

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WITHDRAWN	Noes _____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

# HOUSE MOTION \_\_\_\_\_

**MR. SPEAKER:**

I move that House Bill 1396 be amended to read as follows:

- 1           Page 1, between the enacting clause and line 1, begin a new
- 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 Page 26, between lines 22 and 23, begin a new paragraph and  
 6 insert:

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

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

15 Page 26, after line 42, begin a new paragraph and insert:

16 "SECTION 33. IC 6-1.1-17-3, AS AMENDED BY P.L.50-1996,  
 17 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 18 JANUARY 1, 1999]: Sec. 3. (a) The proper officers of a political  
 19 subdivision shall formulate its estimated budget and its proposed tax  
 20 rate and tax levy on the form prescribed by the state board of tax  
 21 commissioners and approved by the state board of accounts. The  
 22 political subdivision shall give notice by publication to taxpayers of:

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

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

35 (b) The trustee of each township of the county shall:

- 36 (1) estimate the amount necessary to meet the cost of poor relief  
 37 in the township for the ensuing calendar year; and
- 38 (2) publish with the township budget a tax rate sufficient to meet  
 39 the estimated cost of poor relief.

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

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

- 45 (1) in any county of the solid waste management district; and
- 46 (2) in accordance with the annual notice of meetings published

1 under IC 13-21-5-2.

2 SECTION 34. IC 6-1.1-17-5.1, AS AMENDED BY P.L.2-1997,  
3 SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
4 JULY 1, 1998]: Sec. 5.1. (a) As used in this section, "school  
5 corporation" has the meaning set forth in IC 20-10.1-1-1.

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

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

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

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

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

21 ~~(2)~~ (3) two (2) copies of the budget adopted by the school  
22 corporation for the ensuing budget year; and

23 ~~(3)~~ (4) any written notification from the state board of tax  
24 commissioners under section 16(i) of this chapter that specifies  
25 a proposed revision, reduction, or increase in the budget adopted  
26 by the school corporation for the ensuing budget year.

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

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

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

44 (1) an analysis of the aggregate tax rate within the political  
45 subdivision;

46 (2) a recommended breakdown of the aggregate tax rate among

1 the political subdivisions whose tax rates compose the aggregate  
2 tax rate within the political subdivision; and

3 (3) any other information which the county board considers  
4 relevant to the matter.

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

11 SECTION 36. IC 6-1.1-17-10 IS AMENDED TO READ AS  
12 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 10. (a) When the  
13 aggregate tax rate within a political subdivision, as approved or  
14 modified by the county board of tax adjustment, exceeds the maximum  
15 aggregate tax rate prescribed in IC 1971, 6-1.1-18-3(a), the county  
16 auditor shall certify the budgets, tax rates, and tax levies of the political  
17 subdivisions whose tax rates compose the aggregate tax rate within the  
18 political subdivision, as approved or modified by the county board, to  
19 the state board of tax commissioners for final review. For purposes of  
20 this section, the maximum aggregate tax rate limit exceptions provided  
21 in IC ~~1971~~, 6-1.1-18-3(b) do not apply.

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

26 SECTION 37. IC 6-1.1-17-13 IS AMENDED TO READ AS  
27 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 13. Ten (10) or more  
28 taxpayers may initiate an appeal from the county board of tax  
29 adjustment's action on a political subdivision's budget by filing a  
30 statement of their objections with the county auditor. The statement  
31 must be filed within ten (10) days after the publication of the notice  
32 required by section 12 of this chapter. The statement shall specifically  
33 identify the provisions of the budget and, **for funds for which a**  
34 **property tax is imposed, the** tax levy to which the taxpayers object.  
35 The county auditor shall forward the statement, with the budget, to the  
36 state board of tax commissioners.

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

43 (b) Subject to the limitations and requirements prescribed in this  
44 section, the state board of tax commissioners may review, revise,  
45 reduce, or increase the budget, tax rate, or tax levy of any of the  
46 political subdivisions whose tax rates compose the aggregate tax rate

1 within a political subdivision whose budget, tax rate, or tax levy is the  
2 subject of an appeal initiated under this chapter.

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

17 (d) Except as provided in:

18 (1) subsection (h);

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

21 (3) IC 6-1.1-18.5;

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

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

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

45 (2) the building corporation has enough legally available funds  
46 on hand to redeem all outstanding bonds payable from the

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

1 **a property tax levy** shall not be considered in computing the tax rate  
 2 limits prescribed in subsection (a) if that portion is to be used for one  
 3 (1) of the following purposes:

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

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

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

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

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

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

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

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

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

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

33 SECTION 40. IC 6-1.1-18-3, AS AMENDED BY P.L.6-1997,  
 34 SECTION 82 (DELAYED VERSION), IS AMENDED TO READ AS  
 35 FOLLOWS [EFFECTIVE MARCH 1, 2001]: Sec. 3. (a) Except as  
 36 provided in subsection (b), the sum of all tax rates for all political  
 37 subdivisions imposed on tangible property within a political  
 38 subdivision may not exceed:

39 (1) forty-one and sixty-seven hundredths cents (\$0.4167) on each  
 40 one hundred dollars (\$100) of assessed valuation in territory  
 41 outside the corporate limits of a city or town; or

42 (2) sixty-six and sixty-seven hundredths cents (\$0.6667) on each  
 43 one hundred dollars (\$100) of assessed valuation in territory  
 44 inside the corporate limits of a city or town.

45 (b) **Subject after December 31, 1999, to IC 6-1.1-19-1.9**, the  
 46 proper officers of a political subdivision shall fix **property** tax rates

1 which are sufficient to provide funds for the purposes itemized in this  
 2 subsection. The portion of a tax rate fixed by a political subdivision **for**  
 3 **a property tax levy** shall not be considered in computing the tax rate  
 4 limits prescribed in subsection (a) if that portion is to be used for one  
 5 (1) of the following purposes:

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

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

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

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

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

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

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

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

27 (7) To meet the requirements of the county hospital care for the  
 28 indigent fund.

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

35 SECTION 41. IC 6-1.1-18-5, AS AMENDED BY P.L.17-1995,  
 36 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 37 JULY 1, 1998]: Sec. 5. (a) If the proper officers of a political  
 38 subdivision desire to appropriate more money for a particular year than  
 39 the amount prescribed in the budget for that year as finally determined  
 40 under this article, they shall give notice of their proposed additional  
 41 appropriation. The notice shall state the time and place at which a  
 42 public hearing will be held on the proposal. The notice shall be given  
 43 once in accordance with IC 5-3-1-2(b).

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

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

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

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

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

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

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

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

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

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

42 (1) be filed with the state board of tax commissioners within  
 43 fifteen (15) days of the receipt of the determination by the  
 44 political subdivision; and

45 (2) state with reasonable specificity the reason for the request.  
 46 The state board of tax commissioners must act on a request for

1 reconsideration within fifteen (15) days of receiving the request.  
 2 SECTION 42. IC 6-1.1-19-1.9 IS ADDED TO THE INDIANA  
 3 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 4 [EFFECTIVE JULY 1, 1998]: **Sec. 1.9. (a) This section applies to ad**  
 5 **valorem property taxes first due and payable after December 31,**  
 6 **1999.**

7 (b) Except as provided in:  
 8 (1) IC 20-5-15-2 (public library in connection with school);  
 9 (2) IC 20-5-16-2 (nursery schools);  
 10 (3) IC 20-5-17-2 (Children's Museum in Marion County);  
 11 (4) IC 20-5-17.5-2 (historical societies);  
 12 (5) IC 20-5-17.5-3 (art associations);  
 13 (6) IC 20-5-17.5-4 (cultural institutions); and  
 14 (7) IC 20-5-37-4 (public playgrounds);  
 15 a school corporation may not levy an ad valorem property tax for  
 16 the school corporation's general fund.

17 SECTION 43. IC 6-1.1-19-4.4, AS ADDED BY P.L.2-1996,  
 18 SECTION 216, IS AMENDED TO READ AS FOLLOWS  
 19 [EFFECTIVE JULY 1, 1998]: Sec. 4.4. (a) With respect to every  
 20 appeal petition for property taxes first due and payable before  
 21 **January 1, 2000**, that is delivered to the tax control board by the state  
 22 board of tax commissioners under section 4.1 of this chapter, and that  
 23 does not include a request for emergency financial relief, **and with**  
 24 **respect to every appeal petition for property taxes first due and**  
 25 **payable after December 31, 1999, to a fund other than the general**  
 26 **fund**, the tax control board shall, after the tax control board makes the  
 27 study of the appeal petition and related materials that the tax control  
 28 board considers necessary, recommend to the state board of tax  
 29 commissioners, in respect of the particular appeal petition that:

- 30 (1) the order of the county board of tax adjustment or the county  
 31 auditor in respect of the appellant school corporation's budget,  
 32 **ad valorem property** tax levy, or **ad valorem property** tax rate  
 33 for the ensuing calendar year be approved;
- 34 (2) the order of the county board of tax adjustment or the county  
 35 auditor in respect of the appellant school corporation's budget,  
 36 **ad valorem property** tax levy, or **ad valorem property** tax rate  
 37 be disapproved and that the appellant school corporation's  
 38 budget, **ad valorem property** tax levy, or **ad valorem property**  
 39 tax rate be reduced as specified in the tax control board's  
 40 recommendation;
- 41 (3) the order of the county board of tax adjustment or the county  
 42 auditor in respect of the appellant school corporation's budget,  
 43 **ad valorem property** tax levy, or **ad valorem property** tax rate  
 44 be disapproved and that the appellant school corporation's  
 45 budget, **ad valorem property** tax levy, or **ad valorem property**  
 46 tax rate be increased as specified in the tax control board's

- 1 recommendation; or
- 2 **(4) for property taxes first due and payable before January**
- 3 **1, 2000,** combined with a recommendation allowed under
- 4 subdivision (1), (2), or (3), the adjusted base tax levy for the
- 5 school corporation be increased if the school corporation can
- 6 show a need for the increased adjusted base levy due to:
  - 7 (A) the opening after December 31, 1972, of a new school
  - 8 facility; or
  - 9 (B) the opening after July 1, 1988, of an existing facility
  - 10 that has not been used for at least three (3) years and that is
  - 11 being reopened to provide additional classroom space.

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

24 (b) With respect to an appeal petition described in this section, the  
 25 tax control board may not make a recommendation that, if followed by  
 26 the state board of tax commissioners, would authorize the appellant  
 27 school corporation for ~~the~~ **an** ensuing calendar year **before January 1,**  
 28 **2000:**

- 29 (1) to collect a general fund tax levy in excess of the general
- 30 fund tax levy initially adopted and advertised by the appellant
- 31 school corporation;
- 32 (2) to impose a general fund tax rate in excess of the general
- 33 fund tax rate initially adopted and advertised by the appellant
- 34 school corporation; or
- 35 (3) to collect an excessive tax levy.

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

42 (c) **This subsection applies to a school budget for an**  
 43 **expenditure from the school general fund after December 31, 1999.**  
 44 **If the tax control board concludes that the appellant school**  
 45 **corporation cannot, in the ensuing calendar year, carry out the**  
 46 **public educational duty committed to the appellant school**

1 corporation by law if, for the ensuing calendar year, the appellant  
2 school corporation does not receive emergency financial relief, the  
3 tax control board may recommend to the state board of tax  
4 commissioners that the order of the county board of tax  
5 adjustment or the county auditor in respect to the budget of the  
6 appellant school corporation be approved, or disapproved and  
7 modified, as specified in the tax control board's recommendation,  
8 and that the appellant school corporation receive emergency  
9 financial relief from the state, on terms to be specified by the tax  
10 control board in the board's recommendation, in the form of:

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

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

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

- 44 (1) The acquisition of real estate for school building
- 45 purposes, the construction of new school buildings, or the
- 46 remodeling or renovation of existing school buildings.

- 1           **(2) The making of a lease of real or personal property for an**
- 2           **annual rental or the incurring of any other contractual**
- 3           **obligation (except an employment contract for a new**
- 4           **employee, which contract is to supersede the contract of a**
- 5           **terminating employee) calling for an annual outlay by the**
- 6           **school corporation in excess of ten thousand dollars**
- 7           **(\$10,000).**
- 8           **(3) The purchase of personal property for a consideration in**
- 9           **excess of ten thousand dollars (\$10,000).**
- 10          **(4) The adoption or advertising of a budget, tax levy, or tax**
- 11          **rate for a calendar year.**
- 12          **(e) If a school corporation subject to the controls described in**
- 13          **subsection (d) takes any of the actions described in subsection (d)**
- 14          **without having first obtained the recommendation of the tax**
- 15          **control board and the state board of tax commissioners'**
- 16          **authorization for the action, the state board of tax commissioners**
- 17          **may take appropriate steps to reduce or terminate any emergency**
- 18          **financial relief that the school corporation may then be receiving**
- 19          **under subsection (c).**

20           SECTION 44. IC 6-1.1-19-5.3 IS AMENDED TO READ AS  
 21           FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 5.3. (a) **This**  
 22           **subsection applies only to an ad valorem property tax levy that is**  
 23           **first due and payable before January 1, 2000.** The tax control board  
 24           may recommend to the state board of tax commissioners a correction  
 25           of mathematical errors in data that affect the determination of:

- 26           (1) a school corporation's adjusted base levy;
- 27           (2) a school corporation's excessive tax levy; or
- 28           (3) a school corporation's normal tax levy.
- 29           (b) The state board of tax commissioners may correct
- 30           mathematical errors in data for any school corporation.

31           SECTION 45. IC 6-1.1-19-7, AS AMENDED BY P.L.2-1995,  
 32           SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 33           JULY 1, 1998]: Sec. 7. (a) **As used in this section, "excessive tax**  
 34           **levy" has the meaning set forth in IC 6-1.1-19-1 (repealed January**  
 35           **1, 2000).**

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

1 invalid because of the failure of either board to complete its duties  
 2 within the time or time limits provided by this chapter or any other law.  
 3 Subject to the provisions of this chapter, the state board of tax  
 4 commissioners may accept, reject, or accept in part and reject in part  
 5 any recommendation of the tax control board that is made to it under  
 6 this chapter and may make any order that is consistent with the  
 7 provisions of IC ~~1971~~; 6-1.1-17. The state board of tax commissioners  
 8 may not approve or authorize an excessive tax levy **that is first due**  
 9 **and payable before January 1, 2000**, except in accordance with the  
 10 provisions of this chapter. **The state board of tax commissioners may**  
 11 **not approve or authorize an excessive tax levy that is first due and**  
 12 **payable after December 31, 1999.**

13 SECTION 46. IC 6-1.1-19-12 IS ADDED TO THE INDIANA  
 14 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 15 [EFFECTIVE JANUARY 1, 2000]: **Sec. 12. (a) As used in this**  
 16 **section, "revenues" means excise tax distributions under IC 6-6-5**  
 17 **and any other allocation of state tax collections or distributions**  
 18 **that, by statute:**

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

22 **The term does not include homestead credits or property tax**  
 23 **replacement credits.**

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

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

32 **STEP TWO: Determine the school general fund budget for**  
 33 **that calendar year.**

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

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

37 (B) the school general fund budgets for all school  
 38 corporations in the county;

39 for that calendar year.

40 **STEP FOUR: Determine the result of the STEP TWO**  
 41 **amount divided by the STEP THREE sum.**

42 **STEP FIVE: Multiply the STEP ONE amount by the STEP**  
 43 **FOUR result.**

44 (c) **The amount of revenues distributed to:**

- 45 (1) taxing units other than a school corporation; and
- 46 (2) funds of a school corporation for which a property tax

1           levy is imposed;  
2 shall be changed for that same year by reducing the amount of  
3 revenue distributed by the amount of revenue allocated under this  
4 section for that same calendar year. The state board of tax  
5 commissioners shall make any adjustments required by this section  
6 and provide them to the appropriate county auditors.

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

10           SECTION 47. IC 6-1.1-20-1.1, AS ADDED BY P.L.25-1995,  
11 SECTION 40, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
12 JULY 1, 1998]: Sec. 1.1. As used in this chapter, "controlled project"  
13 means any project financed by bonds or a lease, except for the  
14 following:

15           (1) A project for which the political subdivision reasonably  
16 expects to pay:

17                   (A) debt service; or

18                   (B) lease rentals;

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

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

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

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

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

37           SECTION 48. IC 6-1.1-20-1.3, AS ADDED BY P.L.25-1995,  
38 SECTION 42, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
39 JULY 1, 1998]: Sec. 1.3. As used in this chapter, "lease" means a lease  
40 by a political subdivision of any controlled project with lease rentals  
41 payable from property taxes that are exempt from the levy limitations  
42 of IC 6-1.1-18.5 or ~~IC 6-1.1-19~~ **IC 6-1.1-19-1.5 (repealed January 1,**  
43 **2000) or are levied by a school corporation for a fund other than**  
44 **the general fund.**

45           SECTION 49. IC 6-1.1-21-2, AS AMENDED BY  
46 P.L.253-1997(ss), SECTION 4, IS AMENDED TO READ AS

- 1       FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 2. As used in this  
 2 chapter:
- 3       (a) "Taxpayer" means a person who is liable for taxes on property  
 4 assessed under this article.
- 5       (b) "Taxes" means taxes payable in respect to property assessed  
 6 under this article. The term does not include special assessments,  
 7 penalties, or interest, but does include any special charges which a  
 8 county treasurer combines with all other taxes in the preparation and  
 9 delivery of the tax statements required under IC 6-1.1-22-8(a).
- 10       (c) "Department" means the department of state revenue.
- 11       (d) "Auditor's abstract" means the annual report prepared by each  
 12 county auditor which under IC 6-1.1-22-5 is to be filed on or before  
 13 March 1 of each year with the auditor of state.
- 14       (e) "Mobile home assessments" means the assessments of mobile  
 15 homes made under IC 6-1.1-7.
- 16       (f) "Postabstract adjustments" means adjustments in taxes made  
 17 subsequent to the filing of an auditor's abstract which change  
 18 assessments therein or add assessments of omitted property affecting  
 19 taxes for such assessment year.
- 20       (g) "Total county tax levy" means the sum of:
- 21       (1) the remainder of:
- 22           (A) the aggregate levy of all taxes for all taxing units in a  
 23 county which are to be paid in the county for a stated  
 24 assessment year as reflected by the auditor's abstract for the  
 25 assessment year, adjusted, however, for any postabstract  
 26 adjustments which change the amount of the aggregate levy;  
 27 minus
- 28           (B) the sum of any increases in property tax levies of taxing  
 29 units of the county that result from appeals described in:
- 30               (i) IC 6-1.1-18.5-13(5) and IC 6-1.1-18.5-13(6) filed  
 31 after December 31, 1982; plus
- 32               (ii) the sum of any increases in property tax levies of  
 33 taxing units of the county that result from any other  
 34 appeals described in IC 6-1.1-18.5-13 filed after  
 35 December 31, 1983; plus
- 36               (iii) IC 6-1.1-18.6-3 (children in need of services and  
 37 delinquent children who are wards of the county);  
 38 minus
- 39           (C) the total amount of property taxes imposed for the stated  
 40 assessment year by the taxing units of the county under the  
 41 authority of IC 12-1-11.5 (repealed), IC 12-2-4.5 (repealed),  
 42 IC 12-19-5, or IC 12-20-24; minus
- 43           (D) the total amount of property taxes to be paid during the  
 44 stated assessment year that will be used to pay for interest  
 45 or principal due on debt that:
- 46               (i) is entered into after December 31, 1983;

- 1 (ii) is not debt that is issued under IC 5-1-5 to refund
- 2 debt incurred before January 1, 1984; and
- 3 (iii) does not constitute debt entered into for the
- 4 purpose of building, repairing, or altering school
- 5 buildings for which the requirements of IC 20-5-52
- 6 were satisfied prior to January 1, 1984; minus
- 7 (E) the amount of property taxes imposed in the county for
- 8 the stated assessment year under the authority of IC 21-2-6
- 9 or any citation listed in IC 6-1.1-18.5-9.8 for a cumulative
- 10 building fund whose property tax rate was initially
- 11 established or reestablished for a stated assessment year that
- 12 succeeds the 1983 stated assessment year; minus
- 13 (F) the remainder of:
  - 14 (i) the total property taxes imposed in the county for
  - 15 the stated assessment year under authority of IC 21-2-6
  - 16 or any citation listed in IC 6-1.1-18.5-9.8 for a
  - 17 cumulative building fund whose property tax rate was
  - 18 not initially established or reestablished for a stated
  - 19 assessment year that succeeds the 1983 stated
  - 20 assessment year; minus
  - 21 (ii) the total property taxes imposed in the county for
  - 22 the 1984 stated assessment year under the authority of
  - 23 IC 21-2-6 or any citation listed in IC 6-1.1-18.5-9.8 for
  - 24 a cumulative building fund whose property tax rate
  - 25 was not initially established or reestablished for a
  - 26 stated assessment year that succeeds the 1983 stated
  - 27 assessment year; minus
- 28 (G) the amount of property taxes imposed in the county for
- 29 the stated assessment year under:
  - 30 (i) IC 21-2-15 for a capital projects fund; plus
  - 31 (ii) IC 6-1.1-19-10 for a racial balance fund; plus
  - 32 (iii) IC 20-14-13 for a library capital projects fund;
  - 33 plus
  - 34 (iv) IC 20-5-17.5-3 for an art association fund; plus
  - 35 (v) IC 21-2-17 for a special education preschool fund;
  - 36 plus
  - 37 (vi) **before January 1, 2000**, an appeal filed under
  - 38 IC 6-1.1-19-5.1 (**repealed January 1, 2000**) for an
  - 39 increase in a school corporation's maximum
  - 40 permissible general fund levy for certain transfer
  - 41 tuition costs; plus
  - 42 (vii) **before January 1, 2000**, an appeal filed under
  - 43 IC 6-1.1-19-5.4 for an increase in a school
  - 44 corporation's maximum permissible general fund levy
  - 45 for transportation operating costs; minus
  - 46 (H) **before January 1, 2000**, the amount of property taxes

- 1 imposed by a school corporation that is attributable to the
- 2 passage, after 1983, of a referendum for an excessive tax
- 3 levy under IC 6-1.1-19, including any increases in these
- 4 property taxes that are attributable to the adjustment set
- 5 forth in IC 6-1.1-19-1.5(a) STEP ONE (**repealed January**
- 6 **1, 2000**) or any other law; minus
- 7 (I) for each township in the county, the lesser of:
  - 8 (i) the sum of the amount determined in
  - 9 IC 6-1.1-18.5-19(a) STEP THREE or
  - 10 IC 6-1.1-18.5-19(b) STEP THREE, whichever is
  - 11 applicable, plus the part, if any, of the township's ad
  - 12 valorem property tax levy for calendar year 1989 that
  - 13 represents increases in that levy that resulted from an
  - 14 appeal described in IC 6-1.1-18.5-13(5) filed after
  - 15 December 31, 1982; or
  - 16 (ii) the amount of property taxes imposed in the
  - 17 township for the stated assessment year under the
  - 18 authority of IC 36-8-13-4; minus
- 19 (J) for each participating unit in a fire protection territory
- 20 established under IC 36-8-19-1, the amount of property
- 21 taxes levied by each participating unit under IC 36-8-19-8
- 22 and IC 36-8-19-8.5 less the maximum levy limit for each of
- 23 the participating units that would have otherwise been
- 24 available for fire protection services under IC 6-1.1-18.5-3
- 25 and IC 6-1.1-18.5-19 for that same year; minus
- 26 (K) for each county, the sum of:
  - 27 (i) the amount of property taxes imposed in the county
  - 28 for the repayment of loans under IC 12-19-5-6 that is
  - 29 included in the amount determined under
  - 30 IC 12-19-7-4(a) STEP SEVEN for property taxes
  - 31 payable in 1995, or for property taxes payable in each
  - 32 year after 1995, the amount determined under
  - 33 IC 12-19-7-4(b); and
  - 34 (ii) the amount of property taxes imposed in the county
  - 35 attributable to appeals granted under IC 6-1.1-18.6-3
  - 36 that is included in the amount determined under
  - 37 IC 12-19-7-4(a) STEP SEVEN for property taxes
  - 38 payable in 1995, or the amount determined under
  - 39 IC 12-19-7-4(b) for property taxes payable in each year
  - 40 after 1995; plus
- 41 (2) all taxes to be paid in the county in respect to mobile home
- 42 assessments currently assessed for the year in which the taxes
- 43 stated in the abstract are to be paid; plus
- 44 (3) the amounts, if any, of county adjusted gross income taxes
- 45 that were applied by the taxing units in the county as property
- 46 tax replacement credits to reduce the individual levies of the

1           taxing units for the assessment year, as provided in IC 6-3.5-1.1;  
2           plus  
3           (4) the amounts, if any, by which the maximum permissible ad  
4           valorem property tax levies of the taxing units of the county were  
5           reduced under IC 6-1.1-18.5-3(b) STEP EIGHT for the stated  
6           assessment year; plus  
7           (5) the difference between:  
8                (A) the amount determined in IC 6-1.1-18.5-3(e) STEP  
9                FOUR; minus  
10              (B) the amount the civil taxing units' levies were increased  
11              because of the reduction in the civil taxing units' base year  
12              certified shares under IC 6-1.1-18.5-3(e).

13           (h) "December settlement sheet" means the certificate of  
14           settlement filed by the county auditor with the auditor of state, as  
15           required under IC 6-1.1-27-3.

16           (i) "Tax duplicate" means the roll of property taxes which each  
17           county auditor is required to prepare on or before March 1 of each year  
18           under IC 6-1.1-22-3.

19           SECTION 50. IC 6-1.1-21.5-6 IS AMENDED TO READ AS  
20           FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 6. (a) Except as  
21           specifically provided in subsection (c), the receipt by the qualified  
22           taxing unit of either the loan proceeds or any payment of delinquent tax  
23           owed by a taxpayer in bankruptcy, or both, is not considered to be part  
24           of the ad valorem property tax levy actually collected by the qualified  
25           taxing unit for taxes first due and payable during a particular calendar  
26           year for the purpose of calculating the levy excess under  
27           IC 6-1.1-18.5-17 and IC 6-1.1-19-1.7 (**repealed January 1, 2000**).

28           (b) The loan proceeds and any payment of delinquent tax may be  
29           expended by the qualified taxing unit only to pay debts of the qualified  
30           taxing unit that have been incurred pursuant to duly adopted  
31           appropriations approved by the state board of tax commissioners for  
32           operating expenses.

33           (c) In the event the sum of the receipts of the qualified taxing unit  
34           that are attributable to:  
35                (1) the loan proceeds; and  
36                (2) the payment of property taxes owed by a taxpayer in a  
37                bankruptcy proceeding initially filed in 1986 and payable in  
38                respect to the second installment of taxes due and payable in  
39                November 1986, and in respect to taxes due and payable in  
40                1987;  
41           exceeds eleven million nine hundred thousand dollars (\$11,900,000),  
42           the excess as received during any calendar year or years shall be set  
43           aside and treated for the calendar year when received as a levy excess  
44           subject to IC 6-1.1-18.5-17 or IC 6-1.1-19-1.7 (**repealed January 1,**  
45           **2000**). In calculating the payment of property taxes as provided in  
46           subdivision (2), the amount of property tax credit ~~financially~~ **finally**

1 allowed under IC 6-1.1-21-5 in respect to such taxes is deemed to be  
2 a payment of such property taxes.

3 (d) As used in this section, "delinquent tax" means any tax owed  
4 by a taxpayer in a bankruptcy proceeding initially filed in 1986 and that  
5 is not paid during the calendar year for which it was first due and  
6 payable.

7 SECTION 51. IC 6-1.1-21.7-14, AS ADDED BY P.L.58-1997,  
8 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
9 JULY 1, 1998]: Sec. 14. Loan proceeds received under this chapter  
10 may not be considered to be a levy excess under IC 6-1.1-18.5-17 and  
11 IC 6-1.1-19-1.7 (**repealed January 1, 2000**)."

12 Page 27, between lines 28 and 29, begin a new paragraph and  
13 insert:

14 "SECTION 52. IC 6-1.1-29-9, AS AMENDED BY P.L.36-1994,  
15 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
16 JULY 1, 1998]: Sec. 9. (a) A county council may adopt an ordinance  
17 to abolish the county board of tax adjustment. This ordinance must be  
18 adopted by July 1 and may not be rescinded in the year it is adopted.  
19 Notwithstanding IC 6-1.1-17, IC 6-1.1-18, IC 6-1.1-19, IC 12-19-3,  
20 IC 12-19-7, IC 21-2-14 (**repealed January 1, 2000**), IC 36-8-6,  
21 IC 36-8-7, IC 36-8-7.5, IC 36-8-11, IC 36-9-3, IC 36-9-4, and  
22 IC 36-9-13, if such an ordinance is adopted, this section governs the  
23 treatment of tax rates, tax levies, and budgets that would otherwise be  
24 reviewed by a county board of tax adjustment under IC 6-1.1-17.

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

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

32 SECTION 53. IC 6-1.1-30-9 IS AMENDED TO READ AS  
33 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 9. (a) The state board  
34 of tax commissioners shall select the following employees in the  
35 manner prescribed in this section:

- 36 (1) field representatives;
- 37 (2) supervisors;
- 38 (3) employees who are selected to work in the board's division  
39 of tax review; and
- 40 (4) **before January 1, 2000**, employees who are selected to  
41 perform the duties assigned to the board under IC ~~1971~~,  
42 6-1.1-34.

43 (b) The state board of tax commissioners shall select each  
44 employee described in subsection (a) of this section from a list of  
45 applicants who have passed an open, competitive examination ~~which~~  
46 **that tests his an individual's** qualifications for the position. The board

1 shall announce the time and place of the examination in the public  
 2 press before the examination is held and shall conduct the examination.  
 3 The examination must be practical, and it must be related to those  
 4 matters which fairly test an individual's qualifications for the position.

5 (c) The state board of tax commissioners shall:

6 (1) select field representatives and supervisors so that no more  
 7 than one-half (1/2) of all those employees belong to any one (1)  
 8 political party;

9 (2) select, as nearly as possible, the employees described in  
 10 subsection (a) (3) ~~of this section~~ so that no more than one-half  
 11 (1/2) of all those employees belong to any one (1) political party;  
 12 and

13 (3) **before January 1, 2000**, select, as nearly as possible, the  
 14 employees described in subsection (a)(4) ~~of this section~~ so that  
 15 no more than one-half (1/2) of those employees belong to any  
 16 one (1) political party."

17 Page 32, between lines 32 and 33, begin a new paragraph and  
 18 insert:

19 "SECTION 61. IC 6-3.1-2-1 IS AMENDED TO READ AS  
 20 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 1. As used in this  
 21 chapter, the following terms have the following meanings:

22 (1) "Eligible teacher" means a teacher:

23 (A) certified in a shortage area by the professional standards  
 24 board established by IC 20-1-1.4; and

25 (B) employed under contract during the regular school term  
 26 by a school corporation in a shortage area.

27 (2) "Qualified position" means a position that:

28 (A) is relevant to the teacher's academic training in a  
 29 shortage area; and

30 (B) has been approved by the Indiana state board of  
 31 education under section 6 of this chapter.

32 (3) "Regular school term" means the period, other than the  
 33 school summer recess, during which a teacher is required to  
 34 perform duties assigned to him under a teaching contract.

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

38 (5) "Shortage area" means the subject areas of mathematics and  
 39 science and any other subject area designated as a shortage area  
 40 by the Indiana state board of education.

41 (6) "State income tax liability" means a taxpayer's total income  
 42 tax liability incurred under IC 6-2.1 and IC 6-3, as computed  
 43 after application of credits that under IC 6-3.1-1-2 are to be  
 44 applied before the credit provided by this chapter.

45 SECTION 62. IC 6-3.5-1.1-1, AS AMENDED BY P.L.96-1995,  
 46 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

1 JULY 1, 1998]: Sec. 1. As used in this chapter:

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

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

15 "County council" includes the city-county council of a  
16 consolidated city.

17 "County taxpayer" as it relates to a county for a year means any  
18 individual:

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

21 (2) who maintains his principal place of business or employment  
22 in that county on the date specified in section 16 of this chapter  
23 and who does not on that same date reside in another county in  
24 which the county adjusted gross income tax, the county option  
25 income tax, or the county economic development income tax is  
26 in effect.

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

28 "Nonresident county taxpayer" as it relates to a county for a year  
29 means any county taxpayer for that county for that year who is not a  
30 resident county taxpayer of that county for that year.

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

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

37 SECTION 63. IC 6-3.5-1.1-14, AS AMENDED BY P.L.25-1995,  
38 SECTION 56, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
39 JULY 1, 1998]: Sec. 14. (a) In determining the amount of property tax  
40 replacement credits civil taxing units and school corporations of a  
41 county are entitled to receive during a calendar year, the state board of  
42 tax commissioners shall consider only property taxes imposed on  
43 tangible property that was assessed in that county.

44 (b) If a civil taxing unit or a school corporation is located in more  
45 than one (1) county and receives property tax replacement credits from  
46 one (1) or more of the counties, then the property tax replacement

1 credits received from each county shall be used only to reduce the  
2 property tax rates that are imposed within the county that distributed  
3 the property tax replacement credits.

4 (c) A civil taxing unit shall treat any property tax replacement  
5 credits that it receives or is to receive during a particular calendar year  
6 as a part of its property tax levy for that same calendar year for  
7 purposes of fixing its budget and for purposes of the property tax levy  
8 limits imposed by IC 6-1.1-18.5.

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

19 Page 37, between lines 19 and 20, begin a new paragraph and  
20 insert:

21 "SECTION 66. IC 20-1-1.3-8, AS AMENDED BY P.L.1-1994,  
22 SECTION 91, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
23 JULY 1, 1998]: Sec. 8. (a) A public school that receives a monetary  
24 award under this chapter may expend that award for any educational  
25 purpose for that school, except:

- 26 (1) athletics;
- 27 (2) salaries for school personnel; or
- 28 (3) salary bonuses for school personnel.

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

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

34 of the school corporation of which the school receiving the monetary  
35 award is a part.

36 SECTION 67. IC 20-1-6-1, AS AMENDED BY P.L.40-1994,  
37 SECTION 69, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
38 JULY 1, 1998]: Sec. 1. As used in this chapter, the following terms  
39 have the following meanings:

- 40 (1) "Child with a disability" means any child who is at least three  
41 (3) years of age but less than twenty-two (22) years of age and  
42 who because of physical or mental disability is incapable of  
43 being educated properly and efficiently through normal  
44 classroom instruction, but who with the advantage of a special  
45 educational program may be expected to benefit from instruction  
46 in surroundings designed to further the educational, social, or

- 1 economic status of the child. Public schools may operate special
- 2 education programs for hearing impaired children as young as
- 3 six (6) months of age on an experimental basis upon the approval
- 4 of the superintendent of public instruction and the Indiana state
- 5 board of education.
- 6 (2) "Division" means the division of special education within the
- 7 department of education.
- 8 (3) "Director" means the director of the division of special
- 9 education.
- 10 (4) "School corporation" ~~means any corporation authorized by~~
- 11 ~~law to establish public schools and levy taxes for the~~
- 12 ~~maintenance of the schools; has the meaning set forth in~~
- 13 **IC 36-1-2-17.**
- 14 (5) "Individualized education program" means a written
- 15 statement developed by a group that includes:
- 16 (A) a representative of the school corporation or public
- 17 agency responsible for educating the child;
- 18 (B) the child's teacher;
- 19 (C) the child's parent, guardian, or custodian;
- 20 (D) if appropriate, the child; and
- 21 (E) if the provision of services for a seriously emotionally
- 22 disabled child is considered, a mental health professional
- 23 provided by the community mental health center (as
- 24 described under IC 12-29) or a managed care provider (as
- 25 defined in IC 12-7-2-127(b)) and serving the community in
- 26 which the child resides;
- 27 and that describes the special education to be provided to the
- 28 child.
- 29 (6) "Preschool child with a disability" refers to a disabled child
- 30 who is at least three (3) years of age by September 1 of the
- 31 1989-90 school year, August 1 of the 1990-91 school year, July
- 32 1 of the 1991-92 school year, or June 1 of the 1992-93 school
- 33 year and every subsequent school year.
- 34 (7) "Special education" means instruction specially designed to
- 35 meet the unique needs of a child with a disability. It includes
- 36 transportation, developmental, corrective, and other support
- 37 services and training only when required to assist a child with a
- 38 disability to benefit from the instruction itself.
- 39 (8) "School year" has the meaning set forth in IC 20-10.1-2-1.
- 40 SECTION 68. IC 20-2-2-3 IS AMENDED TO READ AS
- 41 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 3. (a) The township
- 42 trustees of each and every township of each county shall perform all the
- 43 civil functions performed before March 13, 1947, by such township
- 44 trustees and together with other township trustees of the county shall
- 45 constitute a county board of education for the purpose of managing the
- 46 affairs of the county school corporation hereby created in each such

1 county. School cities and school towns shall retain independent  
2 organization and administration unless abandoned as provided by law,  
3 and the county school corporation, also referred to in this chapter as the  
4 county, shall include all areas not organized on March 13, 1947, under  
5 the laws of this state into jurisdictions controlled and governed as  
6 school cities or school towns. Said county board of education may be  
7 referred to interchangeably as the county board of school trustees and  
8 as the board. Said board shall meet at such time as the board shall  
9 designate at the office of the county superintendent of schools and at  
10 such other times and places as the county superintendent of schools  
11 may deem necessary. At the first meeting of each year, to be held on  
12 the first Wednesday after the first Monday in January, the board shall  
13 organize by selecting a president, a vice president, a secretary, and a  
14 treasurer from its membership. Provided, however, that no later than  
15 April 12, 1947, it shall be the duty of the county superintendent of  
16 schools to call said board into special session and unless the county  
17 board of education shall elect to have the provisions of this section  
18 remain inoperative, under provisions that may be included within this  
19 section, said board shall so organize itself, except that the failure of the  
20 county superintendent of schools to call the county board of education  
21 into session within the prescribed limits of this section shall not be  
22 construed to mean that a county school corporation as described in this  
23 section shall be brought into existence in such county, and no such  
24 county school corporation shall be brought into existence until the  
25 board has met in special session subsequent to March 13, 1947, and has  
26 taken action to organize itself into a county school corporation, after  
27 consideration of the question whether it should elect to have the  
28 provisions of this section remain inoperative under provisions that may  
29 be included within this section. Such organization when and if effected  
30 shall be filed with the county auditor and shall be published by said  
31 auditor in two (2) newspapers of different political persuasions of  
32 general circulation throughout the county within ten (10) days after  
33 such filing, and such organization shall be deemed to fulfill all the  
34 requirements of this section for the transacting of public business under  
35 this section. The secretary of the board shall keep an accurate record of  
36 the minutes of the board, which minutes shall be kept at the county  
37 superintendent's office. The county superintendent shall act as  
38 administrator of the board and shall carry out such acts and duties as  
39 shall be designated by the board. A quorum shall consist of two-thirds  
40 (2/3) of the members of the board.

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

46 (c) The board shall appoint a county superintendent of schools

1 who shall serve for a term of four (4) years. The first such appointment  
 2 under this section shall be made in accordance with law in June 1949,  
 3 to become effective August 16, 1949, and thereafter the board shall fill  
 4 vacancies in this office by appointments which shall expire at the end  
 5 of the regular term. The county superintendent of schools and other  
 6 persons employed for administrative or supervisory duties shall be  
 7 deemed to be supervisors of instruction.

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

22 (e) Such school corporations shall be vested with all right, title,  
 23 and interest of their respective predecessor township school  
 24 corporations hereby terminated to and in all the real, personal, and  
 25 other property of any nature and from whatever source derived, and  
 26 shall assume, pay, and be liable for all the indebtedness and liabilities  
 27 of the same.

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

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

45 (h) **This subsection applies only to property tax levies first due**  
 46 **and payable before January 1, 2000.** Every such board shall have, as

1 respects the levy of taxes by it, power annually to levy such amount of  
 2 taxes as in the judgment of such board, made matter of record in its  
 3 minutes, should be levied to produce income sufficient to conduct and  
 4 carry on the common schools committed to such board, and it is hereby  
 5 made the duty of such board annually to levy a sum sufficient to meet  
 6 all payments of principal and interest as they will mature in the year for  
 7 which such levy is made on the bonds, notes, or other obligations of  
 8 such board.

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

12 SECTION 69. IC 20-2-9-2 IS AMENDED TO READ AS  
 13 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 2. Said school trustees  
 14 shall maintain in each school corporation a term of school at least six  
 15 (6) months in duration and **before January 1, 2000**, shall authorize a  
 16 local tuition levy sufficient to conduct a six (6) months term of school  
 17 each year based on estimates and receipts from all sources for the  
 18 previous year, which may include that received from the state's tuition  
 19 revenue. ~~Provided, Such~~ **However, the** levy shall not exceed the limit  
 20 ~~now~~ provided by law.

21 SECTION 70. IC 20-3-11-20 IS AMENDED TO READ AS  
 22 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 20. (a) Each such board  
 23 of school commissioners may from time to time, whenever its general  
 24 fund shall be exhausted or in the board's judgment be in danger of  
 25 exhaustion, make temporary loans for the use of its general fund to be  
 26 paid out of ~~the proceeds of taxes theretofore levied by such school city~~  
 27 **for its money to be deposited in the** general fund. The amount so  
 28 borrowed in aid of said general fund shall be paid into said general  
 29 fund and may be used for any purpose for which the said general fund  
 30 lawfully may be used. Any such temporary loan shall be evidenced by  
 31 the promissory note or notes of said school city, shall bear interest at  
 32 not more than seven percent (7%) per annum, interest payable at the  
 33 maturity of the note or periodically, as the note may express, and shall  
 34 mature at such time or times as the board of school commissioners may  
 35 decide, but not later than one (1) year from the date of the note. No  
 36 such loan or loans made in any one (1) calendar year shall be for a sum  
 37 greater than the amount estimated by said board as the ~~proceeds money~~  
 38 **to be received by it from the levy of taxes theretofore made by said**  
 39 **school city in behalf of its said deposited in the** general fund **before**  
 40 **the due date of the note.** Successive loans may be made in aid of said  
 41 general fund in any calendar year, but the aggregate amount thereof,  
 42 outstanding at any one (1) time, shall not exceed such estimated  
 43 ~~proceeds of taxes levied in behalf of the said general fund.~~ **amounts to**  
 44 **be deposited in the general fund during the terms of the notes.**

45 (b) No such loan shall be made until notice asking for bids  
 46 therefor shall have been given by newspaper publication, which

1 publication shall be made one (1) time in a newspaper published in said  
 2 city and said publication shall be at least seven (7) days before the time  
 3 when bids for such loans will be opened. Bidders shall name the  
 4 amount of interest they agree to accept not exceeding seven percent  
 5 (7%) per annum, and the loan shall be made to the bidder or bidders  
 6 bidding the lowest rate of interest. The note or notes or warrants shall  
 7 not be delivered until the full price of the face thereof shall be paid to  
 8 the treasurer of said school city, and no interest shall accrue thereon  
 9 before such delivery.

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

40 (d) If said state board of tax commissioners shall find and order  
 41 that there is need for such temporary loan, and that it should be made,  
 42 and said state board of accounts shall find that the money proposed to  
 43 be borrowed will not be needed during the period of the temporary loan  
 44 by the fund from which it is to be borrowed, and said two (2) state  
 45 boards shall approve the loan, the business manager and treasurer of  
 46 said school city shall, upon such approval by said two (2) state boards,

1 take all steps necessary to transfer the amount of such loans, as a  
 2 temporary loan from the fund to be borrowed from, to said general fund  
 3 of such school city. The loan so effected shall, for all purposes, be a  
 4 debt of the school city chargeable against its constitutional debt limit.

5 (e) Such two (2) state boards may fix the aggregate amount so to  
 6 be borrowed on any one (1) petition and shall determine at what time  
 7 or times and in what ~~instalments~~ **installments** and for what periods it  
 8 shall be borrowed. The treasurer and business manager of such school  
 9 city, from time to time, as money shall be collected ~~from taxes levied~~  
 10 in behalf of said general fund, shall credit the same on such loan until  
 11 the amount borrowed is fully repaid to the lending fund, and they shall  
 12 at the end of each calendar month report to the board the several  
 13 amounts so applied ~~from taxes~~ to the payment of such loan.

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

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

28 SECTION 71. IC 20-3.1-15-1, AS ADDED BY P.L.340-1995,  
 29 SECTION 53, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 30 JULY 1, 1998]: Sec. 1. To provide the board with the necessary  
 31 flexibility and resources to carry out this article, the following apply:

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

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

38 (3) An exclusive representative certified under IC 20-7.5 to  
 39 represent certified employees of the school city, or any other  
 40 entity voluntarily recognized by the board as a representative of  
 41 employees providing educational services in the schools, may  
 42 bargain collectively only concerning salary, wages, and salary  
 43 and wage related fringe benefits. The exclusive representative  
 44 may not bargain collectively or discuss performance awards  
 45 under IC 20-3.1-12.

46 (4) The board of school commissioners may waive the following

- 1 statutes and rules for any school in the school city without the  
 2 need for administrative, regulatory, or legislative approval:
- 3 (A) The following rules concerning curriculum and  
 4 instructional time:  
 5 511 IAC 6.1-3-4  
 6 511 IAC 6.1-5-0.5  
 7 511 IAC 6.1-5-1  
 8 511 IAC 6.1-5-2.5  
 9 511 IAC 6.1-5-3.5  
 10 511 IAC 6.1-5-4
- 11 (B) The following rules concerning pupil/teacher ratios:  
 12 511 IAC 6-2-1(b)(2)  
 13 511 IAC 6.1-4-1
- 14 (C) The following statutes and rules concerning textbooks,  
 15 and rules adopted under the statutes:  
 16 IC 20-10.1-9-1  
 17 IC 20-10.1-9-18  
 18 IC 20-10.1-9-21  
 19 IC 20-10.1-9-23  
 20 IC 20-10.1-9-27  
 21 IC 20-10.1-10-1  
 22 IC 20-10.1-10-2  
 23 511 IAC 6.1-5-5
- 24 (D) The following rules concerning school principals:  
 25 511 IAC 6-2-1(c)(4)  
 26 511 IAC 6.1-4-2
- 27 (E) 511 IAC 2-2, concerning school construction and  
 28 remodeling.
- 29 (5) Notwithstanding any other law, a school city may do the  
 30 following:
- 31 (A) Lease school transportation equipment to others for  
 32 nonschool use when the equipment is not in use for a school  
 33 city purpose.
- 34 (B) Establish a professional development and technology  
 35 fund to be used for:  
 36 (i) professional development; or  
 37 (ii) technology, including video distance learning.
- 38 (C) Transfer funds obtained from sources other than state or  
 39 local government taxation among any account of the school  
 40 corporation, including a professional development and  
 41 technology fund established under clause (B).
- 42 (6) Transfer funds obtained from property taxation ~~among~~  
 43 **between** the general fund (established under IC 21-2-11) and the  
 44 school transportation fund (established under IC 21-2-11.5)  
 45 subject to the following:  
 46 (A) **For property taxes first due and payable:**

1 (i) **before January 1, 2000**, the sum of the property  
 2 tax rates for the general fund and the school  
 3 transportation fund after a transfer occurs under this  
 4 subdivision may not exceed the sum of the property tax  
 5 rates for the general fund and the school transportation  
 6 fund before a transfer occurs under this ~~clause~~;  
 7 **subdivision; and**  
 8 (ii) **after December 31, 1999**, the property tax rate  
 9 **for the school transportation fund after a transfer**  
 10 **occurs under this subdivision may not exceed the**  
 11 **property tax rate for the school transportation fund**  
 12 **before a transfer occurs under this subdivision.**

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

16 SECTION 72. IC 20-4-1-18 IS AMENDED TO READ AS  
 17 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 18. (a) Whenever the  
 18 creation of a community school corporation out of an existing  
 19 corporation would involve no change in its territorial boundaries or in  
 20 its board of school trustees or other governing body, other than a  
 21 change, if any, in the time of election or appointment or the time the  
 22 board members take office, and such creation is consistent with the  
 23 standards set up pursuant to the provisions of this chapter as modified,  
 24 if any, by the standards set out in this section, the state board may upon  
 25 its own motion or upon petition of the governing body of the existing  
 26 school corporation at any time with hearing in the county where such  
 27 school corporation is located, after notice by publication at least once  
 28 in one (1) newspaper of general circulation published in the county  
 29 where such school corporation is located, at least ten (10) but not more  
 30 than thirty (30) days prior to the date of such hearing and without  
 31 action of the county committee declare such existing school  
 32 corporation to be a community school corporation by adopting a  
 33 resolution to this effect. Such existing school corporation shall qualify  
 34 as to size and financial resources if it has an average daily attendance  
 35 of two hundred seventy (270) or more, in grades nine (9) through  
 36 twelve (12), or of one thousand (1000) or more, in grades one (1)  
 37 through twelve (12), and has an assessed valuation per pupil of five  
 38 thousand dollars (\$5,000) or more. For the purposes of this provision  
 39 the following terms shall have the following meanings:

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

46 (2) "Assessed valuation" of any school corporation shall mean

1 the net assessed value of its real and personal property as of  
 2 March 1, 1964, adjusted in the same manner as such assessed  
 3 valuation is adjusted for each county by the state board of tax  
 4 commissioners under Acts 1949, c.247, s.5, as now or hereafter  
 5 amended, unless such statute has been repealed or no longer  
 6 provides for such adjustment. In the event a county has a county  
 7 tax, then the assessed valuation of each school corporation in the  
 8 county shall be increased by the amount of assessed valuation,  
 9 if any, which would be required to raise an amount of money,  
 10 equal to the excess of the amount distributed to any school  
 11 corporation from the county tax over the amount collected from  
 12 such county tax in such school corporation, using total taxes  
 13 levied by such school corporation in terms of rate excluding the  
 14 countywide tax under Acts 1959, c.328, s.2, or any similar  
 15 statute, and including all other taxes levied by or for such school  
 16 corporation, including but not limited to the county tax, bond  
 17 fund levy, lease rental levy, library fund levy, special school  
 18 fund levy, tuition fund levy (**before January 1, 2000**), capital  
 19 projects fund levy, and special funds levies. Such increased  
 20 valuation shall be based on the excess distributed to the school  
 21 corporation from the county tax levied for the year 1964 and the  
 22 total taxes levied for such year, or if the county tax is first  
 23 applied or is raised for years after 1964, then the excess  
 24 distributions and total taxes levied for the year in which such tax  
 25 is first applied or raised. In the event such excess distribution  
 26 and total taxes levied cannot be determined accurately on or  
 27 prior to the adoption of the resolution provided in this section,  
 28 excess distribution and taxes levied shall be estimated by the  
 29 state board of tax commissioners using the last preceding  
 30 assessed valuations and tax rates or such other information as  
 31 they shall see fit, certifying such increased assessment to the  
 32 state board prior to such time. In all cases, the excess distribution  
 33 shall be determined upon the assumption that the county tax is  
 34 one hundred percent (100%) collected and all collections are  
 35 distributed.

36 (3) "Assessed valuation per pupil" of any school corporation  
 37 means the assessed valuation of any such school corporation  
 38 divided by its average daily attendance in grades one (1) through  
 39 twelve (12).

40 (4) "Average daily attendance" in any school corporation shall  
 41 mean the average daily attendance of pupils who are residents in  
 42 such school corporation and in the particular grades to which  
 43 such term refers for the school year 1964-1965 in accordance  
 44 with the applicable regulations of the state superintendent of  
 45 public instruction, used in determining such average daily  
 46 attendance in the distribution of the tuition funds by the state to

1           its various school corporations where such funds are distributed  
2           on such basis and irrespective of whether such figures are the  
3           actual resident daily attendance of such school for the school  
4           year.

5           (b) Such community school corporation shall automatically come  
6           into being on either July 1 or January 1 following the date of such  
7           approval, whichever is earlier. The state board shall mail by certified  
8           United States mail, return receipt requested, a copy of such resolution  
9           certified by its director or its secretary to the recorder of the county  
10          from which the county committee having jurisdiction of such existing  
11          school corporation was appointed and to such county committee. Such  
12          resolution may change the time of election or appointment of the board  
13          members of such school corporation or the time such board members  
14          take office. The recorder shall without cost record such certified  
15          resolution in the miscellaneous records of the county. Such recording  
16          shall constitute a permanent record of the action of the state board and  
17          may be relied on by any person. Unless the resolution otherwise  
18          provides no interim board member shall be appointed, the board  
19          members in office on the date of such action shall continue to  
20          constitute the board of trustees of such school corporation until their  
21          successors are qualified, and the terms of their respective office and  
22          board membership shall remain unchanged except to the extent that  
23          such resolution otherwise provides. For all purposes under this chapter,  
24          community school corporation shall be regarded as a school  
25          corporation created under the provisions of section 22 of this chapter.

26          SECTION 73. IC 20-4-5-9 IS AMENDED TO READ AS  
27          FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 9. (a) Except as  
28          otherwise provided with respect to the power to issue bonds in section  
29          10 of this chapter, said school board shall perform the duties and shall  
30          have all the powers vested in the school board or board of trustees of  
31          a school city of the class in which the consolidated school corporation  
32          would fall on the basis of its population according to the last preceding  
33          United States census under the statutes of this state, if it were organized  
34          as a school city. In the event, however, such consolidated school  
35          corporation has a population determined in such manner of less than  
36          two thousand (2,000), such school board shall perform the duties and  
37          shall have all the powers vested in the school board of a school town.  
38          The cost of maintaining such consolidated schools shall be borne by the  
39          consolidated school corporation as a ~~single tax~~ unit.

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

1 SECTION 74. IC 20-4-8-11 IS AMENDED TO READ AS  
 2 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 11. (a) The board as  
 3 above referred to shall make decisions pertaining to the general  
 4 conduct of the schools which shall be enforced as entered upon the  
 5 minutes recorded by the secretary of the board, and subject to  
 6 provisions in this chapter otherwise, shall exercise all powers  
 7 previously exercised under the law, by or through township trustees or  
 8 meetings or petitions of the township trustees of the county, or county  
 9 boards of education previously existing and such offices, namely,  
 10 township trustee, county board or county boards of education insofar  
 11 as the conduct of public schools is concerned are abolished as of noon  
 12 on the day and date the county school corporation is created and comes  
 13 into existence under this chapter.

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

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

32 (d) School corporations shall be vested with all rights, titles, and  
 33 interests of their respective predecessor township and town school  
 34 corporations terminated; and in all the real, personal, and other  
 35 property of any nature and from whatever source derived, and shall  
 36 assume, pay, and be liable for all the indebtedness, obligations, and  
 37 liabilities and duties of the predecessor corporations from whatever  
 38 source derived and however arising, and shall institute and defend suits  
 39 arising out of aforesaid liabilities, obligations, duties, and rights  
 40 assumed as a county school corporation.

41 (e) The treasurer, before entering upon the duties of his office,  
 42 shall execute a bond to the acceptance of the county auditor in an  
 43 amount equal to the largest sum of money that will be in the possession  
 44 of the treasurer at any one (1) time, conditioned as an ordinary official  
 45 bond, with a reliable surety company or at least two (2) sufficient  
 46 freehold sureties, who shall not be members of such board, as surety or

1 sureties on such bond. The president and the secretary shall each give  
2 bond, with like surety or sureties, to be approved by the county auditor,  
3 in the sum of one-fourth (1/4) of said amount. Boards of school trustees  
4 may purchase bonds from some reliable surety company and pay for  
5 them out of the special school revenue of their respective counties.

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

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

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

24 SECTION 75. IC 20-4-8-21 IS AMENDED TO READ AS  
25 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 21. (a) The board as  
26 referred to in this chapter shall make decisions pertaining to the general  
27 conduct of the schools which shall be enforced as entered upon the  
28 minutes recorded by the secretary of the board, and, subject to this  
29 chapter, shall exercise all powers previously exercised under the law,  
30 by or through township trustees or meetings or petitions of the  
31 township trustees of the county, ~~and/or or~~ county boards of education  
32 previously existing, and such offices, namely township trustee, county  
33 board ~~and/or or~~ county boards of education insofar as the conduct of  
34 public schools is concerned are hereby abolished as of noon on the day  
35 and date the metropolitan school district is created and comes into  
36 existence.

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

42 (c) The government of the common schools of said district shall  
43 be vested in the board, and the board shall function with all the  
44 authority, powers, privileges, duties, and obligations previously granted  
45 to or required of school cities and their governing boards generally  
46 under the laws pertaining thereto with reference to the purchase of

1 supplies, purchase and sale of buildings, grounds, and equipment, the  
 2 erection of buildings, the employment and dismissal of school  
 3 personnel, the insuring of property and employees, the levying and  
 4 collecting of taxes; the making and executing of a budget, the  
 5 borrowing of money, the paying of the salaries and expenses of the  
 6 county superintendent and employees as approved by the board; shall  
 7 be a body corporate and politic by the name and style of "The  
 8 Metropolitan School District of \_\_\_\_\_, Indiana" with the right to  
 9 prosecute and defend suits and shall act in any manner necessary to the  
 10 proper administration of the common schools of the county.

11 (d) Such school districts shall be vested with all rights, titles, and  
 12 interests of their respective predecessor township and town school  
 13 corporations hereby terminated and in all the real, personal, and other  
 14 property of any nature and from whatever source derived, and shall  
 15 assume, pay, and be liable for all the indebtedness, obligations, and  
 16 liabilities and duties of said predecessor corporations from whatever  
 17 source derived and however arising and shall institute and defend suits  
 18 arising out of aforesaid liabilities, obligations, duties, and rights  
 19 assumed as a metropolitan school district.

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

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

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

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

44 SECTION 76. IC 20-4-16-1 IS AMENDED TO READ AS  
 45 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 1. As used in this  
 46 chapter, the following terms shall have the following meanings:

1 (a) "City" or "town" shall be a city or town which conducts its  
2 school as school city or school town or as part of a consolidated or  
3 metropolitan school corporation.

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

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

8 (d) "Annexed territory" shall be the territory annexed from an  
9 original school corporation by such city or town.

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

14 SECTION 77. IC 20-5-4-6 IS AMENDED TO READ AS  
15 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 6. If the governing  
16 board shall find, by written resolution, that an emergency exists which  
17 requires the expenditure of any money for any lawful corporate purpose  
18 which was not included in its existing budget, ~~and tax levy~~, it may  
19 authorize the making of an emergency loan, **to be repaid before the**  
20 **end of the following budget year**, which may be evidenced by the  
21 issuance of its note or notes in the same manner and subject to the  
22 same procedure and restrictions as provided for the issuance of its  
23 bonds, except as to purpose. **Subject, for property taxes first due and**  
24 **payable after December 31, 1999, to IC 6-1.1-19-1.9**, at the time for  
25 making the next annual budget and tax levy for such school  
26 corporation, the governing body shall make a levy to the credit of the  
27 fund for which such expenditure is made sufficient to pay such debt  
28 and the interest thereon; however, the interest on the loan may be paid  
29 from the debt service fund.

30 SECTION 78. IC 20-5-4-8 IS AMENDED TO READ AS  
31 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 8. (a) Whenever the  
32 governing board of a school corporation finds and declares that an  
33 emergency exists for the borrowing of money with which to pay current  
34 expenses from a particular fund before the receipt of ~~revenues from~~  
35 ~~taxes levied or state tuition support distributions~~ **money** for such fund,  
36 the governing board may issue warrants in anticipation of the receipt  
37 of said ~~revenues:~~ **money**.

38 (b) The principal of these warrants shall be payable solely from the  
39 fund ~~for which the taxes are levied~~ **that receives the loan proceeds** or  
40 from the general fund in the case of anticipated state tuition support  
41 distributions. ~~However,~~ The interest on these warrants may be paid  
42 from the debt service fund, from the fund ~~for which the taxes are~~  
43 ~~levied,~~ **that receives the loan proceeds**, or from the general fund in  
44 the case of anticipated state tuition support distributions.

45 (c) The amount of principal of temporary loans maturing on or  
46 before June 30 for any fund shall not exceed eighty percent (80%) of

1 the amount of ~~taxes and state tuition support distributions~~ **the money**  
 2 estimated to be ~~collected or~~ received for and distributed to the fund at  
 3 **not later than** the June settlement.

4 (d) The amount of principal of temporary loans maturing after  
 5 June 30, and on or before December 31, shall not exceed eighty percent  
 6 (80%) of the amount of ~~taxes and state tuition support distributions~~  
 7 **money** estimated to be ~~collected or~~ received for ~~and distributed to in~~  
 8 the fund **at not later than** the December settlement.

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

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

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

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

36 SECTION 79. IC 20-5-13-9 IS AMENDED TO READ AS  
 37 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 9. (a) All school cities,  
 38 school townships, school towns, and joint districts are hereby  
 39 authorized to establish, equip, operate, and maintain school kitchens  
 40 and school lunch rooms, for the improvement of the health of the  
 41 school children attending school therein, and for the advancement of  
 42 the educational work of their respective schools; to employ all  
 43 necessary directors, assistants, and agents; and appropriate funds of  
 44 such school corporations for such purpose. Such participation in a  
 45 school lunch program pursuant to the provisions of this chapter shall  
 46 be discretionary with the governing board of any school corporation.

1 (b) In the event that federal funds are not available for the purpose  
 2 of carrying on a school lunch program, the state of Indiana shall not  
 3 participate in such school lunch program and any money appropriated  
 4 by the state of Indiana for such purpose, and not expended, shall  
 5 immediately revert to the state general fund. Failure on the part of the  
 6 state of Indiana to participate in the school lunch program shall not  
 7 invalidate any appropriation made or school lunch program carried on  
 8 by any school corporation by means of gifts or **other** money ~~raised by~~  
 9 ~~tax levy pursuant to the provisions of this chapter available~~ for the  
 10 purpose of such school lunch program.

11 SECTION 80. IC 20-5-17.5-2 (CURRENT VERSION) IS  
 12 AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1998]:  
 13 Sec. 2. (a) This subsection does not apply to a school corporation in a  
 14 county having a population of more than two hundred thousand  
 15 (200,000) but less than three hundred thousand (300,000). The  
 16 governing body of a school corporation may annually **levy and**  
 17 appropriate, from its general fund, a sum ~~of that does not more than~~  
 18 **exceed the amount that would be raised by a property tax rate of**  
 19 one and one-half cents (\$0.015) on each one hundred dollars (\$100) of  
 20 assessed valuation in the school corporation to be paid to a historical  
 21 society, subject to subsection (c).

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

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

- 42 (1) the governing body of the school corporation to appoint its  
 43 superintendent and one (1) of its history teachers as visitors, with  
 44 the privilege of attending all meetings of the society's governing  
 45 board;
- 46 (2) the governing body of the school corporation to nominate two

- 1 (2) persons for membership on the society's governing board;
- 2 (3) the school corporation to use any of the society's facilities
- 3 and equipment for educational purposes consistent with the
- 4 society's purposes;
- 5 (4) the students and teachers of the school corporation to tour the
- 6 society's museum, if any, free of charge; and
- 7 (5) the school corporation to borrow artifacts from the society's
- 8 collection, if any, for temporary exhibit in the schools.

9 SECTION 81. IC 20-5-17.5-2, AS AMENDED BY P.L.6-1997,  
 10 SECTION 180 (DELAYED VERSION), IS AMENDED TO READ AS  
 11 FOLLOWS [EFFECTIVE MARCH 1, 2001]: Sec. 2. (a) This  
 12 subsection does not apply to a school corporation in a county having a  
 13 population of more than two hundred thousand (200,000) but less than  
 14 three hundred thousand (300,000). The governing body of a school  
 15 corporation may annually **levy and** appropriate, from its general fund,  
 16 a sum of **that does not exceed the amount that would be raised by**  
 17 **a property tax rate of** more than five-tenths of one cent (\$.005) on  
 18 each one hundred dollars (\$100) of assessed valuation in the school  
 19 corporation to be paid to a historical society, subject to subsection (c).

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

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

- 40 (1) the governing body of the school corporation to appoint its
- 41 superintendent and one (1) of its history teachers as visitors, with
- 42 the privilege of attending all meetings of the society's governing
- 43 board;
- 44 (2) the governing body of the school corporation to nominate two
- 45 (2) persons for membership on the society's governing board;
- 46 (3) the school corporation to use any of the society's facilities

- 1 and equipment for educational purposes consistent with the  
 2 society's purposes;
- 3 (4) the students and teachers of the school corporation to tour the  
 4 society's museum, if any, free of charge; and
- 5 (5) the school corporation to borrow artifacts from the society's  
 6 collection, if any, for temporary exhibit in the schools.
- 7 SECTION 82. IC 20-5-17.5-3 (CURRENT VERSION) IS  
 8 AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1998]:
- 9 Sec. 3. (a) This section applies to school corporations in a county  
 10 containing a city having a population of:
- 11 (1) more than one hundred fifty thousand (150,000) but less than  
 12 five hundred thousand (500,000);
- 13 (2) more than one hundred twenty thousand (120,000) but less  
 14 than one hundred fifty thousand (150,000);
- 15 (3) more than one hundred ten thousand (110,000) but less than  
 16 one hundred twenty thousand (120,000);
- 17 (4) more than ninety thousand (90,000) but less than one  
 18 hundred ten thousand (110,000); or
- 19 (5) more than seventy-five thousand (75,000) but less than  
 20 ninety thousand (90,000).
- 21 (b) In order to provide funding for an art association under this  
 22 section, the governing body of a school corporation may impose a tax  
 23 of not more than one and one-half cents (\$0.015) on each one hundred  
 24 dollars (\$100) of assessed valuation in the school corporation. This tax  
 25 is not subject to the tax levy limitations imposed on the school  
 26 corporation by IC 6-1.1-19-1.5 (**repealed January 1, 2000**) or the  
 27 provisions of IC 21-2-11-8 (**repealed January 1, 2000**).
- 28 (c) The school corporation shall deposit the proceeds of the tax  
 29 imposed under subsection (b) in a fund to be known as the art  
 30 association fund. The art association fund is separate and distinct from  
 31 the school corporation's general fund and may be used only for the  
 32 purpose of providing funds for an art association under this section.  
 33 The governing body of the school corporation may annually  
 34 appropriate the money in the fund to be paid in semiannual installments  
 35 to an art association having facilities in a city that is listed in subsection  
 36 (a), subject to subsection (d).
- 37 (d) Before an art association may receive payments under this  
 38 section, its governing board must adopt a resolution that entitles:
- 39 (1) the governing body of the school corporation to appoint its  
 40 superintendent and its director of art instruction as visitors, with  
 41 the privilege of attending all meetings of the association's  
 42 governing board;
- 43 (2) the governing body of the school corporation to nominate  
 44 persons for membership on the association's governing board,  
 45 with at least two (2) of the nominees to be elected;
- 46 (3) the school corporation to use any of the association's facilities

- 1 and equipment for educational purposes consistent with the  
 2 association's purposes;  
 3 (4) the students and teachers of the school corporation to tour the  
 4 association's museum and galleries free of charge;  
 5 (5) the school corporation to borrow materials from the  
 6 association for temporary exhibit in the schools;  
 7 (6) the teachers of the school corporation to receive normal  
 8 instruction in the fine and applied arts at half the regular rates  
 9 charged by the association; and  
 10 (7) the school corporation to expect such exhibits in the  
 11 association's museum as will supplement the work of the  
 12 students and teachers of the corporation.

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

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

20 (f) Whenever more than one (1) art association in a city that is  
 21 listed in subsection (a) qualifies to receive payments under this section,  
 22 the governing body of the school corporation shall select the one (1) art  
 23 association best qualified to perform the services described by  
 24 subsection (c). A school corporation may select only one (1) art  
 25 association to receive payments under this section.

26 SECTION 83. IC 20-5-17.5-3, AS AMENDED BY P.L.6-1997,  
 27 SECTION 181 (DELAYED VERSION), IS AMENDED TO READ AS  
 28 FOLLOWS [EFFECTIVE MARCH 1, 2001]: Sec. 3. (a) This section  
 29 applies to school corporations in a county containing a city having a  
 30 population of:

- 31 (1) more than one hundred fifty thousand (150,000) but less than  
 32 five hundred thousand (500,000);  
 33 (2) more than one hundred twenty thousand (120,000) but less  
 34 than one hundred fifty thousand (150,000);  
 35 (3) more than one hundred ten thousand (110,000) but less than  
 36 one hundred twenty thousand (120,000);  
 37 (4) more than ninety thousand (90,000) but less than one  
 38 hundred ten thousand (110,000); or  
 39 (5) more than seventy-five thousand (75,000) but less than  
 40 ninety thousand (90,000).

41 (b) In order to provide funding for an art association under this  
 42 section, the governing body of a school corporation may impose a tax  
 43 of not more than five-tenths of one cent (\$.005) on each one hundred  
 44 dollars (\$100) of assessed valuation in the school corporation. This tax  
 45 is not subject to the tax levy limitations imposed on the school  
 46 corporation by IC 6-1.1-19-1.5 (**repealed January 1, 2000**) or the

1 provisions of IC 21-2-11-8 (**repealed January 1, 2000**).

2 (c) The school corporation shall deposit the proceeds of the tax

3 imposed under subsection (b) in a fund to be known as the art

4 association fund. The art association fund is separate and distinct from

5 the school corporation's general fund and may be used only for the

6 purpose of providing funds for an art association under this section.

7 The governing body of the school corporation may annually

8 appropriate the money in the fund to be paid in semiannual installments

9 to an art association having facilities in a city that is listed in subsection

10 (a), subject to subsection (d).

11 (d) Before an art association may receive payments under this

12 section, its governing board must adopt a resolution that entitles:

13 (1) the governing body of the school corporation to appoint its

14 superintendent and its director of art instruction as visitors, with

15 the privilege of attending all meetings of the association's

16 governing board;

17 (2) the governing body of the school corporation to nominate

18 persons for membership on the association's governing board,

19 with at least two (2) of the nominees to be elected;

20 (3) the school corporation to use any of the association's facilities

21 and equipment for educational purposes consistent with the

22 association's purposes;

23 (4) the students and teachers of the school corporation to tour the

24 association's museum and galleries free of charge;

25 (5) the school corporation to borrow materials from the

26 association for temporary exhibit in the schools;

27 (6) the teachers of the school corporation to receive normal

28 instruction in the fine and applied arts at half the regular rates

29 charged by the association; and

30 (7) the school corporation to expect such exhibits in the

31 association's museum as will supplement the work of the

32 students and teachers of the corporation.

33 A copy of the resolution, certified by the president and secretary of the

34 association, must be filed in the office of the school corporation before

35 payments may be received.

36 (e) A resolution filed under subsection (d) need not be renewed

37 from year to year but continues in effect until rescinded. An art

38 association that complies with this section is entitled to continue to

39 receive payments under this section as long as it so complies.

40 (f) Whenever more than one (1) art association in a city that is

41 listed in subsection (a) qualifies to receive payments under this section,

42 the governing body of the school corporation shall select the one (1) art

43 association best qualified to perform the services described by

44 subsection (c). A school corporation may select only one (1) art

45 association to receive payments under this section.

46 SECTION 84. IC 20-5-62-6, AS AMENDED BY P.L.34-1996,

1 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
2 JULY 1, 1998]: Sec. 6. Except as provided in this chapter and  
3 notwithstanding any other law, a freeway school corporation or a  
4 freeway school may do the following during the contract period:

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

7 (2) Lease school transportation equipment to others for  
8 nonschool use when the equipment is not in use for a school  
9 corporation purpose, if the lessee has not received a bid from a  
10 private entity to provide transportation equipment or services for  
11 the same purpose.

12 (3) Replace the budget and accounting system that is required by  
13 law with a budget or accounting system that is frequently used  
14 in the private business community. The state board of accounts  
15 may not go beyond the requirements imposed upon the state  
16 board of accounts by statute in reviewing the budget and  
17 accounting system used by a freeway school corporation or a  
18 freeway school.

19 (4) Establish a professional development and technology fund to  
20 be used for:

21 (A) professional development; or

22 (B) technology, including video distance learning.

23 (5) Transfer funds obtained from sources other than state or local  
24 government taxation among any accounts of the school  
25 corporation, including a professional development and  
26 technology fund established under subdivision (4).

27 (6) Transfer funds obtained from property taxation and from  
28 state distributions ~~among~~ **between** the general fund (established  
29 under IC 21-2-11) and the school transportation fund  
30 (established under IC 21-2-11.5), subject to the following:

31 (A) **For property taxes first due and payable:**

32 (i) **before January 1, 2000**, the sum of the property  
33 tax rates for the general fund and the school  
34 transportation fund after a transfer occurs under this  
35 subdivision may not exceed the sum of the property tax  
36 rates for the general fund and the school transportation  
37 fund before a transfer occurs under this subdivision;  
38 **and**

39 (ii) **after December 31, 1999, the property tax rate**  
40 **for the school transportation fund after a transfer**  
41 **occurs under this subdivision may not exceed the**  
42 **property tax rate for the school transportation fund**  
43 **after a transfer occurs under this subdivision.**

44 (B) This subdivision does not allow a school corporation to  
45 transfer to any other fund money from the:

46 (i) capital projects fund (established under

- 1 IC 21-2-15); or  
 2 (ii) debt service fund (established under IC 21-2-4).  
 3 (7) Establish a locally adopted assessment program to replace  
 4 the assessment of students under the ISTEP program established  
 5 under IC 20-10.1-16-8, subject to the following:  
 6 (A) A locally adopted assessment program must be  
 7 established by the governing body and approved by the  
 8 department.  
 9 (B) A locally adopted assessment program may use a locally  
 10 developed test or a nationally developed test.  
 11 (C) Results of assessments under a locally adopted  
 12 assessment program are subject to the same reporting  
 13 requirements as results under the ISTEP program.  
 14 (D) Each student who completes a locally adopted  
 15 assessment program and the student's parent or guardian has  
 16 the same rights to inspection and rescoring as are set forth  
 17 in IC 20-10.1-16-7(d).

18 SECTION 85. IC 20-8.1-6.1-8, AS AMENDED BY  
 19 P.L.260-1997(ss), SECTION 58, IS AMENDED TO READ AS  
 20 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 8. (a) As used in this  
 21 section, the following terms have the following meanings:

- 22 (1) "Class of school" refers to a classification of each school or  
 23 program in the transferee corporation by the grades or special  
 24 programs taught at the school. Generally, these classifications  
 25 are denominated as kindergarten, elementary school, middle  
 26 school or junior high school, high school, and special schools or  
 27 classes, such as schools or classes for special education,  
 28 vocational training, or career education.  
 29 (2) "ADM" means the following:  
 30 (A) For purposes of allocating to a transfer student state  
 31 distributions under IC 21-1-30 (primetime), "ADM" as  
 32 computed under IC 21-1-30-2.  
 33 (B) For all other purposes, "ADM" as set forth in  
 34 IC 21-3-1.6-1.1.  
 35 (3) "Pupil enrollment" means the following:  
 36 (A) The total number of students in kindergarten through  
 37 grade 12 who are enrolled in a transferee school corporation  
 38 on a date determined by the Indiana state board of  
 39 education.  
 40 (B) The total number of students enrolled in a class of  
 41 school in a transferee school corporation on a date  
 42 determined by the Indiana state board of education.  
 43 However, a kindergarten student shall be counted under clauses  
 44 (A) and (B) as one-half (1/2) a student.  
 45 (4) "Special equipment" means equipment that during a school  
 46 year:

- 1 (A) is used only when a child with disabilities is attending  
 2 school;  
 3 (B) is not used to transport a child to or from a place where  
 4 the child is attending school;  
 5 (C) is necessary for the education of each child with  
 6 disabilities that uses the equipment, as determined under the  
 7 individualized instruction program for the child; and  
 8 (D) is not used for or by any child who is not a child with  
 9 disabilities.

10 The Indiana state board of education may select a different date for  
 11 counts under subdivision (3). However, the same date shall be used for  
 12 all school corporations making a count for the same class of school.

13 (b) Each transferee corporation is entitled to receive for each  
 14 school year on account of each transferred student, except a student  
 15 transferred under section 3 of this chapter, transfer tuition from the  
 16 transferor corporation or the state as provided in this chapter. Transfer  
 17 tuition equals the amount determined under STEP THREE of the  
 18 following formula:

19 STEP ONE: Allocate to each transfer student the capital  
 20 expenditures for any special equipment used by the transfer  
 21 student and a proportionate share of the operating costs incurred  
 22 by the transferee school for the class of school where the transfer  
 23 student is enrolled.

24 STEP TWO: If the transferee school included the transfer  
 25 student in the transferee school's ADM for a school year, allocate  
 26 to the transfer student a proportionate share of the following  
 27 general fund revenues of the transferee school for, except as  
 28 provided in clause (C), the calendar year in which the school  
 29 year ends:

- 30 (A) The following state distributions that are computed in  
 31 any part using ADM or other pupil count in which the  
 32 student is included:
- 33 (i) Primetime grant under IC 21-1-30.
  - 34 (ii) Tuition support for basic programs and at-risk  
 35 weights under IC 21-3-1.7-8 (before January 1, 1996)  
 36 and only for basic programs (after December 31,  
 37 1995).
  - 38 (iii) Enrollment growth grant under IC 21-3-1.7-9.5.
  - 39 (iv) At-risk grant under IC 21-3-1.7-9.7.
  - 40 (v) Academic honors diploma award under  
 41 IC 21-3-1.7-9.8.
  - 42 (vi) Vocational education grant under IC 21-3-1.8-3.
  - 43 (vii) Special education grant under IC 21-3-1.8  
 44 (repealed January 1, 1996) or IC 21-3-10.
  - 45 (viii) The portion of the ADA flat grant that is  
 46 available for the payment of general operating

- 1 expenses under IC 21-3-4.5-2(b)(1).  
 2 (B) For school years beginning after June 30, 1997,  
 3 property tax levies.  
 4 (C) For school years beginning after June 30, 1997, excise  
 5 tax revenue (as defined in IC 21-3-1.7-2) received for  
 6 deposit in the calendar year in which the school year begins.  
 7 (D) For school years beginning after June 30, 1997,  
 8 allocations to the transferee school under IC 6-3.5.

- 9 STEP THREE: Determine the greater of:  
 10 (A) zero (0); or  
 11 (B) the result of subtracting the STEP TWO amount from  
 12 the STEP ONE amount.

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

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

- 25 (1) capital outlay;  
 26 (2) debt service;  
 27 (3) costs of transportation;  
 28 (4) salaries of board members;  
 29 (5) contracted service for legal expenses; and  
 30 (6) any expenditure which is made out of the general fund from  
 31 extracurricular account receipts;

32 for the school year.

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

- 35 (1) the cost of the special equipment; divided by  
 36 (2) the product of:  
 37 (A) the useful life of the special equipment, as determined  
 38 under the rules adopted by the Indiana state board of  
 39 education; multiplied by  
 40 (B) the number of students using the special equipment  
 41 during at least part of the school year.

42 (e) When an item of expense or cost described in subsection (c)  
 43 cannot be allocated to a class of school, it shall be prorated to all  
 44 classes of schools on the basis of the pupil enrollment of each class in  
 45 the transferee corporation compared to the total pupil enrollment in the  
 46 school corporation.

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

3 (1) the transferee school corporation's operating costs for the  
4 class of school in which the transfer student is enrolled; by

5 (2) the pupil enrollment of the class of school in which the  
6 transfer student is enrolled.

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

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

25 (1) the total amount of revenues received; by

26 (2) the ADM of the transferee school for the school year that  
27 ends in the calendar year in which the revenues are received.

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

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

42 (i) If the school corporation can meet the requirements of  
43 IC 21-1-30-5, it may negotiate transfer tuition agreements with a  
44 neighboring school corporation that can accommodate additional  
45 students. Agreements under this section may be for one (1) year or  
46 longer and may fix a method for determining the amount of transfer

1 tuition or time of payment that is different from the method, amount,  
2 or time of payment that is provided in this section or section 9 of this  
3 chapter. A school corporation may not transfer a student under this  
4 section without the prior approval of the child's parent or guardian.

5 (j) **This subsection applies only to property taxes first due and**  
6 **payable before January 1, 2000.** If a school corporation experiences  
7 a net financial impact with regard to transfer tuition that is negative for  
8 a particular school year as described in IC 6-1.1-19-5.1 (**repealed**  
9 **January 1, 2000**), the school corporation may appeal for an excessive  
10 **levy tax** as provided under IC 6-1.1-19-5.1 (**repealed January 1,**  
11 **2000**).

12 SECTION 86. IC 20-8.1-6.5-4 IS AMENDED TO READ AS  
13 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 4. (a) Where a transfer  
14 is ordered to commence in a school year, where the transferor  
15 corporation has net additional costs over savings (on account of any  
16 transfer ordered) allocable to the calendar year in which the school year  
17 begins, and where the transferee corporation has no budgeted funds for  
18 such net additional costs, they may be recovered by one (1) or more of  
19 the following methods in addition to any other methods provided by  
20 applicable law:

- 21 (1) An emergency loan made pursuant to IC 20-5-4-6 to be paid,  
22 however, out of the debt service levy and fund, or a loan from  
23 any state fund made available therefor.  
24 (2) An advance in such calendar year of state funds, which  
25 would otherwise become payable to the transferee corporation  
26 after such calendar year pursuant to applicable law.  
27 (3) A grant or grants in such calendar year from any funds of the  
28 state made available therefor.

29 (b) The net additional costs shall be certified by the state board of  
30 tax commissioners and any grant shall be made solely after affirmative  
31 recommendation of the tax control board created by IC 6-1.1-19-4.1.  
32 Repayment of any advance or loan from the state shall be made in  
33 accordance with IC 6-1.1-19-4.5(d) (**repealed January 1, 2000**) and  
34 **IC 6-1.1-19-4.4(c)**. ~~The~~ Use of any of the methods enumerated above  
35 shall not subject the transferor corporation to the provisions of  
36 IC 6-1.1-19-4.7 (**repealed January 1, 2000**).

37 SECTION 87. IC 20-8.1-6.5-9 IS AMENDED TO READ AS  
38 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 9. ~~Transportation Costs~~  
39 ~~State Reimbursement~~. Transportation costs for transferred students  
40 for each calendar year or for capital outlay and for operations shall be  
41 reimbursed by the state to the transferor corporation in the same  
42 percent of the total outlay which the distributions to the transferor  
43 corporation under IC 1971, 21-3-1.5-3, or from the state flat grant  
44 distribution account where it is credited to the general transportation  
45 fund constitute of its total annual general transportation fund  
46 appropriations for such year. In this calculation there shall be excluded

1 from ~~general transportation~~ fund appropriations capital outlay and  
 2 debt service. and any expenditure which is made out of the general  
 3 fund from extracurricular accounts. Any amount not thus reimbursed  
 4 and raised as part of the transferor corporation's general fund levy shall  
 5 constitute an increase in its base tax levy for such budget year, as  
 6 otherwise defined and as applied in ~~IC 6-1.1-1-16.~~ and ~~IC 6-1.1-1-19.~~ In  
 7 no event shall the state reimbursement for transportation operating  
 8 expense to the transferor corporation be less than it would receive  
 9 under applicable law without regard to this section.

10 SECTION 88. IC 20-8.1-7-18 IS AMENDED TO READ AS  
 11 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 18. (a) Whenever the  
 12 test required under section 17 of this chapter discloses that the hearing  
 13 of any child is impaired and the child cannot be taught advantageously  
 14 in regular classes, the governing body of the school corporation shall  
 15 provide appropriate remedial measures and correctional devices. The  
 16 governing body shall advise the child's parents of the proper medical  
 17 care, attention, and treatment needed. The governing body shall  
 18 provide approved mechanical auditory devices and prescribe courses  
 19 in lip reading by qualified, competent and approved instructors. The  
 20 superintendent of public instruction and the head of the rehabilitative  
 21 services bureau of the division of disability, aging, and rehabilitative  
 22 services shall cooperate with school corporations to provide this  
 23 assistance; they shall also provide advice and information to assist  
 24 school corporations in complying with this section. The local governing  
 25 body may adopt rules and regulations for the administration of this  
 26 section.

27 (b) Each school corporation may receive and accept bequests and  
 28 donations for immediate use or as trusts or endowments to assist in  
 29 meeting costs and expenses incurred in complying with the  
 30 requirements of this section. When funds for the full payment of these  
 31 expenses are not otherwise available, in any school corporation, any  
 32 unexpended balance in the state treasury which is available for the use  
 33 of local schools and is otherwise unappropriated may be loaned to the  
 34 school corporation for that purpose by the governor. Any loan made by  
 35 the governor under this section shall be repaid to the fund in the state  
 36 treasury from which it came within two (2) years after the date it was  
 37 advanced. These loans shall be repaid **before January 1, 2000,**  
 38 **through the levying of taxes in the borrowing and, after December 31,**  
 39 **1999, from funds available to the** school corporation. **If the advance**  
 40 **is not repaid, the amount due may be withheld from the**  
 41 **distribution of other state funds to the school corporation to which**  
 42 **the advance is made.**

43 SECTION 89. IC 20-9.1-1-3 IS AMENDED TO READ AS  
 44 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 3. ~~Definition, "Private~~  
 45 ~~School"~~. As used in this article, the term "private school" means any  
 46 school which is not supported and maintained by funds realized from

1 the imposition of a tax on property, income or sales: **that is not a**  
 2 **school corporation (as defined in IC 36-1-2-17).**

3 SECTION 90. IC 20-10.1-6.5-1, AS AMENDED BY P.L.1-1994,  
 4 SECTION 97, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 5 JULY 1, 1998]: Sec. 1. As used in this chapter:

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

8 "Board" refers to the **Indiana** state board of education established  
 9 under IC 20-1-1-1.

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

13 SECTION 91. IC 21-2-3.1-1 IS AMENDED TO READ AS  
 14 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 1. This chapter applies  
 15 if a township board finds, at an annual or special meeting of the board,  
 16 that:

17 (1) it is necessary to provide for the construction of a school  
 18 building; and

19 (2) the cost of the building, or the proportional cost if it is a joint  
 20 graded high school building, will be in excess of the ~~sum~~  
 21 **available from an annual levy: amount of available funds.**

22 SECTION 92. IC 21-2-4-7 IS ADDED TO THE INDIANA CODE  
 23 AS A **NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY**  
 24 **1, 1998]: Sec. 7. A school corporation shall annually levy a sum**  
 25 **sufficient to meet all payments of principal and interest on debt**  
 26 **service payable from the debt service fund as the payments mature.**

27 SECTION 93. IC 21-2-5.6-3 IS AMENDED TO READ AS  
 28 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 3. Subject to the  
 29 approval of the commissioner of the department of insurance, the  
 30 governing body of the school corporation may:

31 (1) for eventual transfer to the self-insurance fund, include an  
 32 amount of money in:

33 (A) the general fund budget; and

34 (B) **for property taxes first due and payable before**  
 35 **January 1, 2000**, the general fund tax levy and rate;

36 (2) transfer monies from the general fund to the self-insurance  
 37 fund; or

38 (3) appropriate monies from the general fund for the  
 39 self-insurance fund.

40 SECTION 94. IC 21-2-11-2 IS AMENDED TO READ AS  
 41 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 2. The governing body  
 42 of each school corporation in the state of Indiana shall establish a  
 43 general fund for the operation and maintenance of local schools. ~~and~~  
 44 **The governing body shall levy a tax therefor in calendar years**  
 45 **before January 1, 2000. Except as otherwise provided by statute,**  
 46 **all receipts and disbursements heretofore authorized by law for school**

1 funds and tax levies for the tuition fund; special school fund; special  
 2 fund; vocational fund; recreation fund; compulsory education fund;  
 3 school library fund; high school library fund; public employee's  
 4 retirement fund; operating fund; transportation tax and county wide  
 5 school tax shall ~~on and after January 1, 1968~~, be received in and  
 6 disbursed from the general fund. **For property taxes first due and**  
 7 **payable before January 1, 2000, the tax levy and rate for the general**  
 8 **fund shall be established by the governing body of each school**  
 9 **corporation. for the 1968 calendar year and all succeeding calendar**  
 10 **years. Any balances of all the aforesaid funds on January 1, 1968 shall**  
 11 **be transferred to the general fund.**

12 SECTION 95. IC 21-2-11-5 IS AMENDED TO READ AS  
 13 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 5. Any self supporting  
 14 programs maintained by any school corporation, including but not  
 15 limited to school lunch and rental or sale of textbooks, may be  
 16 established as separate funds, separate and apart from the general fund,  
 17 if no **state distributions under IC 21-3-1.7 or local tax rate is**  
 18 **established therefor: funds are involved.**

19 SECTION 96. IC 21-2-11-6 IS AMENDED TO READ AS  
 20 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 6. Moneys received by  
 21 any school corporation for a specific purpose or purposes, by gift,  
 22 endowment or pursuant to any federal statute, may be accounted for by  
 23 establishing separate funds, separate and apart from the general fund,  
 24 if no **state distributions under IC 21-3-1.7 or local tax funds are**  
 25 **involved. ~~Provided, That~~ No such funds shall be accepted unless the**  
 26 **terms of the gift, endowment or payment, and the acceptance thereof,**  
 27 **are so stated that the officers of the school corporation are not divested**  
 28 **of any right or authority which they ~~now have or may hereafter be~~ are**  
 29 **granted by law. Such moneys so received for specific purposes, and any**  
 30 **earnings thereon, may be disbursed without appropriation.**

31 SECTION 97. IC 21-2-11.5-5 IS ADDED TO THE INDIANA  
 32 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 33 [EFFECTIVE JULY 1, 1998]: **Sec. 5. A school corporation shall**  
 34 **annually levy a sum sufficient to meet all payments of principal**  
 35 **and interest on obligations payable from the transportation fund**  
 36 **as the payments mature.**

37 SECTION 98. IC 21-2-15-15 IS ADDED TO THE INDIANA  
 38 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 39 [EFFECTIVE JULY 1, 1998]: **Sec. 15. A school corporation shall**  
 40 **annually levy a sum sufficient to meet all payments of principal**  
 41 **and interest on obligations payable from the capital projects fund**  
 42 **as the payments mature.**

43 SECTION 99. IC 21-4-20-1 IS AMENDED TO READ AS  
 44 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 1. Whenever it is found  
 45 by the board of school trustees or other proper authorities of any school  
 46 city or school town that an emergency exists for the borrowing of

1 money with which to meet the current expenses of the schools of such  
 2 school town or school city, the board of school trustees or other proper  
 3 authorities of such school city or school town may make temporary  
 4 loans in anticipation of the current revenues of such school town or  
 5 school city to an amount not exceeding fifty percent (50%) of the  
 6 ~~amount of taxes actually levied and revenue~~ in the course of collection  
 7 for the fiscal year in which such loans are made. Revenues shall be  
 8 deemed to be current and taxes shall be deemed to have been actually  
 9 levied and in the course of collection when the budget levy and rate  
 10 shall have been finally approved by the state board of tax  
 11 commissioners. ~~Provided; However, That~~ in all second and third class  
 12 school cities, no such loans shall be borrowed in excess of the sum of  
 13 twenty thousand dollars (\$20,000) until the letting of the same shall  
 14 have been advertised once each week for two (2) successive weeks in  
 15 two (2) newspapers of general circulation published in such school city,  
 16 and until sealed bids have been submitted at a regular meeting of the  
 17 school board of such school city, pursuant to such notices, stipulating  
 18 the rate of interest to be charged by such bidder. ~~and Provided, further,~~  
 19 ~~That~~ Such school loans shall be made with the bidder submitting the  
 20 lowest rate of interest and submitting with his bid an affidavit showing  
 21 that no collusion exists between himself and any other bidder for such  
 22 loan.

23 SECTION 100. IC 32-9-1.5-16, AS ADDED BY P.L.31-1995,  
 24 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 25 JULY 1, 1998]: Sec. 16. For purposes of section 49 of this chapter,  
 26 "political subdivision" includes any Indiana municipality, county, civil  
 27 township, civil incorporated city or town, ~~public~~ school corporation (**as**  
 28 **defined in IC 36-1-2-17**), university or college supported in part by  
 29 state funds, or any other territorial subdivision of the state recognized  
 30 or designated in any law, including judicial circuits, a public utility  
 31 entity not privately owned, special taxing district or entity, and public  
 32 improvement district authority or entity authorized to levy taxes or  
 33 assessments. The term does not include any retirement system  
 34 supported entirely or in part by the state.

35 SECTION 101. IC 36-1-2-2 IS AMENDED TO READ AS  
 36 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 2. "Bonds" means any  
 37 evidences of indebtedness, whether payable from property taxes,  
 38 revenues, or any other source. ~~but However, the term~~ does not include  
 39 notes or warrants representing temporary loans that are payable out of:  
 40 (1) taxes levied and in the course of collection; **or**  
 41 (2) **other deposits in the general fund of a school**  
 42 **corporation.**".

43 Page 39, between lines 2 and 3, begin a new paragraph and insert:  
 44 "SECTION 103. IC 36-7-15.1-26.9 IS AMENDED TO READ AS  
 45 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 26.9. (a) The  
 46 definitions set forth in section 26.5 of this chapter apply to this section.

1 (b) The fiscal officer of the consolidated city shall publish in the  
2 newspaper in the county with the largest circulation all determinations  
3 made under section 26.5 or 26.7 of this chapter that result in the  
4 allowance or disallowance of credits. The publication of a  
5 determination made under section 26.5 of this chapter shall be made  
6 not later than June 20 of the year in which the determination is made.  
7 The publication of a determination made under section 26.7 of this  
8 chapter shall be made not later than December 5 of the year in which  
9 the determination is made.

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

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

18 (d) The county auditor shall adjust the estimate of assessed  
19 valuation that the auditor certifies under IC 6-1.1-17-1 for all taxing  
20 units in which the allocation area is located. The county auditor may  
21 amend this adjustment at any time before the earliest date a taxing unit  
22 must publish the unit's proposed property tax rate under IC 6-1.1-17-3  
23 in the year preceding the year in which the credits under section  
24 26.5(g) or 26.5(h) of this chapter are paid. The auditor's adjustment to  
25 the assessed valuation shall be:

- 26 (1) calculated to produce an estimated assessed valuation that  
27 will offset the effect that paying personal property taxes into the  
28 allocation area special fund under subsection (c) would  
29 otherwise have on the ability of a taxing unit to achieve the  
30 taxing unit's tax levy in the following year; and
- 31 (2) used by the county board of tax adjustment, the state board  
32 of tax commissioners, and each taxing unit in determining each  
33 taxing unit's tax rate and tax levy in the following year.

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

40 (f) The ad valorem property tax levy limits imposed by  
41 IC 6-1.1-18.5-3 and IC 6-1.1-19-1.5 (**repealed January 1, 2000**) do  
42 not apply to ad valorem property taxes imposed that are used to offset  
43 the effect of paying personal property taxes into an allocation area  
44 special fund during the taxable year under subsection (d) or to make  
45 direct payments to taxpayers under section 26.5(h) of this chapter. For  
46 purposes of computing the ad valorem property tax levy limits imposed

1 under IC 6-1.1-18.5-3 and IC 6-1.1-19-1.5 (**repealed January 1,**  
 2 **2000**), a taxing unit's ad valorem property tax levy for a particular  
 3 calendar year does not include that part of the levy imposed to offset  
 4 the effect of paying personal property taxes into an allocation area  
 5 special fund under subsection (d) or to make direct payments to  
 6 taxpayers under section 26.5(h) of this chapter.

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

9 (1) are subject to any pledge of allocated property tax proceeds  
 10 made by the redevelopment district under section 26(d) of this  
 11 chapter, including but not limited to any pledge made to owners  
 12 of outstanding bonds of the redevelopment district of allocated  
 13 taxes from that area; and

14 (2) may not be treated as property taxes used to pay interest or  
 15 principal due on debt under IC 6-1.1-21-2(g)(1)(D).

16 SECTION 104. THE FOLLOWING ARE REPEALED  
 17 [EFFECTIVE JANUARY 1, 2000]: IC 6-1.1-19-1; IC 6-1.1-19-1.5;  
 18 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;  
 19 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;  
 20 IC 6-1.1-21.5; IC 6-1.1-34; IC 20-3-11-18; IC 20-4-1-26.9;  
 21 IC 20-4-8-23; IC 21-2-11-8; IC 21-2-12; IC 21-2-13; IC 21-2-14.

22 SECTION 105. [EFFECTIVE JULY 1, 1998] (a) **As used in this**  
 23 **SECTION, "balance" means the unencumbered balance in a**  
 24 **school corporation's levy excess fund on January 1, 2000.**

25 (b) **The state board of tax commissioners may require a school**  
 26 **corporation to include the balance in a school corporation's levy**  
 27 **excess fund in the school corporation's budget fixed under**  
 28 **IC 6-1.1-17.**

29 (c) **Except as provided in subsection (d), a school corporation**  
 30 **may not spend money in its levy excess fund until the expenditure**  
 31 **of the money is included in a budget that is approved by the state**  
 32 **board of tax commissioners under IC 6-1.1-17.**

33 (d) **A school corporation may transfer money from its levy**  
 34 **excess fund to its other funds to reimburse those funds for amounts**  
 35 **withheld from the school corporation as a result of refunds paid**  
 36 **under IC 6-1.1-26.**

37 (e) **A school corporation may use money in its levy excess fund**

1       **for a lawful purpose for which money in its other funds may be**  
2       **used."**

3       Renumber all SECTIONS consecutively.  
       (Reference is to HB 1396 as printed January 29, 1998.)

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Representative Espich