



April 2, 2019

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## ENGROSSED SENATE BILL No. 603

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DIGEST OF SB 603 (Updated April 2, 2019 12:04 pm - DI 128)

**Citations Affected:** IC 36-4; IC 36-8.

**Synopsis:** Fire protection districts and annexation. Provides that property added to a fire protection district (district) is considered part of the district as of the date that the district was originally established. Makes provisions regarding: (1) the effective date of annexations of property within districts; and (2) indebtedness of districts that are annexed; apply to districts established after July 1, 1987 (instead of June 14, 1987). Provides that an area that is part of a district established after July 1, 1987, ceases to be a part of the district if annexed by a municipality. Provides that a fire protection district that has a gross assessed value of a certain amount remains a part of the district after annexation. Provides that, for districts that have a total gross assessed value of more than \$1,000,000,000, whenever a municipality annexes territory that lies within a district, the municipality shall not tax the annexed territory for fire protection services. Provides that, instead, the annexed territory that lies within the district shall constitute a special taxing district and a special fire fund shall be created for all fire protection services provided by the municipality, which shall not be assessed to the annexed special taxing district.

**Effective:** July 1, 2019.

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## Buck, Boots, Tallian

(HOUSE SPONSORS — ELLINGTON, VANNATTER)

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January 15, 2019, read first time and referred to Committee on Pensions and Labor.  
January 31, 2019, reported favorably — Do Pass.  
February 4, 2019, read second time, ordered engrossed. Engrossed.  
February 5, 2019, read third time, passed. Yeas 49, nays 0.

### HOUSE ACTION

March 7, 2019, read first time and referred to Committee on Employment, Labor and Pensions.  
April 2, 2019, amended, reported — Do Pass.

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ES 603—LS 7578/DI 87





April 2, 2019

First Regular Session of the 121st General Assembly (2019)

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 2018 Regular and Special Session of the General Assembly.

## ENGROSSED SENATE BILL No. 603

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

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

1 SECTION 1. IC 36-4-3-7, AS AMENDED BY P.L.86-2018,  
2 SECTION 342, IS AMENDED TO READ AS FOLLOWS  
3 [EFFECTIVE JULY 1, 2019]: Sec. 7. (a) After an ordinance is adopted  
4 under section 3, 4, 5, or 5.1 of this chapter, it must be published in the  
5 manner prescribed by IC 5-3-1. Except as provided in subsection (b),  
6 (c), (d), or (f), in the absence of remonstrance and appeal under section  
7 11 or 15.5 of this chapter, the ordinance takes effect at least ninety (90)  
8 days after its publication and upon the filing required by section 22(a)  
9 of this chapter.  
10 (b) An ordinance described in subsection (d) or adopted under  
11 section 3, 4, 5, or 5.1 of this chapter may not take effect during the year  
12 preceding a year in which a federal decennial census is conducted. An  
13 ordinance that would otherwise take effect during the year preceding  
14 a year in which a federal decennial census is conducted takes effect  
15 January 1 of the year in which a federal decennial census is conducted.  
16 (c) Subsections (d) and (e) apply to fire protection districts that are  
17 established after ~~June 14, 1987~~. **July 1, 1987. For the purposes of this**

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1 **section, territory that has been:**

2 **(1) added to an existing fire protection district under**  
 3 **IC 36-8-11-11; or**

4 **(2) approved by ordinance of the county legislative body to be**  
 5 **added to an existing fire protection district under**  
 6 **IC 36-8-11-11, notwithstanding that the territory's addition to**  
 7 **the fire protection district has not yet taken effect;**

8 **shall be considered a part of the fire protection district as of the**  
 9 **date that the fire protection district was originally established.**

10 (d) Except as provided in subsection (b), whenever a municipality  
 11 annexes territory, all or part of which lies within a fire protection  
 12 district (IC 36-8-11), the annexation ordinance (in the absence of  
 13 remonstrance and appeal under section 11 or 15.5 of this chapter) takes  
 14 effect the second January 1 that follows the date the ordinance is  
 15 adopted and upon the filing required by section 22(a) of this chapter.  
 16 The municipality shall:

17 (1) provide fire protection to that territory beginning the date the  
 18 ordinance is effective; and

19 (2) send written notice to the fire protection district of the date the  
 20 municipality will begin to provide fire protection to the annexed  
 21 territory within ten (10) days of the date the ordinance is adopted.

22 (e) If the fire protection district from which a municipality annexes  
 23 territory under subsection (d) is indebted or has outstanding unpaid  
 24 bonds or other obligations at the time the annexation is effective, the  
 25 municipality is liable for and shall pay that indebtedness in the same  
 26 ratio as the assessed valuation of the property in the annexed territory  
 27 (that is part of the fire protection district) bears to the assessed  
 28 valuation of all property in the fire protection district, as shown by the  
 29 most recent assessment for taxation before the annexation, unless the  
 30 assessed property within the municipality is already liable for the  
 31 indebtedness. The annexing municipality shall pay its indebtedness  
 32 under this section to the board of fire trustees. If the indebtedness  
 33 consists of outstanding unpaid bonds or notes of the fire protection  
 34 district, the payments to the board of fire trustees shall be made as the  
 35 principal or interest on the bonds or notes becomes due.

36 (f) This subsection applies to an annexation initiated by property  
 37 owners under section 5.1 of this chapter in which all property owners  
 38 within the area to be annexed petition the municipality to be annexed.  
 39 Subject to subsections (b) and (d), and in the absence of an appeal  
 40 under section 15.5 of this chapter, an annexation ordinance takes effect  
 41 at least thirty (30) days after its publication and upon the filing required  
 42 by section 22(a) of this chapter.

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1           **(g) This subsection applies to a fire protection district that has**  
2 **a total gross assessed value of more than one billion dollars**  
3 **(\$1,000,000,000). Whenever a municipality annexes territory that**  
4 **lies within a fire protection district, the municipality shall not tax**  
5 **the annexed territory for fire protection services. The annexed**  
6 **territory that lies within the fire protection district shall constitute**  
7 **a special taxing district. The annexing municipality shall establish**  
8 **a special fire fund for all fire protection services provided by the**  
9 **municipality, which shall not be assessed to the annexed special**  
10 **taxing district. The annexed territory that lies within the fire**  
11 **protection district shall continue to be part of the fire protection**  
12 **district special taxing district.**

13           SECTION 2. IC 36-8-11-22 IS AMENDED TO READ AS  
14 FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 22. **(a)** Any area that  
15 is part of a fire protection district **that is:**

16           **(1) established after July 1, 1987; and**

17           **(2) is annexed by a municipality that is not a part of the district;**  
18 **ceases to be a part of the fire protection district when the municipality**  
19 **begins to provide fire protection services to the area.**

20           **(b) Notwithstanding subsection (a), if a fire protection district**  
21 **has a gross assessed value (as determined by the county auditor) of**  
22 **more than one billion dollars (\$1,000,000,000) on the date that the**  
23 **annexation ordinance is adopted, the annexed area shall remain a**  
24 **part of the fire protection district.**



## COMMITTEE REPORT

Madam President: The Senate Committee on Pensions and Labor, to which was referred Senate Bill No. 603, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill DO PASS.

(Reference is to SB 603 as introduced.)

BOOTS, Chairperson

Committee Vote: Yeas 10, Nays 0

## COMMITTEE REPORT

Mr. Speaker: Your Committee on Employment, Labor and Pensions, to which was referred Senate Bill 603, 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 1, delete lines 1 through 17, begin a new paragraph and insert:

"SECTION 1. IC 36-4-3-7, AS AMENDED BY P.L.86-2018, SECTION 342, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 7. (a) After an ordinance is adopted under section 3, 4, 5, or 5.1 of this chapter, it must be published in the manner prescribed by IC 5-3-1. Except as provided in subsection (b), (c), (d), or (f), in the absence of remonstrance and appeal under section 11 or 15.5 of this chapter, the ordinance takes effect at least ninety (90) days after its publication and upon the filing required by section 22(a) of this chapter.

(b) An ordinance described in subsection (d) or adopted under section 3, 4, 5, or 5.1 of this chapter may not take effect during the year preceding a year in which a federal decennial census is conducted. An ordinance that would otherwise take effect during the year preceding a year in which a federal decennial census is conducted takes effect January 1 of the year in which a federal decennial census is conducted.

(c) Subsections (d) and (e) apply to fire protection districts that are established after ~~June 14, 1987~~ **July 1, 1987**. **For the purposes of this section, territory that has been:**

**(1) added to an existing fire protection district under IC 36-8-11-11; or**

**(2) approved by ordinance of the county legislative body to be added to an existing fire protection district under**

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**IC 36-8-11-11, notwithstanding that the territory's addition to the fire protection district has not yet taken effect; shall be considered a part of the fire protection district as of the date that the fire protection district was originally established.**

(d) Except as provided in subsection (b), whenever a municipality annexes territory, all or part of which lies within a fire protection district (IC 36-8-11), the annexation ordinance (in the absence of remonstrance and appeal under section 11 or 15.5 of this chapter) takes effect the second January 1 that follows the date the ordinance is adopted and upon the filing required by section 22(a) of this chapter. The municipality shall:

- (1) provide fire protection to that territory beginning the date the ordinance is effective; and
- (2) send written notice to the fire protection district of the date the municipality will begin to provide fire protection to the annexed territory within ten (10) days of the date the ordinance is adopted.

(e) If the fire protection district from which a municipality annexes territory under subsection (d) is indebted or has outstanding unpaid bonds or other obligations at the time the annexation is effective, the municipality is liable for and shall pay that indebtedness in the same ratio as the assessed valuation of the property in the annexed territory (that is part of the fire protection district) bears to the assessed valuation of all property in the fire protection district, as shown by the most recent assessment for taxation before the annexation, unless the assessed property within the municipality is already liable for the indebtedness. The annexing municipality shall pay its indebtedness under this section to the board of fire trustees. If the indebtedness consists of outstanding unpaid bonds or notes of the fire protection district, the payments to the board of fire trustees shall be made as the principal or interest on the bonds or notes becomes due.

(f) This subsection applies to an annexation initiated by property owners under section 5.1 of this chapter in which all property owners within the area to be annexed petition the municipality to be annexed. Subject to subsections (b) and (d), and in the absence of an appeal under section 15.5 of this chapter, an annexation ordinance takes effect at least thirty (30) days after its publication and upon the filing required by section 22(a) of this chapter.

**(g) This subsection applies to a fire protection district that has a total gross assessed value of more than one billion dollars (\$1,000,000,000). Whenever a municipality annexes territory that lies within a fire protection district, the municipality shall not tax the annexed territory for fire protection services. The annexed**



**territory that lies within the fire protection district shall constitute a special taxing district. The annexing municipality shall establish a special fire fund for all fire protection services provided by the municipality, which shall not be assessed to the annexed special taxing district. The annexed territory that lies within the fire protection district shall continue to be part of the fire protection district special taxing district.**

SECTION 2. IC 36-8-11-22 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 22. **(a)** Any area that is part of a fire protection district **that is:**

**(1) established after July 1, 1987; and**

**(2) is** annexed by a municipality that is not a part of the district; ceases to be a part of the fire protection district when the municipality begins to provide fire protection services to the area.

**(b) Notwithstanding subsection (a), if a fire protection district has a gross assessed value (as determined by the county auditor) of more than one billion dollars (\$1,000,000,000) on the date that the annexation ordinance is adopted, the annexed area shall remain a part of the fire protection district."**

Delete page 2.

Re-number all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 603 as printed February 1, 2019.)

VANNATTER

Committee Vote: yeas 6, nays 5.

