
HOUSE BILL No. 1417

DIGEST OF INTRODUCED BILL

Citations Affected: IC 20-40.

Synopsis: Flexibility in use of school funds. Eliminates the expiration of the authority of a school corporation to impose a property tax levy for the capital projects fund for the purposes of paying the costs of insurance and utilities. Permits a school corporation to transfer money to a fund from any other fund, except a school bus replacement fund or a debt service fund, for two years.

Effective: July 1, 2011.

McNamara

January 18, 2011, read first time and referred to Committee on Education.

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First Regular Session 117th General Assembly (2011)

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 2010 Regular Session of the General Assembly.

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HOUSE BILL No. 1417



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 20-40-8-19, AS AMENDED BY P.L.182-2009(ss),
2 SECTION 322, IS AMENDED TO READ AS FOLLOWS
3 [EFFECTIVE JULY 1, 2011]: Sec. 19. Money in the fund may be used
4 to pay for up to one hundred percent (100%) of the following costs of
5 a school corporation:

- 6 (1) Utility services.
 - 7 (2) Property or casualty insurance.
 - 8 (3) Both utility services and property or casualty insurance.
- 9 A school corporation's expenditures under this section may not exceed
10 ~~in 2010 and in 2011~~ three and five-tenths percent (3.5%) of the school
11 corporation's 2005 calendar year distribution.

12 SECTION 2. IC 20-40-17 IS ADDED TO THE INDIANA CODE
13 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
14 JULY 1, 2011]:

15 **Chapter 17. Transfer of Money Between Funds**
16 **Sec. 1. This chapter supplements authority granted by other law**
17 **to transfer money from one (1) fund to another fund.**



1 **Sec. 2. Notwithstanding any other law, the governing body of a**
2 **school corporation may transfer money to any fund of the school**
3 **corporation from any other fund of the school corporation, except**
4 **a school bus replacement fund or a debt service fund, in conformity**
5 **with this chapter.**

6 **Sec. 3. Authorization to make a transfer under this chapter must**
7 **be adopted in a resolution that is approved by the governing body**
8 **at a regular public meeting. The resolution must generally describe**
9 **the purposes for which the transferred money will be used and**
10 **must include the findings described in section 4 of this chapter.**

11 **Sec. 4. Before authorizing a transfer of money under this**
12 **chapter, the governing body must determine, in the affirmative,**
13 **that:**

- 14 **(1) the amount that the governing body proposes to transfer**
- 15 **is not currently needed to meet the obligations of the fund**
- 16 **from which the money is being transferred;**
- 17 **(2) the transfer does not violate any federal law or regulation**
- 18 **or the terms of any agreement related to a lease or bonds; and**
- 19 **(3) the transfer is necessary.**

20 **Sec. 5. A transfer under this chapter results in a reduction in the**
21 **amount available from the fund from which the money is**
22 **transferred. A school corporation may not:**

- 23 **(1) increase its property tax levy to make up for the reduction;**
- 24 **or**
- 25 **(2) borrow money to replace the amount of money transferred**
- 26 **to another fund.**

27 **Sec. 6. Subject to this chapter, money transferred under this**
28 **chapter may be used for any of the purposes of the fund to which**
29 **it is transferred.**

30 **Sec. 7. A transfer under this chapter does not authorize the**
31 **expenditure of more money from a fund than the total amount set**
32 **out in the budget of the school corporation, as amended by any**
33 **supplemental appropriation made in conformity with**
34 **IC 6-1.1-18-5.**

35 **Sec. 8. A transfer under this chapter may not be the subject of**
36 **bargaining or discussion under IC 20-29. A school corporation may**
37 **not use money transferred under this chapter for increases in**
38 **school employee salaries and benefits.**

39 **Sec. 9. This chapter expires July 1, 2013.**

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