

SENATE BILL No. 352

DIGEST OF SB352 (Updated February 2, 1998 6:18 pm - DI 58)

Citations Affected: IC 4-4; IC 6-1.1; IC 6-3.1; IC 6-3.5; IC 20-1; IC 20-2; IC 20-3; IC 20-3.1; IC 20-4; IC 20-5; IC 20-8.1; IC 20-9.1; IC 20-10.1; IC 21-2; IC 21-4; IC 32-9; IC 36-1; IC 36-7; noncode.

Synopsis: Eliminates school general fund property taxes. Eliminates the authority of a school corporation to impose a general fund property tax levy for the general operation and maintenance of the school corporation. Terminates the authority of: (1) Lake County to impose a property tax for a county supplemental school distribution fund; (2) Dearborn County to impose a property tax for a county school distribution fund; and (3) a school corporation in Lake County to impose a property tax for a supplemental school operating reserve fund.

(Continued next page)

Effective: See text of bill.

**Kenley, Ford, Waterman, Meeks,
Weatherwax, Clark, Dempsey,
Nugent**

January 8, 1998, read first time and referred to Committee on Finance.
January 27, 1998, amended, reported favorably — Do Pass.
February 2, 1998, read second time, amended, ordered engrossed.

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Digest Continued

Continues the authority of a school corporation to impose a property tax levy for certain public libraries, nursery schools, historical societies, art associations, cultural institutions, public playgrounds, and the Children's Museum in Marion County. Provides a method for calculating the amount of financial institution taxes and excise taxes to be distributed to school corporations after the elimination of the school general fund property tax. Recodifies provisions of current law concerning emergency loans to school corporations and the duty of a school corporation to raise sufficient property tax revenues to repay outstanding bonds and other debt payable from the transportation fund, capital projects fund, or debt service fund. Provides that the maximum amount of money that may be loaned to the general fund is computed based on the amount of money available in the general fund rather than the amount of property tax revenue in the fund. Makes related changes.

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Reprinted
February 3, 1998

Second Regular Session 110th General Assembly (1998)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 1997 General Assembly.

SENATE BILL No. 352

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

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

1 SECTION 1. IC 4-4-8-9 IS AMENDED TO READ AS FOLLOWS
2 [EFFECTIVE JULY 1, 1998]: Sec. 9. Any qualified entity receiving a
3 loan under this chapter may levy an annual tax on personal and real
4 property located within its geographical limits for industrial
5 development purposes, in addition to any other tax authorized by
6 statute to be levied for such purposes, at such rate as will produce
7 sufficient revenue to pay the annual installment and interest on any
8 loan made under this chapter. Such a tax may be in addition to the
9 maximum annual rates prescribed by IC 6-1.1-18, IC 6-1.1-18.5,
10 ~~IC 6-1.1-19~~; and other statutes.

11 SECTION 2. IC 6-1.1-1-8.3 IS ADDED TO THE INDIANA CODE
12 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE
13 JANUARY 1, 2000]: **Sec. 8.3. For purposes of IC 6-1.1-19, "general
14 fund" means the fund that the governing body of a school
15 corporation is required to establish by IC 21-2-11-2.**

16 SECTION 3. IC 6-1.1-1-16.5 IS ADDED TO THE INDIANA
17 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
18 [EFFECTIVE JANUARY 1, 2000]: **Sec. 16.5. For purposes of
19 IC 6-1.1-19, "school year" means the period from July 1 of each**

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1 **year until June 30 of the following year.**

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

7 SECTION 5. 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 SECTION 6. IC 6-1.1-17-3, AS AMENDED BY P.L.50-1996,
16 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
17 JANUARY 1, 1999]: Sec. 3. (a) The proper officers of a political
18 subdivision shall formulate its estimated budget and its proposed tax
19 rate and tax levy on the form prescribed by the state board of tax
20 commissioners and approved by the state board of accounts. The
21 political subdivision shall give notice by publication to taxpayers of:

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

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

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

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

41 (c) The board of directors of a solid waste management district
42 established under IC 13-21 or IC 13-9.5-2 (before its repeal) may

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1 conduct the public hearing required under subsection (a):

2 (1) in any county of the solid waste management district; and

3 (2) in accordance with the annual notice of meetings published
4 under IC 13-21-5-2.

5 SECTION 7. IC 6-1.1-17-5.1, AS AMENDED BY P.L.2-1997,
6 SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
7 JULY 1, 1998]: Sec. 5.1. (a) As used in this section, "school
8 corporation" has the meaning set forth in IC 20-10.1-1-1.

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

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

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

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

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

24 ~~(2)~~ **(3)** two (2) copies of the budget adopted by the school
25 corporation for the ensuing budget year; and

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

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

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

39 SECTION 8. IC 6-1.1-17-8 IS AMENDED TO READ AS
40 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 8. (a) If the county
41 board of tax adjustment determines that the maximum aggregate tax
42 rate permitted within a political subdivision under IC ~~1974~~, 6-1.1-18

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1 is inadequate, the county board shall, subject to the limitations
 2 prescribed in IC ~~1971~~, 6-1.1-19-2 (**repealed January 1, 2000**), file its
 3 written recommendations in duplicate with the county auditor. The
 4 board shall include with its recommendations:

5 (1) an analysis of the aggregate tax rate within the political
 6 subdivision;

7 (2) a recommended breakdown of the aggregate tax rate among
 8 the political subdivisions whose tax rates compose the aggregate
 9 tax rate within the political subdivision; and

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

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

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

29 (b) **The county auditor shall certify the general fund budgets of**
 30 **each school corporation, as modified by the county board of tax**
 31 **adjustment, to the state board of tax commissioners for final**
 32 **review.**

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



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1 state board of tax commissioners.

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

8 (b) Subject to the limitations and requirements prescribed in this
9 section, the state board of tax commissioners may review, revise,
10 reduce, or increase the budget, tax rate, or tax levy of any of the
11 political subdivisions whose tax rates compose the aggregate tax rate
12 within a political subdivision whose budget, tax rate, or tax levy is the
13 subject of an appeal initiated under this chapter.

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

28 (d) Except as provided in:

- 29 (1) subsection (h);
30 (2) IC 6-1.1-19, for ad valorem property taxes first due and
31 payable before January 1, 2000; or
32 (3) IC 6-1.1-18.5;

33 the state board of tax commissioners may not increase a political
34 subdivision's budget, tax rate, or tax levy to an amount which exceeds
35 the amount originally fixed by the political subdivision. The state board
36 of tax commissioners shall give the political subdivision written
37 notification specifying any revision, reduction, or increase the state
38 board of tax commissioners proposes in a political subdivision's tax
39 levy or tax rate. The political subdivision has one (1) week from the
40 date the political subdivision receives the notice to provide a written
41 response to the state board of tax commissioners' Indianapolis office
42 specifying how to make the required reductions in the amount budgeted

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1 for each office or department. The state board of tax commissioners
 2 shall make reductions as specified in the political subdivision's
 3 response if the response is provided as required by this subsection and
 4 sufficiently specifies all necessary reductions. The state board of tax
 5 commissioners may make a revision, a reduction, or an increase in a
 6 political subdivision's budget only in the total amounts budgeted for
 7 each office or department within each of the major budget
 8 classifications prescribed by the state board of accounts.

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

- 13 (1) no bonds of the building corporation are outstanding; or
- 14 (2) the building corporation has enough legally available funds on
 15 hand to redeem all outstanding bonds payable from the particular
 16 lease rental levy requested.

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

- 19 (1) the county auditor; and
- 20 (2) the political subdivision if the state board acts pursuant to an
 21 appeal initiated by the political subdivision.

22 (g) The state board of tax commissioners is expressly directed to
 23 complete the duties assigned to it under this section not later than
 24 February 15th of each year for taxes to be collected during that year.

25 (h) Subject to the provisions of all applicable statutes, the state
 26 board of tax commissioners may increase a political subdivision's tax
 27 levy to an amount that exceeds the amount originally fixed by the
 28 political subdivision if the increase is:

- 29 (1) requested in writing by the officers of the political
 30 subdivision;
- 31 (2) either:
 32 (A) based on information first obtained by the political
 33 subdivision after the public hearing under section 3 of this
 34 chapter; or
 35 (B) results from an inadvertent mathematical error made in
 36 determining the levy; and
 37 (3) published by the political subdivision according to a notice
 38 provided by the state board of tax commissioners.

39 (i) The state board of tax commissioners shall annually review the
 40 budget of each school corporation not later than April 1. The state
 41 board of tax commissioners shall give the school corporation written
 42 notification specifying any revision, reduction, or increase the state



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1 board of tax commissioners proposes in the school corporation's
 2 budget. A public hearing is not required in connection with this review
 3 of the budget.

4 SECTION 12. IC 6-1.1-18-3, AS AMENDED BY P.L.25-1995,
 5 SECTION 27 (CURRENT VERSION), IS AMENDED TO READ AS
 6 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 3. (a) Except as
 7 provided in subsection (b), the sum of all tax rates for all political
 8 subdivisions imposed on tangible property within a political
 9 subdivision may not exceed:

10 (1) one dollar and twenty-five cents (\$1.25) on each one hundred
 11 dollars (\$100) of assessed valuation in territory outside the
 12 corporate limits of a city or town; or

13 (2) two dollars (\$2) on each one hundred dollars (\$100) of
 14 assessed valuation in territory inside the corporate limits of a city
 15 or town.

16 (b) **Subject after December 31, 1999, to IC 6-1.1-19-1.9**, the
 17 proper officers of a political subdivision shall fix **property** tax rates
 18 which are sufficient to provide funds for the purposes itemized in this
 19 subsection. The portion of a tax rate fixed by a political subdivision **for**
 20 **a property tax levy** shall not be considered in computing the tax rate
 21 limits prescribed in subsection (a) if that portion is to be used for one
 22 (1) of the following purposes:

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

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

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

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

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

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

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

40 (6) To meet the requirements of the county welfare fund, the
 41 county welfare administration fund, for public welfare services,
 42 or the family and children's fund for child services (as defined in

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

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1 the manner provided in IC 6-1.1-20-3 (before its repeal) or
 2 IC 6-1.1-20-3.1 through IC 6-1.1-20-3.2.

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

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

8 (7) To meet the requirements of the county hospital care for the
 9 indigent fund.

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

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

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

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

31 (2) revenue from property taxes levied under IC 6-1.1;

32 the political subdivision must report the additional appropriation to the
 33 state board of tax commissioners. If the additional appropriation is
 34 made from a fund described under this subsection, subsections (f), (g),
 35 (h), and (i) apply to the political subdivision.

36 (c) However, if the additional appropriation is not made from a fund
 37 described under subsection (b), subsections (f), (g), (h), and (i) do not
 38 apply to the political subdivision. Subsections (f), (g), (h), and (i) do
 39 not apply to an additional appropriation made from the cumulative
 40 bridge fund if the appropriation meets the requirements under
 41 IC 8-16-3-3(c).

42 (d) A political subdivision may make an additional appropriation

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1 without approval of the state board of tax commissioners if the
 2 additional appropriation is made from a fund that is not described
 3 under subsection (b). However, the fiscal officer of the political
 4 subdivision shall report the additional appropriation to the state board
 5 of tax commissioners.

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

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

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

18 (h) If the state board of tax commissioners disapproves an additional
 19 appropriation under subsection (f), the state board of tax
 20 commissioners shall specify the reason for its disapproval on the
 21 determination sent to the political subdivision.

22 (i) A political subdivision may request a reconsideration of a
 23 determination of the state board of tax commissioners under this
 24 section by filing a written request for reconsideration. A request for
 25 reconsideration must:

- 26 (1) be filed with the state board of tax commissioners within
 27 fifteen (15) days of the receipt of the determination by the
 28 political subdivision; and
- 29 (2) state with reasonable specificity the reason for the request.

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

32 SECTION 15. IC 6-1.1-19-1.9 IS ADDED TO THE INDIANA
 33 CODE AS A NEW SECTION TO READ AS FOLLOWS
 34 [EFFECTIVE JULY 1, 1998]: **Sec. 1.9. (a) This section applies to ad
 35 valorem property taxes first due and payable after December 31,
 36 1999.**

37 (b) Except as provided in:

- 38 (1) IC 20-5-15-2 (public library in connection with school);
- 39 (2) IC 20-5-16-2 (nursery schools);
- 40 (3) IC 20-5-17-2 (Children's Museum in Marion County);
- 41 (4) IC 20-5-17.5-2 (historical societies);
- 42 (5) IC 20-5-17.5-3 (art associations);



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1 **(6) IC 20-5-17.5-4 (cultural institutions); and**
 2 **(7) IC 20-5-37-4 (public playgrounds);**
 3 **a school corporation may not levy an ad valorem property tax for**
 4 **the school corporation's general fund.**

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

19 (1) the order of the county board of tax adjustment or the county
 20 auditor in respect of the appellant school corporation's budget, **ad**
 21 **valorem property** tax levy, or **ad valorem property** tax rate for
 22 the ensuing calendar year be approved;

23 (2) the order of the county board of tax adjustment or the county
 24 auditor in respect of the appellant school corporation's budget, **ad**
 25 **valorem property** tax levy, or **ad valorem property** tax rate be
 26 disapproved and that the appellant school corporation's budget, **ad**
 27 **valorem property** tax levy, or **ad valorem property** tax rate be
 28 reduced as specified in the tax control board's recommendation;

29 (3) the order of the county board of tax adjustment or the county
 30 auditor in respect of the appellant school corporation's budget, **ad**
 31 **valorem property** tax levy, or **ad valorem property** tax rate be
 32 disapproved and that the appellant school corporation's budget, **ad**
 33 **valorem property** tax levy, or **ad valorem property** tax rate be
 34 increased as specified in the tax control board's recommendation;
 35 or

36 (4) **for property taxes first due and payable before January 1,**
 37 **2000**, combined with a recommendation allowed under
 38 subdivision (1), (2), or (3), the adjusted base tax levy for the
 39 school corporation be increased if the school corporation can
 40 show a need for the increased adjusted base levy due to:

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

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- 1 (B) the opening after July 1, 1988, of an existing facility that
 2 has not been used for at least three (3) years and that is being
 3 reopened to provide additional classroom space.
 4 The adjusted base levy increase, if approved by the tax control
 5 board, shall be an amount equal to the increase in costs resulting
 6 to the school corporation from the opening and operation of the
 7 new school facility or the reopening and operation of an existing
 8 facility that has not been used for at least three (3) years and that
 9 is being reopened to provide additional classroom space. In
 10 determining those increased costs, the tax control board shall
 11 consider the costs to the school corporation of complying with
 12 safety, health, space, heat, or lighting standards required by state
 13 or federal law or regulation, and the other physical operation costs
 14 that in the opinion of the tax control board justify an adjustment
 15 in the school corporation's adjusted base levy.
 16 (b) With respect to an appeal petition described in this section, the
 17 tax control board may not make a recommendation that, if followed by
 18 the state board of tax commissioners, would authorize the appellant
 19 school corporation for ~~the~~ **an** ensuing calendar year **before January 1,**
 20 **2000:**
 21 (1) to collect a general fund tax levy in excess of the general fund
 22 tax levy initially adopted and advertised by the appellant school
 23 corporation;
 24 (2) to impose a general fund tax rate in excess of the general fund
 25 tax rate initially adopted and advertised by the appellant school
 26 corporation; or
 27 (3) to collect an excessive tax levy.
 28 **With respect to an appeal petition described in this section, the tax**
 29 **control board may not make a recommendation that, if followed by**
 30 **the state board of tax commissioners, would authorize the**
 31 **appellant school corporation for an ensuing calendar year after**
 32 **December 31, 1999, to levy an ad valorem property tax for the**
 33 **school corporation's general fund.**
 34 (c) **This subsection applies to a school budget for an expenditure**
 35 **from the school general fund after December 31, 1999. If the tax**
 36 **control board concludes, after studying an appeal petition, that the**
 37 **appellant school corporation cannot, in the ensuing calendar year,**
 38 **carry out the public educational duty committed to the appellant**
 39 **school corporation by law if, for the ensuing calendar year, the**
 40 **appellant school corporation does not receive emergency financial**
 41 **relief, the tax control board may recommend to the state board of**
 42 **tax commissioners that the order of the county board of tax**

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

7 (1) a grant or grants from funds of the state that are available
 8 for such a purpose;

9 (2) a loan or loans from funds of the state that are available
 10 for such a purpose;

11 (3) permission to the appellant school corporation to borrow
 12 funds from a source other than the state or assistance in
 13 obtaining the loan;

14 (4) an advance or advances of funds that will become payable
 15 to the appellant school corporation under a law providing for
 16 the payment of state funds to school corporations;

17 (5) permission to use, for general fund purposes, an
 18 unobligated balance in a construction fund, including
 19 unobligated proceeds of a sale of the school corporation's
 20 general obligation bonds; or

21 (6) a combination of the emergency financial relief described
 22 in subdivisions (1) through (5).

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

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

40 (1) The acquisition of real estate for school building purposes,
 41 the construction of new school buildings, or the remodeling or
 42 renovation of existing school buildings.



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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 (\$10,000).

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

9 (4) The adoption or advertising of a budget, tax levy, or tax
10 rate for a calendar year.

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

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

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

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

30 SECTION 18. IC 6-1.1-19-7, AS AMENDED BY P.L.2-1995,
31 SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
32 JULY 1, 1998]: Sec. 7. (a) **As used in this section, "excessive tax**
33 **levy" has the meaning set forth in IC 6-1.1-19-1 (repealed January**
34 **1, 2000).**

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



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1 time as is reasonably necessary for the state board of tax
 2 commissioners and the tax control board to complete the duties
 3 provided by this chapter. No **ad valorem property** tax levy shall be
 4 invalid because of the failure of either board to complete its duties
 5 within the time or time limits provided by this chapter or any other law.
 6 Subject to the provisions of this chapter, the state board of tax
 7 commissioners may accept, reject, or accept in part and reject in part
 8 any recommendation of the tax control board that is made to it under
 9 this chapter and may make any order that is consistent with the
 10 provisions of IC ~~1974~~, 6-1.1-17. The state board of tax commissioners
 11 may not approve or authorize an excessive tax levy **that is first due**
 12 **and payable before January 1, 2000**, except in accordance with the
 13 provisions of this chapter. **The state board of tax commissioners may**
 14 **not approve or authorize an excessive tax levy that is first due and**
 15 **payable after December 31, 1999.**

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

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

25 **The term does not include homestead credits or property tax**
 26 **replacement credits.**

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

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

35 **STEP TWO: Determine fifty percent (50%) of the school**
 36 **general fund budget for that calendar year.**

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

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

40 (B) fifty percent (50%) of the school general fund budgets
 41 for all school corporations in the county;

42 for that calendar year.



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- 1 **STEP FOUR: Determine the result of the STEP TWO amount**
 2 **divided by the STEP THREE sum.**
 3 **STEP FIVE: Multiply the STEP ONE amount by the STEP**
 4 **FOUR result.**
 5 **(c) The amount of revenues distributed to:**
 6 **(1) taxing units other than a school corporation; and**
 7 **(2) funds of a school corporation for which a property tax levy**
 8 **is imposed;**
 9 **shall be changed for that same year by reducing the amount of**
 10 **revenue distributed by the amount of revenue allocated under this**
 11 **section for that same calendar year. The state board of tax**
 12 **commissioners shall make any adjustments required by this section**
 13 **and provide them to the appropriate county auditors.**
 14 **(d) A school corporation shall be treated as a taxing unit for**
 15 **purposes of a distribution of financial institutions tax revenues**
 16 **under IC 6-5.5-8-2.**
 17 SECTION 20. IC 6-1.1-20-1.1, AS ADDED BY P.L.25-1995,
 18 SECTION 40, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 19 JULY 1, 1998]: Sec. 1.1. As used in this chapter, "controlled project"
 20 means any project financed by bonds or a lease, except for the
 21 following:
 22 (1) A project for which the political subdivision reasonably
 23 expects to pay:
 24 (A) debt service; or
 25 (B) lease rentals;
 26 from funds other than property taxes that are exempt from the
 27 levy limitations of IC 6-1.1-18.5 or ~~IC 6-1.1-19~~ **IC 6-1.1-19-1.5**
 28 **(repealed January 1, 2000) or are levied by a school**
 29 **corporation for a fund other than the general fund.** A project
 30 is not a controlled project even though the political subdivision
 31 has pledged to levy property taxes to pay the debt service or lease
 32 rentals if those other funds are insufficient.
 33 (2) A project that will not obligate the political subdivision to
 34 more than two million dollars (\$2,000,000) in debt service or
 35 lease rentals.
 36 (3) A project that is being refinanced for the purpose of providing
 37 gross or net present value savings to taxpayers.
 38 (4) A project for which bonds were issued or leases were entered
 39 into before January 1, 1996, or where the state board of tax
 40 commissioners has approved the issuance of bonds or the
 41 execution of leases before January 1, 1996.
 42 (5) A project that is required by a court order holding that a

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federal law mandates the project.

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

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

(a) "Taxpayer" means a person who is liable for taxes on property assessed under this article.

(b) "Taxes" means taxes payable in respect to property assessed under this article. The term does not include special assessments, penalties, or interest, but does include any special charges which a county treasurer combines with all other taxes in the preparation and delivery of the tax statements required under IC 6-1.1-22-8(a).

(c) "Department" means the department of state revenue.

(d) "Auditor's abstract" means the annual report prepared by each county auditor which under IC 6-1.1-22-5 is to be filed on or before March 1 of each year with the auditor of state.

(e) "Mobile home assessments" means the assessments of mobile homes made under IC 6-1.1-7.

(f) "Postabstract adjustments" means adjustments in taxes made subsequent to the filing of an auditor's abstract which change assessments therein or add assessments of omitted property affecting taxes for such assessment year.

(g) "Total county tax levy" means the sum of:

(1) the remainder of:

(A) the aggregate levy of all taxes for all taxing units in a county which are to be paid in the county for a stated assessment year as reflected by the auditor's abstract for the assessment year, adjusted, however, for any postabstract adjustments which change the amount of the aggregate levy; minus

(B) the sum of any increases in property tax levies of taxing units of the county that result from appeals described in:

(i) IC 6-1.1-18.5-13(5) and IC 6-1.1-18.5-13(6) filed after December 31, 1982; plus

(ii) the sum of any increases in property tax levies of taxing

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1 units of the county that result from any other appeals
 2 described in IC 6-1.1-18.5-13 filed after December 31,
 3 1983; plus
 4 (iii) IC 6-1.1-18.6-3 (children in need of services and
 5 delinquent children who are wards of the county); minus
 6 (C) the total amount of property taxes imposed for the stated
 7 assessment year by the taxing units of the county under the
 8 authority of IC 12-1-11.5 (repealed), IC 12-2-4.5 (repealed),
 9 IC 12-19-5, or IC 12-20-24; minus
 10 (D) the total amount of property taxes to be paid during the
 11 stated assessment year that will be used to pay for interest or
 12 principal due on debt that:
 13 (i) is entered into after December 31, 1983;
 14 (ii) is not debt that is issued under IC 5-1-5 to refund debt
 15 incurred before January 1, 1984; and
 16 (iii) does not constitute debt entered into for the purpose of
 17 building, repairing, or altering school buildings for which
 18 the requirements of IC 20-5-52 were satisfied prior to
 19 January 1, 1984; minus
 20 (E) the amount of property taxes imposed in the county for the
 21 stated assessment year under the authority of IC 21-2-6 or any
 22 citation listed in IC 6-1.1-18.5-9.8 for a cumulative building
 23 fund whose property tax rate was initially established or
 24 reestablished for a stated assessment year that succeeds the
 25 1983 stated assessment year; minus
 26 (F) the remainder of:
 27 (i) the total property taxes imposed in the county for the
 28 stated assessment year under authority of IC 21-2-6 or any
 29 citation listed in IC 6-1.1-18.5-9.8 for a cumulative building
 30 fund whose property tax rate was not initially established or
 31 reestablished for a stated assessment year that succeeds the
 32 1983 stated assessment year; minus
 33 (ii) the total property taxes imposed in the county for the
 34 1984 stated assessment year under the authority of IC 21-2-6
 35 or any citation listed in IC 6-1.1-18.5-9.8 for a cumulative
 36 building fund whose property tax rate was not initially
 37 established or reestablished for a stated assessment year that
 38 succeeds the 1983 stated assessment year; minus
 39 (G) the amount of property taxes imposed in the county for the
 40 stated assessment year under:
 41 (i) IC 21-2-15 for a capital projects fund; plus
 42 (ii) IC 6-1.1-19-10 for a racial balance fund; plus

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- 1 (iii) IC 20-14-13 for a library capital projects fund; plus
- 2 (iv) IC 20-5-17.5-3 for an art association fund; plus
- 3 (v) IC 21-2-17 for a special education preschool fund; plus
- 4 (vi) **before January 1, 2000**, an appeal filed under
- 5 IC 6-1.1-19-5.1 (**repealed January 1, 2000**) for an increase
- 6 in a school corporation's maximum permissible general fund
- 7 levy for certain transfer tuition costs; plus
- 8 (vii) **before January 1, 2000**, an appeal filed under
- 9 IC 6-1.1-19-5.4 for an increase in a school corporation's
- 10 maximum permissible general fund levy for transportation
- 11 operating costs; minus
- 12 (H) **before January 1, 2000**, the amount of property taxes
- 13 imposed by a school corporation that is attributable to the
- 14 passage, after 1983, of a referendum for an excessive tax levy
- 15 under IC 6-1.1-19, including any increases in these property
- 16 taxes that are attributable to the adjustment set forth in
- 17 IC 6-1.1-19-1.5(a) STEP ONE (**repealed January 1, 2000**) or
- 18 any other law; minus
- 19 (I) for each township in the county, the lesser of:
- 20 (i) the sum of the amount determined in IC 6-1.1-18.5-19(a)
- 21 STEP THREE or IC 6-1.1-18.5-19(b) STEP THREE,
- 22 whichever is applicable, plus the part, if any, of the
- 23 township's ad valorem property tax levy for calendar year
- 24 1989 that represents increases in that levy that resulted from
- 25 an appeal described in IC 6-1.1-18.5-13(5) filed after
- 26 December 31, 1982; or
- 27 (ii) the amount of property taxes imposed in the township for
- 28 the stated assessment year under the authority of
- 29 IC 36-8-13-4; minus
- 30 (J) for each participating unit in a fire protection territory
- 31 established under IC 36-8-19-1, the amount of property taxes
- 32 levied by each participating unit under IC 36-8-19-8 and
- 33 IC 36-8-19-8.5 less the maximum levy limit for each of the
- 34 participating units that would have otherwise been available
- 35 for fire protection services under IC 6-1.1-18.5-3 and
- 36 IC 6-1.1-18.5-19 for that same year; minus
- 37 (K) for each county, the sum of:
- 38 (i) the amount of property taxes imposed in the county for
- 39 the repayment of loans under IC 12-19-5-6 that is included
- 40 in the amount determined under IC 12-19-7-4(a) STEP
- 41 SEVEN for property taxes payable in 1995, or for property
- 42 taxes payable in each year after 1995, the amount

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1 determined under IC 12-19-7-4(b); and
 2 (ii) the amount of property taxes imposed in the county
 3 attributable to appeals granted under IC 6-1.1-18.6-3 that is
 4 included in the amount determined under IC 12-19-7-4(a)
 5 STEP SEVEN for property taxes payable in 1995, or the
 6 amount determined under IC 12-19-7-4(b) for property taxes
 7 payable in each year after 1995; plus
 8 (2) all taxes to be paid in the county in respect to mobile home
 9 assessments currently assessed for the year in which the taxes
 10 stated in the abstract are to be paid; plus
 11 (3) the amounts, if any, of county adjusted gross income taxes that
 12 were applied by the taxing units in the county as property tax
 13 replacement credits to reduce the individual levies of the taxing
 14 units for the assessment year, as provided in IC 6-3.5-1.1; plus
 15 (4) the amounts, if any, by which the maximum permissible ad
 16 valorem property tax levies of the taxing units of the county were
 17 reduced under IC 6-1.1-18.5-3(b) STEP EIGHT for the stated
 18 assessment year; plus
 19 (5) the difference between:
 20 (A) the amount determined in IC 6-1.1-18.5-3(e) STEP FOUR;
 21 minus
 22 (B) the amount the civil taxing units' levies were increased
 23 because of the reduction in the civil taxing units' base year
 24 certified shares under IC 6-1.1-18.5-3(e).
 25 (h) "December settlement sheet" means the certificate of settlement
 26 filed by the county auditor with the auditor of state, as required under
 27 IC 6-1.1-27-3.
 28 (i) "Tax duplicate" means the roll of property taxes which each
 29 county auditor is required to prepare on or before March 1 of each year
 30 under IC 6-1.1-22-3.
 31 SECTION 23. IC 6-1.1-21.5-6 IS AMENDED TO READ AS
 32 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 6. (a) Except as
 33 specifically provided in subsection (c), the receipt by the qualified
 34 taxing unit of either the loan proceeds or any payment of delinquent tax
 35 owed by a taxpayer in bankruptcy, or both, is not considered to be part
 36 of the ad valorem property tax levy actually collected by the qualified
 37 taxing unit for taxes first due and payable during a particular calendar
 38 year for the purpose of calculating the levy excess under
 39 IC 6-1.1-18.5-17 and IC 6-1.1-19-1.7 (**repealed January 1, 2000**).
 40 (b) The loan proceeds and any payment of delinquent tax may be
 41 expended by the qualified taxing unit only to pay debts of the qualified
 42 taxing unit that have been incurred pursuant to duly adopted

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1 appropriations approved by the state board of tax commissioners for
2 operating expenses.

3 (c) In the event the sum of the receipts of the qualified taxing unit
4 that are attributable to:

5 (1) the loan proceeds; and

6 (2) the payment of property taxes owed by a taxpayer in a
7 bankruptcy proceeding initially filed in 1986 and payable in
8 respect to the second installment of taxes due and payable in
9 November 1986, and in respect to taxes due and payable in 1987;
10 exceeds eleven million nine hundred thousand dollars (\$11,900,000),
11 the excess as received during any calendar year or years shall be set
12 aside and treated for the calendar year when received as a levy excess
13 subject to IC 6-1.1-18.5-17 or IC 6-1.1-19-1.7 (**repealed January 1,**
14 **2000**). In calculating the payment of property taxes as provided in
15 subdivision (2), the amount of property tax credit ~~finanally~~ **finally**
16 allowed under IC 6-1.1-21-5 in respect to such taxes is deemed to be
17 a payment of such property taxes.

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

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

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

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

40 (c) A tax rate, tax levy, or budget that otherwise would be reviewed
41 by the county board of tax adjustment is considered and must be treated
42 for all purposes as if the county board of tax adjustment approved the

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1 tax rate, tax levy, or budget. This includes the notice of tax rates that is
2 required under IC 6-1.1-17-12.

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

7 (1) field representatives;

8 (2) supervisors;

9 (3) employees who are selected to work in the board's division of
10 tax review; and

11 (4) **before January 1, 2000**, employees who are selected to
12 perform the duties assigned to the board under IC ~~1971~~, 6-1.1-34.

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

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

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

25 (2) select, as nearly as possible, the employees described in
26 subsection (a) (3) ~~of this section~~ so that no more than one-half
27 (1/2) of all those employees belong to any one (1) political party;
28 and

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

33 SECTION 27. IC 6-1.1-44 IS ADDED TO THE INDIANA CODE
34 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
35 APRIL 1, 1998 (RETROACTIVE)]:

36 **Chapter 44. Replacement of Property Tax Levies in Allocation**
37 **Areas**

38 **Sec. 1. As used in this chapter, "allocation area" refers to an**
39 **area that is established under the authority of any of the following**
40 **statutes and in which property taxes levied by a taxing unit other**
41 **than the area are allocated to the use of the area:**

42 (1) IC 6-1.1-39-5.

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- 1 (2) IC 8-22-3.5-9.
- 2 (3) IC 36-7-14-30.
- 3 (4) IC 36-7-14-32.
- 4 (5) IC 36-7-14-39.
- 5 (6) IC 36-7-14-41.
- 6 (7) IC 36-7-14-43.
- 7 (8) IC 36-7-14.5-12.5.
- 8 (9) IC 36-7-15.1-20.
- 9 (10) IC 36-7-15.1-22.
- 10 (11) IC 36-7-15.1-26.
- 11 (12) IC 36-7-15.1-29.
- 12 (13) IC 36-7-15.1-30.
- 13 (14) IC 36-7-30-25.
- 14 (15) Any other similar statute.

15 **Sec. 2.** As used in this chapter, "obligation" means an obligation
 16 entered into by the governing body of an allocation area to repay:

- 17 (1) the principal and interest on bonds; or
- 18 (2) any other contractual obligation;

19 from revenues received from the levy of an ad valorem property
 20 tax by a taxing unit. The term includes a guarantee of repayment
 21 from ad valorem property tax levies if other revenues are
 22 insufficient to make a payment.

23 **Sec. 3.** After April 1, 1998, the governing body of an allocation
 24 area may not pledge a school general fund property tax levy that
 25 is first due and payable after December 31, 1999, to the payment
 26 of an obligation.

27 **Sec. 4. (a)** This section applies to an allocation area in which:

- 28 (1) the holders of bonds or another contractual obligation
 29 received a pledge before April 2, 1998, of ad valorem property
 30 tax levies to repay any part of the bonds or other contractual
 31 obligation after December 31, 1999; and
- 32 (2) the elimination of a general fund property tax levy for a
 33 school corporation adversely affects the ability of the
 34 allocation area to repay the bonds or other contractual
 35 obligation described in subdivision (1).

36 (b) The governing body of an allocation area may, after a
 37 hearing, impose a special assessment on the owners of property
 38 that is located in an allocation area to repay an obligation that
 39 comes due after December 31, 1999. The total amount of the special
 40 assessment in a year may not exceed the amount by which the total
 41 due in the year on the obligations of the allocation area entered
 42 into before April 2, 1998, exceed the amount of other revenues

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1 available to the allocation area.

2 (c) A special assessment shall be imposed and collected in the
3 same manner as ad valorem property taxes are imposed and
4 collected.

5 SECTION 28. IC 6-3.1-2-1 IS AMENDED TO READ AS
6 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 1. As used in this
7 chapter, the following terms have the following meanings:

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

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

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

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

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

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

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

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

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

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

31 SECTION 29. IC 6-3.5-1.1-1, AS AMENDED BY P.L.96-1995,
32 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
33 JULY 1, 1998]: Sec. 1. As used in this chapter:

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

39 "Civil taxing unit" means any entity having the power to impose ad
40 valorem property taxes except a school corporation. The term does not
41 include a solid waste management district that is not entitled to a
42 distribution under section 1.3 of this chapter. However, in the case of

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1 a consolidated city, the term "civil taxing unit" includes the
 2 consolidated city and all special taxing districts, all special service
 3 districts, and all entities whose budgets and property tax levies are
 4 subject to review under IC 36-3-6-9.

5 "County council" includes the city-county council of a consolidated
 6 city.

7 "County taxpayer" as it relates to a county for a year means any
 8 individual:

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

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

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

18 "Nonresident county taxpayer" as it relates to a county for a year
 19 means any county taxpayer for that county for that year who is not a
 20 resident county taxpayer of that county for that year.

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

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

27 SECTION 30. IC 6-3.5-1.1-14, AS AMENDED BY P.L.25-1995,
 28 SECTION 56, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 29 JULY 1, 1998]: Sec. 14. (a) In determining the amount of property tax
 30 replacement credits civil taxing units and school corporations of a
 31 county are entitled to receive during a calendar year, the state board of
 32 tax commissioners shall consider only property taxes imposed on
 33 tangible property that was assessed in that county.

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

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



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

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

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

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

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

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

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

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

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

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

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

40 (b) The board shall make decisions as to the general conduct of the
41 schools, which shall be enforced as entered upon the minutes recorded
42 by the secretary of the board, and shall exercise all powers exercised

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1 before March 13, 1947, under the law, by or through township trustees
2 or meetings or petitions of the trustees of the county.

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

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

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

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

42 (g) The powers set forth in this section shall not be considered as or

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1 construed to limit the power and authority of such boards to the powers
 2 therein expressly conferred or to restrict or modify any powers or
 3 authority granted by any other law not in conflict with the provisions
 4 of this section.

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

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

18 SECTION 34. IC 20-2-9-2 IS AMENDED TO READ AS
 19 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 2. Said school trustees
 20 shall maintain in each school corporation a term of school at least six
 21 (6) months in duration and **before January 1, 2000**, shall authorize a
 22 local tuition levy sufficient to conduct a six (6) months term of school
 23 each year based on estimates and receipts from all sources for the
 24 previous year, which may include that received from the state's tuition
 25 revenue. ~~Provided, Such~~ **However, the** levy shall not exceed the limit
 26 ~~now~~ provided by law.

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



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1 greater than the amount estimated by said board as the ~~proceeds money~~
 2 to be received by it from the levy of taxes theretofore made by said
 3 school city in behalf of its said ~~deposited in the~~ general fund ~~before~~
 4 ~~the due date of the note~~. Successive loans may be made in aid of said
 5 general fund in any calendar year, but the aggregate amount thereof,
 6 outstanding at any one (1) time, shall not exceed such estimated
 7 ~~proceeds of taxes levied in behalf of the said general fund: amounts to~~
 8 ~~be deposited in the general fund during the terms of the notes~~.

9 (b) No such loan shall be made until notice asking for bids therefor
 10 shall have been given by newspaper publication, which publication
 11 shall be made one (1) time in a newspaper published in said city and
 12 said publication shall be at least seven (7) days before the time when
 13 bids for such loans will be opened. Bidders shall name the amount of
 14 interest they agree to accept not exceeding seven percent (7%) per
 15 annum, and the loan shall be made to the bidder or bidders bidding the
 16 lowest rate of interest. The note or notes or warrants shall not be
 17 delivered until the full price of the face thereof shall be paid to the
 18 treasurer of said school city, and no interest shall accrue thereon before
 19 such delivery.

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



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1 in any fund derived from the proceeds of the sale of bonds, which
 2 cannot or will not be expended in the then near future, and showing
 3 when and to what extent and why money in such bond fund, not soon
 4 to be expended, will not be expended in the then near future and
 5 requesting that said state board of tax commissioners, and said state
 6 board of accounts, respectively, authorize a temporary loan from said
 7 bond fund in aid of said general fund.

8 (d) If said state board of tax commissioners shall find and order that
 9 there is need for such temporary loan, and that it should be made, and
 10 said state board of accounts shall find that the money proposed to be
 11 borrowed will not be needed during the period of the temporary loan by
 12 the fund from which it is to be borrowed, and said two (2) state boards
 13 shall approve the loan, the business manager and treasurer of said
 14 school city shall, upon such approval by said two (2) state boards, take
 15 all steps necessary to transfer the amount of such loans, as a temporary
 16 loan from the fund to be borrowed from, to said general fund of such
 17 school city. The loan so effected shall, for all purposes, be a debt of the
 18 school city chargeable against its constitutional debt limit.

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

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

33 (g) Said two (2) state boards, or either of them, may, if it shall seem
 34 to said boards, or to either of them, that the fund from which the loan
 35 was made requires the repayment of all or of part of such loan(s) before
 36 its maturity or said general fund no longer requires all or some part of
 37 the proceeds of such loan, require such school city to repay all or any
 38 part of such loan, and, if necessary to perform the requirement, such
 39 school city shall exercise its power of making a temporary loan
 40 procured from others to raise the money so needed to repay the lending
 41 bond fund the amount so ordered repaid.

42 SECTION 36. IC 20-3.1-15-1, AS ADDED BY P.L.340-1995,

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1 SECTION 53, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
2 JULY 1, 1998]: Sec. 1. To provide the board with the necessary
3 flexibility and resources to carry out this article, the following apply:

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

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

10 (3) An exclusive representative certified under IC 20-7.5 to
11 represent certified employees of the school city, or any other
12 entity voluntarily recognized by the board as a representative of
13 employees providing educational services in the schools, may
14 bargain collectively only concerning salary, wages, and salary and
15 wage related fringe benefits. The exclusive representative may not
16 bargain collectively or discuss performance awards under
17 IC 20-3.1-12.

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

21 (A) The following rules concerning curriculum and
22 instructional time:

23 511 IAC 6.1-3-4

24 511 IAC 6.1-5-0.5

25 511 IAC 6.1-5-1

26 511 IAC 6.1-5-2.5

27 511 IAC 6.1-5-3.5

28 511 IAC 6.1-5-4

29 (B) The following rules concerning pupil/teacher ratios:

30 511 IAC 6-2-1(b)(2)

31 511 IAC 6.1-4-1

32 (C) The following statutes and rules concerning textbooks, and
33 rules adopted under the statutes:

34 IC 20-10.1-9-1

35 IC 20-10.1-9-18

36 IC 20-10.1-9-21

37 IC 20-10.1-9-23

38 IC 20-10.1-9-27

39 IC 20-10.1-10-1

40 IC 20-10.1-10-2

41 511 IAC 6.1-5-5

42 (D) The following rules concerning school principals:

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- 1 511 IAC 6-2-1(c)(4)
- 2 511 IAC 6.1-4-2
- 3 (E) 511 IAC 2-2, concerning school construction and
- 4 remodeling.
- 5 (5) Notwithstanding any other law, a school city may do the
- 6 following:
- 7 (A) Lease school transportation equipment to others for
- 8 nonschool use when the equipment is not in use for a school
- 9 city purpose.
- 10 (B) Establish a professional development and technology fund
- 11 to be used for:
- 12 (i) professional development; or
- 13 (ii) technology, including video distance learning.
- 14 (C) Transfer funds obtained from sources other than state or
- 15 local government taxation among any account of the school
- 16 corporation, including a professional development and
- 17 technology fund established under clause (B).
- 18 (6) Transfer funds obtained from property taxation ~~among~~
- 19 **between** the general fund (established under IC 21-2-11) and the
- 20 school transportation fund (established under IC 21-2-11.5)
- 21 subject to the following:
- 22 (A) **For property taxes first due and payable:**
- 23 (i) **before January 1, 2000**, the sum of the property tax rates
- 24 for the general fund and the school transportation fund after
- 25 a transfer occurs under this subdivision may not exceed the
- 26 sum of the property tax rates for the general fund and the
- 27 school transportation fund before a transfer occurs under
- 28 ~~this clause;~~ **subdivision; and**
- 29 (ii) **after December 31, 1999**, the property tax rate for
- 30 **the school transportation fund after a transfer occurs**
- 31 **under this subdivision may not exceed the property tax**
- 32 **rate for the school transportation fund before a transfer**
- 33 **occurs under this subdivision.**
- 34 (B) This ~~clause~~ **subdivision** does not allow a school
- 35 corporation to transfer to any other fund money from the debt
- 36 service fund (established under IC 21-2-4).
- 37 SECTION 37. IC 20-4-1-18 IS AMENDED TO READ AS
- 38 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 18. (a) Whenever the
- 39 creation of a community school corporation out of an existing
- 40 corporation would involve no change in its territorial boundaries or in
- 41 its board of school trustees or other governing body, other than a
- 42 change, if any, in the time of election or appointment or the time the

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1 board members take office, and such creation is consistent with the
 2 standards set up pursuant to the provisions of this chapter as modified,
 3 if any, by the standards set out in this section, the state board may upon
 4 its own motion or upon petition of the governing body of the existing
 5 school corporation at any time with hearing in the county where such
 6 school corporation is located, after notice by publication at least once
 7 in one (1) newspaper of general circulation published in the county
 8 where such school corporation is located, at least ten (10) but not more
 9 than thirty (30) days prior to the date of such hearing and without
 10 action of the county committee declare such existing school
 11 corporation to be a community school corporation by adopting a
 12 resolution to this effect. Such existing school corporation shall qualify
 13 as to size and financial resources if it has an average daily attendance
 14 of two hundred seventy (270) or more, in grades nine (9) through
 15 twelve (12), or of one thousand (1000) or more, in grades one (1)
 16 through twelve (12), and has an assessed valuation per pupil of five
 17 thousand dollars (\$5,000) or more. For the purposes of this provision
 18 the following terms shall have the following meanings:

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

25 (2) "Assessed valuation" of any school corporation shall mean the
 26 net assessed value of its real and personal property as of March 1,
 27 1964, adjusted in the same manner as such assessed valuation is
 28 adjusted for each county by the state board of tax commissioners
 29 under Acts 1949, c.247, s.5, as now or hereafter amended, unless
 30 such statute has been repealed or no longer provides for such
 31 adjustment. In the event a county has a county tax, then the
 32 assessed valuation of each school corporation in the county shall
 33 be increased by the amount of assessed valuation, if any, which
 34 would be required to raise an amount of money, equal to the
 35 excess of the amount distributed to any school corporation from
 36 the county tax over the amount collected from such county tax in
 37 such school corporation, using total taxes levied by such school
 38 corporation in terms of rate excluding the countywide tax under
 39 Acts 1959, c.328, s.2, or any similar statute, and including all
 40 other taxes levied by or for such school corporation, including but
 41 not limited to the county tax, bond fund levy, lease rental levy,
 42 library fund levy, special school fund levy, tuition fund levy

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1 **(before January 1, 2000)**, capital projects fund levy, and special
 2 funds levies. Such increased valuation shall be based on the
 3 excess distributed to the school corporation from the county tax
 4 levied for the year 1964 and the total taxes levied for such year,
 5 or if the county tax is first applied or is raised for years after 1964,
 6 then the excess distributions and total taxes levied for the year in
 7 which such tax is first applied or raised. In the event such excess
 8 distribution and total taxes levied cannot be determined
 9 accurately on or prior to the adoption of the resolution provided
 10 in this section, excess distribution and taxes levied shall be
 11 estimated by the state board of tax commissioners using the last
 12 preceding assessed valuations and tax rates or such other
 13 information as they shall see fit, certifying such increased
 14 assessment to the state board prior to such time. In all cases, the
 15 excess distribution shall be determined upon the assumption that
 16 the county tax is one hundred percent (100%) collected and all
 17 collections are distributed.

18 (3) "Assessed valuation per pupil" of any school corporation
 19 means the assessed valuation of any such school corporation
 20 divided by its average daily attendance in grades one (1) through
 21 twelve (12).

22 (4) "Average daily attendance" in any school corporation shall
 23 mean the average daily attendance of pupils who are residents in
 24 such school corporation and in the particular grades to which such
 25 term refers for the school year 1964-1965 in accordance with the
 26 applicable regulations of the state superintendent of public
 27 instruction, used in determining such average daily attendance in
 28 the distribution of the tuition funds by the state to its various
 29 school corporations where such funds are distributed on such
 30 basis and irrespective of whether such figures are the actual
 31 resident daily attendance of such school for the school year.

32 (b) Such community school corporation shall automatically come
 33 into being on either July 1 or January 1 following the date of such
 34 approval, whichever is earlier. The state board shall mail by certified
 35 United States mail, return receipt requested, a copy of such resolution
 36 certified by its director or its secretary to the recorder of the county
 37 from which the county committee having jurisdiction of such existing
 38 school corporation was appointed and to such county committee. Such
 39 resolution may change the time of election or appointment of the board
 40 members of such school corporation or the time such board members
 41 take office. The recorder shall without cost record such certified
 42 resolution in the miscellaneous records of the county. Such recording



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1 shall constitute a permanent record of the action of the state board and
 2 may be relied on by any person. Unless the resolution otherwise
 3 provides no interim board member shall be appointed, the board
 4 members in office on the date of such action shall continue to
 5 constitute the board of trustees of such school corporation until their
 6 successors are qualified, and the terms of their respective office and
 7 board membership shall remain unchanged except to the extent that
 8 such resolution otherwise provides. For all purposes under this chapter,
 9 community school corporation shall be regarded as a school
 10 corporation created under the provisions of section 22 of this chapter.

11 SECTION 38. IC 20-4-5-9 IS AMENDED TO READ AS
 12 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 9. (a) Except as
 13 otherwise provided with respect to the power to issue bonds in section
 14 10 of this chapter, said school board shall perform the duties and shall
 15 have all the powers vested in the school board or board of trustees of
 16 a school city of the class in which the consolidated school corporation
 17 would fall on the basis of its population according to the last preceding
 18 United States census under the statutes of this state, if it were organized
 19 as a school city. In the event, however, such consolidated school
 20 corporation has a population determined in such manner of less than
 21 two thousand (2,000), such school board shall perform the duties and
 22 shall have all the powers vested in the school board of a school town.
 23 The cost of maintaining such consolidated schools shall be borne by the
 24 consolidated school corporation as a ~~single~~ tax unit.

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

32 SECTION 39. IC 20-4-8-11 IS AMENDED TO READ AS
 33 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 11. (a) The board as
 34 above referred to shall make decisions pertaining to the general
 35 conduct of the schools which shall be enforced as entered upon the
 36 minutes recorded by the secretary of the board, and subject to
 37 provisions in this chapter otherwise, shall exercise all powers
 38 previously exercised under the law, by or through township trustees or
 39 meetings or petitions of the township trustees of the county, or county
 40 boards of education previously existing and such offices, namely,
 41 township trustee, county board or county boards of education insofar
 42 as the conduct of public schools is concerned are abolished as of noon



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1 on the day and date the county school corporation is created and comes
2 into existence under this chapter.

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

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

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

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

41 (f) The powers set forth in this section shall not be considered as or
42 construed to limit the power and authority of such boards to the powers

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1 therein expressly conferred or to restrict or modify any powers or
2 authority granted by any other law not in conflict with the provisions
3 of this section.

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

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

17 SECTION 40. IC 20-4-8-21 IS AMENDED TO READ AS
18 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 21. (a) The board as
19 referred to in this chapter shall make decisions pertaining to the general
20 conduct of the schools which shall be enforced as entered upon the
21 minutes recorded by the secretary of the board, and, subject to this
22 chapter, shall exercise all powers previously exercised under the law,
23 by or through township trustees or meetings or petitions of the
24 township trustees of the county, ~~and/or or~~ county boards of education
25 previously existing, and such offices, namely township trustee, county
26 board ~~and/or or~~ county boards of education insofar as the conduct of
27 public schools is concerned are hereby abolished as of noon on the day
28 and date the metropolitan school district is created and comes into
29 existence.

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

35 (c) The government of the common schools of said district shall be
36 vested in the board, and the board shall function with all the authority,
37 powers, privileges, duties, and obligations previously granted to or
38 required of school cities and their governing boards generally under the
39 laws pertaining thereto with reference to the purchase of supplies,
40 purchase and sale of buildings, grounds, and equipment, the erection
41 of buildings, the employment and dismissal of school personnel, the
42 insuring of property and employees, the levying and collecting of taxes;



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1 the making and executing of a budget, the borrowing of money, the
 2 paying of the salaries and expenses of the county superintendent and
 3 employees as approved by the board; shall be a body corporate and
 4 politic by the name and style of "The Metropolitan School District of
 5 _____, Indiana" with the right to prosecute and defend suits and
 6 shall act in any manner necessary to the proper administration of the
 7 common schools of the county.

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

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

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

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

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

41 SECTION 41. IC 20-4-16-1 IS AMENDED TO READ AS
 42 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 1. As used in this

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chapter, the following terms shall have the following meanings:

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

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

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

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

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

SECTION 42. IC 20-5-4-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 6. If the governing board shall find, by written resolution, that an emergency exists which requires the expenditure of any money for any lawful corporate purpose which was not included in its existing budget, ~~and tax levy~~, it may authorize the making of an emergency loan, **to be repaid before the end of the following budget year**, which may be evidenced by the issuance of its note or notes in the same manner and subject to the same procedure and restrictions as provided for the issuance of its bonds, except as to purpose. **Subject, for property taxes first due and payable after December 31, 1999, to IC 6-1.1-19-1.9**, at the time for making the next annual budget and tax levy for such school corporation, the governing body shall make a levy to the credit of the fund for which such expenditure is made sufficient to pay such debt and the interest thereon; however, the interest on the loan may be paid from the debt service fund.

SECTION 43. IC 20-5-4-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 8. (a) Whenever the governing board of a school corporation finds and declares that an emergency exists for the borrowing of money with which to pay current expenses from a particular fund before the receipt of ~~revenues from taxes levied or state tuition support distributions~~ **money** for such fund, the governing board may issue warrants in anticipation of the receipt of said ~~revenues~~: **money**.

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



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1 from the debt service fund, from the fund ~~for which the taxes are~~
 2 ~~levied; that receives the loan proceeds,~~ or from the general fund in
 3 the case of anticipated state tuition support distributions.

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

9 (d) The amount of principal of temporary loans maturing after June
 10 30, and on or before December 31, shall not exceed eighty percent
 11 (80%) of the amount of ~~taxes and state tuition support distributions~~
 12 **money** estimated to be ~~collected or~~ received ~~for and distributed to in~~
 13 the fund at **not later than** the December settlement.

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

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

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

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

41 SECTION 44. IC 20-5-13-9 IS AMENDED TO READ AS
 42 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 9. (a) All school cities,

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1 school townships, school towns, and joint districts are hereby
 2 authorized to establish, equip, operate, and maintain school kitchens
 3 and school lunch rooms, for the improvement of the health of the
 4 school children attending school therein, and for the advancement of
 5 the educational work of their respective schools; to employ all
 6 necessary directors, assistants, and agents; and appropriate funds of
 7 such school corporations for such purpose. Such participation in a
 8 school lunch program pursuant to the provisions of this chapter shall
 9 be discretionary with the governing board of any school corporation.

10 (b) In the event that federal funds are not available for the purpose
 11 of carrying on a school lunch program, the state of Indiana shall not
 12 participate in such school lunch program and any money appropriated
 13 by the state of Indiana for such purpose, and not expended, shall
 14 immediately revert to the state general fund. Failure on the part of the
 15 state of Indiana to participate in the school lunch program shall not
 16 invalidate any appropriation made or school lunch program carried on
 17 by any school corporation by means of gifts or **other money raised by**
 18 **tax levy pursuant to the provisions of this chapter available** for the
 19 purpose of such school lunch program.

20 SECTION 45. IC 20-5-17.5-2 (CURRENT VERSION) IS
 21 AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1998]:
 22 Sec. 2. (a) This subsection does not apply 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). The
 25 governing body of a school corporation may annually **levy and**
 26 appropriate, from its general fund, a sum ~~of that does not more than~~
 27 **exceed the amount that would be raised by a property tax rate of**
 28 one and one-half cents (\$0.015) on each one hundred dollars (\$100) of
 29 assessed valuation in the school corporation to be paid to a historical
 30 society, subject to subsection (c).

31 (b) This subsection applies only to a school corporation in a county
 32 having a population of more than two hundred thousand (200,000) but
 33 less than three hundred thousand (300,000). To provide funding for a
 34 historical society under this section, the governing body of a school
 35 corporation may impose a **property tax rate** of not more than one and
 36 one-half cents (\$0.015) on each one hundred dollars (\$100) of assessed
 37 valuation in the school corporation. This tax is not subject to the tax
 38 levy limitations imposed on the school corporation by IC 6-1.1-19-1.5
 39 **(repealed January 1, 2000)** or the provisions of IC 21-2-11-8
 40 **(repealed January 1, 2000)**. The school corporation shall deposit the
 41 proceeds of the tax in a fund to be known as the historical society fund.
 42 The historical society fund is separate and distinct from the school



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1 corporation's general fund and may be used only for the purpose of
 2 providing funds for a historical society under this section. Subject to
 3 subsection (c), the governing body of the school corporation may
 4 annually appropriate the money in the fund to be paid in semiannual
 5 installments to a historical society having facilities in the county.

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

8 (1) the governing body of the school corporation to appoint its
 9 superintendent and one (1) of its history teachers as visitors, with
 10 the privilege of attending all meetings of the society's governing
 11 board;

12 (2) the governing body of the school corporation to nominate two

13 (2) persons for membership on the society's governing board;

14 (3) the school corporation to use any of the society's facilities and
 15 equipment for educational purposes consistent with the society's
 16 purposes;

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

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

21 SECTION 46. IC 20-5-17.5-2, AS AMENDED BY P.L.6-1997,
 22 SECTION 180 (DELAYED VERSION), IS AMENDED TO READ AS
 23 FOLLOWS [EFFECTIVE MARCH 1, 2001]: Sec. 2. (a) This
 24 subsection does not apply to a school corporation in a county having a
 25 population of more than two hundred thousand (200,000) but less than
 26 three hundred thousand (300,000). The governing body of a school
 27 corporation may annually **levy and** appropriate, from its general fund,
 28 a sum ~~of that does~~ **not exceed the amount that would be raised by**
 29 **a property tax rate of** more than five-tenths of one cent (\$0.005) on
 30 each one hundred dollars (\$100) of assessed valuation in the school
 31 corporation to be paid to a historical society, subject to subsection (c).

32 (b) This subsection applies only to a school corporation in a county
 33 having a population of more than two hundred thousand (200,000) but
 34 less than three hundred thousand (300,000). To provide funding for a
 35 historical society under this section, the governing body of a school
 36 corporation may impose a **property tax rate** of not more than
 37 five-tenths of one cent (\$0.005) on each one hundred dollars (\$100) of
 38 assessed valuation in the school corporation. This tax is not subject to
 39 the tax levy limitations imposed on the school corporation by
 40 IC 6-1.1-19-1.5 (**repealed January 1, 2000**) or the provisions of
 41 IC 21-2-11-8 (**repealed January 1, 2000**). The school corporation
 42 shall deposit the proceeds of the tax in a fund to be known as the



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1 historical society fund. The historical society fund is separate and
 2 distinct from the school corporation's general fund and may be used
 3 only for the purpose of providing funds for a historical society under
 4 this section. Subject to subsection (c), the governing body of the school
 5 corporation may annually appropriate the money in the fund to be paid
 6 in semiannual installments to a historical society having facilities in the
 7 county.

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

10 (1) the governing body of the school corporation to appoint its
 11 superintendent and one (1) of its history teachers as visitors, with
 12 the privilege of attending all meetings of the society's governing
 13 board;

14 (2) the governing body of the school corporation to nominate two

15 (2) persons for membership on the society's governing board;

16 (3) the school corporation to use any of the society's facilities and
 17 equipment for educational purposes consistent with the society's
 18 purposes;

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

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

23 SECTION 47. IC 20-5-17.5-3 (CURRENT VERSION) IS
 24 AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1998]:

25 Sec. 3. (a) This section applies to school corporations in a county
 26 containing a city having a population of:

27 (1) more than one hundred fifty thousand (150,000) but less than
 28 five hundred thousand (500,000);

29 (2) more than one hundred twenty thousand (120,000) but less
 30 than one hundred fifty thousand (150,000);

31 (3) more than one hundred ten thousand (110,000) but less than
 32 one hundred twenty thousand (120,000);

33 (4) more than ninety thousand (90,000) but less than one hundred
 34 ten thousand (110,000); or

35 (5) more than seventy-five thousand (75,000) but less than ninety
 36 thousand (90,000).

37 (b) In order to provide funding for an art association under this
 38 section, the governing body of a school corporation may impose a tax
 39 of not more than one and one-half cents (\$0.015) on each one hundred
 40 dollars (\$100) of assessed valuation in the school corporation. This tax
 41 is not subject to the tax levy limitations imposed on the school
 42 corporation by IC 6-1.1-19-1.5 (**repealed January 1, 2000**) or the

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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 students
32 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 listed
41 in subsection (a) qualifies to receive payments under this section, the
42 governing body of the school corporation shall select the one (1) art

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1 association best qualified to perform the services described by
 2 subsection (c). A school corporation may select only one (1) art
 3 association to receive payments under this section.

4 SECTION 48. IC 20-5-17.5-3, AS AMENDED BY P.L.6-1997,
 5 SECTION 181 (DELAYED VERSION), IS AMENDED TO READ AS
 6 FOLLOWS [EFFECTIVE MARCH 1, 2001]: Sec. 3. (a) This section
 7 applies to school corporations in a county containing a city having a
 8 population of:

9 (1) more than one hundred fifty thousand (150,000) but less than
 10 five hundred thousand (500,000);

11 (2) more than one hundred twenty thousand (120,000) but less
 12 than one hundred fifty thousand (150,000);

13 (3) more than one hundred ten thousand (110,000) but less than
 14 one hundred twenty thousand (120,000);

15 (4) more than ninety thousand (90,000) but less than one hundred
 16 ten thousand (110,000); or

17 (5) more than seventy-five thousand (75,000) but less than ninety
 18 thousand (90,000).

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

26 (c) The school corporation shall deposit the proceeds of the tax
 27 imposed under subsection (b) in a fund to be known as the art
 28 association fund. The art association fund is separate and distinct from
 29 the school corporation's general fund and may be used only for the
 30 purpose of providing funds for an art association under this section.
 31 The governing body of the school corporation may annually
 32 appropriate the money in the fund to be paid in semiannual installments
 33 to an art association having facilities in a city that is listed in subsection
 34 (a), subject to subsection (d).

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

37 (1) the governing body of the school corporation to appoint its
 38 superintendent and its director of art instruction as visitors, with
 39 the privilege of attending all meetings of the association's
 40 governing board;

41 (2) the governing body of the school corporation to nominate
 42 persons for membership on the association's governing board,

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

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

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

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

28 SECTION 49. IC 20-5-62-6, AS AMENDED BY P.L.34-1996,
 29 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 30 JULY 1, 1998]: Sec. 6. Except as provided in this chapter and
 31 notwithstanding any other law, a freeway school corporation or a
 32 freeway school may do the following during the contract period:

- 33 (1) Disregard the observance of any statute or rule that is listed in
- 34 the contract.
- 35 (2) Lease school transportation equipment to others for nonschool
- 36 use when the equipment is not in use for a school corporation
- 37 purpose, if the lessee has not received a bid from a private entity
- 38 to provide transportation equipment or services for the same
- 39 purpose.
- 40 (3) Replace the budget and accounting system that is required by
- 41 law with a budget or accounting system that is frequently used in
- 42 the private business community. The state board of accounts may

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1 not go beyond the requirements imposed upon the state board of
 2 accounts by statute in reviewing the budget and accounting
 3 system used by a freeway school corporation or a freeway school.

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

6 (A) professional development; or

7 (B) technology, including video distance learning.

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

12 (6) Transfer funds obtained from property taxation and from state
 13 distributions **among between** the general fund (established under
 14 IC 21-2-11) and the school transportation fund (established under
 15 IC 21-2-11.5), subject to the following:

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

17 (i) **before January 1, 2000**, the sum of the property tax rates
 18 for the general fund and the school transportation fund after
 19 a transfer occurs under this subdivision may not exceed the
 20 sum of the property tax rates for the general fund and the
 21 school transportation fund before a transfer occurs under
 22 this subdivision; **and**

23 (ii) **after December 31, 1999, the property tax rate for**
 24 **the school transportation fund after a transfer occurs**
 25 **under this subdivision may not exceed the property tax**
 26 **rate for the school transportation fund after a transfer**
 27 **occurs under this subdivision.**

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

30 (i) capital projects fund (established under IC 21-2-15); or

31 (ii) debt service fund (established under IC 21-2-4).

32 (7) Establish a locally adopted assessment program to replace the
 33 assessment of students under the ISTEP program established
 34 under IC 20-10.1-16-8, subject to the following:

35 (A) A locally adopted assessment program must be established
 36 by the governing body and approved by the department.

37 (B) A locally adopted assessment program may use a locally
 38 developed test or a nationally developed test.

39 (C) Results of assessments under a locally adopted assessment
 40 program are subject to the same reporting requirements as
 41 results under the ISTEP program.

42 (D) Each student who completes a locally adopted assessment

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1 program and the student's parent or guardian has the same
2 rights to inspection and rescoring as are set forth in
3 IC 20-10.1-16-7(d).

4 SECTION 50. IC 20-8.1-6.1-8, AS AMENDED BY
5 P.L.260-1997(ss), SECTION 58, IS AMENDED TO READ AS
6 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 8. (a) As used in this
7 section, the following terms have the following meanings:

8 (1) "Class of school" refers to a classification of each school or
9 program in the transferee corporation by the grades or special
10 programs taught at the school. Generally, these classifications are
11 denominated as kindergarten, elementary school, middle school
12 or junior high school, high school, and special schools or classes,
13 such as schools or classes for special education, vocational
14 training, or career education.

15 (2) "ADM" means the following:

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

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

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

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

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

28 However, a kindergarten student shall be counted under clauses

29 (A) and (B) as one-half (1/2) a student.

30 (4) "Special equipment" means equipment that during a school
31 year:

32 (A) is used only when a child with disabilities is attending
33 school;

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

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

39 (D) is not used for or by any child who is not a child with
40 disabilities.

41 The Indiana state board of education may select a different date for
42 counts under subdivision (3). However, the same date shall be used for

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1 all school corporations making a count for the same class of school.

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

8 STEP ONE: Allocate to each transfer student the capital
9 expenditures for any special equipment used by the transfer
10 student and a proportionate share of the operating costs incurred
11 by the transferee school for the class of school where the transfer
12 student is enrolled.

13 STEP TWO: If the transferee school included the transfer student
14 in the transferee school's ADM for a school year, allocate to the
15 transfer student a proportionate share of the following general
16 fund revenues of the transferee school for, except as provided in
17 clause (C), the calendar year in which the school year ends:

18 (A) The following state distributions that are computed in any
19 part using ADM or other pupil count in which the student is
20 included:

- 21 (i) Primetime grant under IC 21-1-30.
- 22 (ii) Tuition support for basic programs and at-risk weights
23 under IC 21-3-1.7-8 (before January 1, 1996) and only for
24 basic programs (after December 31, 1995).
- 25 (iii) Enrollment growth grant under IC 21-3-1.7-9.5.
- 26 (iv) At-risk grant under IC 21-3-1.7-9.7.
- 27 (v) Academic honors diploma award under IC 21-3-1.7-9.8.
- 28 (vi) Vocational education grant under IC 21-3-1.8-3.
- 29 (vii) Special education grant under IC 21-3-1.8 (repealed
30 January 1, 1996) or IC 21-3-10.
- 31 (viii) The portion of the ADA flat grant that is available for
32 the payment of general operating expenses under
33 IC 21-3-4.5-2(b)(1).

34 (B) For school years beginning after June 30, 1997, property
35 tax levies.

36 (C) For school years beginning after June 30, 1997, excise tax
37 revenue (as defined in IC 21-3-1.7-2) received for deposit in
38 the calendar year in which the school year begins.

39 (D) For school years beginning after June 30, 1997, allocations
40 to the transferee school under IC 6-3.5.

41 STEP THREE: Determine the greater of:

- 42 (A) zero (0); or

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1 (B) the result of subtracting the STEP TWO amount from the
2 STEP ONE amount.

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

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

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

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

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

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

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

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

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

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

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

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

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

36 (i) If the school corporation can meet the requirements of
37 IC 21-1-30-5, it may negotiate transfer tuition agreements with a
38 neighboring school corporation that can accommodate additional
39 students. Agreements under this section may be for one (1) year or
40 longer and may fix a method for determining the amount of transfer
41 tuition or time of payment that is different from the method, amount,
42 or time of payment that is provided in this section or section 9 of this

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1 chapter. A school corporation may not transfer a student under this
2 section without the prior approval of the child's parent or guardian.

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

10 SECTION 51. IC 20-8.1-6.5-4 IS AMENDED TO READ AS
11 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 4. (a) Where a transfer
12 is ordered to commence in a school year, where the transferor
13 corporation has net additional costs over savings (on account of any
14 transfer ordered) allocable to the calendar year in which the school year
15 begins, and where the transferee corporation has no budgeted funds for
16 such net additional costs, they may be recovered by one (1) or more of
17 the following methods in addition to any other methods provided by
18 applicable law:

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

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

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

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

35 SECTION 52. IC 20-8.1-6.5-9 IS AMENDED TO READ AS
36 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 9. ~~Transportation Costs~~
37 ~~State Reimbursement~~. Transportation costs for transferred students
38 for each calendar year or for capital outlay and for operations shall be
39 reimbursed by the state to the transferor corporation in the same
40 percent of the total outlay which the distributions to the transferor
41 corporation under IC 1971, 21-3-1.5-3, or from the state flat grant
42 distribution account where it is credited to the general transportation



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

12 SECTION 53. IC 20-8.1-7-18 IS AMENDED TO READ AS
 13 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 18. (a) Whenever the
 14 test required under section 17 of this chapter discloses that the hearing
 15 of any child is impaired and the child cannot be taught advantageously
 16 in regular classes, the governing body of the school corporation shall
 17 provide appropriate remedial measures and correctional devices. The
 18 governing body shall advise the child's parents of the proper medical
 19 care, attention, and treatment needed. The governing body shall
 20 provide approved mechanical auditory devices and prescribe courses
 21 in lip reading by qualified, competent and approved instructors. The
 22 superintendent of public instruction and the head of the rehabilitative
 23 services bureau of the division of disability, aging, and rehabilitative
 24 services shall cooperate with school corporations to provide this
 25 assistance; they shall also provide advice and information to assist
 26 school corporations in complying with this section. The local governing
 27 body may adopt rules and regulations for the administration of this
 28 section.

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



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1 **distribution of other state funds to the school corporation to which**
 2 **the advance is made.**

3 SECTION 54. IC 20-9.1-1-3 IS AMENDED TO READ AS
 4 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 3. ~~Definition, "Private~~
 5 ~~School":~~ As used in this article, the term "private school" means any
 6 school ~~which is not supported and maintained by funds realized from~~
 7 ~~the imposition of a tax on property, income or sales: that is not a~~
 8 **school corporation (as defined in IC 36-1-2-17).**

9 SECTION 55. IC 20-10.1-6.5-1, AS AMENDED BY P.L.1-1994,
 10 SECTION 97, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 11 JULY 1, 1998]: Sec. 1. As used in this chapter:

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

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

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

19 SECTION 56. IC 21-2-3.1-1 IS AMENDED TO READ AS
 20 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 1. This chapter applies
 21 if a township board finds, at an annual or special meeting of the board,
 22 that:

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

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

28 SECTION 57. IC 21-2-4-7 IS ADDED TO THE INDIANA CODE
 29 AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE JULY
 30 1, 1998]: **Sec. 7. A school corporation shall annually levy a sum**
 31 **sufficient to meet all payments of principal and interest on debt**
 32 **service payable from the debt service fund as the payments mature.**

33 SECTION 58. IC 21-2-5.6-3 IS AMENDED TO READ AS
 34 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 3. Subject to the
 35 approval of the commissioner of the department of insurance, the
 36 governing body of the school corporation may:

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

39 (A) the general fund budget; and

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

42 (2) transfer monies from the general fund to the self-insurance



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1 fund; or

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

4 SECTION 59. IC 21-2-11-2 IS AMENDED TO READ AS
5 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 2. The governing body
6 of each school corporation in the state of Indiana shall establish a
7 general fund for the operation and maintenance of local schools. ~~and~~
8 **The governing body shall levy a tax therefor in calendar years**
9 **before January 1, 2000. Except as otherwise provided by statute,**
10 **all receipts and disbursements heretofore authorized by law for school**
11 **funds and tax levies for the tuition fund; special school fund; special**
12 **fund; vocational fund; recreation fund; compulsory education fund;**
13 **school library fund; high school library fund; public employee's**
14 **retirement fund; operating fund; transportation tax and county wide**
15 **school tax shall on and after January 1, 1968; be received in and**
16 **disbursed from the general fund. For property taxes first due and**
17 **payable before January 1, 2000, the tax levy and rate for the general**
18 **fund shall be established by the governing body of each school**
19 **corporation. for the 1968 calendar year and all succeeding calendar**
20 **years. Any balances of all the aforesaid funds on January 1, 1968 shall**
21 **be transferred to the general fund. The general assembly declares**
22 **that sufficient tax revenues and distributions will be provided after**
23 **December 31, 1999, so that each school corporation will be eligible**
24 **to receive for its general fund an amount at least equal to the**
25 **amount that the school corporation received in the immediately**
26 **preceding year.**

27 SECTION 60. IC 21-2-11-5 IS AMENDED TO READ AS
28 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 5. Any self supporting
29 programs maintained by any school corporation, including but not
30 limited to school lunch and rental or sale of textbooks, may be
31 established as separate funds, separate and apart from the general fund,
32 if no **state distributions under IC 21-3-1.7 or local tax rate is**
33 **established therefor: funds are involved.**

34 SECTION 61. IC 21-2-11-6 IS AMENDED TO READ AS
35 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 6. Moneys received by
36 any school corporation for a specific purpose or purposes, by gift,
37 endowment or pursuant to any federal statute, may be accounted for by
38 establishing separate funds, separate and apart from the general fund,
39 if no **state distributions under IC 21-3-1.7 or local tax funds are**
40 **involved. Provided, That No such funds shall be accepted unless the**
41 **terms of the gift, endowment or payment, and the acceptance thereof,**
42 **are so stated that the officers of the school corporation are not divested**



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1 of any right or authority which they ~~now have or may hereafter be~~ **are**
 2 granted by law. Such moneys so received for specific purposes, and any
 3 earnings thereon, may be disbursed without appropriation.

4 SECTION 62. IC 21-2-11.5-5 IS ADDED TO THE INDIANA
 5 CODE AS A NEW SECTION TO READ AS FOLLOWS
 6 [EFFECTIVE JULY 1, 1998]: **Sec. 5. A school corporation shall**
 7 **annually levy a sum sufficient to meet all payments of principal**
 8 **and interest on obligations payable from the transportation fund**
 9 **as the payments mature.**

10 SECTION 63. IC 21-2-15-15 IS ADDED TO THE INDIANA
 11 CODE AS A NEW SECTION TO READ AS FOLLOWS
 12 [EFFECTIVE JULY 1, 1998]: **Sec. 15. A school corporation shall**
 13 **annually levy a sum sufficient to meet all payments of principal**
 14 **and interest on obligations payable from the capital projects fund**
 15 **as the payments mature.**

16 SECTION 64. IC 21-4-20-1 IS AMENDED TO READ AS
 17 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 1. Whenever it is found
 18 by the board of school trustees or other proper authorities of any school
 19 city or school town that an emergency exists for the borrowing of
 20 money with which to meet the current expenses of the schools of such
 21 school town or school city, the board of school trustees or other proper
 22 authorities of such school city or school town may make temporary
 23 loans in anticipation of the current revenues of such school town or
 24 school city to an amount not exceeding fifty percent (50%) of the
 25 ~~amount of taxes actually levied and revenue~~ in the course of collection
 26 for the fiscal year in which such loans are made. Revenues shall be
 27 deemed to be current and taxes shall be deemed to have been actually
 28 levied and in the course of collection when the budget levy and rate
 29 shall have been finally approved by the state board of tax
 30 commissioners. ~~Provided, However, That~~ in all second and third class
 31 school cities, no such loans shall be borrowed in excess of the sum of
 32 twenty thousand dollars (\$20,000) until the letting of the same shall
 33 have been advertised once each week for two (2) successive weeks in
 34 two (2) newspapers of general circulation published in such school city,
 35 and until sealed bids have been submitted at a regular meeting of the
 36 school board of such school city, pursuant to such notices, stipulating
 37 the rate of interest to be charged by such bidder. ~~and Provided, further,~~
 38 ~~That~~ Such school loans shall be made with the bidder submitting the
 39 lowest rate of interest and submitting with his bid an affidavit showing
 40 that no collusion exists between himself and any other bidder for such
 41 loan.

42 SECTION 65. IC 32-9-1.5-16, AS ADDED BY P.L.31-1995,



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1 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
2 JULY 1, 1998]: Sec. 16. For purposes of section 49 of this chapter,
3 "political subdivision" includes any Indiana municipality, county, civil
4 township, civil incorporated city or town, ~~public~~ school corporation (**as**
5 **defined in IC 36-1-2-17**), university or college supported in part by
6 state funds, or any other territorial subdivision of the state recognized
7 or designated in any law, including judicial circuits, a public utility
8 entity not privately owned, special taxing district or entity, and public
9 improvement district authority or entity authorized to levy taxes or
10 assessments. The term does not include any retirement system
11 supported entirely or in part by the state.

12 SECTION 66. IC 36-1-2-2 IS AMENDED TO READ AS
13 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 2. "Bonds" means any
14 evidences of indebtedness, whether payable from property taxes,
15 revenues, or any other source. ~~but~~ **However, the term** does not include
16 notes or warrants representing temporary loans that are payable out of:

17 (1) taxes levied and in the course of collection; **or**

18 (2) **other deposits in the general fund of a school corporation.**

19 SECTION 67. IC 36-7-15.1-26.9 IS AMENDED TO READ AS
20 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 26.9. (a) The
21 definitions set forth in section 26.5 of this chapter apply to this section.

22 (b) The fiscal officer of the consolidated city shall publish in the
23 newspaper in the county with the largest circulation all determinations
24 made under section 26.5 or 26.7 of this chapter that result in the
25 allowance or disallowance of credits. The publication of a
26 determination made under section 26.5 of this chapter shall be made
27 not later than June 20 of the year in which the determination is made.
28 The publication of a determination made under section 26.7 of this
29 chapter shall be made not later than December 5 of the year in which
30 the determination is made.

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

36 (1) allocated to the redevelopment district;

37 (2) paid into the special fund for that allocation area; and

38 (3) used for the purposes specified in section 26 of this chapter.

39 (d) The county auditor shall adjust the estimate of assessed
40 valuation that the auditor certifies under IC 6-1.1-17-1 for all taxing
41 units in which the allocation area is located. The county auditor may
42 amend this adjustment at any time before the earliest date a taxing unit

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1 must publish the unit's proposed property tax rate under IC 6-1.1-17-3
 2 in the year preceding the year in which the credits under section
 3 26.5(g) or 26.5(h) of this chapter are paid. The auditor's adjustment to
 4 the assessed valuation shall be:

5 (1) calculated to produce an estimated assessed valuation that will
 6 offset the effect that paying personal property taxes into the
 7 allocation area special fund under subsection (c) would otherwise
 8 have on the ability of a taxing unit to achieve the taxing unit's tax
 9 levy in the following year; and

10 (2) used by the county board of tax adjustment, the state board of
 11 tax commissioners, and each taxing unit in determining each
 12 taxing unit's tax rate and tax levy in the following year.

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

19 (f) The ad valorem property tax levy limits imposed by
 20 IC 6-1.1-18.5-3 and IC 6-1.1-19-1.5 (**repealed January 1, 2000**) do
 21 not apply to ad valorem property taxes imposed that are used to offset
 22 the effect of paying personal property taxes into an allocation area
 23 special fund during the taxable year under subsection (d) or to make
 24 direct payments to taxpayers under section 26.5(h) of this chapter. For
 25 purposes of computing the ad valorem property tax levy limits imposed
 26 under IC 6-1.1-18.5-3 and IC 6-1.1-19-1.5 (**repealed January 1,**
 27 **2000**), a taxing unit's ad valorem property tax levy for a particular
 28 calendar year does not include that part of the levy imposed to offset
 29 the effect of paying personal property taxes into an allocation area
 30 special fund under subsection (d) or to make direct payments to
 31 taxpayers under section 26.5(h) of this chapter.

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

34 (1) are subject to any pledge of allocated property tax proceeds
 35 made by the redevelopment district under section 26(d) of this
 36 chapter, including but not limited to any pledge made to owners
 37 of outstanding bonds of the redevelopment district of allocated
 38 taxes from that area; and

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

41 SECTION 68. THE FOLLOWING ARE REPEALED [EFFECTIVE
 42 JANUARY 1, 2000]: IC 6-1.1-19-1; IC 6-1.1-19-1.5; IC 6-1.1-19-1.7;

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1 IC 6-1.1-19-2; IC 6-1.1-19-4.5; IC 6-1.1-19-4.7; IC 6-1.1-19-4.9;
2 IC 6-1.1-19-5.1; IC 6-1.1-19-6; IC 6-1.1-19-11; IC 6-1.1-21.5;
3 IC 6-1.1-34; IC 20-3-11-18; IC 20-4-1-26.9; IC 20-4-8-23;
4 IC 21-2-11-8; IC 21-2-12; IC 21-2-13; IC 21-2-14.

5 SECTION 69. [EFFECTIVE JULY 1, 1998]: (a) **As used in this**
6 **SECTION, "balance" means the unencumbered balance in a**
7 **school corporation's levy excess fund on January 1, 2000.**

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

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

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

20 (e) **A school corporation may use money in its levy excess fund**
21 **for a lawful purpose for which money in its other funds may be**
22 **used.**

23 SECTION 70. **An emergency is declared for this act.**

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SENATE MOTION

Mr. President: I move that Senator Waterman be added as coauthor of Senate Bill 352.

KENLEY

SENATE MOTION

Mr. President: I move that Senator Ford be added as second author and Senators Meeks, Weatherwax and Clark be added as coauthors of Senate Bill 352.

KENLEY

SENATE MOTION

Mr. President: I move that Senator Nugent be added as coauthor of Senate Bill 352.

KENLEY

SENATE MOTION

Mr. President: I move that Senator Dempsey be added as coauthor of Senate Bill 352.

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COMMITTEE REPORT

Mr. President: The Senate Committee on Finance, to which was referred Senate Bill 352, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 12, line 11, after "1999," insert "**to a fund other than the general fund,**".

Page 13, reset in bold lines 25 through 27.

Page 13, line 28, reset in bold "corporation for".

Page 13, line 28, reset in bold "ensuing calendar year".

Page 16, between lines 12 and 13, begin a new paragraph and insert:

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

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

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

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

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

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

STEP THREE: Determine the sum of:

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

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

for that calendar year.

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

STEP FIVE: Multiply the STEP ONE amount by the STEP FOUR result.



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(c) The amount of revenues distributed to:

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

shall be changed for that same year by reducing the amount of revenue distributed by the amount of revenue allocated under this section for that same calendar year. The state board of tax commissioners shall make any adjustments required by this section and provide them to the appropriate county auditors.

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

Page 40, line 7, delete "IC 6-1.1-18-1.9" and insert "IC 6-1.1-19-1.9".

Page 59, line 22, delete "IC 6-3-7-2.5";.

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to Senate Bill 352 as introduced.)

BORST, Chairperson

Committee Vote: Yeas 10, Nays 5.

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SENATE MOTION

Mr. President: I move that Senate Bill 352 be amended to read as follows:

Page 11, line 14, after "fund" delete "," and insert "**if another statute provides for an appeal under this section,**".

Page 12, line 35, after "concludes" insert ", **after studying an appeal petition,**".

Page 15, line 34, after "Determine" insert "**fifty percent (50%) of**".

Page 15, line 39, after "(B)" insert "**fifty percent (50%) of**".

Page 22, between lines 31 and 32, begin a new paragraph and insert:
"SECTION 27. IC 6-1.1-44 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE APRIL 1, 1998 (RETROACTIVE)]:

Chapter 44. Replacement of Property Tax Levies in Allocation Areas

Sec. 1. As used in this chapter, "allocation area" refers to an area that is established under the authority of any of the following statutes and in which property taxes levied by a taxing unit other than the area are allocated to the use of the area:

- (1) IC 6-1.1-39-5.
- (2) IC 8-22-3.5-9.
- (3) IC 36-7-14-30.
- (4) IC 36-7-14-32.
- (5) IC 36-7-14-39.
- (6) IC 36-7-14-41.
- (7) IC 36-7-14-43.
- (8) IC 36-7-14.5-12.5.
- (9) IC 36-7-15.1-20.
- (10) IC 36-7-15.1-22.
- (11) IC 36-7-15.1-26.
- (12) IC 36-7-15.1-29.
- (13) IC 36-7-15.1-30.
- (14) IC 36-7-30-25.
- (15) Any other similar statute.

Sec. 2. As used in this chapter, "obligation" means an obligation entered into by the governing body of an allocation area to repay:

- (1) the principal and interest on bonds; or
- (2) any other contractual obligation;

from revenues received from the levy of an ad valorem property tax by a taxing unit. The term includes a guarantee of repayment from ad valorem property tax levies if other revenues are insufficient to make a payment.



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Sec. 3. After April 1, 1998, the governing body of an allocation area may not pledge a school general fund property tax levy that is first due and payable after December 31, 1999, to the payment of an obligation.

Sec. 4. (a) This section applies to an allocation area in which:

- (1) the holders of bonds or another contractual obligation received a pledge before April 2, 1998, of ad valorem property tax levies to repay any part of the bonds or other contractual obligation after December 31, 1999; and**
- (2) the elimination of a general fund property tax levy for a school corporation adversely affects the ability of the allocation area to repay the bonds or other contractual obligation described in subdivision (1).**

(b) The governing body of an allocation area may, after a hearing, impose a special assessment on the owners of property that is located in an allocation area to repay an obligation that comes due after December 31, 1999. The total amount of the special assessment in a year may not exceed the amount by which the total due in the year on the obligations of the allocation area entered into before April 2, 1998, exceed the amount of other revenues available to the allocation area.

(c) A special assessment shall be imposed and collected in the same manner as ad valorem property taxes are imposed and collected."

Page 56, line 6, after "fund." insert "**The general assembly declares that sufficient tax revenues and distributions will be provided after December 31, 1999, so that each school corporation will be eligible to receive for its general fund an amount at least equal to the amount that the school corporation received in the immediately preceding year.**"

Page 60, after line 2, begin a new paragraph and insert:

SECTION 70. An emergency is declared for this act."

Re-number all SECTIONS consecutively.

(Reference is to Senate Bill 352 as printed January 28, 1998.)

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