

# HOUSE BILL No. 1157

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-1.1-18.5-13.

**Synopsis:** Property tax levy appeals. Provides that Jackson County may appeal to the state board of tax commissioners for a property tax levy increase if the increase is necessary to pay the county's share of operating or expanding a jail or juvenile detention center. Provides that the maximum increase in the county's property tax levy equals the county's share of the costs of operating the jail or juvenile detention center for the first full calendar year in which the jail or juvenile detention center is in operation. Makes a conforming amendment to the version of the statute that takes effect March 1, 2001. Reconciles conflicts between statutes enacted during the 1995 general assembly (shown in italicized type).

**Effective:** Upon passage; March 1, 2001.

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**Bailey, Lytle**

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January 8, 1998, read first time and referred to Committee on Local Government.

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Second Regular Session 110th General Assembly (1998)

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 1997 General Assembly.

# HOUSE BILL No. 1157



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 P.L.25-1995,  
2 SECTION 31, AND P.L.87-1995, SECTION 1 (CURRENT  
3 VERSION), IS CORRECTED AND IS AMENDED TO READ AS  
4 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 13. With respect  
5 to an appeal filed under section 12 of this chapter, the local government  
6 tax control board may recommend that a civil taxing unit receive any  
7 one (1) or more of the following types of relief:  
8 (1) Permission to the civil taxing unit to reallocate the amount set  
9 aside as a property tax replacement credit as required by  
10 IC 6-3.5-1.1 for a purpose other than property tax relief. However,  
11 whenever this occurs, the local government tax control board  
12 shall also state the amount to be reallocated.  
13 (2) Permission to the civil taxing unit to increase its levy in excess  
14 of the limitations established under section 3 of this chapter, if in  
15 the judgment of the local government tax control board the  
16 increase is reasonably necessary due to increased costs of the civil  
17 taxing unit resulting from annexation, consolidation, or other

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1 extensions of governmental services by the civil taxing unit to  
2 additional geographic areas or persons.

3 (3) Permission to the civil taxing unit to increase its levy in excess  
4 of the limitations established under section 3 of this chapter, if the  
5 local government tax control board finds that the civil taxing unit  
6 needs the increase to meet the civil taxing unit's share of the costs  
7 of operating a court established by statute enacted after December  
8 31, 1973. Before recommending such an increase, the local  
9 government tax control board shall consider all other revenues  
10 available to the civil taxing unit that could be applied for that  
11 purpose. The maximum aggregate levy increases that the local  
12 government tax control board may recommend for a particular  
13 court equals the civil taxing unit's share of the costs of operating  
14 a court for the first full calendar year in which it is in existence.

15 (4) Permission to the civil taxing unit to increase its levy in excess  
16 of the limitations established under section 3 of this chapter, if the  
17 civil taxing unit's average three (3) year growth factor, as  
18 determined in section 2 (STEP THREE) of this chapter, exceeds  
19 one and one-tenth (1.1). However, any increase in the amount of  
20 the civil taxing unit's levy recommended by the local government  
21 tax control board under this subdivision may not exceed an  
22 amount equal to the remainder of:

23 (A) the amount of ad valorem property taxes the civil taxing  
24 unit could impose for the ensuing calendar year under section  
25 3 of this chapter if at STEP TWO of subsection (a) or (b), as  
26 the case may be, the amount determined in STEP THREE of  
27 section 2 of this chapter is substituted for the amount  
28 determined under STEP FIVE of section 2 of this chapter;  
29 minus

30 (B) the amount of ad valorem property taxes the civil taxing  
31 unit could impose under section 3 of this chapter for the  
32 ensuing calendar year.

33 In addition, before the local government tax control board may  
34 recommend the relief allowed under this subdivision, the civil  
35 taxing unit must show a need for the increased levy because of  
36 special circumstances, and the local government tax control board  
37 must consider other sources of revenue and other means of relief.

38 (5) Permission to the civil taxing unit to increase its levy in excess  
39 of the limitations established under section 3 of this chapter, if the  
40 local government tax control board finds that the civil taxing unit  
41 needs the increase to pay the costs of furnishing fire protection for  
42 the civil taxing unit through a volunteer fire department. For

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1 purposes of determining a township's need for an increased levy,  
 2 the local government tax control board shall not consider the  
 3 amount of money borrowed under IC 36-6-6-14 during the  
 4 immediately preceding calendar year. However, any increase in  
 5 the amount of the civil taxing unit's levy recommended by the  
 6 local government tax control board under this subdivision for the  
 7 ensuing calendar year may not exceed the lesser of:

8 (A) ten thousand dollars (\$10,000); or

9 (B) twenty percent (20%) of:

10 (i) the amount authorized for operating expenses of a  
 11 volunteer fire department in the budget of the civil taxing  
 12 unit for the immediately preceding calendar year; plus

13 (ii) the amount of any additional appropriations authorized  
 14 during that calendar year for the civil taxing unit's use in  
 15 paying operating expenses of a volunteer fire department  
 16 under IC 6-1.1-18.5; minus

17 (iii) the amount of money borrowed under IC 36-6-6-14  
 18 during that calendar year for the civil taxing unit's use in  
 19 paying operating expenses of a volunteer fire department.

20 (6) Permission to a civil taxing unit to increase its levy in excess  
 21 of the limitations established under section 3 of this chapter in  
 22 order to raise revenues for pension payments and contributions  
 23 the civil taxing unit is required to make under IC 36-8. The  
 24 maximum increase in a civil taxing unit's levy that may be  
 25 recommended under this subdivision for an ensuing calendar year  
 26 equals the amount, if any, by which the pension payments and  
 27 contributions the civil taxing unit is required to make under  
 28 IC 36-8 during the ensuing calendar year exceeds the product of  
 29 one and one-tenth (1.1) multiplied by the pension payments and  
 30 contributions made by the civil taxing unit under IC 36-8 during  
 31 the calendar year that immediately precedes the ensuing calendar  
 32 year. For purposes of this subdivision, "pension payments and  
 33 contributions made by a civil taxing unit" does not include that  
 34 part of the payments or contributions that are funded by  
 35 distributions made to a civil taxing unit by the state.

36 (7) Permission to increase its levy in excess of the limitations  
 37 established under section 3 of this chapter if the local government  
 38 tax control board finds that:

39 (A) the township's poor relief ad valorem property tax rate is  
 40 less than five cents (\$0.05) per one hundred dollars (\$100) of  
 41 assessed valuation; and

42 (B) the township needs the increase to meet the costs of

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1 providing poor relief under IC 12-20 and IC 12-30-4.

2 The maximum increase that the board may recommend for a  
3 township is the levy that would result from an increase in the  
4 township's poor relief ad valorem property tax rate of five cents  
5 (\$0.05) per one hundred dollars (\$100) of assessed valuation  
6 minus the township's ad valorem property tax rate per one  
7 hundred dollars (\$100) of assessed valuation before the increase.

8 (8) Permission to a civil taxing unit to increase its levy in excess  
9 of the limitations established under section 3 of this chapter if:

10 (A) the increase has been approved by the legislative body of  
11 the municipality with the largest population where the civil  
12 taxing unit provides public transportation services; and

13 (B) the local government tax control board finds that the civil  
14 taxing unit needs the increase to provide adequate public  
15 transportation services.

16 The local government tax control board shall consider tax rates  
17 and levies in civil taxing units of comparable population, and the  
18 effect (if any) of a loss of federal or other funds to the civil taxing  
19 unit that might have been used for public transportation purposes.  
20 However, the increase that the board may recommend under this  
21 subdivision for a civil taxing unit may not exceed the revenue that  
22 would be raised by the civil taxing unit based on a property tax  
23 rate of three cents (\$0.03) per one hundred dollars (\$100) of  
24 assessed valuation.

25 (9) Permission to a civil taxing unit to increase the unit's levy in  
26 excess of the limitations established under section 3 of this  
27 chapter if the local government tax control board finds that:

28 (A) the civil taxing unit is:

29 (i) a county having a population of more than one hundred  
30 twenty-nine thousand (129,000) but less than one hundred  
31 thirty thousand six hundred (130,600);

32 (ii) a city having a population of more than forty-three  
33 thousand seven hundred (43,700) but less than forty-four  
34 thousand (44,000);

35 (iii) a city having a population of more than twenty-five  
36 thousand five hundred (25,500) but less than twenty-six  
37 thousand (26,000);

38 (iv) a city having a population of more than fifteen thousand  
39 three hundred fifty (15,350) but less than fifteen thousand  
40 five hundred seventy (15,570); or

41 (v) a city having a population of more than five thousand six  
42 hundred fifty (5,650) but less than five thousand seven

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1           hundred eight (5,708); and  
 2           (B) the increase is necessary to provide funding to undertake  
 3           removal (as defined in IC 13-7-8.7-1) and remedial action (as  
 4           defined in IC 13-7-8.7-1) relating to hazardous substances (as  
 5           defined in IC 13-7-8.7-1) in solid waste disposal facilities or  
 6           industrial sites in the civil taxing unit that have become a  
 7           menace to the public health and welfare.  
 8           The maximum increase that the local government tax control  
 9           board may recommend for such a civil taxing unit is the levy that  
 10          would result from a property tax rate of twenty cents (\$0.20) for  
 11          each one hundred dollars (\$100) of assessed valuation. For  
 12          purposes of computing the ad valorem property tax levy limit  
 13          imposed on a civil taxing unit under section 3 of this chapter, the  
 14          civil taxing unit's ad valorem property tax levy for a particular  
 15          year does not include that part of the levy imposed under this  
 16          subdivision. In addition, a property tax increase permitted under  
 17          this subdivision may be imposed for only two (2) calendar years.  
 18          (10) Permission for a county having a population of more than  
 19          seventy-eight thousand (78,000) but less than eighty-five  
 20          thousand (85,000) **or a county having a population of more**  
 21          **than thirty-seven thousand (37,000) but less than thirty-seven**  
 22          **thousand eight hundred (37,800)** to increase the county's levy in  
 23          excess of the limitations established under section 3 of this  
 24          chapter, if the local government tax control board finds that the  
 25          county needs the increase to meet the county's share of the costs  
 26          of operating a jail or juvenile detention center, including  
 27          expansion of the facility, if the jail or juvenile detention center is  
 28          opened after December 31, 1991. Before recommending an  
 29          increase, the local government tax control board shall consider all  
 30          other revenues available to the county that could be applied for  
 31          that purpose. An appeal for operating funds for a jail or juvenile  
 32          detention center shall be considered individually, if a jail and  
 33          juvenile detention center are both opened in one (1) county. The  
 34          maximum aggregate levy increases that the local government tax  
 35          control board may recommend for a county equals the county's  
 36          share of the costs of operating the jail or juvenile detention center  
 37          for the first full calendar year in which the jail or juvenile  
 38          detention center is in operation.  
 39          (11) Permission for a township to increase its levy in excess of the  
 40          limitations established under section 3 of this chapter, if the local  
 41          government tax control board finds that the township needs the  
 42          increase so that the property tax rate to pay the costs of furnishing

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1 fire protection for a township, or a portion of a township, enables  
 2 the township to pay a fair and reasonable amount under a contract  
 3 with the municipality that is furnishing the fire protection.  
 4 However, *for the first time an appeal is granted* the resulting rate  
 5 *increase* may not exceed *fifty percent (50%) of the difference*  
 6 *between* the rate imposed for fire protection within the  
 7 municipality that is providing the fire protection to the township  
 8 *and the township's rate*. A township is *not* required to appeal a  
 9 second time for an increase under this *subdivision if the township*  
 10 *wants to further increase its rate*. However, *a township's rate may*  
 11 *be increased to equal but may chapter if the property tax rate the*  
 12 *township is using in determining its maximum permissible levy*  
 13 *does* not exceed the rate that is used by the municipality. More  
 14 than one (1) township served by the same municipality may use  
 15 this appeal.

16 SECTION 2. IC 6-1.1-18.5-13, AS AMENDED BY P.L.6-1997,  
 17 SECTION 85 (DELAYED VERSION), IS AMENDED TO READ AS  
 18 FOLLOWS [EFFECTIVE MARCH 1, 2001]: Sec. 13. With respect to  
 19 an appeal filed under section 12 of this chapter, the local government  
 20 tax control board may recommend that a civil taxing unit receive any  
 21 one (1) or more of the following types of relief:

22 (1) Permission to the civil taxing unit to reallocate the amount set  
 23 aside as a property tax replacement credit as required by  
 24 IC 6-3.5-1.1 for a purpose other than property tax relief. However,  
 25 whenever this occurs, the local government tax control board  
 26 shall also state the amount to be reallocated.

27 (2) Permission to the civil taxing unit to increase its levy in excess  
 28 of the limitations established under section 3 of this chapter, if in  
 29 the judgment of the local government tax control board the  
 30 increase is reasonably necessary due to increased costs of the civil  
 31 taxing unit resulting from annexation, consolidation, or other  
 32 extensions of governmental services by the civil taxing unit to  
 33 additional geographic areas or persons.

34 (3) Permission to the civil taxing unit to increase its levy in excess  
 35 of the limitations established under section 3 of this chapter, if the  
 36 local government tax control board finds that the civil taxing unit  
 37 needs the increase to meet the civil taxing unit's share of the costs  
 38 of operating a court established by statute enacted after December  
 39 31, 1973. Before recommending such an increase, the local  
 40 government tax control board shall consider all other revenues  
 41 available to the civil taxing unit that could be applied for that  
 42 purpose. The maximum aggregate levy increases that the local



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1 government tax control board may recommend for a particular  
 2 court equals the civil taxing unit's share of the costs of operating  
 3 a court for the first full calendar year in which it is in existence.  
 4 (4) Permission to the civil taxing unit to increase its levy in excess  
 5 of the limitations established under section 3 of this chapter, if the  
 6 civil taxing unit's average three (3) year growth factor, as  
 7 determined in section 2 (STEP THREE) of this chapter, exceeds  
 8 one and one-tenth (1.1). However, any increase in the amount of  
 9 the civil taxing unit's levy recommended by the local government  
 10 tax control board under this subdivision may not exceed an  
 11 amount equal to the remainder of:

12 (A) the amount of ad valorem property taxes the civil taxing  
 13 unit could impose for the ensuing calendar year under section  
 14 3 of this chapter if at STEP TWO of subsection (a) or (b), as  
 15 the case may be, the amount determined in STEP THREE of  
 16 section 2 of this chapter is substituted for the amount  
 17 determined under STEP FIVE of section 2 of this chapter;  
 18 minus

19 (B) the amount of ad valorem property taxes the civil taxing  
 20 unit could impose under section 3 of this chapter for the  
 21 ensuing calendar year.

22 In addition, before the local government tax control board may  
 23 recommend the relief allowed under this subdivision, the civil  
 24 taxing unit must show a need for the increased levy because of  
 25 special circumstances, and the local government tax control board  
 26 must consider other sources of revenue and other means of relief.

27 (5) Permission to the civil taxing unit to increase its levy in excess  
 28 of the limitations established under section 3 of this chapter, if the  
 29 local government tax control board finds that the civil taxing unit  
 30 needs the increase to pay the costs of furnishing fire protection for  
 31 the civil taxing unit through a volunteer fire department. For  
 32 purposes of determining a township's need for an increased levy,  
 33 the local government tax control board shall not consider the  
 34 amount of money borrowed under IC 36-6-6-14 during the  
 35 immediately preceding calendar year. However, any increase in  
 36 the amount of the civil taxing unit's levy recommended by the  
 37 local government tax control board under this subdivision for the  
 38 ensuing calendar year may not exceed the lesser of:

39 (A) ten thousand dollars (\$10,000); or

40 (B) twenty percent (20%) of:

41 (i) the amount authorized for operating expenses of a  
 42 volunteer fire department in the budget of the civil taxing

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1 unit for the immediately preceding calendar year; plus  
 2 (ii) the amount of any additional appropriations authorized  
 3 during that calendar year for the civil taxing unit's use in  
 4 paying operating expenses of a volunteer fire department  
 5 under IC 6-1.1-18.5; minus  
 6 (iii) the amount of money borrowed under IC 36-6-6-14  
 7 during that calendar year for the civil taxing unit's use in  
 8 paying operating expenses of a volunteer fire department.

9 (6) Permission to a civil taxing unit to increase its levy in excess  
 10 of the limitations established under section 3 of this chapter in  
 11 order to raise revenues for pension payments and contributions  
 12 the civil taxing unit is required to make under IC 36-8. The  
 13 maximum increase in a civil taxing unit's levy that may be  
 14 recommended under this subdivision for an ensuing calendar year  
 15 equals the amount, if any, by which the pension payments and  
 16 contributions the civil taxing unit is required to make under  
 17 IC 36-8 during the ensuing calendar year exceeds the product of  
 18 one and one-tenth (1.1) multiplied by the pension payments and  
 19 contributions made by the civil taxing unit under IC 36-8 during  
 20 the calendar year that immediately precedes the ensuing calendar  
 21 year. For purposes of this subdivision, "pension payments and  
 22 contributions made by a civil taxing unit" does not include that  
 23 part of the payments or contributions that are funded by  
 24 distributions made to a civil taxing unit by the state.

25 (7) Permission to increase its levy in excess of the limitations  
 26 established under section 3 of this chapter if the local government  
 27 tax control board finds that:

28 (A) the township's poor relief ad valorem property tax rate is  
 29 less than one and sixty-seven hundredths cents (\$0.0167) per  
 30 one hundred dollars (\$100) of assessed valuation; and

31 (B) the township needs the increase to meet the costs of  
 32 providing poor relief under IC 12-20 and IC 12-30-4.

33 The maximum increase that the board may recommend for a  
 34 township is the levy that would result from an increase in the  
 35 township's poor relief ad valorem property tax rate of one and  
 36 sixty-seven hundredths cents (\$0.0167) per one hundred dollars  
 37 (\$100) of assessed valuation minus the township's ad valorem  
 38 property tax rate per one hundred dollars (\$100) of assessed  
 39 valuation before the increase.

40 (8) Permission to a civil taxing unit to increase its levy in excess  
 41 of the limitations established under section 3 of this chapter if:

42 (A) the increase has been approved by the legislative body of

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1 the municipality with the largest population where the civil  
2 taxing unit provides public transportation services; and

3 (B) the local government tax control board finds that the civil  
4 taxing unit needs the increase to provide adequate public  
5 transportation services.

6 The local government tax control board shall consider tax rates  
7 and levies in civil taxing units of comparable population, and the  
8 effect (if any) of a loss of federal or other funds to the civil taxing  
9 unit that might have been used for public transportation purposes.  
10 However, the increase that the board may recommend under this  
11 subdivision for a civil taxing unit may not exceed the revenue that  
12 would be raised by the civil taxing unit based on a property tax  
13 rate of one cent (\$.01) per one hundred dollars (\$100) of  
14 assessed valuation.

15 (9) Permission to a civil taxing unit to increase the unit's levy in  
16 excess of the limitations established under section 3 of this  
17 chapter if the local government tax control board finds that:

18 (A) the civil taxing unit is:

19 (i) a county having a population of more than one hundred  
20 twenty-nine thousand (129,000) but less than one hundred  
21 thirty thousand six hundred (130,600);

22 (ii) a city having a population of more than forty-three  
23 thousand seven hundred (43,700) but less than forty-four  
24 thousand (44,000);

25 (iii) a city having a population of more than twenty-five  
26 thousand five hundred (25,500) but less than twenty-six  
27 thousand (26,000);

28 (iv) a city having a population of more than fifteen thousand  
29 three hundred fifty (15,350) but less than fifteen thousand  
30 five hundred seventy (15,570); or

31 (v) a city having a population of more than five thousand six  
32 hundred fifty (5,650) but less than five thousand seven  
33 hundred eight (5,708); and

34 (B) the increase is necessary to provide funding to undertake  
35 removal (as defined in IC 13-7-8.7-1) and remedial action (as  
36 defined in IC 13-7-8.7-1) relating to hazardous substances (as  
37 defined in IC 13-7-8.7-1) in solid waste disposal facilities or  
38 industrial sites in the civil taxing unit that have become a  
39 menace to the public health and welfare.

40 The maximum increase that the local government tax control  
41 board may recommend for such a civil taxing unit is the levy that  
42 would result from a property tax rate of six and sixty-seven

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hundredths cents (\$0.0667) for each one hundred dollars (\$100) of assessed valuation. For purposes of computing the ad valorem property tax levy limit imposed on a civil taxing unit under section 3 of this chapter, the civil taxing unit's ad valorem property tax levy for a particular year does not include that part of the levy imposed under this subdivision. In addition, a property tax increase permitted under this subdivision may be imposed for only two (2) calendar years.

(10) Permission for a county having a population of more than seventy-eight thousand (78,000) but less than eighty-five thousand (85,000) **or a county having a population of more than thirty-seven thousand (37,000) but less than thirty-seven thousand eight hundred (37,800)** to increase the county's levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the county needs the increase to meet the county's share of the costs of operating a jail or juvenile detention center, including expansion of the facility, if the jail or juvenile detention center is opened after December 31, 1991. Before recommending an increase, the local government tax control board shall consider all other revenues available to the county that could be applied for that purpose. An appeal for operating funds for a jail or juvenile detention center shall be considered individually, if a jail and juvenile detention center are both opened in one (1) county. The maximum aggregate levy increases that the local government tax control board may recommend for a county equals the county's share of the costs of operating the jail or juvenile detention center for the first full calendar year in which the jail or juvenile detention center is in operation.

(11) Permission for a township to increase its levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the township needs the increase so that the property tax rate to pay the costs of furnishing fire protection for a township, or a portion of a township, enables the township to pay a fair and reasonable amount under a contract with the municipality that is furnishing the fire protection. However, for the first time an appeal is granted the resulting rate increase may not exceed fifty percent (50%) of the difference between the rate imposed for fire protection within the municipality that is providing the fire protection to the township and the township's rate. A township is required to appeal a second time for an increase under this subdivision if the township wants

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1 to further increase its rate. However, a township's rate may be  
2 increased to equal but may not exceed the rate that is used by the  
3 municipality. More than one (1) township served by the same  
4 municipality may use this appeal.

5 **SECTION 3. An emergency is declared for this act.**

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