



Adopted	Rejected
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COMMITTEE REPORT

YES:	14
NO:	0

MR. SPEAKER:

*Your Committee on Ways and Means, to which was referred House Bill 1246, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill **be amended** as follows:*

1 Page 2, after line 42, begin a new paragraph and insert:
 2 "SECTION 2. IC 6-1.1-18.5-10.5, AS AMENDED BY
 3 P.L.159-2020, SECTION 34, IS AMENDED TO READ AS
 4 FOLLOWS [EFFECTIVE JULY 1, 2022]: Sec. 10.5. (a) The ad
 5 valorem property tax levy limits imposed by section 3 of this chapter
 6 do not apply to ad valorem property taxes imposed by a civil taxing
 7 unit for fire protection services within a fire protection territory under
 8 IC 36-8-19, if the civil taxing unit is a participating unit in a fire
 9 protection territory established before August 1, 2001. For purposes of
 10 computing the ad valorem property tax levy limits imposed on a civil
 11 taxing unit by section 3 of this chapter on a civil taxing unit that is a
 12 participating unit in a fire protection territory, established before
 13 August 1, 2001, the civil taxing unit's ad valorem property tax levy for

1 a particular calendar year does not include that part of the levy imposed
2 under IC 36-8-19. Any property taxes imposed by a civil taxing unit
3 that are exempted by this subsection from the ad valorem property tax
4 levy limits imposed by section 3 of this chapter and first due and
5 payable after December 31, 2008, may not increase annually by a
6 percentage greater than the result of:

7 (1) the maximum levy growth quotient determined under section
8 2 of this chapter; minus

9 (2) one (1).

10 (b) The department of local government finance may, under this
11 subsection, increase the maximum permissible ad valorem property tax
12 levy that would otherwise apply to a civil taxing unit under section 3
13 of this chapter to meet the civil taxing unit's obligations to a fire
14 protection territory established under IC 36-8-19. To obtain an increase
15 in the civil taxing unit's maximum permissible ad valorem property tax
16 levy, a civil taxing unit shall submit a petition to the department of
17 local government finance in the year immediately preceding the first
18 year in which the civil taxing unit levies a tax to support the fire
19 protection territory. The petition must be filed before the date specified
20 in section 12(a)(1) of this chapter of that year. The department of local
21 government finance shall make a final determination of the civil taxing
22 unit's budget, ad valorem property tax levy, and property tax rate for the
23 fire protection territory for the ensuing calendar year. In making its
24 determination under this subsection, the department of local
25 government finance shall consider the amount that the civil taxing unit
26 is obligated to provide to meet the expenses of operation and
27 maintenance of the fire protection services within the territory,
28 including the participating unit's reasonable share of an operating
29 balance for the fire protection territory. The department of local
30 government finance shall determine the entire amount of the allowable
31 adjustment in the final determination. The department shall order the
32 adjustment implemented in the amounts and over the number of years,
33 not exceeding three (3), requested by the petitioning civil taxing unit.
34 However, the department of local government finance may not approve
35 under this subsection a property tax levy greater than zero (0) if the
36 civil taxing unit did not exist as of the assessment date for which the
37 tax levy will be imposed. For purposes of applying this subsection to
38 the civil taxing unit's maximum permissible ad valorem property tax

1 levy in subsequent calendar years, the department of local government
 2 finance may determine not to consider part or all of the part of the
 3 property tax levy imposed to establish the operating balance of the fire
 4 protection territory.

5 **(c) This subsection applies to a participating unit in a fire**
 6 **protection territory established under IC 36-8-19 after December**
 7 **31, 2022. Notwithstanding any other law, if a total tax rate levied**
 8 **upon the formation of a fire protection territory established under**
 9 **IC 36-8-19 is to be implemented over a number of years as**
 10 **provided in IC 36-8-19-7(c), the maximum permissible ad valorem**
 11 **property tax levy that would otherwise apply to a participating**
 12 **unit under section 3 of this chapter to meet the participating unit's**
 13 **obligations to a fire protection territory does not apply to ad**
 14 **valorem property taxes imposed by the participating unit to meet**
 15 **the participating unit's obligations to the fire protection territory**
 16 **over the number of years in which the total tax rate is to be**
 17 **implemented by each participating unit. For purposes of**
 18 **calculating the maximum permissible ad valorem property tax levy**
 19 **imposed by a participating unit for each year for which the**
 20 **participating unit implements a total tax rate to support the fire**
 21 **protection territory, the participating unit's maximum permissible**
 22 **ad valorem property tax levy for the preceding calendar year**
 23 **under section 3(a) STEP ONE of this chapter is increased each**
 24 **year by an amount equal to the difference between:**

- 25 **(1) the amount the participating unit will have to levy for the**
 26 **ensuing calendar year in order to fund the participating unit's**
 27 **share of the fire protection territory budget for the operating**
 28 **costs as provided in the ordinance or resolution making the**
 29 **unit a participating unit in the fire protection territory; and**
 30 **(2) the participating unit's levy for fire protection services for**
 31 **the calendar year that immediately precedes the ensuing**
 32 **calendar year in which the participating unit levies a tax to**
 33 **support the fire protection territory.**

34 SECTION 3. IC 6-1.1-39-1 IS AMENDED TO READ AS
 35 FOLLOWS [EFFECTIVE JANUARY 1, 2022 (RETROACTIVE)]:
 36 Sec. 1. (a) This chapter applies to all counties, cities, and towns
 37 (referred to in this chapter as units).

38 (b) Notwithstanding any other law, for economic development

1 districts established:

2 (1) after January 1, 1992, this chapter does not apply to fire

3 protection districts established under IC 36-8-11; **and**

4 (2) **after December 31, 2021, this chapter does not apply to the**

5 **part of a participating unit's proceeds of property taxes**

6 **imposed for an assessment date with respect to which the**

7 **allocation and distribution is made that are attributable to**

8 **property taxes imposed to meet the participating unit's**

9 **obligations to a fire protection territory established under**

10 **IC 36-8-19.**

11 SECTION 4. IC 36-7-14-1.7 IS ADDED TO THE INDIANA CODE

12 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE

13 JANUARY 1, 2022 (RETROACTIVE)]: **Sec. 1.7. Notwithstanding**

14 **any other law, for:**

15 (1) **areas needing redevelopment;**

16 (2) **redevelopment project areas;**

17 (3) **urban renewal project areas; or**

18 (4) **economic development areas;**

19 **established after December 31, 2021, this chapter does not apply to**

20 **the part of a participating unit's proceeds of property taxes**

21 **imposed for an assessment date with respect to which the allocation**

22 **and distribution is made that are attributable to property taxes**

23 **imposed to meet the participating unit's obligations to a fire**

24 **protection territory established under IC 36-8-19.**

25 SECTION 5. IC 36-8-19-6, AS AMENDED BY P.L.14-2021,

26 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

27 JULY 1, 2022]: Sec. 6. (a) To establish or expand a fire protection

28 territory, the legislative bodies of each unit or fire protection district:

29 (1) desiring to establish a fire protection territory; or

30 (2) desiring to expand an existing fire protection territory by:

31 (A) becoming a participating unit in; or

32 (B) approving the addition of a participating unit in;

33 an existing fire protection territory;

34 must adopt an ordinance (in the case of a county or municipality) or a

35 resolution (in the case of a township or a fire protection district).

36 (b) The ordinance or resolution must meet the following

37 requirements:

38 (1) The ordinance or resolution is identical to the ordinances and

- 1 resolutions adopted by the other units or fire protection districts
- 2 desiring to establish or expand the proposed territory.
- 3 (2) The ordinance or resolution is adopted after January 1 but
- 4 before April 1.
- 5 (3) The ordinance or resolution authorizes the unit or fire
- 6 protection district to become a party to an agreement for the
- 7 establishment of a fire protection territory or the expansion of an
- 8 existing fire protection territory.
- 9 (4) An ordinance or resolution is adopted after the legislative
- 10 body holds at least three (3) public hearings to receive public
- 11 comment on the proposed ordinance or resolution as follows:
- 12 (A) At least one (1) public hearing must be held at least thirty
- 13 (30) days before the legislative body votes on the adoption of
- 14 the ordinance or resolution. At the hearing, the legislative
- 15 body shall make available to the public the information
- 16 required by subsection (c) concerning the fiscal impact of the
- 17 proposed fire protection territory.
- 18 (B) At least two (2) public hearings must be held after the
- 19 public hearing in clause (A), with the last public hearing held
- 20 not later than ten (10) days before the legislative body votes on
- 21 the adoption of the ordinance or resolution.
- 22 The legislative body must give notice of the hearings under
- 23 IC 5-3-1.
- 24 (c) The legislative body must make available to the public the
- 25 following information:
- 26 (1) The property tax levy, property tax rate, and budget to be
- 27 imposed or adopted during the first year of the proposed territory
- 28 for each of the units or fire protection districts that would
- 29 participate in the proposed territory. **If a property tax rate is to**
- 30 **be implemented over a number of years as provided in section**
- 31 **7(c) of this chapter, the information under this subdivision**
- 32 **must include the amount of the intended property tax rate**
- 33 **after having been fully implemented.**
- 34 (2) The estimated effect of the proposed reorganization in the
- 35 following years on taxpayers in each of the units or fire protection
- 36 districts that would participate in the proposed territory, including
- 37 the expected property tax rates, property tax levies, expenditure
- 38 levels, service levels, and annual debt service payments.

- 1 (3) The estimated effect of the proposed reorganization on other
 2 units in the county in the following years and on local option
 3 income taxes, excise taxes, and property tax circuit breaker
 4 credits.
- 5 (4) A description of the planned services and staffing levels to be
 6 provided in the proposed territory.
- 7 (5) A description of any capital improvements to be provided in
 8 the proposed territory.
- 9 (d) The notice required for a hearing under subsection (b)(4) shall
 10 include all of the following:
- 11 (1) A list of the provider unit and all participating units in the
 12 proposed territory.
- 13 (2) The date, time, and location of the hearing.
- 14 (3) The location where the public can inspect the proposed
 15 ordinance or resolution.
- 16 (4) A statement as to whether the proposed ordinance or
 17 resolution requires uniform tax rates or different tax rates within
 18 the territory.
- 19 (5) The name and telephone number of a representative of the unit
 20 or fire protection district who may be contacted for further
 21 information.
- 22 (6) The proposed levies and tax rates for each participating unit,
 23 **and whether a tax rate will be implemented over a number of**
 24 **years under section 7(c) of this chapter.**
- 25 (e) The ordinance or resolution adopted under this section shall
 26 include at least the following:
- 27 (1) The boundaries of the proposed territory.
- 28 (2) The identity of the provider unit and all other participating
 29 units desiring to be included within the territory.
- 30 (3) An agreement to impose:
- 31 (A) a uniform tax rate upon all of the taxable property within
 32 the territory for fire protection services; or
- 33 (B) different tax rates for fire protection services for the units
 34 or fire protection districts desiring to be included within the
 35 territory, so long as a tax rate applies uniformly to all of a
 36 unit's or fire protection district's taxable property within the
 37 territory.
- 38 (4) An agreement as to how the property that is held by the

- 1 territory will be disposed of if:
- 2 (A) a participating unit withdraws from the territory; or
- 3 (B) the territory is dissolved.
- 4 (5) The contents of the agreement to establish the territory.
- 5 (f) An ordinance or a resolution adopted under this section takes
- 6 effect July 1 of the year the ordinance or resolution is adopted.

7 SECTION 6. IC 36-8-19-7, AS AMENDED BY P.L.255-2017,
 8 SECTION 46, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 9 JULY 1, 2022]: Sec. 7. (a) A tax levied under this chapter may be
 10 levied at:

- 11 (1) a uniform rate upon all taxable property within the territory;
- 12 or
- 13 (2) different rates for the participating units included within the
- 14 territory, so long as a tax rate applies uniformly to all of a unit's
- 15 or fire protection district's taxable property within the territory.

16 (b) If a uniform tax rate is levied upon all taxable property within a
 17 territory upon the formation of the territory, different tax rates may be
 18 levied for the participating units included within the territory in
 19 subsequent years.

20 **(c) This subsection applies to a territory established by an**
 21 **ordinance or a resolution adopted under this chapter after**
 22 **December 31, 2022. A total tax rate levied under this chapter upon**
 23 **taxable property within a territory upon the formation of the**
 24 **territory may be implemented over a number of years, not**
 25 **exceeding five (5), and in a manner subject to review and approval**
 26 **by the department of local government finance.**

27 SECTION 7. IC 36-8-19-8, AS AMENDED BY P.L.183-2014,
 28 SECTION 27, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 29 JULY 1, 2022]: Sec. 8. (a) Upon the adoption of identical ordinances
 30 or resolutions, or both, by the participating units under section 6 of this
 31 chapter, the designated provider unit must establish a fire protection
 32 territory fund from which all expenses of operating and maintaining the
 33 fire protection services within the territory, including repairs, fees,
 34 salaries, depreciation on all depreciable assets, rents, supplies,
 35 contingencies, and all other expenses lawfully incurred within the
 36 territory shall be paid. The purposes described in this subsection are the
 37 sole purposes of the fund, and money in the fund may not be used for
 38 any other expenses. Except as allowed in subsections (d) and (e) and

1 section 8.5 of this chapter, the provider unit is not authorized to transfer
2 money out of the fund at any time.

3 (b) The fund consists of the following:

4 (1) All receipts from the tax imposed under this section.

5 (2) Any money transferred to the fund by the provider unit as
6 authorized under subsection (d).

7 (3) Any receipts from a false alarm fee or service charge imposed
8 by the participating units under IC 36-8-13-4.

9 (4) Any money transferred to the fund by a participating unit
10 under section 8.6 of this chapter.

11 (c) The provider unit, with the assistance of each of the other
12 participating units, shall annually budget the necessary money to meet
13 the expenses of operation and maintenance of the fire protection
14 services within the territory. The provider unit may maintain a
15 reasonable balance, not to exceed one hundred twenty percent (120%)
16 of the budgeted expenses. Except as provided in IC 6-1.1-18.5-10.5,
17 **and subject to section 7(c) of this chapter**, after estimating expenses
18 and receipts of money, the provider unit shall establish the tax levy
19 required to fund the estimated budget. **Subject to**
20 **IC 6-1.1-18.5-10.5(c)**, the amount budgeted under this subsection shall
21 be considered a part of each of the participating unit's budget.

22 (d) If the amount levied in a particular year is insufficient to cover
23 the costs incurred in providing fire protection services within the
24 territory, the provider unit may transfer from available sources to the
25 fire protection territory fund the money needed to cover those costs. In
26 this case:

27 (1) the levy in the following year shall be increased by the amount
28 required to be transferred; and

29 (2) the provider unit is entitled to transfer the amount described
30 in subdivision (1) from the fund as reimbursement to the provider
31 unit.

32 (e) If the amount levied in a particular year exceeds the amount
33 necessary to cover the costs incurred in providing fire protection
34 services within the territory, the levy in the following year shall be
35 reduced by the amount of surplus money that is not transferred to the
36 equipment replacement fund established under section 8.5 of this
37 chapter. The amount that may be transferred to the equipment
38 replacement fund may not exceed five percent (5%) of the levy for that

1 fund for that year. Each participating unit must agree to the amount to
2 be transferred by adopting an ordinance (if the unit is a county or
3 municipality) or a resolution (if the unit is a township) that specifies an
4 identical amount to be transferred.

5 (f) The tax under this section is subject to the tax levy limitations
6 imposed under IC 6-1.1-18.5-10.5."

7 Renumber all SECTIONS consecutively.
(Reference is to HB 1246 as introduced.)

and when so amended that said bill do pass.

Representative Brown T

