

HOUSE BILL No. 1377

DIGEST OF INTRODUCED BILL

Citations Affected: IC 20-26-7-1.

Synopsis: Transfer of school property. Provides that a vacant or unused school building may be sold or otherwise disposed of without having to be made available to a charter school for four years if the vacant or unused school building will be used by a local governmental entity.

Effective: July 1, 2013.

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January 22, 2013, read first time and referred to Committee on Education.

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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. 1377



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 20-26-7-1, AS AMENDED BY P.L.91-2011,
2 SECTION 27, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2013]: Sec. 1. (a) If a governing body of a school corporation
4 determines that any real or personal property:
5 (1) is no longer needed for school purposes; or
6 (2) should, in the interests of the school corporation, be
7 exchanged for other property;
8 the governing body may sell or exchange the property in accordance
9 with IC 36-1-11.
10 (b) Money derived from the sale or exchange of property under this
11 section shall be placed in any school fund:
12 (1) established under applicable law; and
13 (2) that the governing body considers appropriate.
14 (c) A governing body may not make a covenant that prohibits the
15 sale of real property to another educational institution.
16 (d) This subsection does not apply to a school building that on July
17 1, 2011, is leased or loaned by the school corporation that owns the



1 school building to another entity. A governing body shall make
 2 available for lease or purchase to any charter school (as defined in
 3 IC 20-24-1-4) any school building owned by the school corporation
 4 that:

5 (1) either:

6 (A) is not used in whole or in part for classroom instruction at
 7 the time the charter school seeks to lease the building; or

8 (B) appears on the list compiled by the department under
 9 subsection (e); and

10 (2) was previously used for classroom instruction;

11 in order for the charter school to conduct classroom instruction.

12 (e) **Except as otherwise provided in subsection (j)**, each
 13 governing body shall inform the department whenever a school
 14 building that was previously used for classroom instruction is closed,
 15 unused, or unoccupied. The department shall maintain a list of closed,
 16 unused, or unoccupied school buildings and make the list available on
 17 the department's Internet web site. Each school corporation shall
 18 provide a list of closed, unused, or unoccupied buildings to the
 19 department by the date set by the department. The department must
 20 update the list each year before August 31.

21 (f) A school building that appears for the first time on the
 22 department's list under subsection (e) shall be designated as
 23 "Unavailable until (a date two (2) years after the school building first
 24 appears on the list)" if the governing body of the school corporation
 25 that owns the school building indicates the school building may be
 26 reclaimed during that period for classroom instruction, which must
 27 begin not later than one (1) year after the school building is reclaimed.
 28 If the school building remains unused for classroom instruction one (1)
 29 year after being reclaimed, the governing body shall place the school
 30 building on the department's list. A governing body may reclaim a
 31 school building only one (1) time under this subsection.

32 (g) If a charter school wishes to use a school building on the list
 33 created under subsection (e), the charter school shall send a letter of
 34 intent to the department. The department shall notify the school
 35 corporation of the charter school's intent, and the school corporation
 36 that owns the school building shall lease the school building to the
 37 charter school for one dollar (\$1) per year for as long as the charter
 38 school uses the school building for classroom instruction or for a term
 39 at the charter school's discretion, or sell the school building to the
 40 charter school for one dollar (\$1). The charter school must begin to use
 41 the school building for classroom instruction not later than two (2)
 42 years after acquiring the school building. If the school building is not

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1 used for classroom instruction within two (2) years after acquiring the
2 school building, the school building shall be placed on the department's
3 list under subsection (e). If during the term of the lease the charter
4 school closes or ceases using the school building for classroom
5 instruction, the school building shall be placed on the department's list
6 under subsection (e).

7 (h) During the term of a lease under subsection (g), the charter
8 school is responsible for the direct expenses related to the school
9 building leased, including utilities, insurance, maintenance, repairs,
10 and remodeling. The school corporation is responsible for any debt
11 incurred for or liens that attached to the school building before the
12 charter school leased the school building.

13 (i) If a school building appears on the department's list under
14 subsection (e) for at least forty-eight (48) months, the school
15 corporation may sell or otherwise dispose of the school building in any
16 manner the governing body considers appropriate.

17 **(j) A governing body may sell or otherwise dispose of a closed,**
18 **unused, or unoccupied school building under IC 36-1-11 if the**
19 **governing body informs the department that the closed, unused, or**
20 **unoccupied school building is not to be included in the list**
21 **described in subsection (e) because the building will be used by a**
22 **local governmental entity.**

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