

HOUSE BILL No. 2036

DIGEST OF INTRODUCED BILL

Citations Affected: IC 36-8-14; IC 36-8-19-8; IC 36-8-19-8.5.

Synopsis: Fire protection territories. Provides that a fire protection territory may establish a cumulative building and equipment fund.

Effective: Upon passage; March 1, 2001.

Bischoff, Ruppel

January 27, 1999, read first time and referred to Committee on Local Government.

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First Regular Session 111th General Assembly (1999)

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 1998 General Assembly.

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HOUSE BILL No. 2036



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 36-8-14-2 IS AMENDED TO READ AS
- 2 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) As used in
- 3 this section, "emergency medical services" has the meaning set forth in
- 4 IC 16-18-2-110.
- 5 (b) As used in this section, "volunteer fire company" has the
- 6 meaning set forth in IC 36-8-12-2.
- 7 (c) The legislative body of a unit, ~~or~~ the board of fire trustees of a
- 8 fire protection district, **or the legislative body of the designated**
- 9 **provider unit of a fire protection territory** may provide a cumulative
- 10 building and equipment fund under IC 6-1.1-41 for the following
- 11 purposes:
- 12 (1) The purchase, construction, renovation, or addition to
- 13 buildings used by the fire department or a volunteer fire company
- 14 serving the unit.
- 15 (2) The purchase of firefighting equipment for use of the fire
- 16 department or a volunteer fire company serving the unit,
- 17 including making the required payments under a lease rental with



1 option to purchase agreement made to acquire the equipment.

2 (3) In a municipality, the purchase of police radio equipment.

3 (4) The purchase, construction, renovation, or addition to a
4 building, or the purchase of equipment, for use of a provider of
5 emergency medical services under IC 16-31-5 to the unit
6 establishing the fund.

7 (d) In addition to the requirements of IC 6-1.1-41, before a
8 cumulative fund may be established by a township fire protection
9 district, the county legislative body which appoints the trustees of the
10 fire protection district must approve the establishment of the fund.

11 **(e) In addition to the requirements of IC 6-1.1-41, before a**
12 **cumulative fund may be established by the designated provider**
13 **unit of a fire protection territory, the legislative body of all other**
14 **units participating in the fire protection territory must approve the**
15 **establishment of the fund.**

16 SECTION 2. IC 36-8-14-4 (CURRENT VERSION) IS AMENDED
17 TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4.

18 (a) To provide for the cumulative building and equipment fund
19 established under this chapter, the legislative body may levy a tax on
20 all taxable property within the taxing district in compliance with
21 IC 6-1.1-41. The tax rate may not exceed ten cents (\$0.10) on each one
22 hundred dollars (\$100) of assessed valuation of property in the taxing
23 district.

24 (b) As the tax is collected, it shall be deposited in a qualified public
25 depository or depositories and held in a special fund to be known as the
26 "building or remodeling, firefighting, and police radio equipment fund"
27 in the case of a municipality or as the "building or remodeling and fire
28 equipment fund" in the case of a township, ~~or~~ **fire protection district, or**
29 **fire protection territory.**

30 SECTION 3. IC 36-8-14-4 (DELAYED VERSION) IS AMENDED
31 TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2001]: Sec. 4. (a)

32 To provide for the cumulative building and equipment fund established
33 under this chapter, the legislative body may levy a tax on all taxable
34 property within the taxing district in compliance with IC 6-1.1-41. The
35 tax rate may not exceed three and thirty-three hundredths cents
36 (\$0.0333) on each one hundred dollars (\$100) of assessed valuation of
37 property in the taxing district.

38 (b) As the tax is collected, it shall be deposited in a qualified public
39 depository or depositories and held in a special fund to be known as the
40 "building or remodeling, firefighting, and police radio equipment fund"
41 in the case of a municipality or as the "building or remodeling and fire
42 equipment fund" in the case of a township, ~~or~~ **fire protection district, or**



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1 **fire protection territory.**

2 SECTION 4. IC 36-8-19-8 IS AMENDED TO READ AS
 3 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. (a) Upon the
 4 adoption of identical ordinances under section 6 of this chapter, the
 5 designated provider unit must establish a fire protection territory fund
 6 from which all expenses of operating and maintaining the fire
 7 protection services within the territory (**other than those expenses**
 8 **paid from a cumulative building and equipment fund established**
 9 **by the fire protection territory**), including repairs, fees, salaries,
 10 depreciation on all depreciable assets, rents, supplies, contingencies,
 11 and all other expenses lawfully incurred within the territory shall be
 12 paid. The purposes described in this subsection are the sole purposes
 13 of the fund and money in the fund may not be used for any other
 14 expenses. Except as allowed in subsections (d) and (e) and section 8.5
 15 of this chapter, the provider unit is not authorized to transfer money out
 16 of the fund at any time.

17 (b) The fund consists of the following:

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

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

21 (c) The provider unit, with the assistance of each of the other
 22 participating units, shall annually budget the necessary money to meet
 23 the expenses of operation and maintenance of the fire protection
 24 services within the territory, plus a reasonable operating balance, not
 25 to exceed twenty percent (20%) of the budgeted expenses. After
 26 estimating expenses and receipts of money, the provider unit shall
 27 establish the tax levy required to fund the estimated budget. The tax
 28 under this section is not subject to the tax levy limitations imposed on
 29 civil taxing units under IC 6-1.1-18.5. The amount budgeted under this
 30 subsection shall be considered a part of each of the participating unit's
 31 budget.

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

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

39 (2) the provider unit is entitled to transfer the amount described
 40 in subdivision (1) from the fund as reimbursement to the provider
 41 unit.

42 (e) If the amount levied in a particular year exceeds the amount

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1 necessary to cover the costs incurred in providing fire protection
 2 services within the territory, the levy in the following year shall be
 3 reduced by the amount of surplus money that is not transferred to the
 4 equipment replacement fund established under section 8.5 of this
 5 chapter. The amount that may be transferred to the equipment
 6 replacement fund may not exceed five percent (5%) of the levy for that
 7 fund for that year. All participating units must agree to the amount to
 8 be transferred by adoption of identical ordinances specifying the
 9 amount.

10 SECTION 5. IC 36-8-19-8.5 IS AMENDED TO READ AS
 11 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8.5. (a) **Except for**
 12 **participating units that have established a cumulative building and**
 13 **equipment fund under IC 36-8-14-2**, participating units may agree to
 14 establish an equipment replacement fund under this section to be used
 15 to purchase fire protection equipment that will be used to serve the
 16 entire territory. To establish the fund, the legislative bodies of all
 17 participating units must adopt identical ordinances after January 1 but
 18 before April 1 authorizing the provider unit to establish the fund. The
 19 ordinance must include at least the following:

- 20 (1) The name of each participating unit and the provider unit.
 21 (2) An agreement to impose a uniform tax rate upon all of the
 22 taxable property within the territory for the equipment
 23 replacement fund.
 24 (3) The contents of the agreement to establish the fund.

25 An ordinance adopted under this section takes effect July 1 of the year
 26 the ordinance is adopted.

27 (b) If a fund is established, the participating units may agree to:

- 28 (1) impose a property tax to provide for the accumulation of
 29 money in the fund to purchase fire protection equipment;
 30 (2) incur debt to purchase fire protection equipment and impose
 31 a property tax to retire the loan; or
 32 (3) transfer an amount from the fire protection territory fund to
 33 the fire equipment replacement fund not to exceed five percent
 34 (5%) of the levy for the fire protection territory fund for that year;
 35 or any combination of these options. The property tax rate for the levy
 36 imposed under this section may not exceed ten cents (\$0.10). Before
 37 debt may be incurred, the fiscal bodies of all participating units must
 38 adopt identical ordinances specifying the amount and purpose of the
 39 debt. In addition, the state board of tax commissioners must approve
 40 the incurrence of the debt using the same standards as applied to the
 41 incurrence of debt by civil taxing units.

42 (c) Money in the fund may be used by the provider unit only for

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1 those purposes set forth in the agreement among the participating units
2 that permits the establishment of the fund.
3 **SECTION 6. An emergency is declared for this act.**

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