§ 3613. School district reorganizations and real property tax rates. 1. When two or more school districts propose to reorganize pursuant to sections fifteen hundred eleven through fifteen hundred thirteen, fifteen hundred twenty-four, fifteen hundred twenty-six, seventeen hundred five, or eighteen hundred one through eighteen hundred three of this chapter, and under the law that would otherwise be applicable, the reorganization would have an impact upon the school tax rates within the areas served by the school districts that existed prior to the reorganization, notwithstanding any other provision of law to the contrary, the boards of education or trustees of all the school districts participating in the proposed reorganization may opt to have that impact deferred for a one-year period and/or phased-in over a period as may be determined by the boards of education or trustees of all participating school districts in the manner prescribed by this section but which shall not exceed a ten-year period. To exercise such option, the boards of education or trustees of all participating school districts, after conducting a public hearing, may adopt a resolution at least forty-five days prior to the special district meeting at which the reorganization vote will be held, to defer and/or phase-in the impact as provided herein. If the board of education or trustees of any participating school district does not approve such a resolution opting for a common phase-in period, the provisions of this section shall not apply.

2. During the one-year deferral period, the tax rate for each portion of the school district shall be calculated in the following manner:

(a) Determine the assessed value tax rate that applied for the school year immediately preceding the school year in which the reorganization took effect.

(b) Multiply that assessed value tax rate by the state equalization rate applicable to the portion for the school year immediately preceding the school year in which the reorganization took effect.

(c) Divide the product so determined by the state equalization rate applicable to the portion for the first school year of the reorganized school district. The quotient is the assessed value tax rate for the portion for that school year. Provided, that if the sum of the real property tax levies in all of the portions in the school district, using

the assessed value tax rates computed pursuant to this subdivision, would yield a real property tax levy that is above or below the total real property tax levy specified in the school district budget for the current school year, the assessed value tax rates shall all be decreased or increased proportionately so as to yield the specified real property tax levy amount.

3. During each year of a phase-in period, whose duration up to ten years shall have been determined by the boards of education or trustees of the constituent school districts, the tax rate for each portion of the reorganized school district shall be calculated in the following manner:

(a) Determine the assessed value tax rate that applied for the school year immediately preceding the school year in which the reorganization took effect.

(b) Multiply that assessed value tax rate by the state equalization rate applicable to the portion for the school year immediately preceding the school year in which the reorganization took effect. The result is the base full value tax rate of the portion.

(c) Determine the assessed value tax rate that would have applied in the portion but for the provisions of this section.

(d) Multiply that assessed value tax rate by the state equalization rate that would have applied for the current school year but for the provisions of this section. The result is the target full value tax rate for the portion.

(e) Determine the difference between the target full value tax rate and the base full value tax rate for the portion.

(f) Divide the difference so determined by the total number of years in the phase-in period applicable to the school district.

(g) Multiply the quotient so determined by the number of years from the beginning of the phase-in period up to and including the year for which the tax rate is being determined.

(h) Add the product so determined to the base full value tax rate.

(i) Divide the sum so determined by the applicable equalization rate. The quotient is the assessed value tax rate for the portion for the current school year. Provided, that if the sum of the real property tax levies in all of the portions in the school district, using the assessed

value tax rates computed pursuant to this subdivision, would yield a real property tax levy that is above or below the total real property tax levy specified in the school district budget for the current school year, the assessed value tax rates shall all be decreased or increased proportionately so as to yield the specified real property tax levy amount.

4. As used herein the term "portion" means that part of an assessing unit located within a school district.