



January 21, 2000

HOUSE BILL No. 1054

DIGEST OF HB 1054 (Updated January 20, 2000 11:52 AM - DI 58)

Citations Affected: IC 20-5; noncode.

Synopsis: Bonds for school corporation retirement liability. Authorizes school corporations in St. Joseph County to issue bonds to implement solutions to contractual retirement or severance liability as it existed on June 30, 1998. Provides that those school corporations may issue bonds for this purpose only one time and that the bonds must be issued before December 2, 2000. Requires a reduction in property tax levies for the school's capital projects fund, transportation fund, or the art and historical society fund to offset the debt service levy needed.

Effective: July 1, 2000; December 2, 2000.

Dvorak, Mock, Fry

January 10, 2000, read first time and referred to Committee on Ways and Means.
January 20, 2000, amended, reported — Do Pass.

C
O
P
Y

HB 1054—LS 6369/DI 44+



January 21, 2000

Second Regular Session 111th General Assembly (2000)

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 1999 General Assembly.

HOUSE BILL No. 1054

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

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

1 SECTION 1. IC 20-5-4-1.5 IS ADDED TO THE INDIANA CODE
2 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2000]: **Sec. 1.5. (a) For purposes of this section, "retirement or
4 severance liability" means the payments anticipated to be required
5 to be made to employees of a school corporation upon or after the
6 termination of their employment by the school corporation under
7 an existing or previous employment agreement.**

8 **(b) In addition to the purposes set forth in section 1 of this
9 chapter, school corporations located in a county having a
10 population of more than two hundred thousand (200,000) but less
11 than three hundred thousand (300,000) may issue bonds to
12 implement solutions to contractual retirement or severance
13 liability. The issuance of bonds for this purpose is subject to the
14 following limitations:**

- 15 (1) A school corporation may issue bonds for the purpose
16 described in this section only one (1) time.
17 (2) The solution to which the bonds are contributing must be

HB 1054—LS 6369/DI 44+



C
O
P
Y

1 reasonably expected to reduce the school corporation's
 2 existing unfunded contractual liability for retirement or
 3 severance payments, as of June 30, 1998.

4 (3) The amount of the bonds that may be issued for the
 5 purpose described in this section may not exceed two percent
 6 (2%) of the total assessed valuation of property in the school
 7 corporation.

8 (4) Each year that a debt service levy is needed under this
 9 section, the school corporation shall reduce its total property
 10 tax levy for the school corporation's transportation, capital
 11 projects, or art association and historical society funds in an
 12 amount equal to the property tax levy needed for the debt
 13 service under this section. The property tax rate for each of
 14 these funds shall be reduced each year until the bonds are
 15 retired.

16 (c) Bonds issued for the purpose described in this section shall
 17 be issued in the same manner as other bonds of the school
 18 corporation.

19 (d) Bonds issued under this section must be issued before
 20 December 2, 2000.

21 SECTION 2. IC 20-5-4-1.5 IS REPEALED [EFFECTIVE
 22 DECEMBER 2, 2000].

23 SECTION 3. [EFFECTIVE DECEMBER 2, 2000]
 24 Notwithstanding the repeal of IC 20-5-4-1.5, as added by this act,
 25 the following provisions apply to bonds issued under IC 20-5-4-1.5,
 26 as added by this act, before December 2, 2000:

27 (1) The bonds remain valid and binding obligations of the
 28 school corporation that issued them, as if IC 20-5-4-1.5 had
 29 not been repealed.

30 (2) Each year that a debt service levy is needed for the bonds,
 31 the school corporation that issued the bonds shall reduce its
 32 total property tax levy for the school corporation's other
 33 funds in an amount equal to the property tax levy needed for
 34 the debt service on the bonds.

C
O
p
y



COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1054, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 2, line 3, after "payments" insert ", as of June 30, 1998".

Page 2, line 10, delete "other" and insert "**transportation, capital projects, or art association and historical society**".

Page 2, line 12, after "section." insert "**The property tax rate for each of these funds shall be reduced each year until the bonds are retired.**".

and when so amended that said bill do pass.

(Reference is to HB 1054 as introduced.)

BAUER, Chair

Committee Vote: yeas 16, nays 2.

C
O
P
Y

