
HOUSE BILL No. 1687

DIGEST OF INTRODUCED BILL

Citations Affected: IC 20-5-4-1.8.

Synopsis: School corporation bonds for retirement liability. Permits a school corporation to issue bonds one time before January 1, 2006, to cover retirement or severance liability if the school corporation did not issue bonds for that purpose under a prior statute that has been repealed. Requires a school corporation that issues bonds for this purpose to reduce the property tax levy for certain other funds of the school corporation in an amount equal to the property tax levy needed for debt service on the bonds.

Effective: Upon passage.

Oxley

January 19, 2005, read first time and referred to Committee on Ways and Means.

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First Regular Session 114th General Assembly (2005)

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 2004 Regular Session of the General Assembly.

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HOUSE BILL No. 1687



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

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

1 SECTION 1. IC 20-5-4-1.8 IS ADDED TO THE INDIANA CODE
2 AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE
3 UPON PASSAGE]: **Sec. 1.8. (a) For purposes of this section,**
4 **"retirement or severance liability" means the payments**
5 **anticipated to be required to be made to employees of a school**
6 **corporation upon or after the termination of their employment by**
7 **the school corporation under an existing or previous employment**
8 **agreement.**

9 (b) In addition to the purposes set forth in section 1 of this
10 chapter, a school corporation that has not issued bonds under
11 IC 20-5-4-1.7 (before its repeal) may issue bonds to implement
12 solutions to contractual retirement or severance liability. The
13 issuance of bonds for this purpose is subject to the following
14 conditions:

- 15 (1) The school corporation may issue bonds under this section
16 only one (1) time.
- 17 (2) The bonds must be issued before January 1, 2006.



- 1 **(3) The solution to which the bonds are contributing must be**
- 2 **reasonably expected to reduce the school corporation's**
- 3 **unfunded contractual liability for retirement or severance**
- 4 **payments as it existed on June 30, 2001.**
- 5 **(4) The amount of the bonds that may be issued for the**
- 6 **purpose described in this section may not exceed two percent**
- 7 **(2%) of the true tax value of property in the school**
- 8 **corporation.**
- 9 **(5) Each year that a debt service levy is needed under this**
- 10 **section, the school corporation shall reduce the total property**
- 11 **tax levy for the school corporation's transportation, school**
- 12 **bus replacement, capital projects, or art association and**
- 13 **historical society funds in an amount equal to the property tax**
- 14 **levy needed for the debt service under this section. The**
- 15 **property tax rate for each of these funds shall be reduced each**
- 16 **year until the bonds are retired.**
- 17 **(6) The school corporation shall establish a separate debt**
- 18 **service fund for repayment of the bonds issued under this**
- 19 **section.**
- 20 **(c) Bonds issued for the purpose described in this section shall**
- 21 **be issued in the same manner as other bonds of the school**
- 22 **corporation.**
- 23 **(d) Bonds issued under this section are not subject to the**
- 24 **petition and remonstrance process under IC 6-1.1-20 or to the**
- 25 **limitations contained in IC 36-1-15.**
- 26 **SECTION 2. An emergency is declared for this act.**

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