

## **IC 20-45-8**

### **Chapter 8. Supplemental County Levy; Dearborn County**

#### **IC 20-45-8-1**

##### **Application**

Sec. 1. This chapter applies only to Dearborn County. This chapter applies to an area outside Dearborn County to the extent that the area is part of a qualified school corporation.

*As added by P.L.2-2006, SEC.168.*

#### **IC 20-45-8-2**

##### **Policy**

Sec. 2. The following is declared to be the policy of this chapter:

(1) That in certain areas in Indiana there exists a condition created by the large concentration of taxable property in a single township away from outlying areas that has created administrative and financial problems in the maintenance and operation of school systems in those areas, resulting in maladjustment of taxable wealth in such areas for levying taxes for the operation of the schools.

(2) That improvement in the administrative and financial structures of the qualified school corporations existing on March 12, 1965, in those outlying areas is essential for:

- (A) the establishment and maintenance of a general uniform and efficient system of public schools to provide a more equalized educational opportunity for public school pupils;
- (B) the achievement of greater equity in school tax rates among the inhabitants of the various qualified school corporations existing on March 12, 1965, in these areas; and
- (C) the provision for more use of the public funds expended for the support of the public school systems.

(3) That statutes existing on March 12, 1965, with respect to the granting of financial assistance on a countywide school basis, allowing a more favorable use of the taxable wealth of the county for the support of the various school districts within or attached to the county, are inadequate to effectuate the need for this improvement in those areas described in this chapter.

(4) That modification in the statutory provisions existing on March 12, 1965, pertaining to the levying of tax rates for school purposes for those areas that qualify within the definitions in this chapter is essential to carry out the purposes of IC 20-23-4, and the tax levied under this chapter shall be considered a county tax within the meaning of IC 20-23-4, and to that end it is the intent of the general assembly, by this chapter, to make provision for a more satisfactory use of the taxable wealth of counties that qualify under this chapter for the promotion, betterment, and improvement of their educational systems.

*As added by P.L.2-2006, SEC.168.*

#### **IC 20-45-8-3**

**"Assessed valuation"**

Sec. 3. As used in this chapter, "assessed valuation" of any qualified school corporation means the net assessed value of its real and taxable personal property adjusted by a percentage factor. This factor shall be computed by the department of local government finance on a townshipwide basis for each township in the qualified county and areas assigned to the qualified county for school purposes in the same manner that the department of local government finance computes a factor for the various counties of the state under IC 6-1.1-34. In determining the assessed valuation of any qualified school corporation, the factor for any township shall be applied to the assessed valuation of the real and taxable personal property of each qualified school corporation lying within the township and school areas attached to the township.

*As added by P.L.2-2006, SEC.168.*

**IC 20-45-8-4**

**"Board of county commissioners"**

Sec. 4. As used in this chapter, "board of county commissioners" refers to the board of county commissioners of a qualified county.

*As added by P.L.2-2006, SEC.168.*

**IC 20-45-8-5**

**"County auditor"**

Sec. 5. As used in this chapter, "county auditor" means the county auditor of a qualified county.

*As added by P.L.2-2006, SEC.168.*

**IC 20-45-8-6**

**"Fund"**

Sec. 6. As used in this chapter, "fund" means the county school distribution fund:

- (1) into which the receipts from the tax must be credited; and
- (2) from which distribution to a qualified school corporation must be charged.

*As added by P.L.2-2006, SEC.168.*

**IC 20-45-8-7**

**"Entitlement"**

Sec. 7. As used in this chapter, "entitlement" of a qualified school corporation is that part of the fund:

- (1) to which a qualified school corporation is entitled for any calendar year; and
- (2) on the basis of which the tax is set under this chapter.

*As added by P.L.2-2006, SEC.168.*

**IC 20-45-8-8**

**"Paying qualified school corporation"**

Sec. 8. As used in this chapter, "paying qualified school corporation" means any qualified school corporation in which the tax

collected on the assessed valuation of the qualified school corporation exceeds the amount of the entitlement payable to the qualified school corporation under this chapter.

*As added by P.L.2-2006, SEC.168.*

#### **IC 20-45-8-9**

##### **"Qualified county"**

Sec. 9. As used in this chapter, "qualified county" refers to Dearborn County. The term includes any area attached to Dearborn County for school purposes.

*As added by P.L.2-2006, SEC.168.*

#### **IC 20-45-8-10**

##### **"Qualified school corporation"**

Sec. 10. As used in this chapter, "qualified school corporation" means a school corporation that has under its jurisdiction any territory that is located in the qualified county.

*As added by P.L.2-2006, SEC.168.*

#### **IC 20-45-8-11**

##### **"Receiving qualified school corporation"**

Sec. 11. As used in this chapter, "receiving qualified school corporation" means any qualified school corporation receiving an entitlement under this chapter that exceeds the amount of the tax collected on the assessed valuation of the qualified school corporation.

*As added by P.L.2-2006, SEC.168.*

#### **IC 20-45-8-12**

##### **"Tax"**

Sec. 12. As used in this chapter, "tax" means the county supplemental school financing property tax to be levied by the board of county commissioners of a qualifying county under this chapter.

*As added by P.L.2-2006, SEC.168.*

#### **IC 20-45-8-13**

##### **"Total school tax rate"**

Sec. 13. "Total school tax rate" means the sum of the property tax rates levied for all school purposes.

*As added by P.L.2-2006, SEC.168.*

#### **IC 20-45-8-14**

##### **Establishment of fund**

Sec. 14. A county school distribution fund is established in a qualified county.

*As added by P.L.2-2006, SEC.168.*

#### **IC 20-45-8-15**

##### **Appropriation**

Sec. 15. There shall be appropriated from the fund to qualified

school corporations, in the manner provided in this chapter, sufficient amounts of money to achieve the purposes of this chapter.

*As added by P.L.2-2006, SEC.168.*

#### **IC 20-45-8-16**

##### **Duty; levy of countywide tax**

Sec. 16. (a) The board of county commissioners shall levy a county supplemental school financing tax at a rate that is sufficient to annually provide adequate funds to carry out the purposes of this chapter. The various officials and employees of the qualified county and the qualified school corporations charged with the duty of levying, collecting, and receiving other property tax funds for county or school purposes, or both, shall take the appropriate and respective steps as otherwise required by law for the levying, collecting, and receiving of property taxes in order to levy, collect, and receive the tax.

(b) The receipts from the tax shall be credited into the fund and paid from the fund by the county auditor to the qualified school corporations.

*As added by P.L.2-2006, SEC.168.*

#### **IC 20-45-8-17**

##### **Levy in contiguous area of adjacent county**

Sec. 17. If the area of a qualified school corporation extends into an adjoining county, the tax rate fixed by the board of county commissioners shall control for the levying and assessment of the tax in the area extending into the adjoining county. The board of county commissioners and other county officials of the adjoining county shall take all appropriate and necessary action as otherwise required by law for:

- (1) the levying, collecting, and receiving of the county supplemental school financing taxes; and
- (2) the payment of the taxes into the fund;

for distribution under this chapter.

*As added by P.L.2-2006, SEC.168.*

#### **IC 20-45-8-18**

##### **Certification; information needed to calculate levy**

Sec. 18. (a) Before July 11 of each year, the state superintendent shall deliver to the county auditor a certified statement of:

- (1) for a calendar year ending before January 1, 2013, the fall count of ADM in grades 1 through 12 residing in each qualified school corporation for the school year ending in the calendar year; and
- (2) for a calendar year ending after December 31, 2012, the spring count of ADM in grades 1 through 12 residing in each qualified school corporation for the school year ending in the calendar year.

(b) Upon the receipt of the information, the county auditor shall compute the amount to be distributed to each of the qualified school

corporations from the receipts of the tax levy, based on the formula set forth in this chapter.

(c) The county auditor shall annually issue a warrant to the county treasurer ordering the payment to the respective qualified school corporations the various amounts in the fund at each semiannual tax settlement period during the year in which the tax has been collected.

(d) The qualified school corporations and the proper officials and employees of the qualified school corporations shall receive the receipts distributed by the county treasurer in the same manner as other tax receipts are received.

*As added by P.L.2-2006, SEC.168. Amended by P.L.205-2013, SEC.305.*

#### **IC 20-45-8-19**

##### **Use**

Sec. 19. The receipts from the tax are available to a qualified school corporation for any purpose or purposes for which school expenditures are authorized by law. The purpose or purposes for which the receipts from the tax are used rests within the discretion of the administrative officer or governing board of each qualified school corporation. The budgets of the qualified school corporations must reflect the anticipated receipts from the tax. Appropriations shall be made of the receipts from the tax as other appropriations are made.

*As added by P.L.2-2006, SEC.168.*

#### **IC 20-45-8-20**

##### **Application of other laws**

Sec. 20. The tax levy is subject to all laws concerning review by the county board of tax adjustment and the department of local government finance.

*As added by P.L.2-2006, SEC.168. Amended by P.L.224-2007, SEC.115; P.L.146-2008, SEC.493.*

#### **IC 20-45-8-21**

##### **Eligibility for distribution; required minimum levy**

Sec. 21. To qualify to receive any of the receipts of a tax levy, a qualified school corporation must levy against the assessed valuation of the qualified school corporation a total school tax rate sufficient to generate an amount equal to the amount of revenues deposited in the fund in calendar year 1979.

*As added by P.L.2-2006, SEC.168.*

#### **IC 20-45-8-22**

##### **Calculation; tax levy**

Sec. 22. (a) The amount to be raised by the tax shall be determined in any calendar year by the county auditor and certified to by the board of county commissioners before the time for making the county budgets in the year.

(b) The amount is the total of the entitlements of all qualified school corporations.

(c) The entitlement of each qualified school corporation calculated in a calendar year is an amount equal to the result determined under STEP TWO of the following formula:

STEP ONE: Calculate the quotient of:

(A) the total amount deposited in the fund in calendar year 1979 or the first year in which a deposit was made, whichever is later; divided by

(B) for:

(i) a calendar year ending before January 1, 2013, the total ADM of the immediately preceding school year of qualified school corporations that received money from the fund in 1979, as determined in the fall count of ADM for the school year ending in the immediately preceding calendar year; and

(ii) a calendar year beginning after December 31, 2012, the total ADM of the immediately preceding school year of qualified school corporations that received money from the fund in 1979, as determined in the spring count of ADM for the school year ending in the immediately preceding calendar year.

STEP TWO: Calculate the product of:

(A) the STEP ONE result; multiplied by

(B) for:

(i) a calendar year ending before January 1, 2013, the ADM of the immediately preceding school year of the qualified school corporation that received money from the fund in 1979, as determined in the fall count of ADM for the school year ending in the immediately preceding calendar year; and

(ii) a calendar year beginning after December 31, 2012, the total ADM of the immediately preceding school year of qualified school corporations that received money from the fund in 1979, as determined in the spring count of ADM for the school year ending in the immediately preceding calendar year.

*As added by P.L.2-2006, SEC.168. Amended by P.L.205-2013, SEC.306.*

### **IC 20-45-8-23**

#### **Distribution; revenue in addition to other levies**

Sec. 23. The entitlement of a receiving qualified school corporation may not have the effect of reducing the total school tax rate of the qualified school corporation below the total school tax rate prevailing in any paying qualified school corporation. Any entitlement payable under this chapter shall be reduced so as not to produce that effect. However, the entitlement of a receiving qualified school corporation that levies its maximum tuition support levy shall not be affected by the receiving qualified school corporation's tax rate.

*As added by P.L.2-2006, SEC.168.*

**IC 20-45-8-24****Duty; levy of countywide tax; amount**

Sec. 24. (a) The board of county commissioners shall levy a tax rate on all the real and taxable personal property in the county that is sufficient to raise the total of the entitlements in the same manner as other county property tax rates are levied.

(b) If the board of county commissioners fails in any calendar year to levy the tax rate required by this chapter, the department of local government finance shall certify the amount of the tax levy to the county auditor. The certified rate shall be the tax for the calendar year. The tax shall be collected and received by the county treasurer in the same manner as other county property taxes are collected.

*As added by P.L.2-2006, SEC.168.*

**IC 20-45-8-25****Distribution to school corporations**

Sec. 25. (a) The money received into the fund in any calendar year shall be paid to the qualified school corporations in accordance with their entitlements, determined in the immediately preceding calendar year, in the same manner as other tax distributions.

(b) A qualified school corporation has the same rights to advance payments of a distribution from the fund as the qualified school corporation's right to advance payments of other property taxes.

(c) If the tax receipts in the county school distribution fund in any calendar year are less than the total of the entitlements for any reason, on account of delinquencies in collection or otherwise, each entitlement shall be reduced in the same percentage so that the entire fund is exhausted.

(d) If the tax receipts in any calendar year are more than the total of the entitlements because of the collection of delinquencies for prior years, each entitlement shall be increased in the same percentage so that the entire fund is exhausted.

*As added by P.L.2-2006, SEC.168.*

**IC 20-45-8-26****Budget**

Sec. 26. In making its budget, each qualified school corporation shall take into account its anticipated receipts from the fund. The county auditor, before July 15 of each year, shall certify to each qualified school corporation the amount of its entitlement from the fund to be used in the preparation of its budget. Any qualified school corporation may also appropriate its entitlement by emergency appropriation in the same manner as any property tax receipt.

*As added by P.L.2-2006, SEC.168.*

**IC 20-45-8-27****Distribution; revenue in addition to state tuition support**

Sec. 27. The tax provided by this chapter may not operate to diminish the amount of state tuition support or other aid given by the state.

*As added by P.L.2-2006, SEC.168.*

**IC 20-45-8-28**

**Certification; other information**

Sec. 28. The department of local government finance and the state superintendent shall make certifications of any information in their possession, or any other certifications required by this chapter that will facilitate this chapter's execution.

*As added by P.L.2-2006, SEC.168.*