall present these items to the county
25 board of tax adjustment at the board's first meeting.

26 (e) In a consolidated city, a county containing a consolidated city,
27 and a second class city, the clerk of the fiscal body shall,
28 notwithstanding subsection (d), file the adopted budget and tax
29 ordinances with the county board of tax adjustment not later than two
30 (2) days after the ordinances are signed by the executive or not later
31 than two (2) days after action is taken by the fiscal body to override a
32 veto of the ordinances, whichever is later.

33 SECTION 8. IC 6-1.1-17-8 IS AMENDED TO READ AS
34 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 8. (a) If the county
35 board of tax adjustment determines that the maximum aggregate tax
36 rate permitted within a political subdivision under IC ~~1971~~; 6-1.1-18
37 is inadequate, the county board shall, subject to the limitations
38 prescribed in IC ~~1971~~; 6-1.1-19-2 (**repealed January 1, 2000**), file its
39 written recommendations in duplicate with the county auditor. The
40 board shall include with its recommendations:

41 (1) an analysis of the aggregate tax rate within the political
42 subdivision;

43 (2) a recommended breakdown of the aggregate tax rate among
44 the political subdivisions whose tax rates compose the aggregate
45 tax rate within the political subdivision; and

46 (3) any other information which the county board considers

1 relevant to the matter.

2 (b) The county auditor shall forward one (1) copy of the county
3 board's recommendations to the state board of tax commissioners and
4 shall retain the other copy in his office. The state board of tax
5 commissioners shall, in the manner prescribed in section 16 of this
6 chapter, review the budgets, tax rates, and tax levies of the political
7 subdivisions described in subsection (a)(2) of this section.

8 SECTION 9. IC 6-1.1-17-10 IS AMENDED TO READ AS
9 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 10. (a) When the
10 aggregate tax rate within a political subdivision, as approved or
11 modified by the county board of tax adjustment, exceeds the maximum
12 aggregate tax rate prescribed in IC 1971, 6-1.1-18-3(a), the county
13 auditor shall certify the budgets, tax rates, and tax levies of the political
14 subdivisions whose tax rates compose the aggregate tax rate within the
15 political subdivision, as approved or modified by the county board, to
16 the state board of tax commissioners for final review. For purposes of
17 this section, the maximum aggregate tax rate limit exceptions provided
18 in IC ~~1971~~, 6-1.1-18-3(b) do not apply.

19 (b) **The county auditor shall certify the general fund budgets**
20 **of each school corporation, as modified by the county board of tax**
21 **adjustment, to the state board of tax commissioners for final**
22 **review.**

23 SECTION 10. IC 6-1.1-17-13 IS AMENDED TO READ AS
24 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 13. Ten (10) or more
25 taxpayers may initiate an appeal from the county board of tax
26 adjustment's action on a political subdivision's budget by filing a
27 statement of their objections with the county auditor. The statement
28 must be filed within ten (10) days after the publication of the notice
29 required by section 12 of this chapter. The statement shall specifically
30 identify the provisions of the budget and, **for funds for which a**
31 **property tax is imposed, the** tax levy to which the taxpayers object.
32 The county auditor shall forward the statement, with the budget, to the
33 state board of tax commissioners.

34 SECTION 11. IC 6-1.1-17-16, AS AMENDED BY P.L.50-1996,
35 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
36 JULY 1, 1998]: Sec. 16. (a) Subject to the limitations and requirements
37 prescribed in this section, the state board of tax commissioners may
38 revise, reduce, or increase a political subdivision's budget, tax rate, or
39 tax levy which the board reviews under section 8 or 10 of this chapter.

40 (b) Subject to the limitations and requirements prescribed in this
41 section, the state board of tax commissioners may review, revise,
42 reduce, or increase the budget, tax rate, or tax levy of any of the
43 political subdivisions whose tax rates compose the aggregate tax rate
44 within a political subdivision whose budget, tax rate, or tax levy is the
45 subject of an appeal initiated under this chapter.

46 (c) Except as provided in subsection (i), before the state board of

1 tax commissioners reviews, revises, reduces, or increases a political
 2 subdivision's budget, tax rate, or tax levy under this section, the board
 3 must hold a public hearing on the budget, tax rate, and tax levy. The
 4 board shall hold the hearing in the county in which the political
 5 subdivision is located. The board may consider the budgets, tax rates,
 6 and tax levies of several political subdivisions at the same public
 7 hearing. At least five (5) days before the date fixed for a public hearing,
 8 the board shall give notice of the time and place of the hearing and of
 9 the budgets, levies, and tax rates to be considered at the hearing. The
 10 board shall publish the notice in two (2) newspapers of general
 11 circulation published in the county. However, if only one (1)
 12 newspaper of general circulation is published in the county, the board
 13 shall publish the notice in that newspaper.

14 (d) Except as provided in:

15 (1) subsection (h);

16 (2) IC 6-1.1-19, **for ad valorem property taxes first due and**
 17 **payable before January 1, 2000;** or

18 (3) IC 6-1.1-18.5;

19 the state board of tax commissioners may not increase a political
 20 subdivision's budget, tax rate, or tax levy to an amount which exceeds
 21 the amount originally fixed by the political subdivision. The state board
 22 of tax commissioners shall give the political subdivision written
 23 notification specifying any revision, reduction, or increase the state
 24 board of tax commissioners proposes in a political subdivision's tax
 25 levy or tax rate. The political subdivision has one (1) week from the
 26 date the political subdivision receives the notice to provide a written
 27 response to the state board of tax commissioners' Indianapolis office
 28 specifying how to make the required reductions in the amount budgeted
 29 for each office or department. The state board of tax commissioners
 30 shall make reductions as specified in the political subdivision's
 31 response if the response is provided as required by this subsection and
 32 sufficiently specifies all necessary reductions. The state board of tax
 33 commissioners may make a revision, a reduction, or an increase in a
 34 political subdivision's budget only in the total amounts budgeted for
 35 each office or department within each of the major budget
 36 classifications prescribed by the state board of accounts.

37 (e) The state board of tax commissioners may not approve a levy
 38 for lease payments by a city, town, county, library, or school
 39 corporation if the lease payments are payable to a building corporation
 40 for use by the building corporation for debt service on bonds and if:

41 (1) no bonds of the building corporation are outstanding; or

42 (2) the building corporation has enough legally available funds
 43 on hand to redeem all outstanding bonds payable from the
 44 particular lease rental levy requested.

45 (f) The action of the state board of tax commissioners on a budget,
 46 tax rate, or tax levy is final. The board shall certify its action to:

- 1 (1) the county auditor; and
 2 (2) the political subdivision if the state board acts pursuant to an
 3 appeal initiated by the political subdivision.
- 4 (g) The state board of tax commissioners is expressly directed to
 5 complete the duties assigned to it under this section not later than
 6 February 15th of each year for taxes to be collected during that year.
- 7 (h) Subject to the provisions of all applicable statutes, the state
 8 board of tax commissioners may increase a political subdivision's tax
 9 levy to an amount that exceeds the amount originally fixed by the
 10 political subdivision if the increase is:
- 11 (1) requested in writing by the officers of the political
 12 subdivision;
 13 (2) either:
- 14 (A) based on information first obtained by the political
 15 subdivision after the public hearing under section 3 of this
 16 chapter; or
 17 (B) results from an inadvertent mathematical error made in
 18 determining the levy; and
- 19 (3) published by the political subdivision according to a notice
 20 provided by the state board of tax commissioners.
- 21 (i) The state board of tax commissioners shall annually review the
 22 budget of each school corporation not later than April 1. The state
 23 board of tax commissioners shall give the school corporation written
 24 notification specifying any revision, reduction, or increase the state
 25 board of tax commissioners proposes in the school corporation's
 26 budget. A public hearing is not required in connection with this review
 27 of the budget.
- 28 SECTION 12. IC 6-1.1-18-3, AS AMENDED BY P.L.25-1995,
 29 SECTION 27 (CURRENT VERSION), IS AMENDED TO READ AS
 30 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 3. (a) Except as
 31 provided in subsection (b), the sum of all tax rates for all political
 32 subdivisions imposed on tangible property within a political
 33 subdivision may not exceed:
- 34 (1) one dollar and twenty-five cents (\$1.25) on each one hundred
 35 dollars (\$100) of assessed valuation in territory outside the
 36 corporate limits of a city or town; or
 37 (2) two dollars (\$2) on each one hundred dollars (\$100) of
 38 assessed valuation in territory inside the corporate limits of a city
 39 or town.
- 40 (b) **Subject after December 31, 1999, to IC 6-1.1-19-1.9**, the
 41 proper officers of a political subdivision shall fix **property** tax rates
 42 which are sufficient to provide funds for the purposes itemized in this
 43 subsection. The portion of a tax rate fixed by a political subdivision **for**
 44 **a property tax levy** shall not be considered in computing the tax rate
 45 limits prescribed in subsection (a) if that portion is to be used for one
 46 (1) of the following purposes:

- 1 (1) To pay the principal or interest on a funding, refunding, or
 2 judgment funding obligation of the political subdivision.
- 3 (2) To pay the principal or interest on an outstanding obligation
 4 issued by the political subdivision if notice of the sale of the
 5 obligation was published before March 9, 1937.
- 6 (3) To pay the principal or interest upon:
 7 (A) an obligation issued by the political subdivision to meet
 8 an emergency which results from a flood, fire, pestilence,
 9 war, or any other major disaster; or
 10 (B) a note issued under IC 36-2-6-18, IC 36-3-4-22,
 11 IC 36-4-6-20, or IC 36-5-2-11 to enable a city, town, or
 12 county to acquire necessary equipment or facilities for
 13 municipal or county government.
- 14 (4) To pay the principal or interest upon an obligation issued in
 15 the manner provided in IC 6-1.1-20-3 (before its repeal) or
 16 IC 6-1.1-20-3.1 through IC 6-1.1-20-3.2.
- 17 (5) To pay a judgment rendered against the political subdivision.
- 18 (6) To meet the requirements of the county welfare fund, the
 19 county welfare administration fund, for public welfare services,
 20 or the family and children's fund for child services (as defined in
 21 IC 12-19-7-1).
- 22 (7) To meet the requirements of the county hospital care for the
 23 indigent fund.
- 24 (c) Except as otherwise provided in IC 6-1.1-19 or IC 6-1.1-18.5,
 25 a county board of tax adjustment, a county auditor, or the state board
 26 of tax commissioners may review the portion of a tax rate described in
 27 subsection (b) only to determine if it exceeds the portion actually
 28 needed to provide for one (1) of the purposes itemized in that
 29 subsection.
- 30 SECTION 13. IC 6-1.1-18-3, AS AMENDED BY P.L.6-1997,
 31 SECTION 82 (DELAYED VERSION), IS AMENDED TO READ AS
 32 FOLLOWS [EFFECTIVE MARCH 1, 2001]: Sec. 3. (a) Except as
 33 provided in subsection (b), the sum of all tax rates for all political
 34 subdivisions imposed on tangible property within a political
 35 subdivision may not exceed:
- 36 (1) forty-one and sixty-seven hundredths cents (\$0.4167) on each
 37 one hundred dollars (\$100) of assessed valuation in territory
 38 outside the corporate limits of a city or town; or
 39 (2) sixty-six and sixty-seven hundredths cents (\$0.6667) on each
 40 one hundred dollars (\$100) of assessed valuation in territory
 41 inside the corporate limits of a city or town.
- 42 (b) **Subject after December 31, 1999, to IC 6-1.1-19-1.9**, the
 43 proper officers of a political subdivision shall fix **property** tax rates
 44 which are sufficient to provide funds for the purposes itemized in this
 45 subsection. The portion of a tax rate fixed by a political subdivision **for**
 46 **a property tax levy** shall not be considered in computing the tax rate

1 limits prescribed in subsection (a) if that portion is to be used for one
2 (1) of the following purposes:

3 (1) To pay the principal or interest on a funding, refunding, or
4 judgment funding obligation of the political subdivision.

5 (2) To pay the principal or interest on an outstanding obligation
6 issued by the political subdivision if notice of the sale of the
7 obligation was published before March 9, 1937.

8 (3) To pay the principal or interest upon:

9 (A) an obligation issued by the political subdivision to meet
10 an emergency which results from a flood, fire, pestilence,
11 war, or any other major disaster; or

12 (B) a note issued under IC 36-2-6-18, IC 36-3-4-22,
13 IC 36-4-6-20, or IC 36-5-2-11 to enable a city, town, or
14 county to acquire necessary equipment or facilities for
15 municipal or county government.

16 (4) To pay the principal or interest upon an obligation issued in
17 the manner provided in IC 6-1.1-20-3 (before its repeal) or
18 IC 6-1.1-20-3.1 through IC 6-1.1-20-3.2.

19 (5) To pay a judgment rendered against the political subdivision.

20 (6) To meet the requirements of the county welfare fund, the
21 county welfare administration fund, for public welfare services,
22 or the family and children's fund for child services (as defined in
23 IC 12-19-7-1).

24 (7) To meet the requirements of the county hospital care for the
25 indigent fund.

26 (c) Except as otherwise provided in IC 6-1.1-19 or IC 6-1.1-18.5,
27 a county board of tax adjustment, a county auditor, or the state board
28 of tax commissioners may review the portion of a tax rate described in
29 subsection (b) only to determine if it exceeds the portion actually
30 needed to provide for one (1) of the purposes itemized in that
31 subsection.

32 SECTION 14. IC 6-1.1-18-5, AS AMENDED BY P.L.17-1995,
33 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
34 JULY 1, 1998]: Sec. 5. (a) If the proper officers of a political
35 subdivision desire to appropriate more money for a particular year than
36 the amount prescribed in the budget for that year as finally determined
37 under this article, they shall give notice of their proposed additional
38 appropriation. The notice shall state the time and place at which a
39 public hearing will be held on the proposal. The notice shall be given
40 once in accordance with IC 5-3-1-2(b).

41 (b) If the additional appropriation by the political subdivision is
42 **from the general fund of a school corporation or is made from a**
43 **fund that receives:**

44 (1) distributions from the motor vehicle highway account
45 established under IC 8-14-1-1 or the local road and street
46 account established under IC 8-14-2-4; or

1 (2) revenue from property taxes levied under IC 6-1.1;
 2 the political subdivision must report the additional appropriation to the
 3 state board of tax commissioners. If the additional appropriation is
 4 made from a fund described under this subsection, subsections (f), (g),
 5 (h), and (i) apply to the political subdivision.

6 (c) However, if the additional appropriation is not made from a
 7 fund described under subsection (b), subsections (f), (g), (h), and (i) do
 8 not apply to the political subdivision. Subsections (f), (g), (h), and (i)
 9 do not apply to an additional appropriation made from the cumulative
 10 bridge fund if the appropriation meets the requirements under
 11 IC 8-16-3-3(c).

12 (d) A political subdivision may make an additional appropriation
 13 without approval of the state board of tax commissioners if the
 14 additional appropriation is made from a fund that is not described
 15 under subsection (b). However, the fiscal officer of the political
 16 subdivision shall report the additional appropriation to the state board
 17 of tax commissioners.

18 (e) After the public hearing, the proper officers of the political
 19 subdivision shall file a certified copy of their final proposal and any
 20 other relevant information to the state board of tax commissioners.

21 (f) When the state board of tax commissioners receives a certified
 22 copy of a proposal for an additional appropriation under subsection (e),
 23 the board shall determine whether sufficient funds are available or will
 24 be available for the proposal. The determination shall be made in
 25 writing and sent to the political subdivision not more than fifteen (15)
 26 days after the board receives the proposal.

27 (g) In making the determination under subsection (f), the board
 28 shall limit the amount of the additional appropriation to revenues
 29 available, or to be made available, which have not been previously
 30 appropriated.

31 (h) If the state board of tax commissioners disapproves an
 32 additional appropriation under subsection (f), the state board of tax
 33 commissioners shall specify the reason for its disapproval on the
 34 determination sent to the political subdivision.

35 (i) A political subdivision may request a reconsideration of a
 36 determination of the state board of tax commissioners under this
 37 section by filing a written request for reconsideration. A request for
 38 reconsideration must:

39 (1) be filed with the state board of tax commissioners within
 40 fifteen (15) days of the receipt of the determination by the
 41 political subdivision; and

42 (2) state with reasonable specificity the reason for the request.

43 The state board of tax commissioners must act on a request for
 44 reconsideration within fifteen (15) days of receiving the request.

45 SECTION 15. IC 6-1.1-19-1.9 IS ADDED TO THE INDIANA
 46 CODE AS A NEW SECTION TO READ AS FOLLOWS

1 [EFFECTIVE JULY 1, 1998]: **Sec. 1.9. (a) This section applies to ad**
2 **valorem property taxes first due and payable after December 31,**
3 **1999.**

- 4 (b) **Except as provided in:**
- 5 (1) **IC 20-5-15-2 (public library in connection with school);**
- 6 (2) **IC 20-5-16-2 (nursery schools);**
- 7 (3) **IC 20-5-17-2 (Children's Museum in Marion County);**
- 8 (4) **IC 20-5-17.5-2 (historical societies);**
- 9 (5) **IC 20-5-17.5-3 (art associations);**
- 10 (6) **IC 20-5-17.5-4 (cultural institutions); and**
- 11 (7) **IC 20-5-37-4 (public playgrounds);**

12 **a school corporation may not levy an ad valorem property tax for**
13 **the school corporation's general fund.**

14 SECTION 16. IC 6-1.1-19-4.4, AS ADDED BY P.L.2-1996,
15 SECTION 216, IS AMENDED TO READ AS FOLLOWS
16 [EFFECTIVE JULY 1, 1998]: Sec. 4.4. (a) With respect to every
17 appeal petition **for property taxes first due and payable before**
18 **January 1, 2000**, that is delivered to the tax control board by the state
19 board of tax commissioners under section 4.1 of this chapter, and that
20 does not include a request for emergency financial relief, **and with**
21 **respect to every appeal petition for property taxes first due and**
22 **payable after December 31, 1999, to a fund other than the general**
23 **fund**, the tax control board shall, after the tax control board makes the
24 study of the appeal petition and related materials that the tax control
25 board considers necessary, recommend to the state board of tax
26 commissioners, in respect of the particular appeal petition that:

- 27 (1) the order of the county board of tax adjustment or the county
- 28 auditor in respect of the appellant school corporation's budget,
- 29 **ad valorem property tax levy, or ad valorem property tax rate**
- 30 **for the ensuing calendar year be approved;**
- 31 (2) the order of the county board of tax adjustment or the county
- 32 auditor in respect of the appellant school corporation's budget,
- 33 **ad valorem property tax levy, or ad valorem property tax rate**
- 34 **be disapproved and that the appellant school corporation's**
- 35 **budget, ad valorem property tax levy, or ad valorem property**
- 36 **tax rate be reduced as specified in the tax control board's**
- 37 **recommendation;**
- 38 (3) the order of the county board of tax adjustment or the county
- 39 auditor in respect of the appellant school corporation's budget,
- 40 **ad valorem property tax levy, or ad valorem property tax rate**
- 41 **be disapproved and that the appellant school corporation's**
- 42 **budget, ad valorem property tax levy, or ad valorem property**
- 43 **tax rate be increased as specified in the tax control board's**
- 44 **recommendation; or**
- 45 (4) **for property taxes first due and payable before January**
- 46 **1, 2000**, combined with a recommendation allowed under

1 subdivision (1), (2), or (3), the adjusted base tax levy for the
 2 school corporation be increased if the school corporation can
 3 show a need for the increased adjusted base levy due to:

4 (A) the opening after December 31, 1972, of a new school
 5 facility; or

6 (B) the opening after July 1, 1988, of an existing facility
 7 that has not been used for at least three (3) years and that is
 8 being reopened to provide additional classroom space.

9 The adjusted base levy increase, if approved by the tax control
 10 board, shall be an amount equal to the increase in costs resulting
 11 to the school corporation from the opening and operation of the
 12 new school facility or the reopening and operation of an existing
 13 facility that has not been used for at least three (3) years and that
 14 is being reopened to provide additional classroom space. In
 15 determining those increased costs, the tax control board shall
 16 consider the costs to the school corporation of complying with
 17 safety, health, space, heat, or lighting standards required by state
 18 or federal law or regulation, and the other physical operation
 19 costs that in the opinion of the tax control board justify an
 20 adjustment in the school corporation's adjusted base levy.

21 (b) With respect to an appeal petition described in this section, the
 22 tax control board may not make a recommendation that, if followed by
 23 the state board of tax commissioners, would authorize the appellant
 24 school corporation for ~~the~~ **an** ensuing calendar year **before January 1,**
 25 **2000:**

26 (1) to collect a general fund tax levy in excess of the general
 27 fund tax levy initially adopted and advertised by the appellant
 28 school corporation;

29 (2) to impose a general fund tax rate in excess of the general
 30 fund tax rate initially adopted and advertised by the appellant
 31 school corporation; or

32 (3) to collect an excessive tax levy.

33 **With respect to an appeal petition described in this section, the tax**
 34 **control board may not make a recommendation that, if followed by**
 35 **the state board of tax commissioners, would authorize the**
 36 **appellant school corporation for an ensuing calendar year after**
 37 **December 31, 1999, to levy an ad valorem property tax for the**
 38 **school corporation's general fund.**

39 (c) **This subsection applies to a school budget for an**
 40 **expenditure from the school general fund after December 31, 1999.**
 41 **If the tax control board concludes that the appellant school**
 42 **corporation cannot, in the ensuing calendar year, carry out the**
 43 **public educational duty committed to the appellant school**
 44 **corporation by law if, for the ensuing calendar year, the appellant**
 45 **school corporation does not receive emergency financial relief, the**
 46 **tax control board may recommend to the state board of tax**

1 commissioners that the order of the county board of tax
 2 adjustment or the county auditor in respect to the budget of the
 3 appellant school corporation be approved, or disapproved and
 4 modified, as specified in the tax control board's recommendation,
 5 and that the appellant school corporation receive emergency
 6 financial relief from the state, on terms to be specified by the tax
 7 control board in the board's recommendation, in the form of:

- 8 (1) a grant or grants from funds of the state that are
 9 available for such a purpose;
 10 (2) a loan or loans from funds of the state that are available
 11 for such a purpose;
 12 (3) permission to the appellant school corporation to borrow
 13 funds from a source other than the state or assistance in
 14 obtaining the loan;
 15 (4) an advance or advances of funds that will become payable
 16 to the appellant school corporation under a law providing for
 17 the payment of state funds to school corporations;
 18 (5) permission to use, for general fund purposes, an
 19 unobligated balance in a construction fund, including
 20 unobligated proceeds of a sale of the school corporation's
 21 general obligation bonds; or
 22 (6) a combination of the emergency financial relief described
 23 in subdivisions (1) through (5).

24 The tax control board shall recommend the source of the
 25 repayment of a loan recommended under this subsection. The tax
 26 control board may not recommend the imposition of an ad valorem
 27 property tax levy to repay the loan. The state board of tax
 28 commissioners may accept, reject, or accept and modify a
 29 recommendation made by the tax control board under this
 30 subsection.

31 (d) A school corporation, with respect to which the tax control
 32 board recommends and the state board of tax commissioners
 33 authorizes emergency financial relief under subsection (c), is, if the
 34 school corporation accepts the authorized relief, prohibited
 35 throughout a calendar year in which or for which the school
 36 corporation receives the emergency financial relief from taking the
 37 prohibited actions described in this subsection until the action is
 38 recommended by the tax control board to the state board of tax
 39 commissioners and authorized by the state board of tax
 40 commissioners. The prohibited actions are any of the following:

- 41 (1) The acquisition of real estate for school building
 42 purposes, the construction of new school buildings, or the
 43 remodeling or renovation of existing school buildings.
 44 (2) The making of a lease of real or personal property for an
 45 annual rental or the incurring of any other contractual
 46 obligation (except an employment contract for a new

1 **employee, which contract is to supersede the contract of a**
2 **terminating employee) calling for an annual outlay by the**
3 **school corporation in excess of ten thousand dollars**
4 **(\$10,000).**

5 **(3) The purchase of personal property for a consideration in**
6 **excess of ten thousand dollars (\$10,000).**

7 **(4) The adoption or advertising of a budget, tax levy, or tax**
8 **rate for a calendar year.**

9 **(e) If a school corporation subject to the controls described in**
10 **subsection (d) takes any of the actions described in subsection (d)**
11 **without having first obtained the recommendation of the tax**
12 **control board and the state board of tax commissioners'**
13 **authorization for the action, the state board of tax commissioners**
14 **may take appropriate steps to reduce or terminate any emergency**
15 **financial relief that the school corporation may then be receiving**
16 **under subsection (c).**

17 SECTION 17. IC 6-1.1-19-5.3 IS AMENDED TO READ AS
18 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 5.3. (a) **This**
19 **subsection applies only to an ad valorem property tax levy that is**
20 **first due and payable before January 1, 2000.** The tax control board
21 may recommend to the state board of tax commissioners a correction
22 of mathematical errors in data that affect the determination of:

- 23 (1) a school corporation's adjusted base levy;
- 24 (2) a school corporation's excessive tax levy; or
- 25 (3) a school corporation's normal tax levy.

26 (b) The state board of tax commissioners may correct
27 mathematical errors in data for any school corporation.

28 SECTION 18. IC 6-1.1-19-7, AS AMENDED BY P.L.2-1995,
29 SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
30 JULY 1, 1998]: Sec. 7. (a) **As used in this section, "excessive tax**
31 **levy" has the meaning set forth in IC 6-1.1-19-1 (repealed January**
32 **1, 2000).**

33 (b) Any recommendation that is to be made by the tax control
34 board to the state board of tax commissioners pursuant to any provision
35 of this chapter shall be made at such a time as is prescribed in this
36 chapter and, if no time for the making of such a recommendation is
37 prescribed in this chapter, then the recommendation shall be made at
38 such a time as will permit the state board of tax commissioners to
39 complete those duties of the board that are defined in IC ~~1971~~, 6-1.1-17
40 within the time allowed by law for the completion of those duties, or
41 such additional time as is reasonably necessary for the state board of
42 tax commissioners and the tax control board to complete the duties
43 provided by this chapter. No **ad valorem property** tax levy shall be
44 invalid because of the failure of either board to complete its duties
45 within the time or time limits provided by this chapter or any other law.
46 Subject to the provisions of this chapter, the state board of tax

1 commissioners may accept, reject, or accept in part and reject in part
 2 any recommendation of the tax control board that is made to it under
 3 this chapter and may make any order that is consistent with the
 4 provisions of IC ~~1974~~; 6-1.1-17. The state board of tax commissioners
 5 may not approve or authorize an excessive tax levy **that is first due**
 6 **and payable before January 1, 2000**, except in accordance with the
 7 provisions of this chapter. **The state board of tax commissioners may**
 8 **not approve or authorize an excessive tax levy that is first due and**
 9 **payable after December 31, 1999.**

10 SECTION 19. IC 6-1.1-19-12 IS ADDED TO THE INDIANA
 11 CODE AS A NEW SECTION TO READ AS FOLLOWS
 12 [EFFECTIVE JANUARY 1, 2000]: **Sec. 12. (a) As used in this**
 13 **section, "revenues" means excise tax distributions under IC 6-6-5**
 14 **and any other allocation of state tax collections or distributions**
 15 **that, by statute:**

- 16 (1) are distributed to school corporations; and
- 17 (2) are based on the property tax levies imposed by the
- 18 taxing units in a county.

19 **The term does not include homestead credits or property tax**
 20 **replacement credits.**

21 (b) A school corporation is entitled to receive for the school
 22 corporation's general fund a proportion of the revenues that are
 23 distributed within the county. The amount that the school
 24 corporation is entitled to receive during that calendar year equals
 25 the amount determined under STEP FIVE of the following
 26 formula:

27 **STEP ONE: Determine the amount of revenue that is**
 28 **available for distribution in the county in that calendar year.**

29 **STEP TWO: Determine the school general fund budget for**
 30 **that calendar year.**

31 **STEP THREE: Determine the sum of:**

32 (A) the property tax levies imposed by all taxing units in
 33 the county; and

34 (B) the school general fund budgets for all school
 35 corporations in the county;

36 for that calendar year.

37 **STEP FOUR: Determine the result of the STEP TWO**
 38 **amount divided by the STEP THREE sum.**

39 **STEP FIVE: Multiply the STEP ONE amount by the STEP**
 40 **FOUR result.**

41 (c) The amount of revenues distributed to:

- 42 (1) taxing units other than a school corporation; and
- 43 (2) funds of a school corporation for which a property tax
- 44 levy is imposed;

45 shall be changed for that same year by reducing the amount of
 46 revenue distributed by the amount of revenue allocated under this

1 section for that same calendar year. The state board of tax
2 commissioners shall make any adjustments required by this section
3 and provide them to the appropriate county auditors.

4 (d) A school corporation shall be treated as a taxing unit for
5 purposes of a distribution of financial institutions tax revenues
6 under IC 6-5.5-8-2.

7 SECTION 20. IC 6-1.1-20-1.1, AS ADDED BY P.L.25-1995,
8 SECTION 40, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
9 JULY 1, 1998]: Sec. 1.1. As used in this chapter, "controlled project"
10 means any project financed by bonds or a lease, except for the
11 following:

12 (1) A project for which the political subdivision reasonably
13 expects to pay:

- 14 (A) debt service; or
- 15 (B) lease rentals;

16 from funds other than property taxes that are exempt from the
17 levy limitations of IC 6-1.1-18.5 or ~~IC 6-1.1-19~~ **IC 6-1.1-19-1.5**
18 **(repealed January 1, 2000) or are levied by a school**
19 **corporation for a fund other than the general fund.** A project
20 is not a controlled project even though the political subdivision
21 has pledged to levy property taxes to pay the debt service or
22 lease rentals if those other funds are insufficient.

23 (2) A project that will not obligate the political subdivision to
24 more than two million dollars (\$2,000,000) in debt service or
25 lease rentals.

26 (3) A project that is being refinanced for the purpose of
27 providing gross or net present value savings to taxpayers.

28 (4) A project for which bonds were issued or leases were entered
29 into before January 1, 1996, or where the state board of tax
30 commissioners has approved the issuance of bonds or the
31 execution of leases before January 1, 1996.

32 (5) A project that is required by a court order holding that a
33 federal law mandates the project.

34 SECTION 21. IC 6-1.1-20-1.3, AS ADDED BY P.L.25-1995,
35 SECTION 42, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
36 JULY 1, 1998]: Sec. 1.3. As used in this chapter, "lease" means a lease
37 by a political subdivision of any controlled project with lease rentals
38 payable from property taxes that are exempt from the levy limitations
39 of IC 6-1.1-18.5 or ~~IC 6-1.1-19~~ **IC 6-1.1-19-1.5 (repealed January 1,**
40 **2000) or are levied by a school corporation for a fund other than**
41 **the general fund.**

42 SECTION 22. IC 6-1.1-21-2, AS AMENDED BY
43 P.L.253-1997(ss), SECTION 4, IS AMENDED TO READ AS
44 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 2. As used in this
45 chapter:

46 (a) "Taxpayer" means a person who is liable for taxes on property

- 1 assessed under this article.
- 2 (b) "Taxes" means taxes payable in respect to property assessed
3 under this article. The term does not include special assessments,
4 penalties, or interest, but does include any special charges which a
5 county treasurer combines with all other taxes in the preparation and
6 delivery of the tax statements required under IC 6-1.1-22-8(a).
- 7 (c) "Department" means the department of state revenue.
- 8 (d) "Auditor's abstract" means the annual report prepared by each
9 county auditor which under IC 6-1.1-22-5 is to be filed on or before
10 March 1 of each year with the auditor of state.
- 11 (e) "Mobile home assessments" means the assessments of mobile
12 homes made under IC 6-1.1-7.
- 13 (f) "Postabstract adjustments" means adjustments in taxes made
14 subsequent to the filing of an auditor's abstract which change
15 assessments therein or add assessments of omitted property affecting
16 taxes for such assessment year.
- 17 (g) "Total county tax levy" means the sum of:
- 18 (1) the remainder of:
- 19 (A) the aggregate levy of all taxes for all taxing units in a
20 county which are to be paid in the county for a stated
21 assessment year as reflected by the auditor's abstract for the
22 assessment year, adjusted, however, for any postabstract
23 adjustments which change the amount of the aggregate levy;
24 minus
- 25 (B) the sum of any increases in property tax levies of taxing
26 units of the county that result from appeals described in:
- 27 (i) IC 6-1.1-18.5-13(5) and IC 6-1.1-18.5-13(6) filed
28 after December 31, 1982; plus
- 29 (ii) the sum of any increases in property tax levies of
30 taxing units of the county that result from any other
31 appeals described in IC 6-1.1-18.5-13 filed after
32 December 31, 1983; plus
- 33 (iii) IC 6-1.1-18.6-3 (children in need of services and
34 delinquent children who are wards of the county);
35 minus
- 36 (C) the total amount of property taxes imposed for the stated
37 assessment year by the taxing units of the county under the
38 authority of IC 12-1-11.5 (repealed), IC 12-2-4.5 (repealed),
39 IC 12-19-5, or IC 12-20-24; minus
- 40 (D) the total amount of property taxes to be paid during the
41 stated assessment year that will be used to pay for interest
42 or principal due on debt that:
- 43 (i) is entered into after December 31, 1983;
- 44 (ii) is not debt that is issued under IC 5-1-5 to refund
45 debt incurred before January 1, 1984; and
- 46 (iii) does not constitute debt entered into for the

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purpose of building, repairing, or altering school buildings for which the requirements of IC 20-5-52 were satisfied prior to January 1, 1984; minus

(E) the amount of property taxes imposed in the county for the stated assessment year under the authority of IC 21-2-6 or any citation listed in IC 6-1.1-18.5-9.8 for a cumulative building fund whose property tax rate was initially established or reestablished for a stated assessment year that succeeds the 1983 stated assessment year; minus

(F) the remainder of:

- (i) the total property taxes imposed in the county for the stated assessment year under authority of IC 21-2-6 or any citation listed in IC 6-1.1-18.5-9.8 for a cumulative building fund whose property tax rate was not initially established or reestablished for a stated assessment year that succeeds the 1983 stated assessment year; minus
- (ii) the total property taxes imposed in the county for the 1984 stated assessment year under the authority of IC 21-2-6 or any citation listed in IC 6-1.1-18.5-9.8 for a cumulative building fund whose property tax rate was not initially established or reestablished for a stated assessment year that succeeds the 1983 stated assessment year; minus

(G) the amount of property taxes imposed in the county for the stated assessment year under:

- (i) IC 21-2-15 for a capital projects fund; plus
- (ii) IC 6-1.1-19-10 for a racial balance fund; plus
- (iii) IC 20-14-13 for a library capital projects fund; plus
- (iv) IC 20-5-17.5-3 for an art association fund; plus
- (v) IC 21-2-17 for a special education preschool fund; plus
- (vi) **before January 1, 2000**, an appeal filed under IC 6-1.1-19-5.1 (**repealed January 1, 2000**) for an increase in a school corporation's maximum permissible general fund levy for certain transfer tuition costs; plus
- (vii) **before January 1, 2000**, an appeal filed under IC 6-1.1-19-5.4 for an increase in a school corporation's maximum permissible general fund levy for transportation operating costs; minus

(H) **before January 1, 2000**, the amount of property taxes imposed by a school corporation that is attributable to the passage, after 1983, of a referendum for an excessive tax levy under IC 6-1.1-19, including any increases in these

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property taxes that are attributable to the adjustment set forth in IC 6-1.1-19-1.5(a) STEP ONE (**repealed January 1, 2000**) or any other law; minus

(I) for each township in the county, the lesser of:

(i) the sum of the amount determined in IC 6-1.1-18.5-19(a) STEP THREE or IC 6-1.1-18.5-19(b) STEP THREE, whichever is applicable, plus the part, if any, of the township's ad valorem property tax levy for calendar year 1989 that represents increases in that levy that resulted from an appeal described in IC 6-1.1-18.5-13(5) filed after December 31, 1982; or

(ii) the amount of property taxes imposed in the township for the stated assessment year under the authority of IC 36-8-13-4; minus

(J) for each participating unit in a fire protection territory established under IC 36-8-19-1, the amount of property taxes levied by each participating unit under IC 36-8-19-8 and IC 36-8-19-8.5 less the maximum levy limit for each of the participating units that would have otherwise been available for fire protection services under IC 6-1.1-18.5-3 and IC 6-1.1-18.5-19 for that same year; minus

(K) for each county, the sum of:

(i) the amount of property taxes imposed in the county for the repayment of loans under IC 12-19-5-6 that is included in the amount determined under IC 12-19-7-4(a) STEP SEVEN for property taxes payable in 1995, or for property taxes payable in each year after 1995, the amount determined under IC 12-19-7-4(b); and

(ii) the amount of property taxes imposed in the county attributable to appeals granted under IC 6-1.1-18.6-3 that is included in the amount determined under IC 12-19-7-4(a) STEP SEVEN for property taxes payable in 1995, or the amount determined under IC 12-19-7-4(b) for property taxes payable in each year after 1995; plus

(2) all taxes to be paid in the county in respect to mobile home assessments currently assessed for the year in which the taxes stated in the abstract are to be paid; plus

(3) the amounts, if any, of county adjusted gross income taxes that were applied by the taxing units in the county as property tax replacement credits to reduce the individual levies of the taxing units for the assessment year, as provided in IC 6-3.5-1.1; plus

(4) the amounts, if any, by which the maximum permissible ad

1 valorem property tax levies of the taxing units of the county were
2 reduced under IC 6-1.1-18.5-3(b) STEP EIGHT for the stated
3 assessment year; plus
4 (5) the difference between:
5 (A) the amount determined in IC 6-1.1-18.5-3(e) STEP
6 FOUR; minus
7 (B) the amount the civil taxing units' levies were increased
8 because of the reduction in the civil taxing units' base year
9 certified shares under IC 6-1.1-18.5-3(e).
10 (h) "December settlement sheet" means the certificate of
11 settlement filed by the county auditor with the auditor of state, as
12 required under IC 6-1.1-27-3.
13 (i) "Tax duplicate" means the roll of property taxes which each
14 county auditor is required to prepare on or before March 1 of each year
15 under IC 6-1.1-22-3.
16 SECTION 23. IC 6-1.1-21.5-6 IS AMENDED TO READ AS
17 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 6. (a) Except as
18 specifically provided in subsection (c), the receipt by the qualified
19 taxing unit of either the loan proceeds or any payment of delinquent tax
20 owed by a taxpayer in bankruptcy, or both, is not considered to be part
21 of the ad valorem property tax levy actually collected by the qualified
22 taxing unit for taxes first due and payable during a particular calendar
23 year for the purpose of calculating the levy excess under
24 IC 6-1.1-18.5-17 and IC 6-1.1-19-1.7 (**repealed January 1, 2000**).
25 (b) The loan proceeds and any payment of delinquent tax may be
26 expended by the qualified taxing unit only to pay debts of the qualified
27 taxing unit that have been incurred pursuant to duly adopted
28 appropriations approved by the state board of tax commissioners for
29 operating expenses.
30 (c) In the event the sum of the receipts of the qualified taxing unit
31 that are attributable to:
32 (1) the loan proceeds; and
33 (2) the payment of property taxes owed by a taxpayer in a
34 bankruptcy proceeding initially filed in 1986 and payable in
35 respect to the second installment of taxes due and payable in
36 November 1986, and in respect to taxes due and payable in
37 1987;
38 exceeds eleven million nine hundred thousand dollars (\$11,900,000),
39 the excess as received during any calendar year or years shall be set
40 aside and treated for the calendar year when received as a levy excess
41 subject to IC 6-1.1-18.5-17 or IC 6-1.1-19-1.7 (**repealed January 1,**
42 **2000**). In calculating the payment of property taxes as provided in
43 subdivision (2), the amount of property tax credit ~~finally~~ **finally**
44 allowed under IC 6-1.1-21-5 in respect to such taxes is deemed to be
45 a payment of such property taxes.
46 (d) As used in this section, "delinquent tax" means any tax owed

1 by a taxpayer in a bankruptcy proceeding initially filed in 1986 and that
 2 is not paid during the calendar year for which it was first due and
 3 payable.

4 SECTION 24. IC 6-1.1-21.7-14, AS ADDED BY P.L.58-1997,
 5 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 6 JULY 1, 1998]: Sec. 14. Loan proceeds received under this chapter
 7 may not be considered to be a levy excess under IC 6-1.1-18.5-17 and
 8 IC 6-1.1-19-1.7 (**repealed January 1, 2000**).".

9 Page 4, between lines 2 and 3, begin a new paragraph and insert:
 10 "SECTION 25. IC 6-1.1-29-9, AS AMENDED BY P.L.36-1994,
 11 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 12 JULY 1, 1998]: Sec. 9. (a) A county council may adopt an ordinance
 13 to abolish the county board of tax adjustment. This ordinance must be
 14 adopted by July 1 and may not be rescinded in the year it is adopted.
 15 Notwithstanding IC 6-1.1-17, IC 6-1.1-18, IC 6-1.1-19, IC 12-19-3,
 16 IC 12-19-7, IC 21-2-14 (**repealed January 1, 2000**), IC 36-8-6,
 17 IC 36-8-7, IC 36-8-7.5, IC 36-8-11, IC 36-9-3, IC 36-9-4, and
 18 IC 36-9-13, if such an ordinance is adopted, this section governs the
 19 treatment of tax rates, tax levies, and budgets that would otherwise be
 20 reviewed by a county board of tax adjustment under IC 6-1.1-17.

21 (b) The time requirements set forth in IC 6-1.1-17 govern all
 22 filings and notices.

23 (c) A tax rate, tax levy, or budget that otherwise would be
 24 reviewed by the county board of tax adjustment is considered and must
 25 be treated for all purposes as if the county board of tax adjustment
 26 approved the tax rate, tax levy, or budget. This includes the notice of
 27 tax rates that is required under IC 6-1.1-17-12.

28 SECTION 26. IC 6-1.1-30-9 IS AMENDED TO READ AS
 29 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 9. (a) The state board
 30 of tax commissioners shall select the following employees in the
 31 manner prescribed in this section:

- 32 (1) field representatives;
- 33 (2) supervisors;
- 34 (3) employees who are selected to work in the board's division
 35 of tax review; and
- 36 (4) **before January 1, 2000**, employees who are selected to
 37 perform the duties assigned to the board under IC ~~1971~~,
 38 6-1.1-34.

39 (b) The state board of tax commissioners shall select each
 40 employee described in subsection (a) of this section from a list of
 41 applicants who have passed an open, competitive examination ~~which~~
 42 **that tests his an individual's** qualifications for the position. The board
 43 shall announce the time and place of the examination in the public
 44 press before the examination is held and shall conduct the examination.
 45 The examination must be practical, and it must be related to those
 46 matters which fairly test an individual's qualifications for the position.

- 1 (c) The state board of tax commissioners shall:
 2 (1) select field representatives and supervisors so that no more
 3 than one-half (1/2) of all those employees belong to any one (1)
 4 political party;
 5 (2) select, as nearly as possible, the employees described in
 6 subsection (a) (3) ~~of this section~~ so that no more than one-half
 7 (1/2) of all those employees belong to any one (1) political party;
 8 and
 9 (3) **before January 1, 2000**, select, as nearly as possible, the
 10 employees described in subsection (a)(4) ~~of this section~~ so that
 11 no more than one-half (1/2) of those employees belong to any
 12 one (1) political party.

13 SECTION 27. IC 6-3.1-2-1 IS AMENDED TO READ AS
 14 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 1. As used in this
 15 chapter, the following terms have the following meanings:

- 16 (1) "Eligible teacher" means a teacher:
 17 (A) certified in a shortage area by the professional standards
 18 board established by IC 20-1-1.4; and
 19 (B) employed under contract during the regular school term
 20 by a school corporation in a shortage area.
 21 (2) "Qualified position" means a position that:
 22 (A) is relevant to the teacher's academic training in a
 23 shortage area; and
 24 (B) has been approved by the Indiana state board of
 25 education under section 6 of this chapter.
 26 (3) "Regular school term" means the period, other than the
 27 school summer recess, during which a teacher is required to
 28 perform duties assigned to him under a teaching contract.
 29 (4) "School corporation" ~~means any corporation authorized by~~
 30 ~~law to establish public schools and levy taxes for their~~
 31 ~~maintenance: has the meaning set forth in IC 36-1-2-17.~~
 32 (5) "Shortage area" means the subject areas of mathematics and
 33 science and any other subject area designated as a shortage area
 34 by the Indiana state board of education.
 35 (6) "State income tax liability" means a taxpayer's total income
 36 tax liability incurred under IC 6-2.1 and IC 6-3, as computed
 37 after application of credits that under IC 6-3.1-1-2 are to be
 38 applied before the credit provided by this chapter.

39 SECTION 28. IC 6-3.5-1.1-1, AS AMENDED BY P.L.96-1995,
 40 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 41 JULY 1, 1998]: Sec. 1. As used in this chapter:

- 42 "Adjusted gross income" has the same definition that the term is
 43 given in IC 6-3-1-3.5(a), except that in the case of a county taxpayer
 44 who is not a resident of a county that has imposed the county adjusted
 45 gross income tax, the term includes only adjusted gross income derived
 46 from his principal place of business or employment.

1 "Civil taxing unit" means any entity having the power to impose
 2 ad valorem property taxes except a school corporation. The term does
 3 not include a solid waste management district that is not entitled to a
 4 distribution under section 1.3 of this chapter. However, in the case of
 5 a consolidated city, the term "civil taxing unit" includes the
 6 consolidated city and all special taxing districts, all special service
 7 districts, and all entities whose budgets and property tax levies are
 8 subject to review under IC 36-3-6-9.

9 "County council" includes the city-county council of a
 10 consolidated city.

11 "County taxpayer" as it relates to a county for a year means any
 12 individual:

13 (1) who resides in that county on the date specified in section 16
 14 of this chapter; or

15 (2) who maintains his principal place of business or employment
 16 in that county on the date specified in section 16 of this chapter
 17 and who does not on that same date reside in another county in
 18 which the county adjusted gross income tax, the county option
 19 income tax, or the county economic development income tax is
 20 in effect.

21 "Department" refers to the ~~Indiana~~ department of state revenue.

22 "Nonresident county taxpayer" as it relates to a county for a year
 23 means any county taxpayer for that county for that year who is not a
 24 resident county taxpayer of that county for that year.

25 "Resident county taxpayer" as it relates to a county for a year
 26 means any county taxpayer who resides in that county on the date
 27 specified in section 16 of this chapter.

28 "School corporation" ~~means any public school corporation~~
 29 ~~established under Indiana law. has the meaning set forth in~~
 30 **IC 36-1-2-17.**

31 SECTION 29. IC 6-3.5-1.1-14, AS AMENDED BY P.L.25-1995,
 32 SECTION 56, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 33 JULY 1, 1998]: Sec. 14. (a) In determining the amount of property tax
 34 replacement credits civil taxing units and school corporations of a
 35 county are entitled to receive during a calendar year, the state board of
 36 tax commissioners shall consider only property taxes imposed on
 37 tangible property that was assessed in that county.

38 (b) If a civil taxing unit or a school corporation is located in more
 39 than one (1) county and receives property tax replacement credits from
 40 one (1) or more of the counties, then the property tax replacement
 41 credits received from each county shall be used only to reduce the
 42 property tax rates that are imposed within the county that distributed
 43 the property tax replacement credits.

44 (c) A civil taxing unit shall treat any property tax replacement
 45 credits that it receives or is to receive during a particular calendar year
 46 as a part of its property tax levy for that same calendar year for

1 purposes of fixing its budget and for purposes of the property tax levy
2 limits imposed by IC 6-1.1-18.5.

3 (d) A school corporation shall treat any property tax replacement
4 credits that the school corporation receives or is to receive during a
5 particular calendar year as a part of its property tax levy for its general
6 fund, debt service fund, capital projects fund, transportation fund, and
7 special education preschool fund in proportion to the levy for each of
8 these funds for that same calendar year for purposes of fixing its
9 budget. ~~and for purposes of the property tax levy limits imposed by~~
10 ~~IC 6-1.1-19.~~ A school corporation shall allocate the property tax
11 replacement credits described in this subsection to all five (5) funds in
12 proportion to the levy for each fund.

13 SECTION 31. IC 20-1-1.3-8, AS AMENDED BY P.L.1-1994,
14 SECTION 91, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
15 JULY 1, 1998]: Sec. 8. (a) A public school that receives a monetary
16 award under this chapter may expend that award for any educational
17 purpose for that school, except:

- 18 (1) athletics;
- 19 (2) salaries for school personnel; or
- 20 (3) salary bonuses for school personnel.

21 (b) A monetary award may not be used, **before January 1, 2000**,
22 to determine:

- 23 (1) the maximum permissible general fund ad valorem property
24 tax levy under IC 6-1.1-19-1.5 (**repealed January 1, 2000**); or
- 25 (2) the tuition support under ~~IC 21-3-1.6~~; **IC 21-3-1.7.**

26 of the school corporation of which the school receiving the monetary
27 award is a part.

28 SECTION 32. IC 20-1-6-1, AS AMENDED BY P.L.40-1994,
29 SECTION 69, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
30 JULY 1, 1998]: Sec. 1. As used in this chapter, the following terms
31 have the following meanings:

- 32 (1) "Child with a disability" means any child who is at least three
33 (3) years of age but less than twenty-two (22) years of age and
34 who because of physical or mental disability is incapable of
35 being educated properly and efficiently through normal
36 classroom instruction, but who with the advantage of a special
37 educational program may be expected to benefit from instruction
38 in surroundings designed to further the educational, social, or
39 economic status of the child. Public schools may operate special
40 education programs for hearing impaired children as young as
41 six (6) months of age on an experimental basis upon the approval
42 of the superintendent of public instruction and the Indiana state
43 board of education.
- 44 (2) "Division" means the division of special education within the
45 department of education.
- 46 (3) "Director" means the director of the division of special

- 1 education.
- 2 (4) "School corporation" means any corporation authorized by
- 3 law to establish public schools and levy taxes for the
- 4 maintenance of the schools: **has the meaning set forth in**
- 5 **IC 36-1-2-17.**
- 6 (5) "Individualized education program" means a written
- 7 statement developed by a group that includes:
- 8 (A) a representative of the school corporation or public
- 9 agency responsible for educating the child;
- 10 (B) the child's teacher;
- 11 (C) the child's parent, guardian, or custodian;
- 12 (D) if appropriate, the child; and
- 13 (E) if the provision of services for a seriously emotionally
- 14 disabled child is considered, a mental health professional
- 15 provided by the community mental health center (as
- 16 described under IC 12-29) or a managed care provider (as
- 17 defined in IC 12-7-2-127(b)) and serving the community in
- 18 which the child resides;
- 19 and that describes the special education to be provided to the
- 20 child.
- 21 (6) "Preschool child with a disability" refers to a disabled child
- 22 who is at least three (3) years of age by September 1 of the
- 23 1989-90 school year, August 1 of the 1990-91 school year, July
- 24 1 of the 1991-92 school year, or June 1 of the 1992-93 school
- 25 year and every subsequent school year.
- 26 (7) "Special education" means instruction specially designed to
- 27 meet the unique needs of a child with a disability. It includes
- 28 transportation, developmental, corrective, and other support
- 29 services and training only when required to assist a child with a
- 30 disability to benefit from the instruction itself.
- 31 (8) "School year" has the meaning set forth in IC 20-10.1-2-1.

32 SECTION 33. IC 20-2-2-3 IS AMENDED TO READ AS
 33 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 3. (a) The township
 34 trustees of each and every township of each county shall perform all the
 35 civil functions performed before March 13, 1947, by such township
 36 trustees and together with other township trustees of the county shall
 37 constitute a county board of education for the purpose of managing the
 38 affairs of the county school corporation hereby created in each such
 39 county. School cities and school towns shall retain independent
 40 organization and administration unless abandoned as provided by law,
 41 and the county school corporation, also referred to in this chapter as the
 42 county, shall include all areas not organized on March 13, 1947, under
 43 the laws of this state into jurisdictions controlled and governed as
 44 school cities or school towns. Said county board of education may be
 45 referred to interchangeably as the county board of school trustees and
 46 as the board. Said board shall meet at such time as the board shall

1 designate at the office of the county superintendent of schools and at
2 such other times and places as the county superintendent of schools
3 may deem necessary. At the first meeting of each year, to be held on
4 the first Wednesday after the first Monday in January, the board shall
5 organize by selecting a president, a vice president, a secretary, and a
6 treasurer from its membership. Provided, however, that no later than
7 April 12, 1947, it shall be the duty of the county superintendent of
8 schools to call said board into special session and unless the county
9 board of education shall elect to have the provisions of this section
10 remain inoperative, under provisions that may be included within this
11 section, said board shall so organize itself, except that the failure of the
12 county superintendent of schools to call the county board of education
13 into session within the prescribed limits of this section shall not be
14 construed to mean that a county school corporation as described in this
15 section shall be brought into existence in such county, and no such
16 county school corporation shall be brought into existence until the
17 board has met in special session subsequent to March 13, 1947, and has
18 taken action to organize itself into a county school corporation, after
19 consideration of the question whether it should elect to have the
20 provisions of this section remain inoperative under provisions that may
21 be included within this section. Such organization when and if effected
22 shall be filed with the county auditor and shall be published by said
23 auditor in two (2) newspapers of different political persuasions of
24 general circulation throughout the county within ten (10) days after
25 such filing, and such organization shall be deemed to fulfill all the
26 requirements of this section for the transacting of public business under
27 this section. The secretary of the board shall keep an accurate record of
28 the minutes of the board, which minutes shall be kept at the county
29 superintendent's office. The county superintendent shall act as
30 administrator of the board and shall carry out such acts and duties as
31 shall be designated by the board. A quorum shall consist of two-thirds
32 (2/3) of the members of the board.

33 (b) The board shall make decisions as to the general conduct of the
34 schools, which shall be enforced as entered upon the minutes recorded
35 by the secretary of the board, and shall exercise all powers exercised
36 before March 13, 1947, under the law, by or through township trustees
37 or meetings or petitions of the trustees of the county.

38 (c) The board shall appoint a county superintendent of schools
39 who shall serve for a term of four (4) years. The first such appointment
40 under this section shall be made in accordance with law in June 1949,
41 to become effective August 16, 1949, and thereafter the board shall fill
42 vacancies in this office by appointments which shall expire at the end
43 of the regular term. The county superintendent of schools and other
44 persons employed for administrative or supervisory duties shall be
45 deemed to be supervisors of instruction.

46 (d) The government of the common schools of the county shall be

1 vested in the board, and the board shall function with all the authority,
 2 powers, privileges, duties, and obligations granted to or required of
 3 school cities before March 13, 1947, and school towns and their
 4 governing boards generally under the laws pertaining thereto with
 5 reference to the purchase of supplies, purchase and sale of buildings,
 6 grounds, and equipment, the erection of buildings, the employment and
 7 dismissal of school personnel, the right and power to sue and be sued
 8 in the name of the county, the insuring of property and employees, ~~the~~
 9 ~~levying and collecting of taxes~~; the making and executing of a budget,
 10 the borrowing of money, the paying of the salaries and expenses of the
 11 county superintendent and employees as approved by the board and to
 12 any act necessary to the proper administration of the common schools
 13 of the county.

14 (e) Such school corporations shall be vested with all right, title,
 15 and interest of their respective predecessor township school
 16 corporations hereby terminated to and in all the real, personal, and
 17 other property of any nature and from whatever source derived, and
 18 shall assume, pay, and be liable for all the indebtedness and liabilities
 19 of the same.

20 (f) The treasurer, before entering upon the duties of his office,
 21 shall execute a bond to the acceptance of the county auditor in an
 22 amount equal to the largest sum of money that will be in the possession
 23 of the treasurer at any one (1) time conditioned as an ordinary official
 24 bond, with a reliable surety company or at least two (2) sufficient
 25 freehold sureties, who shall not be members of such board, as surety or
 26 sureties on such bond. The president and secretary shall each give
 27 bond, with like surety or sureties, to be approved by the county auditor,
 28 in the sum of one-fourth (1/4) of said amount. Provided, that such
 29 boards of school trustees may purchase said bonds from some reliable
 30 surety company and pay for them out of the special school revenue of
 31 their respective counties.

32 (g) The powers set forth in this section shall not be considered as
 33 or construed to limit the power and authority of such boards to the
 34 powers therein expressly conferred or to restrict or modify any powers
 35 or authority granted by any other law not in conflict with the provisions
 36 of this section.

37 (h) **This subsection applies only to property tax levies first due**
 38 **and payable before January 1, 2000.** Every such board shall have, as
 39 respects the levy of taxes by it, power annually to levy such amount of
 40 taxes as in the judgment of such board, made matter of record in its
 41 minutes, should be levied to produce income sufficient to conduct and
 42 carry on the common schools committed to such board, and it is hereby
 43 made the duty of such board annually to levy a sum sufficient to meet
 44 all payments of principal and interest as they will mature in the year for
 45 which such levy is made on the bonds, notes, or other obligations of
 46 such board.

1 (i) The power of such board ~~in so making to make~~ tax levies shall
 2 be exercised within statutory limits and said levies shall be subject to
 3 the same review as school city and school town levies.

4 SECTION 33. IC 20-2-9-2 IS AMENDED TO READ AS
 5 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 2. Said school trustees
 6 shall maintain in each school corporation a term of school at least six
 7 (6) months in duration and **before January 1, 2000**, shall authorize a
 8 local tuition levy sufficient to conduct a six (6) months term of school
 9 each year based on estimates and receipts from all sources for the
 10 previous year, which may include that received from the state's tuition
 11 revenue. ~~Provided, Such~~ **However, the** levy shall not exceed the limit
 12 ~~now~~ provided by law.

13 SECTION 34. IC 20-3-11-20 IS AMENDED TO READ AS
 14 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 20. (a) Each such board
 15 of school commissioners may from time to time, whenever its general
 16 fund shall be exhausted or in the board's judgment be in danger of
 17 exhaustion, make temporary loans for the use of its general fund to be
 18 paid out of ~~the proceeds of taxes theretofore levied by such school city~~
 19 **for its money to be deposited in the** general fund. The amount so
 20 borrowed in aid of said general fund shall be paid into said general
 21 fund and may be used for any purpose for which the said general fund
 22 lawfully may be used. Any such temporary loan shall be evidenced by
 23 the promissory note or notes of said school city, shall bear interest at
 24 not more than seven percent (7%) per annum, interest payable at the
 25 maturity of the note or periodically, as the note may express, and shall
 26 mature at such time or times as the board of school commissioners may
 27 decide, but not later than one (1) year from the date of the note. No
 28 such loan or loans made in any one (1) calendar year shall be for a sum
 29 greater than the amount estimated by said board as the ~~proceeds money~~
 30 **to be received by it from the levy of taxes theretofore made by said**
 31 **school city in behalf of its said deposited in the** general fund **before**
 32 **the due date of the note.** Successive loans may be made in aid of said
 33 general fund in any calendar year, but the aggregate amount thereof,
 34 outstanding at any one (1) time, shall not exceed such estimated
 35 ~~proceeds of taxes levied in behalf of the said general fund.~~ **amounts to**
 36 **be deposited in the general fund during the terms of the notes.**

37 (b) No such loan shall be made until notice asking for bids
 38 therefor shall have been given by newspaper publication, which
 39 publication shall be made one (1) time in a newspaper published in said
 40 city and said publication shall be at least seven (7) days before the time
 41 when bids for such loans will be opened. Bidders shall name the
 42 amount of interest they agree to accept not exceeding seven percent
 43 (7%) per annum, and the loan shall be made to the bidder or bidders
 44 bidding the lowest rate of interest. The note or notes or warrants shall
 45 not be delivered until the full price of the face thereof shall be paid to
 46 the treasurer of said school city, and no interest shall accrue thereon

1 before such delivery.

2 (c) Any such school corporation wishing to make a temporary loan
 3 in aid of its general fund, finding that it has need to exercise the power
 4 in this section above given to make a temporary loan, which has in its
 5 treasury money derived from the sale of bonds, which money derived
 6 from the sale of bonds cannot or will not, in the due course of the
 7 business of said school city, be expended in the then near future, may,
 8 if it so elects, temporarily borrow, and without payment of interest,
 9 from such bond fund, for the use and aid of said general fund in the
 10 manner and to the extent hereinafter expressed, viz.: Such school city
 11 shall, by its board of school commissioners, take all the steps required
 12 by law to effect such temporary loan up to the point of advertising for
 13 bids or offers for such loans; it shall then present to the state board of
 14 tax commissioners of the state of Indiana, and to the state board of
 15 accounts of the state of Indiana, a copy of the corporate action of said
 16 school city concerning its desire to make such temporary loan and a
 17 petition showing the particular need for such temporary loan, and the
 18 amount and the date or dates when said general fund will need such
 19 temporary loan, or ~~instalments~~ **installments** of such loan, and the date
 20 at which such loan, and each ~~instalment~~ **installment** thereof, will be
 21 needed, and the estimated amounts ~~from taxes~~ to come into said
 22 general fund, and the dates when it is expected ~~such proceeds of taxes~~
 23 **that the amounts** will be received by such school city in behalf of said
 24 general fund, and showing what amount of money said school city has
 25 in any fund derived from the proceeds of the sale of bonds, which
 26 cannot or will not be expended in the then near future, and showing
 27 when and to what extent and why money in such bond fund, not soon
 28 to be expended, will not be expended in the then near future and
 29 requesting that said state board of tax commissioners, and said state
 30 board of accounts, respectively, authorize a temporary loan from said
 31 bond fund in aid of said general fund.

32 (d) If said state board of tax commissioners shall find and order
 33 that there is need for such temporary loan, and that it should be made,
 34 and said state board of accounts shall find that the money proposed to
 35 be borrowed will not be needed during the period of the temporary loan
 36 by the fund from which it is to be borrowed, and said two (2) state
 37 boards shall approve the loan, the business manager and treasurer of
 38 said school city shall, upon such approval by said two (2) state boards,
 39 take all steps necessary to transfer the amount of such loans, as a
 40 temporary loan from the fund to be borrowed from, to said general fund
 41 of such school city. The loan so effected shall, for all purposes, be a
 42 debt of the school city chargeable against its constitutional debt limit.

43 (e) Such two (2) state boards may fix the aggregate amount so to
 44 be borrowed on any one (1) petition and shall determine at what time
 45 or times and in what ~~instalments~~ **installments** and for what periods it
 46 shall be borrowed. The treasurer and business manager of such school

1 city, from time to time, as money shall be collected ~~from taxes levied~~
2 in behalf of said general fund, shall credit the same on such loan until
3 the amount borrowed is fully repaid to the lending fund, and they shall
4 at the end of each calendar month report to the board the several
5 amounts so applied ~~from taxes~~ to the payment of such loan.

6 (f) The school city shall, as often as once a month, report to both
7 of said state boards the amount of money then so borrowed and unpaid,
8 the anticipated like borrowings of the current month, the amount left in
9 the said general fund, and the anticipated drafts upon the lending bond
10 fund for the objects for which that fund was created.

11 (g) Said two (2) state boards, or either of them, may, if it shall
12 seem to said boards, or to either of them, that the fund from which the
13 loan was made requires the repayment of all or of part of such loan(s)
14 before its maturity or said general fund no longer requires all or some
15 part of the proceeds of such loan, require such school city to repay all
16 or any part of such loan, and, if necessary to perform the requirement,
17 such school city shall exercise its power of making a temporary loan
18 procured from others to raise the money so needed to repay the lending
19 bond fund the amount so ordered repaid.

20 SECTION 35. IC 20-3.1-15-1, AS ADDED BY P.L.340-1995,
21 SECTION 53, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
22 JULY 1, 1998]: Sec. 1. To provide the board with the necessary
23 flexibility and resources to carry out this article, the following apply:

24 (1) The board may eliminate or modify existing policies and
25 create new policies, and alter policies from time to time, subject
26 to this article and the plan developed under IC 20-3.1-7.

27 (2) IC 20-7.5 does not apply to matters set forth in this article.
28 The matters set forth in this article may not be the subject of
29 collective bargaining or discussion under IC 20-7.5.

30 (3) An exclusive representative certified under IC 20-7.5 to
31 represent certified employees of the school city, or any other
32 entity voluntarily recognized by the board as a representative of
33 employees providing educational services in the schools, may
34 bargain collectively only concerning salary, wages, and salary
35 and wage related fringe benefits. The exclusive representative
36 may not bargain collectively or discuss performance awards
37 under IC 20-3.1-12.

38 (4) The board of school commissioners may waive the following
39 statutes and rules for any school in the school city without the
40 need for administrative, regulatory, or legislative approval:

41 (A) The following rules concerning curriculum and
42 instructional time:

- 43 511 IAC 6.1-3-4
- 44 511 IAC 6.1-5-0.5
- 45 511 IAC 6.1-5-1
- 46 511 IAC 6.1-5-2.5

- 1 511 IAC 6.1-5-3.5
 2 511 IAC 6.1-5-4
 3 (B) The following rules concerning pupil/teacher ratios:
 4 511 IAC 6-2-1(b)(2)
 5 511 IAC 6.1-4-1
 6 (C) The following statutes and rules concerning textbooks,
 7 and rules adopted under the statutes:
 8 IC 20-10.1-9-1
 9 IC 20-10.1-9-18
 10 IC 20-10.1-9-21
 11 IC 20-10.1-9-23
 12 IC 20-10.1-9-27
 13 IC 20-10.1-10-1
 14 IC 20-10.1-10-2
 15 511 IAC 6.1-5-5
 16 (D) The following rules concerning school principals:
 17 511 IAC 6-2-1(c)(4)
 18 511 IAC 6.1-4-2
 19 (E) 511 IAC 2-2, concerning school construction and
 20 remodeling.
 21 (5) Notwithstanding any other law, a school city may do the
 22 following:
 23 (A) Lease school transportation equipment to others for
 24 nonschool use when the equipment is not in use for a school
 25 city purpose.
 26 (B) Establish a professional development and technology
 27 fund to be used for:
 28 (i) professional development; or
 29 (ii) technology, including video distance learning.
 30 (C) Transfer funds obtained from sources other than state or
 31 local government taxation among any account of the school
 32 corporation, including a professional development and
 33 technology fund established under clause (B).
 34 (6) Transfer funds obtained from property taxation ~~among~~
 35 **between** the general fund (established under IC 21-2-11) and the
 36 school transportation fund (established under IC 21-2-11.5)
 37 subject to the following:
 38 (A) **For property taxes first due and payable:**
 39 (i) **before January 1, 2000**, the sum of the property
 40 tax ~~rates~~ for the general fund and the school
 41 transportation fund after a transfer occurs under this
 42 subdivision may not exceed the sum of the property tax
 43 rates for the general fund and the school transportation
 44 fund before a transfer occurs under this ~~clause;~~
 45 **subdivision; and**
 46 (ii) **after December 31, 1999**, the property tax rate

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for the school transportation fund after a transfer occurs under this subdivision may not exceed the property tax rate for the school transportation fund before a transfer occurs under this subdivision.

(B) This ~~clause~~ **subdivision** does not allow a school corporation to transfer to any other fund money from the debt service fund (established under IC 21-2-4).

SECTION 36. IC 20-4-1-18 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 18. (a) Whenever the creation of a community school corporation out of an existing corporation would involve no change in its territorial boundaries or in its board of school trustees or other governing body, other than a change, if any, in the time of election or appointment or the time the board members take office, and such creation is consistent with the standards set up pursuant to the provisions of this chapter as modified, if any, by the standards set out in this section, the state board may upon its own motion or upon petition of the governing body of the existing school corporation at any time with hearing in the county where such school corporation is located, after notice by publication at least once in one (1) newspaper of general circulation published in the county where such school corporation is located, at least ten (10) but not more than thirty (30) days prior to the date of such hearing and without action of the county committee declare such existing school corporation to be a community school corporation by adopting a resolution to this effect. Such existing school corporation shall qualify as to size and financial resources if it has an average daily attendance of two hundred seventy (270) or more, in grades nine (9) through twelve (12), or of one thousand (1000) or more, in grades one (1) through twelve (12), and has an assessed valuation per pupil of five thousand dollars (\$5,000) or more. For the purposes of this provision the following terms shall have the following meanings:

(1) "County tax" shall be a property tax which is levied at an equal rate in the entire county in which any school corporation is located, other than a tax qualifying as a county-wide tax within the meaning of Acts 1959, c.328, s.2, or any similar statute, and the net proceeds of which are distributed to school corporations in the county.

(2) "Assessed valuation" of any school corporation shall mean the net assessed value of its real and personal property as of March 1, 1964, adjusted in the same manner as such assessed valuation is adjusted for each county by the state board of tax commissioners under Acts 1949, c.247, s.5, as now or hereafter amended, unless such statute has been repealed or no longer provides for such adjustment. In the event a county has a county tax, then the assessed valuation of each school corporation in the county shall be increased by the amount of assessed valuation,

1 if any, which would be required to raise an amount of money,
 2 equal to the excess of the amount distributed to any school
 3 corporation from the county tax over the amount collected from
 4 such county tax in such school corporation, using total taxes
 5 levied by such school corporation in terms of rate excluding the
 6 countywide tax under Acts 1959, c.328, s.2, or any similar
 7 statute, and including all other taxes levied by or for such school
 8 corporation, including but not limited to the county tax, bond
 9 fund levy, lease rental levy, library fund levy, special school
 10 fund levy, tuition fund levy (**before January 1, 2000**), capital
 11 projects fund levy, and special funds levies. Such increased
 12 valuation shall be based on the excess distributed to the school
 13 corporation from the county tax levied for the year 1964 and the
 14 total taxes levied for such year, or if the county tax is first
 15 applied or is raised for years after 1964, then the excess
 16 distributions and total taxes levied for the year in which such tax
 17 is first applied or raised. In the event such excess distribution
 18 and total taxes levied cannot be determined accurately on or
 19 prior to the adoption of the resolution provided in this section,
 20 excess distribution and taxes levied shall be estimated by the
 21 state board of tax commissioners using the last preceding
 22 assessed valuations and tax rates or such other information as
 23 they shall see fit, certifying such increased assessment to the
 24 state board prior to such time. In all cases, the excess distribution
 25 shall be determined upon the assumption that the county tax is
 26 one hundred percent (100%) collected and all collections are
 27 distributed.

28 (3) "Assessed valuation per pupil" of any school corporation
 29 means the assessed valuation of any such school corporation
 30 divided by its average daily attendance in grades one (1) through
 31 twelve (12).

32 (4) "Average daily attendance" in any school corporation shall
 33 mean the average daily attendance of pupils who are residents in
 34 such school corporation and in the particular grades to which
 35 such term refers for the school year 1964-1965 in accordance
 36 with the applicable regulations of the state superintendent of
 37 public instruction, used in determining such average daily
 38 attendance in the distribution of the tuition funds by the state to
 39 its various school corporations where such funds are distributed
 40 on such basis and irrespective of whether such figures are the
 41 actual resident daily attendance of such school for the school
 42 year.

43 (b) Such community school corporation shall automatically come
 44 into being on either July 1 or January 1 following the date of such
 45 approval, whichever is earlier. The state board shall mail by certified
 46 United States mail, return receipt requested, a copy of such resolution

1 certified by its director or its secretary to the recorder of the county
 2 from which the county committee having jurisdiction of such existing
 3 school corporation was appointed and to such county committee. Such
 4 resolution may change the time of election or appointment of the board
 5 members of such school corporation or the time such board members
 6 take office. The recorder shall without cost record such certified
 7 resolution in the miscellaneous records of the county. Such recording
 8 shall constitute a permanent record of the action of the state board and
 9 may be relied on by any person. Unless the resolution otherwise
 10 provides no interim board member shall be appointed, the board
 11 members in office on the date of such action shall continue to
 12 constitute the board of trustees of such school corporation until their
 13 successors are qualified, and the terms of their respective office and
 14 board membership shall remain unchanged except to the extent that
 15 such resolution otherwise provides. For all purposes under this chapter,
 16 community school corporation shall be regarded as a school
 17 corporation created under the provisions of section 22 of this chapter.

18 SECTION 37. IC 20-4-5-9 IS AMENDED TO READ AS
 19 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 9. (a) Except as
 20 otherwise provided with respect to the power to issue bonds in section
 21 10 of this chapter, said school board shall perform the duties and shall
 22 have all the powers vested in the school board or board of trustees of
 23 a school city of the class in which the consolidated school corporation
 24 would fall on the basis of its population according to the last preceding
 25 United States census under the statutes of this state, if it were organized
 26 as a school city. In the event, however, such consolidated school
 27 corporation has a population determined in such manner of less than
 28 two thousand (2,000), such school board shall perform the duties and
 29 shall have all the powers vested in the school board of a school town.
 30 The cost of maintaining such consolidated schools shall be borne by the
 31 consolidated school corporation as a ~~single tax~~ unit.

32 (b) **This subsection applies only for property taxes first due**
 33 **and payable before January 1, 2000.** Taxes to meet such cost
 34 **described in subsection (a)** shall be levied by said consolidated school
 35 board at a uniform and equal rate on all the taxable property located
 36 within the limits of said consolidated school corporation, and collected
 37 in the city or cities, town or towns, township or townships in the same
 38 manner as other taxes are levied and collected.

39 SECTION 38. IC 20-4-8-11 IS AMENDED TO READ AS
 40 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 11. (a) The board as
 41 above referred to shall make decisions pertaining to the general
 42 conduct of the schools which shall be enforced as entered upon the
 43 minutes recorded by the secretary of the board, and subject to
 44 provisions in this chapter otherwise, shall exercise all powers
 45 previously exercised under the law, by or through township trustees or
 46 meetings or petitions of the township trustees of the county, or county

1 boards of education previously existing and such offices, namely,
2 township trustee, county board or county boards of education insofar
3 as the conduct of public schools is concerned are abolished as of noon
4 on the day and date the county school corporation is created and comes
5 into existence under this chapter.

6 (b) The county superintendent of schools and other persons
7 employed for administrative or supervisory duties may be deemed to
8 be supervisors of instruction.

9 (c) The government of the common schools of the county shall be
10 vested in the board, and the board shall function with all the authority,
11 powers, privileges, duties, and obligations previously granted to or
12 required of school cities and their governing boards generally under the
13 laws pertaining thereto with reference to the purchase of supplies,
14 purchase and sale of buildings, grounds, and equipment, the erection
15 of buildings, the employment and dismissal of school personnel, the
16 insuring of property and employees, the levying and collecting of taxes;
17 the making and executing of a budget, the borrowing of money, the
18 paying of the salaries and expenses of the county superintendent and
19 employees as approved by the board, shall be a body corporate and
20 politic by the name and style of "The County School Corporation of
21 _____ County, Indiana" with the right to prosecute and defend suits;
22 and shall act in any manner necessary to the proper administration of
23 the common schools of the county.

24 (d) School corporations shall be vested with all rights, titles, and
25 interests of their respective predecessor township and town school
26 corporations terminated; and in all the real, personal, and other
27 property of any nature and from whatever source derived, and shall
28 assume, pay, and be liable for all the indebtedness, obligations, and
29 liabilities and duties of the predecessor corporations from whatever
30 source derived and however arising, and shall institute and defend suits
31 arising out of aforesaid liabilities, obligations, duties, and rights
32 assumed as a county school corporation.

33 (e) The treasurer, before entering upon the duties of his office,
34 shall execute a bond to the acceptance of the county auditor in an
35 amount equal to the largest sum of money that will be in the possession
36 of the treasurer at any one (1) time, conditioned as an ordinary official
37 bond, with a reliable surety company or at least two (2) sufficient
38 freehold sureties, who shall not be members of such board, as surety or
39 sureties on such bond. The president and the secretary shall each give
40 bond, with like surety or sureties, to be approved by the county auditor,
41 in the sum of one-fourth (1/4) of said amount. Boards of school trustees
42 may purchase bonds from some reliable surety company and pay for
43 them out of the special school revenue of their respective counties.

44 (f) The powers set forth in this section shall not be considered as
45 or construed to limit the power and authority of such boards to the
46 powers therein expressly conferred or to restrict or modify any powers

1 or authority granted by any other law not in conflict with the provisions
2 of this section.

3 (g) **This subsection applies only to property taxes first due and**
4 **payable before January 1, 2000.** Every such board shall have the
5 power annually to levy such amount of taxes as in the judgment of such
6 board, made matter of record in its minutes, should be levied to
7 produce income sufficient to conduct and carry on the common schools
8 committed to such board, and it is made the duty of such board
9 annually to levy a rate and levy that will produce a sum sufficient to
10 meet all payments of principal and interest as they will mature in the
11 year for which such levy is made on the bonds, notes, or other
12 obligations of such board.

13 (h) The power of such board ~~in so making to make~~ tax levies shall
14 be exercised within existing statutory limits and said levies shall be
15 subject to the same review as school city levies.

16 SECTION 39. IC 20-4-8-21 IS AMENDED TO READ AS
17 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 21. (a) The board as
18 referred to in this chapter shall make decisions pertaining to the general
19 conduct of the schools which shall be enforced as entered upon the
20 minutes recorded by the secretary of the board, and, subject to this
21 chapter, shall exercise all powers previously exercised under the law,
22 by or through township trustees or meetings or petitions of the
23 township trustees of the county, ~~and/or or~~ county boards of education
24 previously existing, and such offices, namely township trustee, county
25 board ~~and/or or~~ county boards of education insofar as the conduct of
26 public schools is concerned are hereby abolished as of noon on the day
27 and date the metropolitan school district is created and comes into
28 existence.

29 (b) The metropolitan superintendent of schools and other persons
30 employed for administrative or supervisory duties may be deemed to
31 be supervisors of instruction and as such eligible, subject to the rules
32 that have been or shall be adopted by the **Indiana** state board of
33 education, to qualify for teaching units in accordance with law.

34 (c) The government of the common schools of said district shall
35 be vested in the board, and the board shall function with all the
36 authority, powers, privileges, duties, and obligations previously granted
37 to or required of school cities and their governing boards generally
38 under the laws pertaining thereto with reference to the purchase of
39 supplies, purchase and sale of buildings, grounds, and equipment, the
40 erection of buildings, the employment and dismissal of school
41 personnel, the insuring of property and employees, the levying and
42 collecting of taxes; the making and executing of a budget, the
43 borrowing of money, the paying of the salaries and expenses of the
44 county superintendent and employees as approved by the board; shall
45 be a body corporate and politic by the name and style of "The
46 Metropolitan School District of _____, Indiana" with the right to

1 prosecute and defend suits and shall act in any manner necessary to the
2 proper administration of the common schools of the county.

3 (d) Such school districts shall be vested with all rights, titles, and
4 interests of their respective predecessor township and town school
5 corporations hereby terminated and in all the real, personal, and other
6 property of any nature and from whatever source derived, and shall
7 assume, pay, and be liable for all the indebtedness, obligations, and
8 liabilities and duties of said predecessor corporations from whatever
9 source derived and however arising and shall institute and defend suits
10 arising out of aforesaid liabilities, obligations, duties, and rights
11 assumed as a metropolitan school district.

12 (e) The treasurer, before entering upon the duties of his office,
13 shall execute a bond to the acceptance of the county auditor which shall
14 in no event be greater than the largest sum of money that will be in the
15 possession of the treasurer at any one (1) time. The board of education
16 may purchase said bond from a reliable surety company and pay for it
17 out of the special school revenue of the metropolitan district.

18 (f) The powers set forth in this section shall not be considered as
19 or construed to limit the power and authority of such boards to the
20 powers therein expressly conferred or to restrict or modify any powers
21 or authority granted by any other law not in conflict with the provisions
22 of this section.

23 (g) **This subsection applies only for property taxes first due**
24 **and payable before January 1, 2000.** Every such board shall have the
25 power annually to levy such amount of taxes as in the judgment of such
26 board, made matter of record in its minutes, should be levied to
27 produce income sufficient to conduct and carry on the common schools
28 committed to such board, and it is hereby made the duty of such board
29 annually to levy a rate and levy that will produce a sum sufficient to
30 meet all payments of principal and interest as they will mature in the
31 year for which such levy is made on the bonds, notes, or other
32 obligations of such board.

33 (h) The power of such board ~~in so making to make~~ tax levies shall
34 be exercised within statutory limits and said levies shall be subject to
35 the same review as school city levies.

36 SECTION 40. IC 20-4-16-1 IS AMENDED TO READ AS
37 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 1. As used in this
38 chapter, the following terms shall have the following meanings:

39 (a) "City" or "town" shall be a city or town which conducts its
40 school as school city or school town or as part of a consolidated or
41 metropolitan school corporation.

42 (b) "Annexing school corporation" shall be the school corporation
43 of any city or town which annexes territory.

44 (c) "Original school corporation" shall be a school corporation
45 from whom territory is annexed.

46 (d) "Annexed territory" shall be the territory annexed from an

1 original school corporation by such city or town.

2 (e) "Tax receipts" shall be the amounts received from the tax levy
3 for the ~~tuition and~~ special school funds **and, before January 1, 2000,**
4 **tuition support** by the original school corporation from the annexed
5 territory.

6 SECTION 41. IC 20-5-4-6 IS AMENDED TO READ AS
7 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 6. If the governing
8 board shall find, by written resolution, that an emergency exists which
9 requires the expenditure of any money for any lawful corporate purpose
10 which was not included in its existing budget, ~~and tax levy~~, it may
11 authorize the making of an emergency loan, **to be repaid before the**
12 **end of the following budget year**, which may be evidenced by the
13 issuance of its note or notes in the same manner and subject to the
14 same procedure and restrictions as provided for the issuance of its
15 bonds, except as to purpose. **Subject, for property taxes first due and**
16 **payable after December 31, 1999, to IC 6-1.1-19-1.9**, at the time for
17 making the next annual budget and tax levy for such school
18 corporation, the governing body shall make a levy to the credit of the
19 fund for which such expenditure is made sufficient to pay such debt
20 and the interest thereon; however, the interest on the loan may be paid
21 from the debt service fund.

22 SECTION 42. IC 20-5-4-8 IS AMENDED TO READ AS
23 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 8. (a) Whenever the
24 governing board of a school corporation finds and declares that an
25 emergency exists for the borrowing of money with which to pay current
26 expenses from a particular fund before the receipt of ~~revenues from~~
27 ~~taxes levied or state tuition support distributions~~ **money** for such fund,
28 the governing board may issue warrants in anticipation of the receipt
29 of said ~~revenues:~~ **money**.

30 (b) The principal of these warrants shall be payable solely from the
31 fund ~~for which the taxes are levied~~ **that receives the loan proceeds** or
32 from the general fund in the case of anticipated state tuition support
33 distributions. ~~However,~~ The interest on these warrants may be paid
34 from the debt service fund, from the fund ~~for which the taxes are~~
35 ~~levied,~~ **that receives the loan proceeds**, or ~~from~~ the general fund in
36 the case of anticipated state tuition support distributions.

37 (c) The amount of principal of temporary loans maturing on or
38 before June 30 for any fund shall not exceed eighty percent (80%) of
39 the amount of ~~taxes and state tuition support distributions~~ **the money**
40 estimated to be ~~collected or~~ received for and distributed to the fund **at**
41 **not later than** the June settlement.

42 (d) The amount of principal of temporary loans maturing after
43 June 30, and on or before December 31, shall not exceed eighty percent
44 (80%) of the amount of ~~taxes and state tuition support distributions~~
45 **money** estimated to be ~~collected or~~ received ~~for and distributed to~~ **in**
46 the fund **at not later than** the December settlement.

1 (e) At each settlement, the amount of ~~taxes and state tuition~~
 2 ~~support distributions money~~ estimated to be ~~collected or~~ received for
 3 ~~and distributed to in~~ the fund includes any allocations to the fund from
 4 the property tax replacement fund.

5 (f) The estimated amount of ~~taxes and state tuition support~~
 6 ~~distributions money~~ to be ~~collected or~~ received ~~and distributed~~ shall be
 7 made by the county auditor or the auditor's deputy. The warrants
 8 evidencing any loan in anticipation of ~~tax revenue or state tuition~~
 9 ~~support distributions~~ shall not be delivered to the purchaser of the
 10 warrant nor payment made on the warrant before January 1 of the year
 11 the loan is to be repaid. However, the proceedings necessary to the loan
 12 may be held and carried out before January 1 and before the approval.
 13 The loan may be made even though a part of the last preceding June or
 14 December settlement has not yet been received.

15 (g) Proceedings for the issuance and sale of warrants for more than
 16 one (1) fund may be combined, but separate warrants for each fund
 17 shall be issued and each warrant shall state on its face the fund from
 18 which its principal is payable. No action to contest the validity of such
 19 warrants shall be brought later than fifteen (15) days from the first
 20 publication of notice of sale.

21 (h) No issue of ~~tax or state tuition support~~ anticipation warrants
 22 shall be made if the aggregate of all these warrants ~~exceed exceeds~~
 23 twenty thousand dollars (\$20,000) until the issuance is advertised for
 24 sale, bids received, and an award made by the governing board as
 25 required for the sale of bonds, except that the sale notice need not be
 26 published outside of the county nor more than ten (10) days before the
 27 date of sale.

28 SECTION 43. IC 20-5-13-9 IS AMENDED TO READ AS
 29 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 9. (a) All school cities,
 30 school townships, school towns, and joint districts are hereby
 31 authorized to establish, equip, operate, and maintain school kitchens
 32 and school lunch rooms, for the improvement of the health of the
 33 school children attending school therein, and for the advancement of
 34 the educational work of their respective schools; to employ all
 35 necessary directors, assistants, and agents; and appropriate funds of
 36 such school corporations for such purpose. Such participation in a
 37 school lunch program pursuant to the provisions of this chapter shall
 38 be discretionary with the governing board of any school corporation.

39 (b) In the event that federal funds are not available for the purpose
 40 of carrying on a school lunch program, the state of Indiana shall not
 41 participate in such school lunch program and any money appropriated
 42 by the state of Indiana for such purpose, and not expended, shall
 43 immediately revert to the state general fund. Failure on the part of the
 44 state of Indiana to participate in the school lunch program shall not
 45 invalidate any appropriation made or school lunch program carried on
 46 by any school corporation by means of gifts or **other** money ~~raised by~~

1 tax levy pursuant to the provisions of this chapter available for the
 2 purpose of such school lunch program.

3 SECTION 44. IC 20-5-17.5-2 (CURRENT VERSION) IS
 4 AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1998]:
 5 Sec. 2. (a) This subsection does not apply to a school corporation in a
 6 county having a population of more than two hundred thousand
 7 (200,000) but less than three hundred thousand (300,000). The
 8 governing body of a school corporation may annually **levy and**
 9 appropriate, from its general fund, a sum ~~of that does not more than~~
 10 **exceed the amount that would be raised by a property tax rate of**
 11 one and one-half cents (\$0.015) on each one hundred dollars (\$100) of
 12 assessed valuation in the school corporation to be paid to a historical
 13 society, subject to subsection (c).

14 (b) This subsection applies only to a school corporation in a
 15 county having a population of more than two hundred thousand
 16 (200,000) but less than three hundred thousand (300,000). To provide
 17 funding for a historical society under this section, the governing body
 18 of a school corporation may impose a **property tax rate** of not more
 19 than one and one-half cents (\$0.015) on each one hundred dollars
 20 (\$100) of assessed valuation in the school corporation. This tax is not
 21 subject to the tax levy limitations imposed on the school corporation by
 22 IC 6-1.1-19-1.5 (**repealed January 1, 2000**) or the provisions of
 23 IC 21-2-11-8 (**repealed January 1, 2000**). The school corporation
 24 shall deposit the proceeds of the tax in a fund to be known as the
 25 historical society fund. The historical society fund is separate and
 26 distinct from the school corporation's general fund and may be used
 27 only for the purpose of providing funds for a historical society under
 28 this section. Subject to subsection (c), the governing body of the school
 29 corporation may annually appropriate the money in the fund to be paid
 30 in semiannual installments to a historical society having facilities in the
 31 county.

32 (c) Before a historical society may receive payments under this
 33 section, its governing board must adopt a resolution that entitles:
 34 (1) the governing body of the school corporation to appoint its
 35 superintendent and one (1) of its history teachers as visitors, with
 36 the privilege of attending all meetings of the society's governing
 37 board;
 38 (2) the governing body of the school corporation to nominate two
 39 (2) persons for membership on the society's governing board;
 40 (3) the school corporation to use any of the society's facilities
 41 and equipment for educational purposes consistent with the
 42 society's purposes;
 43 (4) the students and teachers of the school corporation to tour the
 44 society's museum, if any, free of charge; and
 45 (5) the school corporation to borrow artifacts from the society's
 46 collection, if any, for temporary exhibit in the schools.

1 SECTION 45. IC 20-5-17.5-2, AS AMENDED BY P.L.6-1997,
 2 SECTION 180 (DELAYED VERSION), IS AMENDED TO READ AS
 3 FOLLOWS [EFFECTIVE MARCH 1, 2001]: Sec. 2. (a) This
 4 subsection does not apply to a school corporation in a county having a
 5 population of more than two hundred thousand (200,000) but less than
 6 three hundred thousand (300,000). The governing body of a school
 7 corporation may annually **levy and** appropriate, from its general fund,
 8 a sum ~~of that does~~ **not exceed the amount that would be raised by**
 9 **a property tax rate of** more than five-tenths of one cent (\$.005) on
 10 each one hundred dollars (\$100) of assessed valuation in the school
 11 corporation to be paid to a historical society, subject to subsection (c).

12 (b) This subsection applies only to a school corporation in a
 13 county having a population of more than two hundred thousand
 14 (200,000) but less than three hundred thousand (300,000). To provide
 15 funding for a historical society under this section, the governing body
 16 of a school corporation may impose a **property tax rate** of not more
 17 than five-tenths of one cent (\$.005) on each one hundred dollars
 18 (\$100) of assessed valuation in the school corporation. This tax is not
 19 subject to the tax levy limitations imposed on the school corporation by
 20 IC 6-1.1-19-1.5 (**repealed January 1, 2000**) or the provisions of
 21 IC 21-2-11-8 (**repealed January 1, 2000**). The school corporation
 22 shall deposit the proceeds of the tax in a fund to be known as the
 23 historical society fund. The historical society fund is separate and
 24 distinct from the school corporation's general fund and may be used
 25 only for the purpose of providing funds for a historical society under
 26 this section. Subject to subsection (c), the governing body of the school
 27 corporation may annually appropriate the money in the fund to be paid
 28 in semiannual installments to a historical society having facilities in the
 29 county.

30 (c) Before a historical society may receive payments under this
 31 section, its governing board must adopt a resolution that entitles:

32 (1) the governing body of the school corporation to appoint its
 33 superintendent and one (1) of its history teachers as visitors, with
 34 the privilege of attending all meetings of the society's governing
 35 board;

36 (2) the governing body of the school corporation to nominate two
 37 (2) persons for membership on the society's governing board;

38 (3) the school corporation to use any of the society's facilities
 39 and equipment for educational purposes consistent with the
 40 society's purposes;

41 (4) the students and teachers of the school corporation to tour the
 42 society's museum, if any, free of charge; and

43 (5) the school corporation to borrow artifacts from the society's
 44 collection, if any, for temporary exhibit in the schools.

45 SECTION 46. IC 20-5-17.5-3 (CURRENT VERSION) IS
 46 AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1998]:

- 1 Sec. 3. (a) This section applies to school corporations in a county
2 containing a city having a population of:
- 3 (1) more than one hundred fifty thousand (150,000) but less than
4 five hundred thousand (500,000);
 - 5 (2) more than one hundred twenty thousand (120,000) but less
6 than one hundred fifty thousand (150,000);
 - 7 (3) more than one hundred ten thousand (110,000) but less than
8 one hundred twenty thousand (120,000);
 - 9 (4) more than ninety thousand (90,000) but less than one
10 hundred ten thousand (110,000); or
 - 11 (5) more than seventy-five thousand (75,000) but less than
12 ninety thousand (90,000).
- 13 (b) In order to provide funding for an art association under this
14 section, the governing body of a school corporation may impose a tax
15 of not more than one and one-half cents (\$0.015) on each one hundred
16 dollars (\$100) of assessed valuation in the school corporation. This tax
17 is not subject to the tax levy limitations imposed on the school
18 corporation by IC 6-1.1-19-1.5 (**repealed January 1, 2000**) or the
19 provisions of IC 21-2-11-8 (**repealed January 1, 2000**).
- 20 (c) The school corporation shall deposit the proceeds of the tax
21 imposed under subsection (b) in a fund to be known as the art
22 association fund. The art association fund is separate and distinct from
23 the school corporation's general fund and may be used only for the
24 purpose of providing funds for an art association under this section.
25 The governing body of the school corporation may annually
26 appropriate the money in the fund to be paid in semiannual installments
27 to an art association having facilities in a city that is listed in subsection
28 (a), subject to subsection (d).
- 29 (d) Before an art association may receive payments under this
30 section, its governing board must adopt a resolution that entitles:
- 31 (1) the governing body of the school corporation to appoint its
32 superintendent and its director of art instruction as visitors, with
33 the privilege of attending all meetings of the association's
34 governing board;
 - 35 (2) the governing body of the school corporation to nominate
36 persons for membership on the association's governing board,
37 with at least two (2) of the nominees to be elected;
 - 38 (3) the school corporation to use any of the association's facilities
39 and equipment for educational purposes consistent with the
40 association's purposes;
 - 41 (4) the students and teachers of the school corporation to tour the
42 association's museum and galleries free of charge;
 - 43 (5) the school corporation to borrow materials from the
44 association for temporary exhibit in the schools;
 - 45 (6) the teachers of the school corporation to receive normal
46 instruction in the fine and applied arts at half the regular rates

1 charged by the association; and
 2 (7) the school corporation to expect such exhibits in the
 3 association's museum as will supplement the work of the
 4 students and teachers of the corporation.

5 A copy of the resolution, certified by the president and secretary of the
 6 association, must be filed in the office of the school corporation before
 7 payments may be received.

8 (e) A resolution filed under subsection (d) need not be renewed
 9 from year to year but continues in effect until rescinded. An art
 10 association that complies with this section is entitled to continue to
 11 receive payments under this section as long as it so complies.

12 (f) Whenever more than one (1) art association in a city that is
 13 listed in subsection (a) qualifies to receive payments under this section,
 14 the governing body of the school corporation shall select the one (1) art
 15 association best qualified to perform the services described by
 16 subsection (c). A school corporation may select only one (1) art
 17 association to receive payments under this section.

18 SECTION 47. IC 20-5-17.5-3, AS AMENDED BY P.L.6-1997,
 19 SECTION 181 (DELAYED VERSION), IS AMENDED TO READ AS
 20 FOLLOWS [EFFECTIVE MARCH 1, 2001]: Sec. 3. (a) This section
 21 applies to school corporations in a county containing a city having a
 22 population of:

- 23 (1) more than one hundred fifty thousand (150,000) but less than
- 24 five hundred thousand (500,000);
- 25 (2) more than one hundred twenty thousand (120,000) but less
- 26 than one hundred fifty thousand (150,000);
- 27 (3) more than one hundred ten thousand (110,000) but less than
- 28 one hundred twenty thousand (120,000);
- 29 (4) more than ninety thousand (90,000) but less than one
- 30 hundred ten thousand (110,000); or
- 31 (5) more than seventy-five thousand (75,000) but less than
- 32 ninety thousand (90,000).

33 (b) In order to provide funding for an art association under this
 34 section, the governing body of a school corporation may impose a tax
 35 of not more than five-tenths of one cent (\$0.005) on each one hundred
 36 dollars (\$100) of assessed valuation in the school corporation. This tax
 37 is not subject to the tax levy limitations imposed on the school
 38 corporation by IC 6-1.1-19-1.5 (**repealed January 1, 2000**) or the
 39 provisions of IC 21-2-11-8 (**repealed January 1, 2000**).

40 (c) The school corporation shall deposit the proceeds of the tax
 41 imposed under subsection (b) in a fund to be known as the art
 42 association fund. The art association fund is separate and distinct from
 43 the school corporation's general fund and may be used only for the
 44 purpose of providing funds for an art association under this section.
 45 The governing body of the school corporation may annually
 46 appropriate the money in the fund to be paid in semiannual installments

1 to an art association having facilities in a city that is listed in subsection
2 (a), subject to subsection (d).

3 (d) Before an art association may receive payments under this
4 section, its governing board must adopt a resolution that entitles:

5 (1) the governing body of the school corporation to appoint its
6 superintendent and its director of art instruction as visitors, with
7 the privilege of attending all meetings of the association's
8 governing board;

9 (2) the governing body of the school corporation to nominate
10 persons for membership on the association's governing board,
11 with at least two (2) of the nominees to be elected;

12 (3) the school corporation to use any of the association's facilities
13 and equipment for educational purposes consistent with the
14 association's purposes;

15 (4) the students and teachers of the school corporation to tour the
16 association's museum and galleries free of charge;

17 (5) the school corporation to borrow materials from the
18 association for temporary exhibit in the schools;

19 (6) the teachers of the school corporation to receive normal
20 instruction in the fine and applied arts at half the regular rates
21 charged by the association; and

22 (7) the school corporation to expect such exhibits in the
23 association's museum as will supplement the work of the
24 students and teachers of the corporation.

25 A copy of the resolution, certified by the president and secretary of the
26 association, must be filed in the office of the school corporation before
27 payments may be received.

28 (e) A resolution filed under subsection (d) need not be renewed
29 from year to year but continues in effect until rescinded. An art
30 association that complies with this section is entitled to continue to
31 receive payments under this section as long as it so complies.

32 (f) Whenever more than one (1) art association in a city that is
33 listed in subsection (a) qualifies to receive payments under this section,
34 the governing body of the school corporation shall select the one (1) art
35 association best qualified to perform the services described by
36 subsection (c). A school corporation may select only one (1) art
37 association to receive payments under this section.

38 SECTION 48. IC 20-5-62-6, AS AMENDED BY P.L.34-1996,
39 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
40 JULY 1, 1998]: Sec. 6. Except as provided in this chapter and
41 notwithstanding any other law, a freeway school corporation or a
42 freeway school may do the following during the contract period:

43 (1) Disregard the observance of any statute or rule that is listed
44 in the contract.

45 (2) Lease school transportation equipment to others for
46 nonschool use when the equipment is not in use for a school

- 1 corporation purpose, if the lessee has not received a bid from a
 2 private entity to provide transportation equipment or services for
 3 the same purpose.
- 4 (3) Replace the budget and accounting system that is required by
 5 law with a budget or accounting system that is frequently used
 6 in the private business community. The state board of accounts
 7 may not go beyond the requirements imposed upon the state
 8 board of accounts by statute in reviewing the budget and
 9 accounting system used by a freeway school corporation or a
 10 freeway school.
- 11 (4) Establish a professional development and technology fund to
 12 be used for:
- 13 (A) professional development; or
 14 (B) technology, including video distance learning.
- 15 (5) Transfer funds obtained from sources other than state or local
 16 government taxation among any accounts of the school
 17 corporation, including a professional development and
 18 technology fund established under subdivision (4).
- 19 (6) Transfer funds obtained from property taxation and from
 20 state distributions **among between** the general fund (established
 21 under IC 21-2-11) and the school transportation fund
 22 (established under IC 21-2-11.5), subject to the following:
- 23 (A) **For property taxes first due and payable:**
- 24 (i) **before January 1, 2000**, the sum of the property
 25 tax rates for the general fund and the school
 26 transportation fund after a transfer occurs under this
 27 subdivision may not exceed the sum of the property tax
 28 rates for the general fund and the school transportation
 29 fund before a transfer occurs under this subdivision;
 30 **and**
- 31 (ii) **after December 31, 1999, the property tax rate**
 32 **for the school transportation fund after a transfer**
 33 **occurs under this subdivision may not exceed the**
 34 **property tax rate for the school transportation fund**
 35 **after a transfer occurs under this subdivision.**
- 36 (B) This subdivision does not allow a school corporation to
 37 transfer to any other fund money from the:
- 38 (i) capital projects fund (established under
 39 IC 21-2-15); or
 40 (ii) debt service fund (established under IC 21-2-4).
- 41 (7) Establish a locally adopted assessment program to replace
 42 the assessment of students under the ISTEP program established
 43 under IC 20-10.1-16-8, subject to the following:
- 44 (A) A locally adopted assessment program must be
 45 established by the governing body and approved by the
 46 department.

- 1 (B) A locally adopted assessment program may use a locally
 2 developed test or a nationally developed test.
 3 (C) Results of assessments under a locally adopted
 4 assessment program are subject to the same reporting
 5 requirements as results under the ISTEP program.
 6 (D) Each student who completes a locally adopted
 7 assessment program and the student's parent or guardian has
 8 the same rights to inspection and rescoring as are set forth
 9 in IC 20-10.1-16-7(d).

10 SECTION 49. IC 20-8.1-6.1-8, AS AMENDED BY
 11 P.L.260-1997(ss), SECTION 58, IS AMENDED TO READ AS
 12 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 8. (a) As used in this
 13 section, the following terms have the following meanings:

14 (1) "Class of school" refers to a classification of each school or
 15 program in the transferee corporation by the grades or special
 16 programs taught at the school. Generally, these classifications
 17 are denominated as kindergarten, elementary school, middle
 18 school or junior high school, high school, and special schools or
 19 classes, such as schools or classes for special education,
 20 vocational training, or career education.

21 (2) "ADM" means the following:

22 (A) For purposes of allocating to a transfer student state
 23 distributions under IC 21-1-30 (primetime), "ADM" as
 24 computed under IC 21-1-30-2.

25 (B) For all other purposes, "ADM" as set forth in
 26 IC 21-3-1.6-1.1.

27 (3) "Pupil enrollment" means the following:

28 (A) The total number of students in kindergarten through
 29 grade 12 who are enrolled in a transferee school corporation
 30 on a date determined by the Indiana state board of
 31 education.

32 (B) The total number of students enrolled in a class of
 33 school in a transferee school corporation on a date
 34 determined by the Indiana state board of education.

35 However, a kindergarten student shall be counted under clauses
 36 (A) and (B) as one-half (1/2) a student.

37 (4) "Special equipment" means equipment that during a school
 38 year:

39 (A) is used only when a child with disabilities is attending
 40 school;

41 (B) is not used to transport a child to or from a place where
 42 the child is attending school;

43 (C) is necessary for the education of each child with
 44 disabilities that uses the equipment, as determined under the
 45 individualized instruction program for the child; and

46 (D) is not used for or by any child who is not a child with

- 1 disabilities.
- 2 The Indiana state board of education may select a different date for
3 counts under subdivision (3). However, the same date shall be used for
4 all school corporations making a count for the same class of school.
- 5 (b) Each transferee corporation is entitled to receive for each
6 school year on account of each transferred student, except a student
7 transferred under section 3 of this chapter, transfer tuition from the
8 transferor corporation or the state as provided in this chapter. Transfer
9 tuition equals the amount determined under STEP THREE of the
10 following formula:
- 11 STEP ONE: Allocate to each transfer student the capital
12 expenditures for any special equipment used by the transfer
13 student and a proportionate share of the operating costs incurred
14 by the transferee school for the class of school where the transfer
15 student is enrolled.
- 16 STEP TWO: If the transferee school included the transfer
17 student in the transferee school's ADM for a school year, allocate
18 to the transfer student a proportionate share of the following
19 general fund revenues of the transferee school for, except as
20 provided in clause (C), the calendar year in which the school
21 year ends:
- 22 (A) The following state distributions that are computed in
23 any part using ADM or other pupil count in which the
24 student is included:
- 25 (i) Primetime grant under IC 21-1-30.
- 26 (ii) Tuition support for basic programs and at-risk
27 weights under IC 21-3-1.7-8 (before January 1, 1996)
28 and only for basic programs (after December 31,
29 1995).
- 30 (iii) Enrollment growth grant under IC 21-3-1.7-9.5.
- 31 (iv) At-risk grant under IC 21-3-1.7-9.7.
- 32 (v) Academic honors diploma award under
33 IC 21-3-1.7-9.8.
- 34 (vi) Vocational education grant under IC 21-3-1.8-3.
- 35 (vii) Special education grant under IC 21-3-1.8
36 (repealed January 1, 1996) or IC 21-3-10.
- 37 (viii) The portion of the ADA flat grant that is
38 available for the payment of general operating
39 expenses under IC 21-3-4.5-2(b)(1).
- 40 (B) For school years beginning after June 30, 1997,
41 property tax levies.
- 42 (C) For school years beginning after June 30, 1997, excise
43 tax revenue (as defined in IC 21-3-1.7-2) received for
44 deposit in the calendar year in which the school year begins.
- 45 (D) For school years beginning after June 30, 1997,
46 allocations to the transferee school under IC 6-3.5.

- 1 STEP THREE: Determine the greater of:
 2 (A) zero (0); or
 3 (B) the result of subtracting the STEP TWO amount from
 4 the STEP ONE amount.

5 If a child is placed in an institution or facility in Indiana under a court
 6 order, the institution or facility shall charge the county office of the
 7 county of the student's legal settlement under IC 12-19-7 for the use of
 8 the space within the institution or facility (commonly called capital
 9 costs) that is used to provide educational services to the child based
 10 upon a prorated per student cost.

11 (c) Operating costs shall be determined for each class of school
 12 where a transfer student is enrolled. The operating cost for each class
 13 of school is based on the total expenditures of the transferee
 14 corporation for the class of school from its general fund expenditures
 15 as specified in the classified budget forms prescribed by the state board
 16 of accounts. This calculation excludes:

- 17 (1) capital outlay;
 18 (2) debt service;
 19 (3) costs of transportation;
 20 (4) salaries of board members;
 21 (5) contracted service for legal expenses; and
 22 (6) any expenditure which is made out of the general fund from
 23 extracurricular account receipts;

24 for the school year.

25 (d) The capital cost of special equipment for a school year is equal
 26 to:

- 27 (1) the cost of the special equipment; divided by
 28 (2) the product of:
 29 (A) the useful life of the special equipment, as determined
 30 under the rules adopted by the Indiana state board of
 31 education; multiplied by
 32 (B) the number of students using the special equipment
 33 during at least part of the school year.

34 (e) When an item of expense or cost described in subsection (c)
 35 cannot be allocated to a class of school, it shall be prorated to all
 36 classes of schools on the basis of the pupil enrollment of each class in
 37 the transferee corporation compared to the total pupil enrollment in the
 38 school corporation.

39 (f) Operating costs shall be allocated to a transfer student for each
 40 school year by dividing:

- 41 (1) the transferee school corporation's operating costs for the
 42 class of school in which the transfer student is enrolled; by
 43 (2) the pupil enrollment of the class of school in which the
 44 transfer student is enrolled.

45 When a transferred student is enrolled in a transferee corporation for
 46 less than the full school year of pupil attendance, the transfer tuition

1 shall be calculated by the portion of the school year for which the
 2 transferred student is enrolled. A school year of pupil attendance
 3 consists of the number of days school is in session for pupil attendance.
 4 A student, regardless of the student's attendance, is enrolled in a
 5 transferee school unless the student is no longer entitled to be
 6 transferred because of a change of residence, the student has been
 7 excluded or expelled from school for the balance of the school year or
 8 for an indefinite period, or the student has been confirmed to have
 9 withdrawn from school. The transferor and the transferee corporation
 10 may enter into written agreements concerning the amount of transfer
 11 tuition due in any school year. Where an agreement cannot be reached,
 12 the amount shall be determined by the Indiana state board of education,
 13 and costs may be established, when in dispute, by the state board of
 14 accounts.

15 (g) A transferee school shall allocate revenues described in
 16 subsection (b) STEP TWO to a transfer student by dividing:

- 17 (1) the total amount of revenues received; by
- 18 (2) the ADM of the transferee school for the school year that
- 19 ends in the calendar year in which the revenues are received.

20 However, for state distributions under IC 21-1-30, IC 21-3-10, or any
 21 other statute that computes the amount of a state distribution using less
 22 than the total ADM of the transferee school, the transferee school shall
 23 allocate the revenues to the transfer student by dividing the revenues
 24 that the transferee school is eligible to receive in a calendar year by the
 25 pupil count used to compute the state distribution.

26 (h) In lieu of the payments provided in subsection (b), the
 27 transferor corporation or state owing transfer tuition may enter into a
 28 long term contract with the transferee corporation governing the
 29 transfer of students. This contract is for a maximum period of five (5)
 30 years with an option to renew, and may specify a maximum number of
 31 pupils to be transferred and fix a method for determining the amount
 32 of transfer tuition and the time of payment, which may be different
 33 from that provided in section 9 of this chapter.

34 (i) If the school corporation can meet the requirements of
 35 IC 21-1-30-5, it may negotiate transfer tuition agreements with a
 36 neighboring school corporation that can accommodate additional
 37 students. Agreements under this section may be for one (1) year or
 38 longer and may fix a method for determining the amount of transfer
 39 tuition or time of payment that is different from the method, amount,
 40 or time of payment that is provided in this section or section 9 of this
 41 chapter. A school corporation may not transfer a student under this
 42 section without the prior approval of the child's parent or guardian.

43 (j) **This subsection applies only to property taxes first due and**
 44 **payable before January 1, 2000.** If a school corporation experiences
 45 a net financial impact with regard to transfer tuition that is negative for
 46 a particular school year as described in IC 6-1.1-19-5.1 (**repealed**)

1 **January 1, 2000)**, the school corporation may appeal for an excessive
 2 **levy tax** as provided under IC 6-1.1-19-5.1 (**repealed January 1,**
 3 **2000**).

4 SECTION 50. IC 20-8.1-6.5-4 IS AMENDED TO READ AS
 5 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 4. (a) Where a transfer
 6 is ordered to commence in a school year, where the transferor
 7 corporation has net additional costs over savings (on account of any
 8 transfer ordered) allocable to the calendar year in which the school year
 9 begins, and where the transferee corporation has no budgeted funds for
 10 such net additional costs, they may be recovered by one (1) or more of
 11 the following methods in addition to any other methods provided by
 12 applicable law:

13 (1) An emergency loan made pursuant to IC 20-5-4-6 to be paid,
 14 however, out of the debt service levy and fund, or a loan from
 15 any state fund made available therefor.

16 (2) An advance in such calendar year of state funds, which
 17 would otherwise become payable to the transferee corporation
 18 after such calendar year pursuant to applicable law.

19 (3) A grant or grants in such calendar year from any funds of the
 20 state made available therefor.

21 (b) The net additional costs shall be certified by the state board of
 22 tax commissioners and any grant shall be made solely after affirmative
 23 recommendation of the tax control board created by IC 6-1.1-19-4.1.
 24 Repayment of any advance or loan from the state shall be made in
 25 accordance with IC 6-1.1-19-4.5(d) (**repealed January 1, 2000**) and
 26 **IC 6-1.1-19-4.4(c)**. The Use of any of the methods enumerated above
 27 shall not subject the transferor corporation to the provisions of
 28 IC 6-1.1-19-4.7 (**repealed January 1, 2000**).

29 SECTION 51. IC 20-8.1-6.5-9 IS AMENDED TO READ AS
 30 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 9. ~~Transportation Costs~~
 31 ~~State Reimbursement~~: Transportation costs for transferred students
 32 for each calendar year or for capital outlay and for operations shall be
 33 reimbursed by the state to the transferor corporation in the same
 34 percent of the total outlay which the distributions to the transferor
 35 corporation under IC 1971, 21-3-1.5-3, or from the state flat grant
 36 distribution account where it is credited to the general transportation
 37 fund constitute of its total annual general transportation fund
 38 appropriations for such year. In this calculation there shall be excluded
 39 from general transportation fund appropriations capital outlay and
 40 debt service. and any expenditure which is made out of the general
 41 fund from extracurricular accounts. Any amount not thus reimbursed
 42 and raised as part of the transferor corporation's general fund levy shall
 43 constitute an increase in its base tax levy for such budget year, as
 44 otherwise defined and as applied in IC 6-1.1-1-16. and IC 6-1.1-1-19. In
 45 no event shall the state reimbursement for transportation operating
 46 expense to the transferor corporation be less than it would receive

1 under applicable law without regard to this section.

2 SECTION 52. IC 20-8.1-7-18 IS AMENDED TO READ AS
 3 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 18. (a) Whenever the
 4 test required under section 17 of this chapter discloses that the hearing
 5 of any child is impaired and the child cannot be taught advantageously
 6 in regular classes, the governing body of the school corporation shall
 7 provide appropriate remedial measures and correctional devices. The
 8 governing body shall advise the child's parents of the proper medical
 9 care, attention, and treatment needed. The governing body shall
 10 provide approved mechanical auditory devices and prescribe courses
 11 in lip reading by qualified, competent and approved instructors. The
 12 superintendent of public instruction and the head of the rehabilitative
 13 services bureau of the division of disability, aging, and rehabilitative
 14 services shall cooperate with school corporations to provide this
 15 assistance; they shall also provide advice and information to assist
 16 school corporations in complying with this section. The local governing
 17 body may adopt rules and regulations for the administration of this
 18 section.

19 (b) Each school corporation may receive and accept bequests and
 20 donations for immediate use or as trusts or endowments to assist in
 21 meeting costs and expenses incurred in complying with the
 22 requirements of this section. When funds for the full payment of these
 23 expenses are not otherwise available, in any school corporation, any
 24 unexpended balance in the state treasury which is available for the use
 25 of local schools and is otherwise unappropriated may be loaned to the
 26 school corporation for that purpose by the governor. Any loan made by
 27 the governor under this section shall be repaid to the fund in the state
 28 treasury from which it came within two (2) years after the date it was
 29 advanced. These loans shall be repaid **before January 1, 2000,**
 30 **through the levying of taxes in the borrowing and, after December 31,**
 31 **1999, from funds available to the** school corporation. **If the advance**
 32 **is not repaid, the amount due may be withheld from the**
 33 **distribution of other state funds to the school corporation to which**
 34 **the advance is made.**

35 SECTION 53. IC 20-9.1-1-3 IS AMENDED TO READ AS
 36 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 3. ~~Definition, "Private~~
 37 ~~School":~~ As used in this article, the term "private school" means any
 38 school ~~which is not supported and maintained by funds realized from~~
 39 ~~the imposition of a tax on property, income or sales; that is not a~~
 40 **school corporation (as defined in IC 36-1-2-17).**

41 SECTION 54. IC 20-10.1-6.5-1, AS AMENDED BY P.L.1-1994,
 42 SECTION 97, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 43 JULY 1, 1998]: Sec. 1. As used in this chapter:

44 "Advancement fund" refers to the school technology advancement
 45 account as created under section 4 of this chapter.

46 "Board" refers to the **Indiana** state board of education established

1 under IC 20-1-1-1.

2 "School corporation" means any corporation authorized by law to
3 establish public schools and levy taxes for their maintenance: **has the**
4 **meaning set forth in IC 36-1-2-17.**

5 SECTION 55. IC 21-2-3.1-1 IS AMENDED TO READ AS
6 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 1. This chapter applies
7 if a township board finds, at an annual or special meeting of the board,
8 that:

- 9 (1) it is necessary to provide for the construction of a school
10 building; and
- 11 (2) the cost of the building, or the proportional cost if it is a joint
12 graded high school building, will be in excess of the ~~sum~~
13 **available from an annual levy: amount of available funds.**

14 SECTION 56. IC 21-2-4-7 IS ADDED TO THE INDIANA CODE
15 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
16 1, 1998]: **Sec. 7. A school corporation shall annually levy a sum**
17 **sufficient to meet all payments of principal and interest on debt**
18 **service payable from the debt service fund as the payments mature.**

19 SECTION 57. IC 21-2-5.6-3 IS AMENDED TO READ AS
20 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 3. Subject to the
21 approval of the commissioner of the department of insurance, the
22 governing body of the school corporation may:

- 23 (1) for eventual transfer to the self-insurance fund, include an
24 amount of money in:
25 (A) the general fund budget; and
26 (B) **for property taxes first due and payable before**
27 **January 1, 2000**, the general fund tax levy and rate;
- 28 (2) transfer monies from the general fund to the self-insurance
29 fund; or
- 30 (3) appropriate monies from the general fund for the
31 self-insurance fund.

32 SECTION 58. IC 21-2-11-2 IS AMENDED TO READ AS
33 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 2. The governing body
34 of each school corporation in the state of Indiana shall establish a
35 general fund for the operation and maintenance of local schools. ~~and~~
36 **The governing body shall levy a tax therefor in calendar years**
37 **before January 1, 2000. Except as otherwise provided by statute,**
38 **all receipts and disbursements heretofore authorized by law for school**
39 **funds and tax levies for the tuition fund; special school fund; special**
40 **fund; vocational fund; recreation fund; compulsory education fund;**
41 **school library fund; high school library fund; public employee's**
42 **retirement fund; operating fund; transportation tax and county wide**
43 **school tax shall on and after January 1, 1968, be received in and**
44 **disbursed from the general fund. For property taxes first due and**
45 **payable before January 1, 2000, the tax levy and rate for the general**
46 **fund shall be established by the governing body of each school**

1 corporation. for the 1968 calendar year and all succeeding calendar
 2 years. Any balances of all the aforesaid funds on January 1, 1968 shall
 3 be transferred to the general fund:

4 SECTION 59. IC 21-2-11-5 IS AMENDED TO READ AS
 5 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 5. Any self supporting
 6 programs maintained by any school corporation, including but not
 7 limited to school lunch and rental or sale of textbooks, may be
 8 established as separate funds, separate and apart from the general fund,
 9 if no **state distributions under IC 21-3-1.7** or local tax rate is
 10 established therefor: **funds are involved.**

11 SECTION 60. IC 21-2-11-6 IS AMENDED TO READ AS
 12 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 6. Moneys received by
 13 any school corporation for a specific purpose or purposes, by gift,
 14 endowment or pursuant to any federal statute, may be accounted for by
 15 establishing separate funds, separate and apart from the general fund,
 16 if no **state distributions under IC 21-3-1.7** or local tax funds are
 17 involved. ~~Provided, That~~ No such funds shall be accepted unless the
 18 terms of the gift, endowment or payment, and the acceptance thereof,
 19 are so stated that the officers of the school corporation are not divested
 20 of any right or authority which they ~~now have or may hereafter be~~ **are**
 21 granted by law. Such moneys so received for specific purposes, and any
 22 earnings thereon, may be disbursed without appropriation.

23 SECTION 61. IC 21-2-11.5-5 IS ADDED TO THE INDIANA
 24 CODE AS A NEW SECTION TO READ AS FOLLOWS
 25 [EFFECTIVE JULY 1, 1998]: **Sec. 5. A school corporation shall**
 26 **annually levy a sum sufficient to meet all payments of principal**
 27 **and interest on obligations payable from the transportation fund**
 28 **as the payments mature.**

29 SECTION 62. IC 21-2-15-15 IS ADDED TO THE INDIANA
 30 CODE AS A NEW SECTION TO READ AS FOLLOWS
 31 [EFFECTIVE JULY 1, 1998]: **Sec. 15. A school corporation shall**
 32 **annually levy a sum sufficient to meet all payments of principal**
 33 **and interest on obligations payable from the capital projects fund**
 34 **as the payments mature.**

35 SECTION 63. IC 21-4-20-1 IS AMENDED TO READ AS
 36 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 1. Whenever it is found
 37 by the board of school trustees or other proper authorities of any school
 38 city or school town that an emergency exists for the borrowing of
 39 money with which to meet the current expenses of the schools of such
 40 school town or school city, the board of school trustees or other proper
 41 authorities of such school city or school town may make temporary
 42 loans in anticipation of the current revenues of such school town or
 43 school city to an amount not exceeding fifty percent (50%) of the
 44 ~~amount of taxes actually levied and revenue~~ in the course of collection
 45 for the fiscal year in which such loans are made. Revenues shall be
 46 deemed to be current and taxes shall be deemed to have been actually

1 levied and in the course of collection when the budget levy and rate
 2 shall have been finally approved by the state board of tax
 3 commissioners. ~~Provided, However, That~~ in all second and third class
 4 school cities, no such loans shall be borrowed in excess of the sum of
 5 twenty thousand dollars (\$20,000) until the letting of the same shall
 6 have been advertised once each week for two (2) successive weeks in
 7 two (2) newspapers of general circulation published in such school city,
 8 and until sealed bids have been submitted at a regular meeting of the
 9 school board of such school city, pursuant to such notices, stipulating
 10 the rate of interest to be charged by such bidder. ~~and Provided, further,~~
 11 ~~That~~ Such school loans shall be made with the bidder submitting the
 12 lowest rate of interest and submitting with his bid an affidavit showing
 13 that no collusion exists between himself and any other bidder for such
 14 loan.

15 SECTION 64. IC 32-9-1.5-16, AS ADDED BY P.L.31-1995,
 16 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 17 JULY 1, 1998]: Sec. 16. For purposes of section 49 of this chapter,
 18 "political subdivision" includes any Indiana municipality, county, civil
 19 township, civil incorporated city or town, ~~public~~ school corporation (**as**
 20 **defined in IC 36-1-2-17**), university or college supported in part by
 21 state funds, or any other territorial subdivision of the state recognized
 22 or designated in any law, including judicial circuits, a public utility
 23 entity not privately owned, special taxing district or entity, and public
 24 improvement district authority or entity authorized to levy taxes or
 25 assessments. The term does not include any retirement system
 26 supported entirely or in part by the state.

27 SECTION 65. IC 36-1-2-2 IS AMENDED TO READ AS
 28 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 2. "Bonds" means any
 29 evidences of indebtedness, whether payable from property taxes,
 30 revenues, or any other source. ~~but However, the term~~ does not include
 31 notes or warrants representing temporary loans that are payable out of:

- 32 (1) taxes levied and in the course of collection; or
- 33 (2) other deposits in the general fund of a school corporation.

34 SECTION 66. IC 36-7-15.1-26.9 IS AMENDED TO READ AS
 35 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 26.9. (a) The
 36 definitions set forth in section 26.5 of this chapter apply to this section.

37 (b) The fiscal officer of the consolidated city shall publish in the
 38 newspaper in the county with the largest circulation all determinations
 39 made under section 26.5 or 26.7 of this chapter that result in the
 40 allowance or disallowance of credits. The publication of a
 41 determination made under section 26.5 of this chapter shall be made
 42 not later than June 20 of the year in which the determination is made.
 43 The publication of a determination made under section 26.7 of this
 44 chapter shall be made not later than December 5 of the year in which
 45 the determination is made.

46 (c) If credits are granted under section 26.5(g) or 26.5(h) of this

1 chapter, whether in whole or in part, property taxes on personal
 2 property (as defined in IC 6-1.1-1-11) that are equal to the aggregate
 3 amounts of the credits for all taxpayers in the allocation area under
 4 section 26.5(g) and 26.5(h) of this chapter shall be:

- 5 (1) allocated to the redevelopment district;
- 6 (2) paid into the special fund for that allocation area; and
- 7 (3) used for the purposes specified in section 26 of this chapter.

8 (d) The county auditor shall adjust the estimate of assessed
 9 valuation that the auditor certifies under IC 6-1.1-17-1 for all taxing
 10 units in which the allocation area is located. The county auditor may
 11 amend this adjustment at any time before the earliest date a taxing unit
 12 must publish the unit's proposed property tax rate under IC 6-1.1-17-3
 13 in the year preceding the year in which the credits under section
 14 26.5(g) or 26.5(h) of this chapter are paid. The auditor's adjustment to
 15 the assessed valuation shall be:

- 16 (1) calculated to produce an estimated assessed valuation that
 17 will offset the effect that paying personal property taxes into the
 18 allocation area special fund under subsection (c) would
 19 otherwise have on the ability of a taxing unit to achieve the
 20 taxing unit's tax levy in the following year; and
- 21 (2) used by the county board of tax adjustment, the state board
 22 of tax commissioners, and each taxing unit in determining each
 23 taxing unit's tax rate and tax levy in the following year.

24 (e) The amount by which a taxing unit's levy is adjusted as a result
 25 of the county auditor's adjustment of assessed valuation under
 26 subsection (d), and the amount of the levy that is used to make direct
 27 payments to taxpayers under section 26.5(h) of this chapter, is not part
 28 of the total county tax levy under IC 6-1.1-21-2(g) and is not subject to
 29 IC 6-1.1-20.

30 (f) The ad valorem property tax levy limits imposed by
 31 IC 6-1.1-18.5-3 and IC 6-1.1-19-1.5 (**repealed January 1, 2000**) do
 32 not apply to ad valorem property taxes imposed that are used to offset
 33 the effect of paying personal property taxes into an allocation area
 34 special fund during the taxable year under subsection (d) or to make
 35 direct payments to taxpayers under section 26.5(h) of this chapter. For
 36 purposes of computing the ad valorem property tax levy limits imposed
 37 under IC 6-1.1-18.5-3 and IC 6-1.1-19-1.5 (**repealed January 1,**
 38 **2000**), a taxing unit's ad valorem property tax levy for a particular
 39 calendar year does not include that part of the levy imposed to offset
 40 the effect of paying personal property taxes into an allocation area
 41 special fund under subsection (d) or to make direct payments to
 42 taxpayers under section 26.5(h) of this chapter.

43 (g) Property taxes on personal property that are deposited in the
 44 allocation area special fund:

- 45 (1) are subject to any pledge of allocated property tax proceeds
 46 made by the redevelopment district under section 26(d) of this

1 chapter, including but not limited to any pledge made to owners
 2 of outstanding bonds of the redevelopment district of allocated
 3 taxes from that area; and
 4 (2) may not be treated as property taxes used to pay interest or
 5 principal due on debt under IC 6-1.1-21-2(g)(1)(D).
 6 SECTION 67. THE FOLLOWING ARE REPEALED
 7 [EFFECTIVE JANUARY 1, 2000]: IC 6-1.1-19-1; IC 6-1.1-19-1.5;
 8 IC 6-1.1-19-1.7; IC 6-1.1-19-2; IC 6-1.1-19-4.5; IC 6-1.1-19-4.7;
 9 IC 6-1.1-19-4.9; IC 6-1.1-19-5.1; IC 6-1.1-19-6; IC 6-1.1-19-11;
 10 IC 6-1.1-21.5; IC 6-1.1-34; IC 20-3-11-18; IC 20-4-1-26.9;
 11 IC 20-4-8-23; IC 21-2-11-8; IC 21-2-12; IC 21-2-13; IC 21-2-14.
 12 SECTION 68. [EFFECTIVE JULY 1, 1998] (a) **As used in this**
 13 **SECTION, "balance" means the unencumbered balance in a**
 14 **school corporation's levy excess fund on January 1, 2000.**
 15 (b) **The state board of tax commissioners may require a school**
 16 **corporation to include the balance in a school corporation's levy**
 17 **excess fund in the school corporation's budget fixed under**
 18 **IC 6-1.1-17.**
 19 (c) **Except as provided in subsection (d), a school corporation**
 20 **may not spend money in its levy excess fund until the expenditure**
 21 **of the money is included in a budget that is approved by the state**
 22 **board of tax commissioners under IC 6-1.1-17.**
 23 (d) **A school corporation may transfer money from its levy**
 24 **excess fund to its other funds to reimburse those funds for amounts**
 25 **withheld from the school corporation as a result of refunds paid**
 26 **under IC 6-1.1-26.**
 27 (e) **A school corporation may use money in its levy excess fund**
 28 **for a lawful purpose for which money in its other funds may be**
 29 **used."**
 30 Renumber all SECTIONS consecutively.
 (Reference is to HB 1272 as printed January 29, 1998.)

Representative Espich