



February 8, 2013

HOUSE BILL No. 1110

DIGEST OF HB 1110 (Updated February 5, 2013 1:21 pm - DI 92)

Citations Affected: IC 20-40.

Synopsis: Flexibility in use of school funds. Extends the authority for a school corporation to use money in its capital projects fund to pay the costs of insurance and utilities through 2014. Increases the amount of a school corporation's allowable expenditures from 3.5% to 4.5% of the school corporation's 2005 calendar year distribution. Provides that amounts available for expenditure exceeding 3.5% of the school corporation's 2005 calendar year distribution must be used to pay storm water fees charged to the school corporation. 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, 2013.

McNamara, Dermody, Clere, Truitt

January 8, 2013, read first time and referred to Committee on Education.
January 10, 2012, reassigned to Committee on Ways and Means.
February 7, 2013, amended, reported — Do Pass.

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HB 1110—LS 6520/DI 92+



February 8, 2013

First Regular Session 118th General Assembly (2013)

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 2012 Regular Session of the General Assembly.

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HOUSE BILL No. 1110

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 20-40-8-19, AS AMENDED BY P.L.48-2011,
2 SECTION 35, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2013]: Sec. 19. Money in the fund may be used before January
4 1, ~~2014~~, **2015**, to pay for up to one hundred percent (100%) of the
5 following costs of 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 in a
10 calendar year exceed ~~three~~ **four** and five-tenths percent (~~3.5%~~) **(4.5%)**
11 of the school corporation's 2005 calendar year distribution. **Amounts**
12 **available for expenditure under this section that exceed three and**
13 **five-tenths percent (3.5%) of the school corporation's 2005**
14 **calendar year distribution must be used to pay storm water fees**
15 **charged to the school corporation.**
16 SECTION 2. IC 20-40-18 IS ADDED TO THE INDIANA CODE
17 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE

HB 1110—LS 6520/DI 92+



1 JULY 1, 2013]:

2 **Chapter 18. Transfer of Money Between Funds**

3 **Sec. 1. This chapter supplements authority granted by other law**
4 **to transfer money from one (1) fund to another fund.**

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

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

15 **Sec. 4. Before authorizing a transfer of money under this**
16 **chapter, the governing body must determine, in the affirmative,**
17 **that:**

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

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

- 27 (1) increase its property tax levy to make up for the reduction;
28 or
29 (2) borrow money to replace the amount of money transferred
30 to another fund.

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

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

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



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1 **Sec. 9. This chapter expires July 1, 2015.**

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1110, 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 1, line 10, strike "three" and insert "**four**".

Page 1, line 10, strike "(3.5%)" and insert "**(4.5%)**".

Page 1, line 11, after "distribution." insert "**Amounts available for expenditure under this section that exceed three and five-tenths percent (3.5%) of the school corporation's 2005 calendar year distribution must be used to pay storm water fees charged to the school corporation.**".

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1110 as introduced.)

BROWN T, Chair

Committee Vote: yeas 17, nays 1.

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