

### **IC 36-1.5-3**

Chapter 3. Adjustment of Maximum Permissible Levies, Tax Rates, and Budgets

#### **IC 36-1.5-3-1**

##### **Submission of ordinance or resolution to department of local government finance**

Sec. 1. A certified copy of an ordinance or a resolution, including any incorporated agreement, that is adopted under this article must be submitted to the department of local government finance.

*As added by P.L.186-2006, SEC.4.*

#### **IC 36-1.5-3-2**

##### **Actions by department of local government finance**

Sec. 2. The department of local government finance may take an action under this chapter in the manner prescribed by the department of local government finance in its rules adopted under IC 4-22-2.

*As added by P.L.186-2006, SEC.4.*

#### **IC 36-1.5-3-3**

##### **Petition by political subdivision for review of final determination**

Sec. 3. A political subdivision may petition for judicial review of a final determination of the department of local government finance under this chapter. The petition must be filed in the tax court not more than forty-five (45) days after the department of local government finance enters its order under this chapter.

*As added by P.L.186-2006, SEC.4.*

#### **IC 36-1.5-3-4**

##### **Adjustment of maximum property tax levies, property tax rates, and budgets**

Sec. 4. Subject to this chapter, the department of local government finance shall adjust the maximum permissible property tax levies, maximum permissible property tax rates, and budgets of political subdivisions that enter into a reorganization under this article as the department of local government finance determines necessary to do the following:

- (1) Eliminate double taxation by different political subdivisions for services or goods provided under this article.
- (2) Eliminate any excess by which the amount of property taxes imposed by a political subdivision exceeds the amount necessary to pay for services or goods provided under this article.
- (3) Restore taxing powers of a political subdivision after the termination of a reorganization under this article that are necessary to fund governmental services to the individuals and entities served by the political subdivision.
- (4) Restore taxing powers of a political subdivision after the withdrawal of a party from a reorganization under this article that are necessary to fund governmental services to the

individuals and entities served by the political subdivision.  
*As added by P.L.186-2006, SEC.4.*

### **IC 36-1.5-3-5**

#### **Savings through reorganization; budgets, rates, and levies**

Sec. 5. (a) The department of local government finance shall establish criteria for making an adjustment to the maximum permissible property tax levies, maximum permissible property tax rates, and budgets under IC 6-1.1-17 and IC 6-1.1-18.5 if a political subdivision (or a successor political subdivision) realizes through a reorganization under this article, including a reorganization through a cooperative agreement under IC 36-1.5-5, a:

- (1) savings; or
- (2) reduction in the reasonably foreseeable expenses that would otherwise have been incurred by the political subdivision if the reorganization had not taken place.

(b) Except as provided in subsection (d), the adjustment under this section must permit the political subdivision to continue to:

- (1) include in the political subdivision's budget part of the budgeted amounts that would otherwise be reduced by the department of local government finance under section 4 of this chapter on account of the realized savings or reduction in expenses that occurs because of the reorganization; and
- (2) impose part of the property tax levy that would otherwise be reduced by the department of local government finance under section 4 of this chapter on account of the realized savings or reduction in expenses that occurs because of the reorganization.

(c) The additional amount that a political subdivision may continue to levy or include in the political subdivision's budget because of the adjustment under this section may not exceed the result of:

- (1) the savings or reduction realized in the first full year of operation after the reorganization is implemented, as determined by the department of local government finance; multiplied by
- (2) a percentage determined as follows:
  - (A) Fifty percent (50%) in the first year of the adjustment.
  - (B) Fifty percent (50%) in the second year of the adjustment.
  - (C) Thirty percent (30%) in the third year of the adjustment.
  - (D) Ten percent (10%) in the fourth year of the adjustment and thereafter.

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

(d) The amount of any adjustment accepted by a political subdivision under this section must comply with the reorganization agreement under which the political subdivision is reorganized under this article.

*As added by P.L.186-2006, SEC.4. Amended by P.L.58-2011, SEC.3.*