

February 27, 2024

ENGROSSED SENATE BILL No. 33

DIGEST OF SB 33 (Updated February 26, 2024 4:09 pm - DI 125)

Citations Affected: IC 6-3.6.

Synopsis: Distributions of public safety income tax revenue. Defines "courtroom costs". Provides that a county fiscal body may adopt an ordinance to impose a tax rate for: (1) in the case of a tax rate (Continued next page)

Effective: Upon passage; July 1, 2024.

Niemeyer, Dernulc, $Randolph\ Lonnie\ M \\ \text{(house sponsors} - \text{slager, olthoff, aylesworth)}$

January 8, 2024, read first time and referred to Committee on Tax and Fiscal Policy.

January 30, 2024, read first time and referred to Committee off Tax and Fiscal Folicy.

January 30, 2024, amended, reported favorably — Do Pass.

February 1, 2024, read second time, amended, ordered engrossed.

February 2, 2024, engrossed.

February 5, 2024, technical correction pursuant to Rule 35(c). Read third time, passed.

Yeas 48, nays 0. February 6, 2024, re-engrossed.

HOUSE ACTION
February 12, 2024, read first time and referred to Committee on Ways and Means.
February 22, 2024, amended, reported — Do Pass.
February 26, 2024, read second time, amended, ordered engrossed.



Digest Continued

adopted before January 1, 2024, county staff expenses of the state judicial system in the county; or (2) in the case of a tax rate adopted after December 31, 2023, courtroom costs of the state judicial system in the county. Provides that the revenue shall be used by the county: (1) in the case of the tax rate adopted before January 1, 2024, only for paying for county staff expenses of the state judicial system in the county; and (2) in the case of a tax rate adopted after December 31, 2023, only for paying the courtroom costs of the state judicial system in the county. Provides that the local income tax revenue spent by each county may not comprise more than 50% of the county's total operational staffing expenses related to the courtroom costs of the state judicial system in any given year. Provides that a township fire department, volunteer fire department, fire protection territory, or fire protection district may apply to the county adopting body for a distribution of local income tax revenue that is allocated to public safety purposes. Requires the county adopting body to review certain submitted applications at a public hearing.



Second Regular Session of the 123rd General Assembly (2024)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in this style type, and deletions will appear in this style type.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or *this style type* reconciles conflicts between statutes enacted by the 2023 Regular Session of the General Assembly.

ENGROSSED SENATE BILL No. 33

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1	SECTION 1. IC 6-3.6-6-2.9, AS ADDED BY P.L.193-2023,
2	SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3	UPON PASSAGE]: Sec. 2.9. (a) For purposes of this section,
4	"courtroom costs" includes staffing costs only for the court
5	reporter, court bailiff, or court administrator.
6	(b) A county fiscal body may adopt an ordinance to impose a tax
7	rate for:
8	(1) in the case of a tax rate adopted under this section before
9	January 1, 2024, county staff expenses of the state judicial
10	system in the county; or
11	(2) in the case of a tax rate adopted under this section after
12	December 31, 2023, courtroom costs of the state judicial
13	system in the county.
14	The tax rate must be in increments of one-hundredth of one percent
15	(0.01%) and may not exceed two-tenths of one percent $(0.2%)$. The tax
16	rate may not be in effect for more than twenty-five (25) years.
17	(b) (c) The revenue generated by a tax rate imposed under this



1	section must be distributed directly to the county before the remainder
2	of the expenditure rate revenue is distributed. The revenue shall be
3	maintained in a separate dedicated county fund. The revenue shall be
4	and used by the county:
5	(1) in the case of a tax rate adopted under this section before
6	January 1, 2024, only for paying for county staff expenses of the
7	state judicial system in the county; and
8	(2) in the case of a tax rate adopted under this section after
9	December 31, 2023, only for paying the courtroom costs of the
10	state judicial system in the county.
11	(c) (d) This subsection applies to a tax rate adopted under
12	subsection (b)(1). The local income tax revenue budgeted and spent
13	under this section by each county may not comprise more than fifty
14	percent (50%) of the county's total budgeted operational staffing
15	expenses related to the state judicial system in any given year.
16	(e) This subsection applies to a tax rate adopted under
17	subsection (b)(2). The local income tax revenue spent under this
18	section by each county may not comprise more than fifty percent
19	(50%) of the county's total operational staffing expenses related to
20	the courtroom costs of the state judicial system in any given year.
21	(d) (f) Counties that enact an ordinance to impose a tax rate under
22	this section shall annually report the following information for the prior
23	calendar year by May 1 to the justice reinvestment advisory council
24	established by IC 33-38-9.5-2:
25	(1) The types of court positions paid with local income tax
26	revenue generated by this section.
27	(2) The number of court positions by type paid for with local
28	income tax revenue generated by this section.
29	(3) The average salary by type of court position paid for with local
30	income tax revenue generated by this section.
31	(4) The county's total budgeted and actual staffing expenses or
32	courtroom costs, whichever is applicable, related to the state
33	judicial system.
34	(5) The county's portion of local income tax revenue that was
35	(A) budgeted for staffing expenses related to the state judicial
36	system; and
37	(B) actually spent on staffing expenses or courtroom costs,
38	whichever is applicable, related to the state judicial system.
39	(e) (g) The justice reinvestment advisory council shall annually
40	compile and report to the legislative council prior to July 1 of each year
41	the information required in subsection (d) (f) for each county. The
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SECTION 2. IC 6-3.6-6-8, AS AMENDED BY P.L.236-2023, SECTION 81, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2024]: Sec. 8. (a) This section applies to the allocation of additional revenue from a tax under this chapter to public safety purposes. Funding dedicated for a PSAP under a former tax continues to apply under this chapter until it is rescinded or modified. If funding was not dedicated for a PSAP under a former tax, the adopting body may adopt a resolution providing that all or part of the additional revenue allocated to public safety is to be dedicated for a PSAP. The resolution first applies in the following year and then thereafter until it is rescinded or modified. Funding dedicated for a PSAP shall be allocated and distributed as provided in IC 6-3.6-11-4.

- (b) Except as provided in subsections (c) and (d), the amount of the certified distribution that is allocated to public safety purposes, and after making allocations under IC 6-3.6-11, shall be allocated to the county and to each municipality in the county that is carrying out or providing at least one (1) public safety purpose. For purposes of this subsection, in the case of a consolidated city, the total property taxes imposed by the consolidated city include the property taxes imposed by the consolidated city and all special taxing districts (except for a public library district, a public transportation corporation, and a health and hospital corporation), and all special service districts. The amount allocated under this subsection to a county or municipality is equal to the result of:
 - (1) the amount of the remaining certified distribution that is allocated to public safety purposes; multiplied by
 - (2) a fraction equal to:
 - (A) in the case of a county that initially imposed a rate for public safety under IC 6-3.5-6 (repealed), the result of the total property taxes imposed in the county by the county or municipality for the calendar year preceding the distribution year, divided by the sum of the total property taxes imposed in the county by the county and each municipality in the county that is entitled to a distribution under this section for that calendar year; or
 - (B) in the case of a county that initially imposed a rate for public safety under IC 6-3.5-1.1 (repealed) or a county that did not impose a rate for public safety under either IC 6-3.5-1.1 (repealed) or IC 6-3.5-6 (repealed), the result of the attributed allocation amount of the county or municipality for the calendar year preceding the distribution year, divided by the sum of the attributed allocation amounts of the county and



each municipality in the county that is entitled to a distribution
under this section for that calendar year.

- (c) A fire department, volunteer fire department, or emergency medical services provider that:
 - (1) provides fire protection or emergency medical services within the county; and
 - (2) is operated by or serves a political subdivision that is not otherwise entitled to receive a distribution of tax revenue under this section;

may, before July 1 of a year, apply to the adopting body for a distribution of tax revenue under this section during the following calendar year. The adopting body shall review an application submitted under this subsection. and may, before September 1 of a year, However, after giving notice under IC 5-3-1, the adopting body shall review an application by a township that provided fire protection or emergency medical services in the most recent calendar year and imposed a property tax levy for the provision of fire protection or emergency medical services within the county in the most recent calendar year at a public hearing. The adopting body may review multiple applications submitted under this subsection at one (1) public hearing. If applicable, a township shall present and explain its application at the public hearing. Not later than ten (10) days after the public hearing, if applicable, but before September 1 of a year, the adopting body may adopt a resolution requiring that one (1) or more of the applicants shall receive a specified amount of the tax revenue to be distributed under this section during the following calendar year. The adopting body shall provide a copy of the resolution to the county auditor and the department of local government finance not more than fifteen (15) days after the resolution is adopted. A resolution adopted under this subsection and provided in a timely manner to the county auditor and the department applies only to distributions in the following calendar year. Any amount of tax revenue distributed under this subsection to a fire department, volunteer fire department, or emergency medical services provider shall be distributed before the remainder of the tax revenue is allocated under subsection (b).

- $\left(d\right)$ A township fire department, volunteer fire department, fire protection territory, or fire protection district that:
 - (1) provides fire protection or emergency medical services within a county; and
- (2) is operated by or serves a political subdivision; may, before July 1 of a year, apply to the adopting body for a



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distribution of tax revenue under this section during the following calendar year. The adopting body shall review an application submitted under this subsection. However, after giving notice under IC 5-3-1, the adopting body shall review an application submitted by a township that provided fire protection or emergency medical services in the most recent calendar year and that imposed a property tax levy for the provision of fire protection or emergency medical services within the county in the most recent calendar year at a public hearing. The adopting body may review multiple applications submitted under this subsection at one (1) public hearing. If applicable, a township shall present and explain its application at the public hearing. From the amount of the certified distribution that is allocated to public safety purposes, and after making allocations under IC 6-3.6-11, the adopting body may adopt a resolution that one (1) or more township fire departments, volunteer fire departments, fire protection territories, or fire protection districts shall receive an amount of the tax revenue to be distributed under this section during the following calendar year up to the amount of revenue one hundred percent (100%) of the revenue collected from that portion of the tax rate imposed for allocations for public safety purposes that does not exceed a rate of five one-hundredths of one percent (0.05%). that is attributable to five one-hundredths of one percent (0.05%) of the tax rate imposed for allocations to public safety purposes. A resolution adopted under this subsection must include information on the service area for each township fire department, volunteer fire department, fire protection territory, or fire protection district, as applicable. Any distribution under this subsection must be based on the assessed value of real property, not including land, that is served by each township fire department, volunteer fire department, fire protection territory, or fire protection district, as applicable. The adopting body shall provide a copy of the resolution to the county auditor and the department of local government finance not more than fifteen (15) days after the resolution is adopted. A resolution adopted under this subsection and provided in a timely manner to the county auditor and the department applies only to distributions in the following calendar year. Any amount of tax revenue distributed under this subsection to a township fire department, volunteer fire department, fire protection territory, or fire protection district, as applicable, shall be distributed before the remainder of the tax revenue is allocated under subsection (b).

SECTION 3. An emergency is declared for this act.



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COMMITTEE REPORT

Madam President: The Senate Committee on Tax and Fiscal Policy, to which was referred Senate Bill No. 33, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 6-3.6-6-2.9, AS ADDED BY P.L.193-2023, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2.9. (a) For purposes of this section, "courtroom costs" includes staffing costs only for the court reporter, court bailiff, or court administrator.

- **(b)** A county fiscal body may adopt an ordinance to impose a tax rate for county staff expenses courtroom costs of the state judicial system in the county. The tax rate must be in increments of one-hundredth of one percent (0.01%) and may not exceed two-tenths of one percent (0.2%). The tax rate may not be in effect for more than twenty-five (25) years.
- (b) (c) The revenue generated by a tax rate imposed under this section must be distributed directly to the county before the remainder of the expenditure rate revenue is distributed. The revenue shall be maintained in a separate dedicated county fund and used by the county only for paying for county staff expenses courtroom costs of the state judicial system in the county.
- (c) (d) The local income tax revenue budgeted and spent under this section by each county may not comprise more than fifty percent (50%) of the county's total budgeted operational staffing expenses related to the courtroom costs of the state judicial system in any given year.
- (d) (e) Counties that enact an ordinance to impose a tax rate under this section shall annually report the following information for the prior calendar year by May 1 to the justice reinvestment advisory council established by IC 33-38-9.5-2:
 - (1) The types of court positions paid with local income tax revenue generated by this section.
 - (2) The number of court positions by type paid for with local income tax revenue generated by this section.
 - (3) The average salary by type of court position paid for with local income tax revenue generated by this section.
 - (4) The county's total budgeted and actual staffing expenses courtroom costs related to the state judicial system.
 - (5) The county's portion of local income tax revenue that was



- (A) budgeted for staffing expenses related to the state judicial system; and
- (B) actually spent on staffing expenses. courtroom costs related to the state judicial system.
- (e) (f) The justice reinvestment advisory council shall annually compile and report to the legislative council prior to July 1 of each year the information required in subsection (d) for each county. The report must be in an electronic format under IC 5-14-6."
 - Page 3, line 4, delete "shall" and insert "may".
 - Page 4, line 10, strike "and" and insert "the county adopting body".
 - Page 4, line 10, reset in roman "may,".
 - Page 4, line 11, delete "the county adopting body shall".
 - Page 6, after line 40, begin a new paragraph and insert:
 - "SECTION 4. An emergency is declared for this act.".

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 33 as introduced.)

HOLDMAN, Chairperson

Committee Vote: Yeas 11, Nays 0.

SENATE MOTION

Madam President: I move that Senate Bill 33 be amended to read as follows:

Page 1, delete lines 1 through 17, begin a new paragraph and insert: "SECTION 1. IC 6-3.6-6-2.9, AS ADDED BY P.L.193-2023, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2.9. (a) For purposes of this section, "courtroom costs" includes staffing costs only for the court reporter, court bailiff, or court administrator.

- **(b)** A county fiscal body may adopt an ordinance to impose a tax rate for:
 - (1) in the case of a tax rate adopted under this section before January 1, 2024, county staff expenses of the state judicial system in the county; or
 - (2) in the case or a tax rate adopted under this section after December 31, 2023, courtroom costs of the state judicial system in the county.

The tax rate must be in increments of one-hundredth of one percent (0.01%) and may not exceed two-tenths of one percent (0.2%). The tax rate may not be in effect for more than twenty-five (25) years.

- (b) (c) The revenue generated by a tax rate imposed under this section must be distributed directly to the county before the remainder of the expenditure rate revenue is distributed. The revenue shall be maintained in a separate dedicated county fund. The revenue shall be and used by the county:
 - (1) in the case of a tax rate adopted under this section before January 1, 2024, only for paying for county staff expenses of the state judicial system in the county; and
 - (2) in the case of a tax rate adopted under this section after December 31, 2023, only for paying the courtroom costs of the state judicial system in the county.
- (c) (d) This subsection applies to a tax rate adopted under subsection (b)(1). The local income tax revenue budgeted and spent under this section by each county may not comprise more than fifty percent (50%) of the county's total budgeted operational staffing expenses related to the state judicial system in any given year.
- (e) This subsection applies to a tax rate adopted under subsection (b)(2). The local income tax revenue spent under this section by each county may not comprise more than fifty percent (50%) of the county's total operational staffing expenses related to the courtroom costs of the state judicial system in any given year.
- (d) (f) Counties that enact an ordinance to impose a tax rate under this section shall annually report the following information for the prior calendar year by May 1 to the justice reinvestment advisory council established by IC 33-38-9.5-2:
 - (1) The types of court positions paid with local income tax revenue generated by this section.
 - (2) The number of court positions by type paid for with local income tax revenue generated by this section.
 - (3) The average salary by type of court position paid for with local income tax revenue generated by this section.
 - (4) The county's total budgeted and actual staffing expenses or courtroom costs, whichever is applicable, related to the state judicial system.
 - (5) The county's portion of local income tax revenue that was (A) budgeted for staffing expenses related to the state judicial system; and
 - (B) actually spent on staffing expenses or courtroom costs, whichever is applicable, related to the state judicial system.



(e) (g) The justice reinvestment advisory council shall annually compile and report to the legislative council prior to July 1 of each year the information required in subsection (d) (f) for each county. The report must be in an electronic format under IC 5-14-6."

Page 2, delete lines 1 through 25.

(Reference is to SB 33 as printed January 31, 2024.)

HOLDMAN

COMMITTEE REPORT

Madam President: The Senate Committee on Rules and Legislative Procedure reports that pursuant to Senate Rule 35(c), the following technical corrections are to be made to Engrossed Senate Bill 33:

Page 1, line 11, delete "or" and insert "of".

(Reference is to ESB 33 as reprinted February 2, 2024.)

BRAY

COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred Senate Bill 33, 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:

Page 2, after line 42, begin a new paragraph and insert:

"SECTION 2. IC 6-3.6-6-8, AS AMENDED BY P.L.236-2023, SECTION 81, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2024]: Sec. 8. (a) This section applies to the allocation of additional revenue from a tax under this chapter to public safety purposes. Funding dedicated for a PSAP under a former tax continues to apply under this chapter until it is rescinded or modified. If funding was not dedicated for a PSAP under a former tax, the adopting body may adopt a resolution providing that all or part of the additional revenue allocated to public safety is to be dedicated for a PSAP. The resolution first applies in the following year and then thereafter until it is rescinded or modified. Funding dedicated for a PSAP shall be allocated and distributed as provided in IC 6-3.6-11-4.



- (b) Except as provided in subsections (c) and (d), the amount of the certified distribution that is allocated to public safety purposes, and after making allocations under IC 6-3.6-11, shall be allocated to the county and to each municipality in the county that is carrying out or providing at least one (1) public safety purpose. For purposes of this subsection, in the case of a consolidated city, the total property taxes imposed by the consolidated city include the property taxes imposed by the consolidated city and all special taxing districts (except for a public library district, a public transportation corporation, and a health and hospital corporation), and all special service districts. The amount allocated under this subsection to a county or municipality is equal to the result of:
 - (1) the amount of the remaining certified distribution that is allocated to public safety purposes; multiplied by
 - (2) a fraction equal to:
 - (A) in the case of a county that initially imposed a rate for public safety under IC 6-3.5-6 (repealed), the result of the total property taxes imposed in the county by the county or municipality for the calendar year preceding the distribution year, divided by the sum of the total property taxes imposed in the county by the county and each municipality in the county that is entitled to a distribution under this section for that calendar year; or
 - (B) in the case of a county that initially imposed a rate for public safety under IC 6-3.5-1.1 (repealed) or a county that did not impose a rate for public safety under either IC 6-3.5-1.1 (repealed) or IC 6-3.5-6 (repealed), the result of the attributed allocation amount of the county or municipality for the calendar year preceding the distribution year, divided by the sum of the attributed allocation amounts of the county and each municipality in the county that is entitled to a distribution under this section for that calendar year.
- (c) A fire department, volunteer fire department, or emergency medical services provider that:
 - (1) provides fire protection or emergency medical services within the county; and
 - (2) is operated by or serves a political subdivision that is not otherwise entitled to receive a distribution of tax revenue under this section;

may, before July 1 of a year, apply to the adopting body for a distribution of tax revenue under this section during the following calendar year. The adopting body shall review an application submitted



under this subsection. and may, before September 1 of a year, However, after giving notice under IC 5-3-1, the adopting body shall review an application by a township that provided fire protection or emergency medical services in the most recent calendar year and imposed a property tax levy for the provision of fire protection or emergency medical services within the county in the most recent calendar year at a public hearing. The adopting body may review multiple applications submitted under this subsection at one (1) public hearing. If applicable, a township shall present and explain its application at the public hearing. Not later than ten (10) days after the public hearing, if applicable, but before September 1 of a year, the adopting body may adopt a resolution requiring that one (1) or more of the applicants shall receive a specified amount of the tax revenue to be distributed under this section during the following calendar year. The adopting body shall provide a copy of the resolution to the county auditor and the department of local government finance not more than fifteen (15) days after the resolution is adopted. A resolution adopted under this subsection and provided in a timely manner to the county auditor and the department applies only to distributions in the following calendar year. Any amount of tax revenue distributed under this subsection to a fire department, volunteer fire department, or emergency medical services provider shall be distributed before the remainder of the tax revenue is allocated under subsection (b).

- (d) A township fire department, volunteer fire department, fire protection territory, or fire protection district that:
 - (1) provides fire protection or emergency medical services within a county; and
- (2) is operated by or serves a political subdivision; may, before July 1 of a year, apply to the adopting body for a distribution of tax revenue under this section during the following calendar year. The adopting body shall review an application submitted under this subsection. However, after giving notice under IC 5-3-1, the adopting body shall review an application submitted by a township that provided fire protection or emergency medical services in the most recent calendar year and that imposed a property tax levy for the provision of fire protection or emergency medical services within the county in the most recent calendar year at a public hearing. The adopting body may review multiple applications submitted under this subsection at one (1) public hearing. If applicable, a township shall present and explain its application at the public hearing. From the amount of the certified



distribution that is allocated to public safety purposes, and after making allocations under IC 6-3.6-11, the adopting body may adopt a resolution that one (1) or more township fire departments, volunteer fire departments, fire protection territories, or fire protection districts shall receive an amount of the tax revenue to be distributed under this section during the following calendar year up to the amount of revenue that is attributable to five one-hundredths of one percent (0.05%) of the tax rate imposed for allocations to public safety purposes. A resolution adopted under this subsection must include information on the service area for each township fire department, volunteer fire department, fire protection territory, or fire protection district, as applicable. Any distribution under this subsection must be based on the assessed value of real property, not including land, that is served by each township fire department, volunteer fire department, fire protection territory, or fire protection district, as applicable. The adopting body shall provide a copy of the resolution to the county auditor and the department of local government finance not more than fifteen (15) days after the resolution is adopted. A resolution adopted under this subsection and provided in a timely manner to the county auditor and the department applies only to distributions in the following calendar year. Any amount of tax revenue distributed under this subsection to a township fire department, volunteer fire department, fire protection territory, or fire protection district, as applicable, shall be distributed before the remainder of the tax revenue is allocated under subsection (b).".

Delete pages 3 through 7.

Page 8, delete lines 1 through 15.

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 33 as printed February 6, 2024.)

THOMPSON

Committee Vote: yeas 21, nays 0.

HOUSE MOTION

Mr. Speaker: I move that Engrossed Senate Bill 33 be amended to read as follows:

Page 5, line 18, strike "the amount of revenue" and insert "one hundred percent (100%) of the revenue collected from that portion

ES 33-LS 6193/DI 120



of the tax rate imposed for allocations for public safety purposes that does not exceed a rate of five one-hundredths of one percent (0.05%)."

Page 5, strike line 19.

Page 5, line 20, strike "tax rate imposed for allocations to public safety purposes.".

(Reference is to ESB 33 as printed February 22, 2024.)

THOMPSON

