



March 18, 1999

**ENGROSSED
SENATE BILL No. 626**

DIGEST OF SB626 (Updated March 16, 1999 11:02 am - DI 92)

Citations Affected: Noncode.

Synopsis: Property tax levy appeal for transfer tuition. Provides that the state board of tax commissioners shall allow Union Township School Corporation in Fulton County to increase the school corporation's maximum property tax levy in 2000, 2001, and 2002 to pay for certain transfer tuition costs. Provides, for purposes of calculating state tuition support and general fund property tax levies, a one-time adjustment to the "previous year revenue" of a school corporation participating in the annexation of the Union Township School Corporation.

Effective: July 1, 1999.

Weatherwax, Wolf
(HOUSE SPONSORS — BAUER, SMITH M)

January 25, 1999, read first time and referred to Committee on Finance.
February 15, 1999, amended, reported favorably — Do Pass.
February 18, 1999, read second time, ordered engrossed.
February 19, 1999, engrossed.
February 25, 1999, read third time, passed. Yeas 50, nays 0.

HOUSE ACTION

March 3, 1999, read first time and referred to Committee on Ways and Means.
March 17, 1999, reported — Do Pass.

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ES 626—LS 8129/DI 73+



March 18, 1999

First Regular Session 111th General Assembly (1999)

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 1998 General Assembly.

ENGROSSED SENATE BILL No. 626

A BILL FOR AN ACT concerning taxation.

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

- 1 SECTION 1. [EFFECTIVE JULY 1, 1999] (a) **This SECTION**
2 **applies only to a school corporation:**
3 (1) **that is located in a county having a population of more**
4 **than eighteen thousand eight hundred twenty (18,820) but less**
5 **than eighteen thousand nine hundred (18,900);**
6 (2) **that adopts a resolution under which the school**
7 **corporation will cease to exist on July 1, 2001; and**
8 (3) **in which all of the students of the school corporation**
9 **transfer each year from the school corporation to a transferee**
10 **school corporation.**
11 (b) **Notwithstanding IC 6-1.1-19, a school corporation may**
12 **appeal to the state board of tax commissioners for an increase in**
13 **the school corporation's maximum permissible levy for property**
14 **taxes payable in 2000, 2001, and 2002.**
15 (c) **For property taxes payable in 2000, if a school corporation**
16 **makes an appeal under this SECTION, the state board of tax**
17 **commissioners shall grant an increase in the school corporation's**

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1 maximum permissible levy equal to the sum of the following:

2 (1) The greater of zero (0) or the difference between:

3 (A) the school corporation's total transfer tuition
4 obligation for the school year beginning after June 30,
5 1998; minus

6 (B) the sum of:

7 (i) the total tuition support (as defined in IC 21-3-1.7-4)
8 received by the school corporation in 1999; plus

9 (ii) the tuition support levy (as defined in IC 21-3-1.7-5)
10 collected by the school corporation in 1999; plus

11 (iii) any state distributions received by the school
12 corporation under IC 21-3-1.7-9.5 (enrollment growth),
13 IC 21-3-1.7-9.7 (at-risk), IC 21-3-1.7-9.8 (academic
14 honors diploma), IC 21-3-10 (special education), or
15 IC 21-3-4.5 (ADA flat grant) in 1999; plus

16 (iv) the excise tax revenue (as defined in IC 21-3-1.7-2)
17 received by the school corporation in 1999.

18 (2) The greater of zero (0) or the difference between:

19 (A) an estimate of the school corporation's total transfer
20 tuition obligation for the school year beginning after June
21 30, 1999; minus

22 (B) an estimate of the sum of:

23 (i) the total tuition support (as defined in IC 21-3-1.7-4)
24 that the school corporation will receive in 2000; plus

25 (ii) the tuition support levy (as defined in IC 21-3-1.7-5)
26 that is imposed by the school corporation for 2000; plus

27 (iii) any state distributions that the school corporation
28 will receive under IC 21-3-1.7-9.5 (enrollment growth),
29 IC 21-3-1.7-9.7 (at-risk), IC 21-3-1.7-9.8 (academic
30 honors diploma), IC 21-3-10 (special education), or
31 IC 21-3-4.5 (ADA flat grant) in 2000; plus

32 (iv) the excise tax revenue (as defined in IC 21-3-1.7-2)
33 that the school corporation will receive in 2000.

34 (d) For property taxes payable in 2001, if a school corporation
35 makes an appeal under this SECTION, the state board of tax
36 commissioners shall grant an increase in the school corporation's
37 maximum permissible levy equal to the sum of the following:

38 (1) The greater of zero (0) or the difference between:

39 (A) the school corporation's total transfer tuition
40 obligation for the school year beginning after June 30,
41 1999; minus

42 (B) the sum of:

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- 1 (i) the total tuition support (as defined in IC 21-3-1.7-4)
 2 received by the school corporation in 2000; plus
 3 (ii) the tuition support levy (as defined in IC 21-3-1.7-5)
 4 collected by the school corporation in 2000;
 5 (iii) any state distributions received by the school
 6 corporation under IC 21-3-1.7-9.5 (enrollment growth),
 7 IC 21-3-1.7-9.7 (at-risk), IC 21-3-1.7-9.8 (academic
 8 honors diploma), IC 21-3-10 (special education), or
 9 IC 21-3-4.5 (ADA flat grant) in 2000; plus
 10 (iv) the excise tax revenue (as defined in IC 21-3-1.7-2)
 11 received by the school corporation in 2000; minus
 12 (C) the property tax levy collected by the school
 13 corporation under subsection (c)(2) in 2000.
 14 (2) The greater of zero (0) or the difference between:
 15 (A) an estimate of the school corporation's total transfer
 16 tuition obligation for the school year beginning after June
 17 30, 2000; minus
 18 (B) an estimate of the sum of:
 19 (i) the total tuition support (as defined in IC 21-3-1.7-4)
 20 that the school corporation will receive in 2001; plus
 21 (ii) the tuition support levy (as defined in IC 21-3-1.7-5)
 22 that was imposed by the school corporation for 2001;
 23 (iii) any state distributions that the school corporation
 24 will receive under IC 21-3-1.7-9.5 (enrollment growth),
 25 IC 21-3-1.7-9.7 (at-risk), IC 21-3-1.7-9.8 (academic
 26 honors diploma), IC 21-3-10 (special education), or
 27 IC 21-3-4.5 (ADA flat grant) in 2001; plus
 28 (iv) the excise tax revenue (as defined in IC 21-3-1.7-2)
 29 that the school corporation will receive in 2001.
 30 (e) For property taxes payable in 2002, if a school corporation
 31 makes an appeal under this SECTION, the state board of tax
 32 commissioners shall grant an increase in the school corporation's
 33 maximum permissible levy equal to the greater of zero (0) or the
 34 difference between:
 35 (1) the school corporation's total transfer tuition obligation
 36 for the school year beginning after June 30, 2000; minus
 37 (2) the total amount paid before 2002 for the school
 38 corporation's total transfer tuition obligation for the school
 39 year beginning after June 30, 2000.
 40 (f) Notwithstanding the termination and dissolution of the
 41 school corporation described in subsection (a), the township trustee
 42 of the township in which the school is located may do the following:



1 (1) Take any action appropriate for winding up the school
2 corporation's affairs under this SECTION or completing
3 transactions under this SECTION that are unfinished at the
4 time of the school corporation's termination and dissolution.

5 (2) Impose a tuition support levy for the school corporation
6 for property taxes first due and payable in 2001. After June
7 30, 2001, the township trustee is entitled to receive the state
8 distributions that the school corporation would have received
9 after June 30, 2001, and before January 1, 2002. The township
10 trustee must apply these distributions to winding up the
11 school corporation's affairs, including the payment of any
12 outstanding transfer tuition obligations of the school
13 corporation.

14 (3) If there are outstanding transfer tuition obligations
15 incurred by the school corporation, appeal for and impose a
16 property tax levy under this SECTION in 2001 and in 2002.

17 (g) To the extent that there are funds remaining after the
18 winding up of the school corporation's affairs, including the
19 payment of any outstanding transfer tuition obligations of the
20 school corporation, the township trustee shall distribute the funds
21 as specified in the resolution described in subsection (a)(2).

22 (h) The definitions in IC 21-3 apply to this subsection. For the
23 calendar year following the year in which the school corporation
24 described in subsection (a) ceases to exist, the previous year
25 revenue of each school corporation that participates in the
26 annexation of the school corporation described in subsection (a)
27 includes, in addition to the amounts otherwise determined under
28 IC 21-3-1.7-3.1, amounts determined under the following STEPS:

29 **STEP ONE:** Determine, for the school corporation described
30 in subsection (a), the sum of the following:

31 (A) The school corporation's tuition support for regular
32 programs, including basic tuition support, for calendar
33 year 1997, and excluding the special education grant,
34 vocational grant, at-risk program, and the enrollment
35 adjustment grant for calendar year 1997.

36 (B) The school corporation's tuition support levy for
37 calendar year 1997, before the reductions required under
38 IC 21-3-1.7-5(1), IC 21-3-1.7-5(2), and IC 21-3-1.7-5(3).

39 (C) The school corporation's excise tax revenue for
40 calendar year 1996.

41 **STEP TWO:** Determine the current ADM of the school
42 corporation described in subsection (a) for the school year

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1 ending in calendar year 1997.
2 **STEP THREE:** Divide the STEP ONE result by the STEP
3 **TWO** result.
4 **STEP FOUR:** For each school corporation that participates
5 in the annexation of the school corporation described in
6 subsection (a), determine the number of students that:
7 (A) were included in the calculation of current ADM under
8 **STEP TWO**; and
9 (B) were enrolled in the school corporation in the school
10 year ending in calendar year 1997.
11 **STEP FIVE:** Multiply the STEP THREE result by the STEP
12 **FOUR** result.
13 (i) This SECTION expires January 1, 2003.
14 SECTION 2. [EFFECTIVE JULY 1, 1999] This act applies to
15 property taxes first due and payable after December 31, 1999.

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COMMITTEE REPORT

Mr. President: The Senate Committee on Finance, to which was referred Senate Bill No. 626, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 2, between lines 1 and 2, begin a new line double block indented and insert:

"(A) the school corporation's total transfer tuition obligation for the school year beginning after June 30, 1998; minus".

Page 2, line 2, delete "(A)" and insert "(B)".

Page 2, line 13, delete "; minus" and insert ".".

Page 2, delete lines 14 through 16.

Page 2, between lines 17 and 18, begin a new line double block indented and insert:

"(A) an estimate of the school corporation's total transfer tuition obligation for the school year beginning after June 30, 1999; minus".

Page 2, line 18, delete "(A)" and insert "(B)".

Page 2, line 29, delete "; minus" and insert ".".

Page 2, delete lines 30 through 32.

Page 2, between lines 37 and 38, begin a new line double block indented and insert:

"(A) the school corporation's total transfer tuition obligation for the school year beginning after June 30, 1999; minus".

Page 2, line 38, delete "(A)" and insert "(B)".

Page 3, delete lines 8 through 10.

Page 3, between lines 13 and 14, begin a new line double block indented and insert:

"(A) an estimate of the school corporation's total transfer tuition obligation for the school year beginning after June 30, 2000; minus".

Page 3, line 14, delete "(A)" and insert "(B)".

Page 3, line 25, delete "; minus" and insert ".".

Page 3, delete lines 26 through 28.

Page 4, between lines 20 and 21, begin a new paragraph and insert:

"(h) The definitions in IC 21-3 apply to this subsection. For the calendar year following the year in which the school corporation described in subsection (a) ceases to exist, the previous year revenue of each school corporation that participates in the annexation of the school corporation described in subsection (a)



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includes, in addition to the amounts otherwise determined under IC 21-3-1.7-3.1, amounts determined under the following STEPS:

STEP ONE: Determine, for the school corporation described in subsection (a), the sum of the following:

(A) The school corporation's tuition support for regular programs, including basic tuition support, for calendar year 1997, and excluding the special education grant, vocational grant, at-risk program, and the enrollment adjustment grant for calendar year 1997.

(B) The school corporation's tuition support levy for calendar year 1997, before the reductions required under IC 21-3-1.7-5(1), IC 21-3-1.7-5(2), and IC 21-3-1.7-5(3).

(C) The school corporation's excise tax revenue for calendar year 1996.

STEP TWO: Determine the current ADM of the school corporation described in subsection (a) for the school year ending in calendar year 1997.

STEP THREE: Divide the STEP ONE result by the STEP TWO result.

STEP FOUR: For each school corporation that participates in the annexation of the school corporation described in subsection (a), determine the number of students that:

(A) were included in the calculation of current ADM under STEP TWO; and

(B) were enrolled in the school corporation in the school year ending in calendar year 1997.

STEP FIVE: Multiply the STEP THREE result by the STEP FOUR result."

Page 4, line 21, delete "(h)" and insert "(i)".

and when so amended that said bill do pass.

(Reference is to SB 626 as introduced.)

BORST, Chairperson

Committee Vote: Yeas 15, Nays 0.

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SENATE MOTION

Mr. President: I move that Senator Wolf be added as coauthor of Senate Bill 626.

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred Senate Bill 626, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

BAUER, Chair

Committee Vote: yeas 19, nays 3.

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