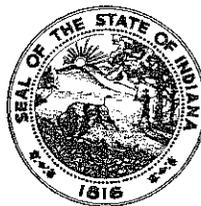


STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



INDIANA GOVERNMENT CENTER NORTH
100 NORTH SENATE AVENUE N1058(B)
INDIANAPOLIS, IN 46204
PHONE (317) 232-3777
FAX (317) 232-8779

TO: All School Corporations

FROM: Brian Bailey, Commissioner 

RE: Reorganized School Corporation Budgets, Tax Levies, and Tax Rates; Deadlines for Charter School Budget Submissions

DATE: July 6, 2012

Introduction

On March 06, 2012, Governor Mitch Daniels signed into law House Enrolled Act 1058-2012 ("HEA 1058") which became effective July 1, 2012. Section 1 of HEA 1058 adds IC 36-1.5-4-7(b) which establishes new levy, rate, and budget adoption procedures for two or more school corporations that participated in a reorganization plan approved in an election. New subsection IC 36-1.5-4-7(c) imposes a new budget submission deadline on schools that converted to charter schools.

IC 36-1.5-4-7(b) Affecting Certain Reorganized School Corporations

Indiana Code 36-1.5-4-7(b) applies to two or more school corporations that participate in a reorganization in which:

- (1) the voters approve a plan of reorganization in a general election, and
- (2) the plan of reorganization provides for the reorganization to become effective for property taxes first due and payable in the immediately following calendar year.

Such school corporations may publish notices, hold public hearings, and take final action for the adoption of property tax levies, property tax rates, and a budget for the reorganized school corporation after the voters approve the plan of reorganization. The alternative schedule must comply with the following four requirements.

I. Notice by Publication to Taxpayers

Each participating school corporation shall give notice by publication to taxpayers of the following:

- (1) the estimated budget,
- (2) the estimated maximum permissible levy,
- (3) the current and proposed tax levies of each fund, and
- (4) the amounts of excessive levy appeals to be requested

for the ensuing year. Notice must be published twice in accordance with IC 5-3-1. Hence, the first notice must be published at least ten days before the date fixed for the public hearing and with the last notice published no later than November 24 of the year the voters approve the referendum.

II. Public Hearings

Each participating school corporation must conduct a public hearing on the proposed tax levies, tax rates, and budget at least ten days before the date the participating school corporation adopts the proposed tax levies, tax rates, and budget.

III. Deadline for the Participating School Corporation

HEA 1058 also requires the governing body of each participating school corporation to meet to fix the tax levies, tax rates, and budget for the ensuing year before December 6 of the year the voters approve the referendum.

IV. Requirements for the County Auditor and Department of Local Government Finance

The county auditor must certify the adopted levies, rates, and budget for the reorganized school corporation to the Department of Local Government Finance (“Department”) before December 8 in the year in which the voters approve the referendum. The Department must complete the duties assigned to it under IC 6-1.1-17-16 with respect to the submitted levies, rates, and budget no later than February 15 of the ensuing year. The Department may adjust any other applicable time limit specified in IC 6-1.1-17 to be consistent with this section.

Deadline for Charter Schools Submitting Annual Budgets

Under IC 36-1.5-4-7(c), a school that converted into a charter school under IC 20-24-11 must publish its estimated annual budget, for the ensuing year, before December 1 in accordance with IC 5-3-1.

Contact Information

Questions may be directed to Staff Attorney David Marusarz at dmarusarz@dlgf.in.gov or (317) 233-6770.