

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.

SENATE ENROLLED ACT No. 626

AN ACT concerning taxation.

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

SECTION 1. [EFFECTIVE JULY 1, 1999] (a) **This SECTION applies only to a school corporation:**

- (1) **that is located in a county having a population of more than eighteen thousand eight hundred twenty (18,820) but less than eighteen thousand nine hundred (18,900);**
- (2) **that adopts a resolution under which the school corporation will cease to exist on July 1, 2001; and**
- (3) **in which all of the students of the school corporation transfer each year from the school corporation to a transferee school corporation.**

(b) **Notwithstanding IC 6-1.1-19, a school corporation may appeal to the state board of tax commissioners for an increase in the school corporation's maximum permissible levy for property taxes payable in 2000, 2001, and 2002.**

(c) **For property taxes payable in 2000, if a school corporation makes an appeal under this SECTION, the state board of tax commissioners shall grant an increase in the school corporation's maximum permissible levy equal to the sum of the following:**

- (1) **The greater of zero (0) or the difference between:**
 - (A) **the school corporation's total transfer tuition**

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obligation for the school year beginning after June 30, 1998; minus

(B) the sum of:

- (i) the total tuition support (as defined in IC 21-3-1.7-4) received by the school corporation in 1999; plus
- (ii) the tuition support levy (as defined in IC 21-3-1.7-5) collected by the school corporation in 1999; plus
- (iii) any state distributions received by the school corporation under IC 21-3-1.7-9.5 (enrollment growth), IC 21-3-1.7-9.7 (at-risk), IC 21-3-1.7-9.8 (academic honors diploma), IC 21-3-10 (special education), or IC 21-3-4.5 (ADA flat grant) in 1999; plus
- (iv) the excise tax revenue (as defined in IC 21-3-1.7-2) received by the school corporation in 1999.

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

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

(B) an estimate of the sum of:

- (i) the total tuition support (as defined in IC 21-3-1.7-4) that the school corporation will receive in 2000; plus
- (ii) the tuition support levy (as defined in IC 21-3-1.7-5) that is imposed by the school corporation for 2000; plus
- (iii) any state distributions that the school corporation will receive under IC 21-3-1.7-9.5 (enrollment growth), IC 21-3-1.7-9.7 (at-risk), IC 21-3-1.7-9.8 (academic honors diploma), IC 21-3-10 (special education), or IC 21-3-4.5 (ADA flat grant) in 2000; plus
- (iv) the excise tax revenue (as defined in IC 21-3-1.7-2) that the school corporation will receive in 2000.

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

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

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

(B) the sum of:

- (i) the total tuition support (as defined in IC 21-3-1.7-4) received by the school corporation in 2000; plus
- (ii) the tuition support levy (as defined in IC 21-3-1.7-5)

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- collected by the school corporation in 2000;
- (iii) any state distributions received by the school corporation under IC 21-3-1.7-9.5 (enrollment growth), IC 21-3-1.7-9.7 (at-risk), IC 21-3-1.7-9.8 (academic honors diploma), IC 21-3-10 (special education), or IC 21-3-4.5 (ADA flat grant) in 2000; plus
- (iv) the excise tax revenue (as defined in IC 21-3-1.7-2) received by the school corporation in 2000; minus
- (C) the property tax levy collected by the school corporation under subsection (c)(2) in 2000.
- (2) The greater of zero (0) or the difference between:
- (A) an estimate of the school corporation's total transfer tuition obligation for the school year beginning after June 30, 2000; minus
- (B) an estimate of the sum of:
- (i) the total tuition support (as defined in IC 21-3-1.7-4) that the school corporation will receive in 2001; plus
- (ii) the tuition support levy (as defined in IC 21-3-1.7-5) that was imposed by the school corporation for 2001;
- (iii) any state distributions that the school corporation will receive under IC 21-3-1.7-9.5 (enrollment growth), IC 21-3-1.7-9.7 (at-risk), IC 21-3-1.7-9.8 (academic honors diploma), IC 21-3-10 (special education), or IC 21-3-4.5 (ADA flat grant) in 2001; plus
- (iv) the excise tax revenue (as defined in IC 21-3-1.7-2) that the school corporation will receive in 2001.
- (e) For property taxes payable in 2002, if a school corporation makes an appeal under this SECTION, the state board of tax commissioners shall grant an increase in the school corporation's maximum permissible levy equal to the greater of zero (0) or the difference between:
- (1) the school corporation's total transfer tuition obligation for the school year beginning after June 30, 2000; minus
- (2) the total amount paid before 2002 for the school corporation's total transfer tuition obligation for the school year beginning after June 30, 2000.
- (f) Notwithstanding the termination and dissolution of the school corporation described in subsection (a), the township trustee of the township in which the school is located may do the following:
- (1) Take any action appropriate for winding up the school corporation's affairs under this SECTION or completing transactions under this SECTION that are unfinished at the

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time of the school corporation's termination and dissolution.

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

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

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

(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) 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.

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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.

(i) This SECTION expires January 1, 2003.

SECTION 2. [EFFECTIVE JULY 1, 1999] This act applies to property taxes first due and payable after December 31, 1999.

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