

SENATE BILL No. 391

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1-18.5.

Synopsis: Township property tax levies. Authorizes a township to appeal to the department of local government finance (DLGF) for an increase in the township's maximum property tax levy to meet the costs of providing township assistance. Specifies that the maximum increase that the DLGF may authorize for a township for a particular calendar year is the levy that would result from a \$0.01 increase in the township's township assistance property tax rate. Provides that the DLGF shall increase the maximum property tax levy for a township's firefighting fund for 2019 and thereafter if: (1) the township imposed a debt service levy in 2018 to pay amounts borrowed to furnish fire protection; and (2) the township executive before August 1, 2018, submits a petition to the DLGF requesting the increase. Specifies that the amount of the increase in the maximum property tax levy for the township's firefighting fund is equal to the total amount of the principal that will be due in 2019 on amounts borrowed by the township to furnish fire protection. Makes a technical correction.

Effective: Upon passage.

Niemeyer

January 10, 2018, read first time and referred to Committee on Tax and Fiscal Policy.



Second Regular Session 120th General Assembly (2018)

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 2017 Regular Session of the General Assembly.

SENATE BILL No. 391



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 6-1.1-18.5-13, AS AMENDED BY THE
2 TECHNICAL CORRECTIONS BILL OF THE 2018 GENERAL
3 ASSEMBLY, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
4 UPON PASSAGE]: Sec. 13. (a) With respect to an appeal filed under
5 section 12 of this chapter, the department may find that a civil taxing
6 unit should receive any one (1) or more of the following types of relief:
7 (1) Permission to the civil taxing unit to increase its levy in excess
8 of the limitations established under section 3 of this chapter, if in
9 the judgment of the department the increase is reasonably
10 necessary due to increased costs of the civil taxing unit resulting
11 from annexation, consolidation, or other extensions of
12 governmental services by the civil taxing unit to additional
13 geographic areas. With respect to annexation, consolidation, or
14 other extensions of governmental services in a calendar year, if
15 those increased costs are incurred by the civil taxing unit in that
16 calendar year and more than one (1) immediately succeeding
17 calendar year, the unit may appeal under section 12 of this chapter



1 for permission to increase its levy under this subdivision based on
2 those increased costs in any of the following:

3 (A) The first calendar year in which those costs are incurred.

4 (B) One (1) or more of the immediately succeeding four (4)
5 calendar years.

6 (2) Permission to the civil taxing unit to increase its levy in excess
7 of the limitations established under section 3 of this chapter, if the
8 department finds that the quotient determined under STEP SIX of
9 the following formula is equal to or greater than one and
10 two-hundredths (1.02):

11 STEP ONE: Determine the three (3) calendar years that most
12 immediately precede the ensuing calendar year. ~~and in which~~
13 ~~a statewide general reassessment of real property under~~
14 ~~IC 6-1.1-4-4 does not first become effective.~~

15 STEP TWO: Compute separately, for each of the calendar
16 years determined in STEP ONE, the quotient (rounded to the
17 nearest ten-thousandth (0.0001)) of the sum of the civil taxing
18 unit's total assessed value of all taxable property and:

19 (i) for a particular calendar year before 2007, the total
20 assessed value of property tax deductions in the unit under
21 IC 6-1.1-12-41 (repealed) or IC 6-1.1-12-42 in the particular
22 calendar year; or

23 (ii) for a particular calendar year after 2006, the total
24 assessed value of property tax deductions that applied in the
25 unit under IC 6-1.1-12-42 in 2006 plus for a particular
26 calendar year after 2009, the total assessed value of property
27 tax deductions that applied in the unit under
28 IC 6-1.1-12-37.5 in 2008;

29 divided by the sum determined under this STEP for the
30 calendar year immediately preceding the particular calendar
31 year.

32 STEP THREE: Divide the sum of the three (3) quotients
33 computed in STEP TWO by three (3).

34 STEP FOUR: Compute separately, for each of the calendar
35 years determined in STEP ONE, the quotient (rounded to the
36 nearest ten-thousandth (0.0001)) of the sum of the total
37 assessed value of all taxable property in all counties and:

38 (i) for a particular calendar year before 2007, the total
39 assessed value of property tax deductions in all counties
40 under IC 6-1.1-12-41 (repealed) or IC 6-1.1-12-42 in the
41 particular calendar year; or

42 (ii) for a particular calendar year after 2006, the total



1 assessed value of property tax deductions that applied in all
 2 counties under IC 6-1.1-12-42 in 2006 plus for a particular
 3 calendar year after 2009, the total assessed value of property
 4 tax deductions that applied in the unit under
 5 IC 6-1.1-12-37.5 in 2008;
 6 divided by the sum determined under this STEP for the
 7 calendar year immediately preceding the particular calendar
 8 year.
 9 STEP FIVE: Divide the sum of the three (3) quotients
 10 computed in STEP FOUR by three (3).
 11 STEP SIX: Divide the STEP THREE amount by the STEP
 12 FIVE amount.

13 The civil taxing unit may increase its levy by a percentage not
 14 greater than the percentage by which the STEP THREE amount
 15 exceeds the percentage by which the civil taxing unit may
 16 increase its levy under section 3 of this chapter based on the
 17 assessed value growth quotient determined under section 2 of this
 18 chapter.

19 (3) A levy increase may be granted under this subdivision only for
 20 property taxes first due and payable after December 31, 2008.
 21 Permission to a civil taxing unit to increase its levy in excess of
 22 the limitations established under section 3 of this chapter if the
 23 civil taxing unit cannot carry out its governmental functions for
 24 an ensuing calendar year under the levy limitations imposed by
 25 section 3 of this chapter due to a natural disaster, an accident, or
 26 another unanticipated emergency.

27 **(4) Permission for a township to increase the township's levy**
 28 **in excess of the limitations established under section 3 of this**
 29 **chapter if the department finds that the township needs the**
 30 **increase to meet the costs of providing township assistance**
 31 **under IC 12-20 and IC 12-30-4. The maximum increase that**
 32 **the department may authorize for a township for a particular**
 33 **calendar year is the levy that would result from an increase in**
 34 **the township's township assistance ad valorem property tax**
 35 **rate of one cent (\$0.01) per one hundred dollars (\$100) of**
 36 **assessed valuation.**

37 (b) The department of local government finance shall increase the
 38 maximum permissible ad valorem property tax levy under section 3 of
 39 this chapter for the city of Goshen for 2012 and thereafter by an
 40 amount equal to the greater of zero (0) or the result of:

41 (1) the city's total pension costs in 2009 for the 1925 police
 42 pension fund (IC 36-8-6) and the 1937 firefighters' pension fund



- 1 (IC 36-8-7); minus
 2 (2) the sum of:
 3 (A) the total amount of state funds received in 2009 by the city
 4 and used to pay benefits to members of the 1925 police
 5 pension fund (IC 36-8-6) or the 1937 firefighters' pension fund
 6 (IC 36-8-7); plus
 7 (B) any previous permanent increases to the city's levy that
 8 were authorized to account for the transfer to the state of the
 9 responsibility to pay benefits to members of the 1925 police
 10 pension fund (IC 36-8-6) and the 1937 firefighters' pension
 11 fund (IC 36-8-7).

12 SECTION 2. IC 6-1.1-18.5-27 IS ADDED TO THE INDIANA
 13 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
 14 [EFFECTIVE UPON PASSAGE]: **Sec. 27. The department of local**
 15 **government finance shall increase the maximum permissible ad**
 16 **valorem property tax levy under section 3 of this chapter for a**
 17 **township's firefighting fund under IC 36-8-13-4 for 2019 and**
 18 **thereafter if:**

- 19 (1) the township imposed a debt service levy in 2018 to pay
 20 amounts borrowed under IC 36-6-6-14 to furnish fire
 21 protection for the township or a part of the township; and
 22 (2) the township executive before August 1, 2018, submits a
 23 petition to the department of local government finance, on a
 24 form prescribed by the department, requesting the increase.

25 **The amount of the increase under this section in the township's**
 26 **maximum permissible ad valorem property tax levy under section**
 27 **3 of this chapter for the township's firefighting fund is equal to the**
 28 **total amount of the principal that will be due in 2019 on amounts**
 29 **borrowed by the township under IC 36-6-6-14 to furnish fire**
 30 **protection for the township or a part of the township.**

31 SECTION 3. An emergency is declared for this act.

