

SENATE MOTION

MADAM PRESIDENT:

I move that Senate Bill 26 be amended to read as follows:

- 1 Page 1, between the enacting clause and line 1, begin a new
2 paragraph and insert:
3 "SECTION 1. IC 36-1-7-16 IS ADDED TO THE INDIANA CODE
4 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
5 1, 2011]: **Sec. 16. (a) This section applies to a political subdivision**
6 **if:**
7 **(1) the political subdivision enters into an agreement with one**
8 **(1) or more other political subdivisions under this chapter to**
9 **transfer, combine, or share powers, duties, functions, or**
10 **resources;**
11 **(2) the political subdivision realizes through the transfer,**
12 **combination, or sharing of powers, duties, functions, or**
13 **resources a:**
14 **(A) savings; or**
15 **(B) reduction in the reasonably foreseeable expenses that**
16 **would otherwise have been incurred by the political**
17 **subdivision if the transfer, combination, or sharing of**
18 **powers, duties, functions, or resources had not taken place;**
19 **and**
20 **(3) the department of local government finance will otherwise**
21 **decrease the maximum permissible property tax levies,**
22 **maximum permissible property tax rates, or budgets of the**
23 **political subdivision to:**
24 **(A) eliminate double taxation by different political**
25 **subdivisions for services; or**
26 **(B) eliminate any excess by which the amount of property**
27 **taxes imposed by the political subdivision exceeds the**
28 **amount necessary to pay for services.**
29 **(b) The department of local government finance shall establish**
30 **criteria for making an adjustment to the maximum permissible**

1 property tax levies, maximum permissible property tax rates, and
 2 budgets under IC 6-1.1-17 and IC 6-1.1-18.5 of a political
 3 subdivision described in subsection (a).

4 (c) The adjustment under subsection (b) must permit the
 5 political subdivision to continue to:

6 (1) include in the political subdivision's budget part of the
 7 budgeted amounts that would otherwise be reduced by the
 8 department of local government finance on account of the
 9 realized savings or reduction in expenses; and

10 (2) impose part of a property tax levy that would otherwise be
 11 reduced by the department of local government finance on
 12 account of the realized savings or reduction in expenses.

13 (d) The additional amount that a political subdivision may
 14 continue to levy or include in the political subdivision's budget
 15 because of the adjustment under subsection (b) may not exceed the
 16 result of:

17 (1) the savings or reduction in expenses realized in the first
 18 full year of operation after the transfer, combination, or
 19 sharing of powers, duties, functions, or resources is
 20 implemented, as determined by the department of local
 21 government finance; multiplied by

22 (2) a percentage determined as follows:

23 (A) Fifty percent (50%) in the first year of the adjustment.

24 (B) Fifty percent (50%) in the second year of the
 25 adjustment.

26 (C) Thirty percent (30%) in the third year of the
 27 adjustment.

28 (D) Ten percent (10%) in the fourth year of the adjustment
 29 and thereafter.

30 The fiscal body of the political subdivision shall determine and
 31 certify to the department of local government finance the amount
 32 of the adjustment that the political subdivision wishes to accept
 33 under this section. The amount of any adjustment accepted by a
 34 political subdivision under this section must comply with the
 35 agreement under this chapter under which the political subdivision
 36 transfers, combines, or shares powers, duties, functions, or
 37 resources.

38 SECTION 2. IC 36-1-8-17 IS ADDED TO THE INDIANA CODE
 39 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 40 1, 2011]: Sec. 17. (a) This section applies to a political subdivision
 41 if:

42 (1) the political subdivision combines or reorganizes a
 43 department, agency, or function of the political subdivision;

44 (2) the political subdivision realizes through the combination
 45 or reorganization a:

46 (A) savings; or

47 (B) reduction in the reasonably foreseeable expenses that

- 1 would otherwise have been incurred by the political
 2 subdivision if the combination or reorganization had not
 3 taken place; and
 4 (3) the department of local government finance will otherwise
 5 decrease the maximum permissible property tax levies,
 6 maximum permissible property tax rates, or budgets of the
 7 political subdivision to:
 8 (A) eliminate double taxation; or
 9 (B) eliminate any excess by which the amount of property
 10 taxes imposed by the political subdivision exceeds the
 11 amount necessary to pay for services.
- 12 (b) The department of local government finance shall establish
 13 criteria for making an adjustment to the maximum permissible
 14 property tax levies, maximum permissible property tax rates, and
 15 budgets under IC 6-1.1-17 and IC 6-1.1-18.5 of a political
 16 subdivision described in subsection (a).
- 17 (c) The adjustment under subsection (b) must permit the
 18 political subdivision to continue to:
 19 (1) include in the political subdivision's budget part of the
 20 budgeted amounts that would otherwise be reduced by the
 21 department of local government finance on account of the
 22 realized savings or reduction in expenses; and
 23 (2) impose part of a property tax levy that would otherwise be
 24 reduced by the department of local government finance on
 25 account of the realized savings or reduction in expenses.
- 26 (d) The additional amount that a political subdivision may
 27 continue to levy or include in the political subdivision's budget
 28 because of the adjustment under subsection (b) may not exceed the
 29 result of:
 30 (1) the savings or reduction in expenses realized in the first
 31 full year of operation after the combination or reorganization
 32 is implemented, as determined by the department of local
 33 government finance; multiplied by
 34 (2) a percentage determined as follows:
 35 (A) Fifty percent (50%) in the first year of the adjustment.
 36 (B) Fifty percent (50%) in the second year of the
 37 adjustment.
 38 (C) Thirty percent (30%) in the third year of the
 39 adjustment.
 40 (D) Ten percent (10%) in the fourth year of the adjustment
 41 and thereafter.

42 The fiscal body of the political subdivision shall determine and
 43 certify to the department of local government finance the amount
 44 of the adjustment that the political subdivision wishes to accept
 45 under this section."

46 Page 1, line 9, after "article" insert ", including a reorganization
 47 through a cooperative agreement under IC 36-1.5-5,".

- 1 Renumber all SECTIONS consecutively.
 (Reference is to SB 26 as printed January 26, 2011.)

Senator HEAD