

Adopted	Rejected
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COMMITTEE REPORT

YES:	13
NO:	8

MR. SPEAKER:

*Your Committee on Ways and Means, to which was referred House Bill 1240, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill **be amended** as follows:*

- 1 Delete the title and insert the following:
- 2 A BILL FOR AN ACT to amend the Indiana Code concerning
- 3 education finance.
- 4 Delete everything after the enacting clause and insert the
- 5 following:
- 6 SECTION 1. IC 21-2-4-2 IS AMENDED TO READ AS FOLLOWS
- 7 [EFFECTIVE JULY 1, 1998]: Sec. 2. The governing body of each
- 8 school corporation in Indiana shall establish a debt service fund for the
- 9 payment of:
- 10 (1) all debt and other obligations arising out of funds borrowed or
- 11 advanced for school buildings when purchased from the proceeds
- 12 of a bond issue for capital construction;
- 13 (2) a lease to provide capital construction;
- 14 (3) interest on emergency and temporary loans;

- 1 (4) all debt and other obligations arising out of funds borrowed or
 2 advanced for the purchase or lease of school buses when
 3 purchased or leased from the proceeds of a bond issue, or from
 4 money obtained from a loan made under IC 20-9.1-6-5, for that
 5 purpose;
- 6 (5) all debt and other obligations arising out of funds borrowed to
 7 pay judgments against the school corporation; ~~or~~
- 8 (6) all debt and other obligations arising out of funds borrowed to
 9 purchase equipment; **or**
- 10 **(7) transfers to the school corporation's general fund to cover**
 11 **uncollectible textbook rental and student fees from the**
 12 **previous year.**
- 13 The term "debt service" shall include but not be limited to lease rental
 14 obligations, school bonds and coupons, and civil bond obligations
 15 assumed by school corporations reorganized pursuant to IC 20-4-1, and
 16 any interest cost on emergency and temporary loans ~~but~~ shall not
 17 include the repayment of the principal of the emergency and temporary
 18 loans obtained for benefit of any other fund. All receipts and
 19 disbursements authorized by law for school funds and tax levies for the
 20 lease rental fund, bond fund, sinking fund, civil bond obligation fund,
 21 and payment of interest on emergency and temporary loans shall be
 22 received in and disbursed from the debt service fund.

(Reference is to HB 1240 as introduced.)

and when so amended that said bill do pass.

