
SENATE BILL No. 427

DIGEST OF INTRODUCED BILL

Citations Affected: IC 4-30-17-3.5; IC 22-12-1; IC 22-14-5; IC 36-8.

Synopsis: Firefighting equipment grants and funds. Eliminates the firefighting and emergency equipment revolving loan fund (loan fund) and creates the firefighting and emergency equipment grant fund (grant fund) administered by the office of the state fire marshal. Requires a grant from the grant fund to be used for the purchase of firefighting and emergency equipment and other incidental expenses. Repeals the fire safety equipment revolving loan account (loan account) in the build Indiana fund. Releases the obligation of a loan recipient under the loan fund and the loan account to pay the remaining balance due on the principal plus interest of a loan. Transfers funds remaining in the loan fund to the grant fund. Transfers \$500,000 per month to the grant fund from the lottery and gaming surplus account in the build Indiana fund. Provides that a fire protection territory may establish a cumulative building and equipment fund.

Effective: Upon passage; July 1, 2000; March 1, 2001.

Landske

January 10, 2000, read first time and referred to Committee on Finance.

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Second Regular Session 111th General Assembly (2000)

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 1999 General Assembly.

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SENATE BILL No. 427



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

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

1 SECTION 1. IC 4-30-17-3.5 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 3.5. (a) Two (2)
3 segregated accounts shall be established within the build Indiana fund
4 as follows:

- 5 (1) The state and local capital projects account.
- 6 (2) The lottery and gaming surplus account.
- 7 (b) Upon receiving surplus lottery revenue distributions from the
- 8 state lottery commission and surplus gaming revenue distributions from
- 9 the state gaming commission, the treasurer of state shall credit the
- 10 surplus lottery revenue and surplus gaming revenue to the lottery and
- 11 gaming surplus account. All money remaining in the lottery and
- 12 gaming surplus account after the transfer required by ~~subsection~~
- 13 **subsections (c) and (d)** shall be transferred to the state and local
- 14 capital projects account.
- 15 (c) Before the twenty-fifth day of the month, the auditor of state
- 16 shall transfer from the lottery and gaming surplus account to the state
- 17 general fund motor vehicle excise tax replacement account an amount



1 equal to the following:

2 (1) In calendar year 1996, eleven million six hundred twenty-five
3 thousand dollars (\$11,625,000) per month.

4 (2) In calendar year 1997, twelve million nine hundred
5 twenty-five thousand twenty dollars (\$12,925,020) per month.

6 (3) In calendar year 1998, fifteen million ten thousand dollars
7 (\$15,010,000) per month.

8 (4) In calendar year 1999, seventeen million one hundred
9 ninety-two thousand dollars (\$17,192,000) per month.

10 (5) In calendar year 2000, nineteen million four hundred
11 thirty-five thousand two hundred ten dollars (\$19,435,210) per
12 month.

13 (6) In calendar year 2001 and each year thereafter, nineteen
14 million six hundred eighty-four thousand three hundred seventy
15 dollars (\$19,684,370) per month.

16 (d) **After making the transfer required under subsection (c) and**
17 **before the twenty-fifth day of each month, the auditor of state shall**
18 **transfer monthly from the lottery and gaming surplus account to**
19 **the firefighting and emergency equipment grant fund established**
20 **by IC 22-14-5-1 five hundred thousand dollars (\$500,000).**

21 (e) This subsection applies only if insufficient money is available in
22 the lottery and gaming surplus account of the build Indiana fund to
23 make the distributions to the state general fund motor vehicle excise
24 tax replacement account that are required under subsection (c). Before
25 the twenty-fifth day of each month, the auditor of state shall transfer
26 from the state general fund to the state general fund motor vehicle
27 excise tax replacement account the difference between:

28 (1) the amount that subsection (c) requires the auditor of state to
29 distribute from the lottery and gaming surplus account of the
30 build Indiana fund to the state general fund motor vehicle excise
31 tax replacement account; and

32 (2) the amount that is available for distribution from the lottery
33 and gaming surplus account in the build Indiana fund to the state
34 general fund motor vehicle excise tax replacement account.

35 The transfers required under this subsection are annually appropriated
36 from the state general fund.

37 SECTION 2. IC 22-12-1-13.5 IS ADDED TO THE INDIANA
38 CODE AS A NEW SECTION TO READ AS FOLLOWS
39 [EFFECTIVE JULY 1, 2000]: **Sec. 13.5. "Fund" refers to the**
40 **firefighting and emergency equipment grant fund established by**
41 **IC 22-14-5-1.**

42 SECTION 3. IC 22-12-1-18.7, AS AMENDED BY P.L.1-1999,



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1 SECTION 55, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
2 JULY 1, 2000]: Sec. 18.7. "Qualified entity" means:

- 3 (1) a volunteer fire department (as defined in IC 36-8-12-2);
4 (2) ~~the executive of a township providing fire protection under~~
5 ~~IC 36-8-13-3(a)(1); a paid fire department; or~~
6 (3) ~~a municipality providing fire protection to a township under~~
7 ~~IC 36-8-13-3(a)(2) or IC 36-8-13-3(a)(3); a political subdivision~~
8 **(as defined in IC 36-1-2-13).**

9 SECTION 4. IC 22-14-5-1 IS AMENDED TO READ AS
10 FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 1. (a) The firefighting
11 and emergency equipment ~~revolving loan grant~~ fund is established.
12 The office shall administer the ~~revolving~~ fund. The ~~revolving~~ fund
13 must be used for the purposes of:

- 14 (1) providing ~~loans grants~~ for the purchase of new or used
15 firefighting and other emergency equipment or apparatus under
16 this chapter; and
17 (2) paying the costs of administering this chapter.

18 (b) The ~~revolving~~ fund consists of:

- 19 (1) amounts appropriated by the general assembly;
20 ~~(2) the repayment proceeds (including interest) of loans made~~
21 ~~from the revolving fund;~~
22 ~~(3) (2) donations, grants, and money received from any other~~
23 ~~source; and~~
24 ~~(4) (3) amounts that the department transfers to the revolving fund~~
25 ~~from the fire and building services fund; and~~
26 **(4) money transferred from the build Indiana fund under**
27 **IC 4-30-17-3.5.**

28 (c) The treasurer of state shall invest the money in the ~~revolving~~
29 fund not currently needed to meet the obligations of the ~~revolving~~ fund
30 in the same manner as other public funds may be invested.

31 (d) Money in the ~~revolving~~ fund at the end of the fiscal year does
32 not revert to the state general fund.

33 (e) The ~~revolving~~ fund is subject to an annual audit by the state
34 board of accounts. The ~~revolving~~ fund shall pay all costs of the audit.

35 SECTION 5. IC 22-14-5-2 IS AMENDED TO READ AS
36 FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 2. The commission
37 shall adopt rules under IC 4-22-2 to do the following:

- 38 (1) Establish the policies and procedures to be used by the
39 department in the administration of the ~~revolving~~ fund.
40 (2) Specify the information that must be submitted with a ~~loan~~
41 **grant** application.
42 (3) Adopt other rules under IC 4-22-2 that are needed to carry out



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1 this chapter.

2 (4) Establish a ~~loan grant~~ priority rating system.

3 (5) Prescribe the forms to be used by the office in administering
4 the ~~revolving~~ fund.

5 (6) Prescribe the persons authorized to execute ~~loan grant~~
6 documents on behalf of a qualified entity.

7 SECTION 6. IC 22-14-5-3 IS AMENDED TO READ AS
8 FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 3. The commission may
9 not require a qualified entity to provide money from other sources to
10 match the amount of a ~~loan grant~~ under this chapter.

11 SECTION 7. IC 22-14-5-6 IS AMENDED TO READ AS
12 FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 6. (a) The office shall
13 do the following:

14 (1) Review and approve or disapprove applications for ~~loans~~
15 ~~grants~~ from the ~~revolving~~ fund.

16 (2) Establish the terms of ~~loans grants~~ from the ~~revolving~~ fund.

17 (3) ~~Manage Administer~~ the ~~loans: grants~~.

18 (b) The office shall review applications for ~~loans grants~~ from the
19 ~~revolving~~ fund on December 1 and June 1.

20 (c) A properly completed application for a ~~loan grant~~ from the
21 ~~revolving~~ fund must be received by the office not later than:

22 (1) November 16 for the application to be eligible for review on
23 a December 1 review date; or

24 (2) May 17 for the application to be eligible for review on a June
25 1 review date.

26 (d) If the office receives a ~~loan grant~~ application after a deadline for
27 receiving ~~loan grant~~ applications set forth in subsection (c), the office
28 shall:

29 (1) retain the ~~loan grant~~ application; and

30 (2) review the application on the next review date.

31 SECTION 8. IC 22-14-5-7 IS AMENDED TO READ AS
32 FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 7. The office may enter
33 into contracts that are necessary for the administration of this chapter.
34 ~~including contracts for the servicing of loans:~~

35 SECTION 9. IC 22-14-5-8 IS AMENDED TO READ AS
36 FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 8. (a) The office shall
37 assign a ~~loan grant~~ priority rating to each ~~loan grant~~ application under
38 this chapter.

39 (b) The ~~loan grant~~ priority rating must be assigned in conformity
40 with criteria adopted by the commission. The rating that is assigned
41 must reflect the relative need of the qualified entity for the ~~loan: grant~~.

42 (c) The office shall make ~~loans grants~~ available to qualified entities

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1 in descending order beginning with the qualified entity with the highest
2 ~~loan grant~~ priority rating.

3 SECTION 10. IC 22-14-5-9 IS AMENDED TO READ AS
4 FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 9. A ~~loan grant~~ under
5 this chapter is subject to the following conditions:

6 (1) The qualified entity may use the ~~loan grant~~ only for the
7 purchase of new or used firefighting and other emergency
8 equipment or apparatus and legal and other incidental expenses
9 that are directly related to acquiring the equipment or apparatus.

10 ~~(2) The repayment period may not exceed seven (7) years.~~

11 ~~(3) (2) The amount of the loan grant may not be less than ten~~
12 ~~thousand dollars (\$10,000).~~

13 ~~(4) The interest rate is to be set by the board of finance at a rate~~
14 ~~that is not more than two percent (2%) below the prime bank~~
15 ~~lending rate prevailing at the time the loan is approved.~~

16 ~~(5) All interest reverts to the revolving fund created by this~~
17 ~~chapter.~~

18 ~~(6) The loan must be repaid in installments, including interest on~~
19 ~~the unpaid balance of the loan.~~

20 ~~(7) The repayment of principal may be deferred for a period not~~
21 ~~to exceed two (2) years.~~

22 ~~(8) The repayment of the loan may be limited to a specified~~
23 ~~revenue source of the qualified entity. If the repayment is limited,~~
24 ~~the repayment:~~

25 ~~(A) is not a general obligation of the qualified entity; and~~

26 ~~(B) is payable solely from the specified revenue source.~~

27 ~~(9) If prepayment of the loan is made, a penalty may not be~~
28 ~~charged.~~

29 ~~(10) The office shall have a security interest in the purchased~~
30 ~~firefighting or other emergency equipment or apparatus for the~~
31 ~~balance of the loan, accrued interest, penalties, and collection~~
32 ~~expenses.~~

33 ~~(3) The total amount of grants a qualified entity may receive~~
34 ~~within a four (4) year period may not exceed two hundred~~
35 ~~thousand dollars (\$200,000).~~

36 ~~(4) Any other conditions that the office considers~~
37 ~~appropriate.~~

38 SECTION 11. IC 22-14-5-12 IS AMENDED TO READ AS
39 FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 12. The making of the
40 ~~loan grant~~ from the ~~revolving~~ fund does not constitute the lending of
41 credit by the state for purposes of any other statute or the Constitution
42 of the State of Indiana.



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1 SECTION 12. IC 36-8-12-13, AS AMENDED BY P.L.1-1999,
 2 SECTION 98, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 3 JULY 1, 2000]: Sec. 13. (a) A volunteer fire department may impose
 4 a charge on the owner of property, owner of a vehicle, or a responsible
 5 party (as defined in IC 13-11-2-191(d)) that is involved in a hazardous
 6 material or fuel spill or chemical or hazardous material related fire (as
 7 defined in IC 13-11-2-96(b)):

- 8 (1) that is responded to by the volunteer fire department; and
 9 (2) that members of that volunteer fire department assisted in
 10 extinguishing, containing, or cleaning up.

11 (b) The volunteer fire department shall bill the owner or responsible
 12 party of the vehicle for the total dollar value of the assistance that was
 13 provided, with that value determined by a method that the state fire
 14 marshal shall establish under ~~IC 36-8-12-16~~. **section 16 of this**
 15 **chapter**. A copy of the fire incident report to the state fire marshal
 16 must accompany the bill. This billing must take place within thirty (30)
 17 days after the assistance was provided. The owner or responsible party
 18 shall remit payment directly to the governmental unit providing the
 19 service. Any money that is collected under this section may be:

- 20 (1) deposited in the township firefighting fund established in
 21 IC 36-8-13-4;
 22 ~~(2) used to pay principal and interest on a loan under IC 22-14-5;~~
 23 or
 24 ~~(3) (2)~~ (2) used for the purchase of equipment, buildings, and
 25 property for firefighting, fire protection, and other emergency
 26 services.

27 (c) The volunteer fire department may maintain a civil action to
 28 recover an unpaid charge that is imposed under subsection (a).

29 SECTION 13. IC 36-8-12-16, AS AMENDED BY P.L.1-1999,
 30 SECTION 100, IS AMENDED TO READ AS FOLLOWS
 31 [EFFECTIVE JULY 1, 2000]: Sec. 16. (a) A volunteer fire department
 32 that provides service within a jurisdiction served by the department
 33 may establish a schedule of charges for the services that the department
 34 provides not to exceed the state fire marshal's recommended schedule
 35 for services. The volunteer fire department may collect a service charge
 36 according to this schedule from the owner of property that receives
 37 service if the following conditions are met:

- 38 (1) At the following times, the department gives notice under
 39 IC 5-3-1-4(d) in each political subdivision served by the
 40 department of the amount of the service charge for each service
 41 that the department provides:

- 42 (A) Before the schedule of service charges is initiated.



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- 1 (B) When there is a change in the amount of a service charge.
 2 (2) The property owner has not sent written notice to the
 3 department to refuse service by the department to the owner's
 4 property.
 5 (3) The department's bill for payment of the service charge:
 6 (A) is submitted to the property owner in writing within thirty
 7 (30) days after the services are provided; and
 8 (B) includes a copy of a fire incident report in the form
 9 prescribed by the state fire marshal, if the service was
 10 provided for an event that requires a fire incident report.
 11 (b) A volunteer fire department shall use the revenue the department
 12 collects from the fire service charges under this section for:
 13 (1) the purchase of equipment, buildings, and property for
 14 firefighting, fire protection, or other emergency services; **or**
 15 (2) deposit in the township firefighting fund established under
 16 IC 36-8-13-4. ~~or~~
 17 ~~(3) to pay principal and interest on a loan under IC 22-14-5.~~
 18 (c) If at least twenty-five percent (25%) of the money received by a
 19 volunteer fire department for providing fire protection or emergency
 20 services is received under one (1) or more contracts with one (1) or
 21 more political subdivisions (as defined in IC 34-6-2-110), the
 22 legislative body of a contracting political subdivision must approve the
 23 schedule of service charges established under subsection (a) before the
 24 schedule of service charges is initiated in that political subdivision.
 25 (d) A volunteer fire department that:
 26 (1) has contracted with a political subdivision to provide fire
 27 protection or emergency services; and
 28 (2) charges for services under this section;
 29 must submit a report to the legislative body of the political subdivision
 30 before April 1 of each year indicating the amount of service charges
 31 collected during the previous calendar year and how those funds have
 32 been expended.
 33 (e) The state fire marshal shall annually prepare and publish a
 34 recommended schedule of service charges for fire protection services.
 35 (f) The volunteer fire department may maintain a civil action to
 36 recover an unpaid service charge under this section.
 37 SECTION 14. IC 36-8-14-2, AS AMENDED BY P.L.1-1999,
 38 SECTION 102, IS AMENDED TO READ AS FOLLOWS
 39 [EFFECTIVE JULY 1, 2000]: Sec. 2. (a) As used in this section,
 40 "emergency medical services" has the meaning set forth in
 41 IC 16-18-2-110.
 42 (b) As used in this section, "volunteer fire department" has the



1 meaning set forth in IC 36-8-12-2.

2 (c) The legislative body of a unit, ~~or~~ the board of fire trustees of a
3 fire protection district, **or the legislative body of the designated**
4 **provider unit of a fire protection territory** may provide a cumulative
5 building and equipment fund under IC 6-1.1-41 for the following
6 purposes:

7 (1) The purchase, construction, renovation, or addition to
8 buildings used by the fire department or a volunteer fire
9 department serving the unit.

10 (2) The purchase of firefighting equipment for use of the fire
11 department or a volunteer fire department serving the unit,
12 including making the required payments under a lease rental with
13 option to purchase agreement made to acquire the equipment.

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

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

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

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

28 SECTION 15. IC 36-8-14-4 (CURRENT VERSION) IS AMENDED
29 TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4.

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

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

42 SECTION 16. IC 36-8-14-4 (DELAYED VERSION) IS



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1 AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1,
2 2001]: Sec. 4. (a) To provide for the cumulative building and
3 equipment fund established under this chapter, the legislative body may
4 levy a tax on all taxable property within the taxing district in
5 compliance with IC 6-1.1-41. The tax rate may not exceed three and
6 thirty-three hundredths cents (\$0.0333) on each one hundred dollars
7 (\$100) of assessed valuation of property in the taxing district.

8 (b) As the tax is collected, it shall be deposited in a qualified public
9 depository or depositories and held in a special fund to be known as the
10 "building or remodeling, firefighting, and police radio equipment fund"
11 in the case of a municipality or as the "building or remodeling and fire
12 equipment fund" in the case of a township, ~~or~~ fire protection district, **or**
13 **fire protection territory.**

14 SECTION 17. IC 36-8-19-8 IS AMENDED TO READ AS
15 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. (a) Upon the
16 adoption of identical ordinances under section 6 of this chapter, the
17 designated provider unit must establish a fire protection territory fund
18 from which all expenses of operating and maintaining the fire
19 protection services within the territory (**other than those expenses**
20 **paid from a cumulative building and equipment fund established**
21 **by the fire protection territory**), including repairs, fees, salaries,
22 depreciation on all depreciable assets, rents, supplies, contingencies,
23 and all other expenses lawfully incurred within the territory shall be
24 paid. The purposes described in this subsection are the sole purposes
25 of the fund and money in the fund may not be used for any other
26 expenses. Except as allowed in subsections (d) and (e) and section 8.5
27 of this chapter, the provider unit is not authorized to transfer money out
28 of the fund at any time.

29 (b) The fund consists of the following:

- 30 (1) All receipts from the tax imposed under this section.
- 31 (2) Any money transferred to the fund by the provider unit as
32 authorized under subsection (d).

33 (c) The provider unit, with the assistance of each of the other
34 participating units, shall annually budget the necessary money to meet
35 the expenses of operation and maintenance of the fire protection
36 services within the territory, plus a reasonable operating balance, not
37 to exceed twenty percent (20%) of the budgeted expenses. After
38 estimating expenses and receipts of money, the provider unit shall
39 establish the tax levy required to fund the estimated budget. The tax
40 under this section is not subject to the tax levy limitations imposed on
41 civil taxing units under IC 6-1.1-18.5. The amount budgeted under this
42 subsection shall be considered a part of each of the participating unit's



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budget.

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

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

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

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

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

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

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

- (b) If a fund is established, the participating units may agree to:
- (1) impose a property tax to provide for the accumulation of money in the fund to purchase fire protection equipment;
 - (2) incur debt to purchase fire protection equipment and impose

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1 a property tax to retire the loan; or
 2 (3) transfer an amount from the fire protection territory fund to
 3 the fire equipment replacement fund not to exceed five percent
 4 (5%) of the levy for the fire protection territory fund for that year;
 5 or any combination of these options. The property tax rate for the levy
 6 imposed under this section may not exceed ten cents (\$0.10). Before
 7 debt may be incurred, the fiscal bodies of all participating units must
 8 adopt identical ordinances specifying the amount and purpose of the
 9 debt. In addition, the state board of tax commissioners must approve
 10 the incurrence of the debt using the same standards as applied to the
 11 incurrence of debt by civil taxing units.

12 (c) Money in the fund may be used by the provider unit only for
 13 those purposes set forth in the agreement among the participating units
 14 that permits the establishment of the fund.

15 SECTION 19. THE FOLLOWING ARE REPEALED [EFFECTIVE
 16 JULY 1, 2000]: IC 22-12-1-23.3; IC 22-14-5-5; IC 22-14-5-10;
 17 IC 22-14-5-11; IC 22-14-5-13.

18 SECTION 20. P.L.340-1995, SECTION 37 IS AMENDED TO
 19 READ AS FOLLOWS [EFFECTIVE JULY 1, 2000]: SECTION 37.
 20 The following amounts are appropriated from the build Indiana fund
 21 under SECTION 3+ of this act for the following purposes:

	Year
	1995-1997
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FOR THE BUDGET AGENCY
 FIRE SAFETY EQUIPMENT
 REVOLVING LOAN FUND

Total Operating
 Expenses for
 the Biennium 3,000,000

Notwithstanding any other law, the budget agency shall establish a fire safety equipment revolving loan account in the build Indiana fund; together with a fire safety equipment revolving loan program. Money in this account shall be used to make or provide for the making of no interest loans to Indiana communities and fire safety service providers for the purchase and lease of fire safety equipment; especially fire engines and necessary or useful equipment related to fire engines and fire safety.

In establishing this account and program, the budget agency shall work with other agencies of state and federal government to take maximum advantage of the foregoing appropriation. To this end, money in this account may be used to match federal grants and loans. No loan to a community or provider shall be made in a principal



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1 amount in excess of seventy-five percent (75%) of the purchase price
 2 of the fire engine or other equipment for which the loan is made. No
 3 community or provider shall be obligated to repay more than fifty
 4 percent (50%) of the principal amount of the loan made to the
 5 community or provider. No loan may be made from this account for a
 6 term exceeding five (5) years from the date the loan is made. Before a
 7 community or provider borrows money from this account, it must
 8 provide evidence satisfactory to the budget agency to justify the
 9 community's or provider's need for the loan; its inability to receive
 10 cost-effective financing elsewhere; and its ability to repay the loan
 11 within the term of the loan.

12 The budget agency may not expend money from this account until
 13 this program has been reviewed by the state budget committee and
 14 approved by the governor. Notwithstanding any law to the contrary: (i)
 15 the cost of administering this account may be paid from money in the
 16 account; (ii) money in this account is appropriated continuously for the
 17 purposes specified in this act; (iii) money in this account does not
 18 revert to the build Indiana fund or the general fund at the end of a state
 19 fiscal year; and (iv) the treasurer of state shall invest money in this
 20 account not needed currently to meet the obligations of the account. On
 21 or before December 1, 1995, the budget agency shall submit to the
 22 budget committee draft legislation that would more permanently
 23 govern this account and program.

24 If insufficient money is in the fund to provide loans to all applicants,
 25 the budget agency shall give first priority to the following projects;
 26 which are not listed in any order of priority:

- 27 (1) Replacement of Firefighting Gear and
 28 Telecommunications needs; Greene County.
- 29 (2) Southwest Volunteer Fire Department Fire Truck;
 30 Bartholomew County.
- 31 (3) Town of Mentone Emergency Medical Equipment;
 32 Kosciusko County.
- 33 (4) Firetruck with Aerial Firefighting Platform;
 34 Jackson County.
- 35 (5) Fire Equipment for Town of Vevay;
 36 Switzerland County.
- 37 (6) Fire Equipment for Town of Little York;
 38 Washington County.
- 39 (7) City of North Vernon Firetruck with
 40 Aerial Platform; Jennings County.
- 41 (8) Fire Truck Henry Township Volunteer
 42 Fire Department; Fulton County.



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1 and drinking water projects and, as a result, reduce rates and charges
 2 payable by Indiana ratepayers and taxpayers. It is the further intent of
 3 the general assembly that the foregoing appropriation for community
 4 wastewater and drinking water grants be targeted to serve small Indiana
 5 communities whose median household incomes are not more than
 6 eighty percent (80%) of the state nonmetropolitan household income.

7 If insufficient money is in the fund to provide loans to all applicants,
 8 the budget agency shall give first priority to the following projects,
 9 which are not listed in any order of priority:

- 10 (1) Middlebury Water Main.
- 11 (2) Water/Sewer Extension, Huntington County.
- 12 (3) Lake of the Woods Sewer Project, Marshall County.
- 13 (4) U.S. 30 Corridor Water Line, Whitley County.
- 14 (5) Extension of Sanitary Sewer, Water and
 15 Electric Utilities, Town of Ferdinand.
- 16 (6) Construction of Water Storage Tank,
 17 Town of Hagerstown, Wayne County.
- 18 (7) Water System Improvement Project,
 19 Town of Dublin, Wayne County.
- 20 (8) Town of Poneto Municipal Sewage Project,
 21 Wells County.
- 22 (9) Town of Bristol Storm Sewer Project.
- 23 (10) Orchard Lane Sewer Project, White County.
- 24 (11) City of Hobart Sanitary Sewer Tie-in Project,
 25 Lake County.
- 26 (12) Independence Hill Conservancy District,
 27 Lake County.
- 28 (13) Town of Griffith Sewer Repair/Replacement
 29 Lake County.
- 30 (14) Western Rush County Water and Sewer Project,
 31 Rush County.
- 32 (15) U.S. 42 Sanitary Sewer Extension,
 33 Town of Shelburn.
- 34 (16) Montpelier Sewage Project, Blackford County.
- 35 (17) Hartford City Sewage Project, Blackford County.
- 36 (18) Island Rehab. Project, Kosciusko County.

37 **SECTION 21. [EFFECTIVE JULY 1, 2000] (a) Notwithstanding**
 38 **P.L.340-1995, SECTION 37, before its amendment by this act, or**
 39 **any other law, the obligation of a community or provider to pay the**
 40 **remaining balance due on the principal plus interest of a loan**
 41 **under the fire safety revolving loan account is released July 1,**
 42 **2000.**



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1 (b) The amount of the remaining balance due on the principal
2 plus interest of a loan described in subsection (a) on July 1, 2000,
3 shall be deducted from the total grant amount allowed the
4 community or provider that is a qualified entity under
5 IC 22-12-1-18.7, as amended by this act, within a four (4) year
6 period beginning July 1, 2000, under IC 22-14-5-9(3), as amended
7 by this act.

8 SECTION 22. [EFFECTIVE JULY 1, 2000] (a) Notwithstanding
9 IC 22-14-5, before its amendment by this act, the obligation of a
10 qualified entity to pay the remaining balance due on the principal
11 plus interest of a loan under the firefighting and emergency
12 equipment revolving loan fund established by IC 22-14-5-1, before
13 its amendment by this act, is released July 1, 2000.

14 (b) The amount of the remaining balance due on the principal
15 plus interest of a loan described in subsection (a) on July 1, 2000,
16 shall be deducted from the total grant amount allowed the qualified
17 entity within a four (4) year period beginning July 1, 2000, under
18 IC 22-14-5-9(3), as amended by this act.

19 SECTION 23. [EFFECTIVE JULY 1, 2000] (a) Funds remaining
20 in the firefighting and emergency equipment revolving loan fund
21 established by IC 22-14-5-1, before its amendment by this act, shall
22 on July 1, 2000, be transferred to the firefighting and emergency
23 equipment grant fund established by IC 22-14-5-1, as amended by
24 this act.

25 (b) This SECTION expires July 1, 2001.

26 SECTION 24. [EFFECTIVE JULY 1, 2000] (a) As used in this
27 SECTION, "office" refers to the office of the state fire marshal
28 established by IC 22-14-2-1.

29 (b) As used in this SECTION, "revolving loan fund" refers to
30 the firefighting and emergency equipment revolving loan fund
31 established by IC 22-14-5-1, before its amendment by this act.

32 (c) As used in this SECTION, "grant fund" refers to the
33 firefighting and emergency equipment grant fund established by
34 IC 22-14-5-1, as amended by this act.

35 (d) The office shall follow the rules and criteria for making
36 loans from the revolving loan fund, adopted by the office under
37 IC 22-14-5, before its amendment by this act, in making grants
38 from the grant fund to the extent the rules and criteria are
39 applicable to the making of grants from the fund and comply with
40 the requirements of this act.

41 (e) The office shall adopt rules and criteria for making grants
42 from the grant fund before July 1, 2001.

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1 **(f) This SECTION expires January 1, 2002.**
2 SECTION 25. [EFFECTIVE JULY 1, 2000] (a) A loan application
3 submitted by a community or provider to the budget agency before
4 July 1, 2000, for a loan from the fire safety equipment revolving
5 loan account that was not approved or denied by the budget agency
6 shall be forwarded to the office of the state fire marshal and is
7 considered a grant application for the firefighting and emergency
8 equipment grant fund established by IC 22-14-5-1, as amended by
9 this act.
10 (b) A loan application submitted by a qualified entity to the
11 office of the state fire marshal before July 1, 2000, for a loan from
12 the firefighting and emergency equipment revolving loan account
13 is considered a grant application for the firefighting and
14 emergency equipment grant fund established by IC 22-14-5-1, as
15 amended by this act.
16 (c) This SECTION expires January 1, 2001.
17 SECTION 26. An emergency is declared for this act.

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