
SENATE BILL No. 100

DIGEST OF INTRODUCED BILL

Citations Affected: IC 20-5-4-1.5.

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. 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 other property tax levies to offset the debt service levy needed.

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

Zakas, Washington, Adams K

November 18, 1999, read first time and referred to Committee on Finance.

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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.

SENATE BILL No. 100



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**



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1 reasonably expected to reduce the school corporation's
 2 existing unfunded contractual liability for retirement or
 3 severance payments.
 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 other funds in an amount
 11 equal to the property tax levy needed for the debt service
 12 under this section.
 13 (c) Bonds issued for the purpose described in this section shall
 14 be issued in the same manner as other bonds of the school
 15 corporation.
 16 (d) Bonds issued under this section must be issued before
 17 December 2, 2000.
 18 SECTION 2. IC 20-5-4-1.5 IS REPEALED [EFFECTIVE
 19 DECEMBER 2, 2000].
 20 SECTION 3. [EFFECTIVE DECEMBER 2, 2000]
 21 Notwithstanding the repeal of IC 20-5-4-1.5, as added by this act,
 22 the following provisions apply to bonds issued under IC 20-5-4-1.5,
 23 as added by this act, before December 2, 2000:
 24 (1) The bonds remain valid and binding obligations of the
 25 school corporation that issued them, as if IC 20-5-4-1.5 had
 26 not been repealed.
 27 (2) Each year that a debt service levy is needed for the bonds,
 28 the school corporation that issued the bonds shall reduce its
 29 total property tax levy for the school corporation's other
 30 funds in an amount equal to the property tax levy needed for
 31 the debt service on the bonds.

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