April 6, 2007

ENGROSSED
SENATE BILL No. 561

DIGEST OF SB 561 (Updated April 3, 2007 1:34 pm - DI 107)

Citations Affected: IC 36-8; noncode.

Synopsis: Deferred retirement option plan and public safety matters. Removes a provision that limits credit for prior service to allow a firefighter to accrue 20 years of service credit in the 1977 police officers' and firefighters' pension and disability fund. Permits a member of the 1977 police officers' and firefighters' pension and disability fund who retires because of a disability more than 12 months after the date the member enters the deferred retirement option plan (DROP) to choose whether to receive a retirement benefit calculated as if the member: (1) had never entered the DROP; or (2) exited the DROP on the date the member retires because of the disability. Allows a person who fulfills certain firefighter certification requirements to be in

(Continued next page)

Effective: Upon passage; July 1, 2007.

Mishler, Miller

(HOUSE SPONSORS — LAWSON L, WOLKINS)

January 23, 2007, read first time and referred to Committee on Pensions and Labor.
February 22, 2007, amended, reported favorably — Do Pass.
February 26, 2007, read second time, amended, ordered engrossed.
February 27, 2007, engrossed. Read third time, passed. Yeas 48, nays 0.

HOUSE ACTION

March 6, 2007, read first time and referred to Committee on Rules & Legislative Procedures.
March 20, 2007, reassigned to Committee on Judiciary.
April 5, 2007, amended, reported — Do Pass.

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Digest Continued

compliance with minimum basic firefighter training requirements. Allows any county to adopt an ordinance creating a public safety communications systems and computer facilities district (district). Prohibits a county from imposing an ad valorem property tax levy to fund the operation or implementation of the district. Authorizes a member of the 1925 police pension fund, the 1937 firefighters' pension fund, the 1953 police pension fund, or the 1977 police officers' and firefighters' pension and disability fund to resubmit, before July 1, 2007, a disapproved election to enter a DROP and to have the election approved so that the dates the member enters and exits the DROP are the dates selected by the member when the election was initially submitted.

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April 6, 2007

First Regular Session 115th General Assembly (2007)

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 2006 Regular Session of the General Assembly.

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ENGROSSED
SENATE BILL No. 561

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

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

SECTION 1. IC 36-8-8-18 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 18. (a) Except as provided in subsection (b), if a unit becomes a participant in the 1977 fund, credit for prior service by police officers (including prior service as a full-time, fully paid town marshal or full-time, fully paid deputy town marshal by a police officer employed by a metropolitan board of police commissioners) or by firefighters before the date of participation may be given by the PERF board only if:

(1) the unit contributes to the 1977 fund the amount necessary to amortize prior service liability over a period of not more than forty (40) years, the amount and period to be determined by the PERF board; and

(2) the police officers or firefighters pay, either in a lump sum or in a series of payments determined by the PERF board, the amount that they would have contributed if they had been members of the 1977 fund during their prior service.

If the requirements of subdivisions (1) and (2) are not met, a fund

member is entitled to credit only for years of service after the date of participation.

(b) If a unit becomes a participant in the 1977 fund under section 3(c) of this chapter, or if a firefighter becomes a member of the 1977 fund under section 7(g) of this chapter, credit for prior service before the date of participation or membership shall be given by the PERF board as follows:

(1) For a member who will accrue twenty (20) years of service credit in the 1977 fund by the time the member reaches the earliest retirement age under the fund at the time of the member's date of participation in the 1977 fund, the member will be given credit in the 1977 fund for one-third (1/3) of the member's years of participation in PERF as a police officer, a firefighter, or an emergency medical technician.

(2) For a member who will not accrue twenty (20) years of service credit in the 1977 fund by the time the member reaches the earliest retirement age under the fund at the time of the member's date of participation in the 1977 fund, such prior service shall be given only if:

(A) The unit contributes to the 1977 fund the amount necessary to fund prior service liability amortized over a period of not more than ten (10) years. The amount of contributions must be based on the actual salary earned by a first class firefighter at the time the unit becomes a participant in the 1977 fund, or the firefighter becomes a member of the 1977 fund, or if no such salary designation exists, the actual salary earned by the firefighter. ~~However, credit for prior service is limited to the amount necessary to allow the firefighter to accrue twenty (20) years of service credit in the 1977 fund by the time the firefighter reaches the earliest retirement age under the 1977 fund at the time of the member's date of participation in the 1977 fund.~~ The limit on credit for prior service does not apply if the firefighter was a member of the 1937 fund or 1977 fund whose participation was terminated due to the creation of a new fire protection district under IC 36-8-11-5 and who subsequently became a member of the 1977 fund. A firefighter who was a member of or reentered the 1937 fund or 1977 fund whose participation was terminated due to the creation of a new fire protection district under IC 36-8-11-5 is entitled to full credit for prior service in an amount equal to the firefighter's years of service before becoming a member of or reentering the 1977 fund. Service

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may only be credited for time as a full-time, fully paid firefighter or as an emergency medical technician under section 7(g) of this chapter.

(B) The amount the firefighter would have contributed if the firefighter had been a member of the 1977 fund during the firefighter's prior service must be fully paid and must be based on the firefighter's actual salary earned during that period before service can be credited under this section.

(C) Any amortization schedule for contributions paid under clause (A) and contributions to be paid under clause (B) must include interest at a rate determined by the PERF board.

(3) If, at the time a unit entered the 1977 fund, the unit contributed the amount required by subdivision (2) so that a fund member received the maximum prior service credit allowed by subdivision (2) and, at a later date, the earliest retirement age was lowered, the unit may contribute to the 1977 fund on the fund member's behalf an additional amount that is determined in the same manner as under subdivision (2) with respect to the additional prior service, if any, available as a result of the lower retirement age. If the unit pays the additional amount described in this subdivision in accordance with the requirements of subdivision (2), the fund member shall receive the additional service credit necessary for the fund member to retire at the lower earliest retirement age.

(c) This subsection applies to a unit that:

(1) becomes a participant in the 1977 fund under section 3(c) of this chapter; and

(2) is a fire protection district created under IC 36-8-11 that includes a township or a municipality that had a 1937 fund.

A firefighter who continues uninterrupted service with a unit covered by this subsection and who participated in the township or municipality 1937 fund is entitled to receive service credit for such service in the 1977 fund. However, credit for such service is limited to the amount accrued by the firefighter in the 1937 fund or the amount necessary to allow the firefighter to accrue twenty (20) years of service credit in the 1977 fund by the time the firefighter becomes fifty-five (55) years of age, whichever is less.

(d) The unit shall contribute into the 1977 fund the amount necessary to fund the amount of past service determined in accordance with subsection (c), amortized over a period not to exceed ten (10) years with interest at a rate determined by the PERF board.

(e) If the township or municipality has accumulated money in its

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1937 fund, any amount accumulated that exceeds the present value of all projected future benefits from the 1937 plan shall be paid by the township or municipality to the unit for the sole purpose of making the contributions determined in subsection (d).

(f) To the extent permitted by the Internal Revenue Code and the applicable regulations, the 1977 fund may accept, on behalf of a fund member who is purchasing permissive service credit under this chapter, a rollover of a distribution from any of the following:

(1) A qualified plan described in Section 401(a) or Section 403(a) of the Internal Revenue Code.

(2) An annuity contract or account described in Section 403(b) of the Internal Revenue Code.

(3) An eligible plan that is maintained by a state, a political subdivision of a state, or an agency or instrumentality of a state or political subdivision of a state under Section 457(b) of the Internal Revenue Code.

(4) An individual retirement account or annuity described in Section 408(a) or Section 408(b) of the Internal Revenue Code.

(g) To the extent permitted by the Internal Revenue Code and the applicable regulations, the 1977 fund may accept, on behalf of a fund member who is purchasing permissive service credit under this chapter, a trustee to trustee transfer from any of the following:

(1) An annuity contract or account described in Section 403(b) of the Internal Revenue Code.

(2) An eligible deferred compensation plan under Section 457(b) of the Internal Revenue Code.

SECTION 2. IC 36-8-8.5-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 12. (a) The retirement benefit for a member who enters the DROP and retires on:

(1) the member's DROP retirement date; **or**

(2) the date the member retires because of a disability as provided under section 16.5(d) of this chapter;

is determined under this chapter rather than under the provisions of the applicable fund.

(b) A member who retires on the member's DROP retirement date **or on the date the member retires because of a disability as provided under section 16.5(d) of this chapter** may elect to receive a retirement benefit in one of the following forms:

(1) A retirement benefit paid by and calculated under the provisions of the applicable fund as if the member had never entered the DROP.

(2) A retirement benefit paid by the applicable fund and

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consisting of:

(A) the DROP frozen benefit; plus

(B) an additional amount, paid as the member elects under subsection (c), calculated by multiplying:

(i) the amount of the DROP frozen benefit; by

(ii) the number of months that the member was in the DROP.

(c) A member who chooses the retirement benefit described in subdivision (b)(2) must elect to receive the additional amount described in subdivision (b)(2)(B) as:

(1) a lump sum paid on:

(A) the member's DROP retirement date; **or**

(B) the date the member retires because of a disability as provided under section 16.5(d) of this chapter; or

(2) three (3) equal annual payments:

(A) commencing on:

(i) the member's DROP retirement date; **or**

(ii) the date the member retires because of a disability as provided under section 16.5(d) of this chapter; and

(B) thereafter paid on the anniversary of:

(i) the member's DROP retirement date; **or**

(ii) the date the member retires because of a disability as provided under section 16.5(d) of this chapter.

(d) In calculating a member's retirement benefit under this chapter, the applicable fund must use the lesser of:

(1) the member's actual years of service; or

(2) thirty-two (32) years of service.

(e) **Except as provided under section 16.5(d) of this chapter,** the retirement benefits for a member who exits the DROP for any reason other than retirement on the member's DROP retirement date are calculated under the provisions of the applicable fund as if the member had never entered the DROP.

SECTION 3. IC 36-8-8.5-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 13. (a) A cost of living adjustment to the monthly benefit of a member of the 1925 fund, 1937 fund, or 1953 fund is determined in STEP FOUR of the following formula:

STEP ONE: Calculate a percentage by dividing:

(A) the amount of any increase in the salary of a first class officer or firefighter, whichever is applicable; by

(B) the prior year's salary of a first class officer or firefighter, whichever is applicable.

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STEP TWO: Add:

(A) the member's DROP frozen benefit; and

(B) the amount of any prior cost of living adjustments calculated under this section.

STEP THREE: Multiply the percentage determined under STEP ONE by the sum determined under STEP TWO.

STEP FOUR: Add the product determined under STEP THREE to the sum determined under STEP TWO.

(b) A cost of living adjustment to the monthly benefit of a member of the 1977 fund is determined under the provisions of IC 36-8-8, as applied after:

(1) the member's DROP retirement date; **or**

(2) the date the member retires because of a disability as provided under section 16.5(d) of this chapter.

SECTION 4. IC 36-8-8.5-14, AS AMENDED BY P.L.51-2006, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 14. (a) Subject to subsection (b), a member who enters the DROP established by this chapter shall exit the DROP at the earliest of:

(1) the member's DROP retirement date;

(2) thirty-six (36) months after the member's DROP entry date; ~~or~~

(3) the mandatory retirement age applicable to the member, if any; **or**

(4) the date the member retires because of a disability as provided under section 16.5(d) of this chapter.

(b) A member of the 1925 fund, the 1937 fund, or the 1953 fund who enters the DROP established by this chapter must exit the DROP on the date the authority of the board of trustees of the public employees' retirement fund to distribute from the pension relief fund established under IC 5-10.3-11-1 to units of local government (described in IC 5-10.3-11-3) amounts determined under IC 5-10.3-11-4.7 expires.

SECTION 5. IC 36-8-8.5-16.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 16.5. (a) This section applies to a member of the 1977 fund who becomes disabled after June 1, 2005, while the member is in the DROP, because of a disability that arose either in the line of duty or other than in the line of duty.**

(b) The retirement benefit for a member who retires because of a disability while in the DROP is determined under this chapter rather than under the provisions of the applicable fund. Determinations as to whether:

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(1) the member is disabled; and

(2) a disability is in the line of duty;

under this chapter are made under the provisions of the applicable fund.

(c) If the member retires because of a disability less than twelve (12) months after the date the member enters the DROP, the benefits for the member are calculated under the provisions of the applicable fund as if the member had never entered the DROP.

(d) If the member retires because of a disability at least twelve (12) months after the date the member enters the DROP, the benefits for the member are calculated under section 12 of this chapter, and the member's retirement date is the date the member retires because of a disability rather than the member's DROP retirement date.

SECTION 6. IC 36-8-10.5-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 7. (a) The education board shall adopt rules under IC 4-22-2 establishing minimum basic training requirements for full-time firefighters and volunteer firefighters, **subject to subsection (b).** ~~that~~ **The requirements** must include training in the following areas:

(1) Orientation.

(2) Personal safety.

(3) Forcible entry.

(4) Ventilation.

(5) Apparatus.

(6) Ladders.

(7) Self-contained breathing apparatus.

(8) Hose loads.

(9) Streams.

(10) Basic recognition of special hazards.

(b) A person who fulfills the certification requirements for:

(1) Firefighter I, as described in 655 IAC 1-2.1-4; or

(2) Firefighter II, as described in 655 IAC 1-2.1-5;

is considered to comply with the requirements established under subsection (a).

~~(b)~~ **(c)** In addition to the requirements of subsections (a) and ~~(c),~~ **(d),** the minimum basic training requirements for full-time firefighters and volunteer firefighters must include successful completion of a basic or inservice course of education and training on sudden infant death syndrome that is certified by the emergency medical services commission (created under IC 16-31-2-1) in conjunction with the state health commissioner.

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~~(c)~~ **(d)** In addition to the requirements of subsections (a) and ~~(b),~~ **(c),** the minimum basic training requirements for full-time and volunteer firefighters must include successful completion of an instruction course on vehicle emergency response driving safety. The education board shall adopt rules under IC 4-22-2 to operate this course.

SECTION 7. IC 36-8-15-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. This chapter applies to a county ~~having.~~ **that has:**

(1) a consolidated city; ~~or~~

(2) a population of more than one hundred eighty-two thousand seven hundred ninety (182,790) but less than two hundred thousand (200,000); **or**

(3) adopted an ordinance providing for the county to be governed by this chapter.

However, sections 9.5, 15, 16, 17, and 18 of this chapter apply only to a county having a consolidated city.

SECTION 8. IC 36-8-15-19 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 19. (a) This subsection applies to a county ~~not having a consolidated city.~~ **that has a population of more than one hundred eighty-two thousand seven hundred ninety (182,790) but less than two hundred thousand (200,000).** For the purpose of raising money to fund the operation of the district, the county fiscal body may impose, for property taxes first due and payable during each year after the adoption of an ordinance establishing the district, an ad valorem property tax levy on property within the district. The property tax rate for that levy may not exceed five cents ($0.05) on each one hundred dollars ($100) of assessed valuation.

(b) This subsection applies to a county having a consolidated city. The county fiscal body may elect to fund the operation of the district from part of the certified distribution, if any, that the county is to receive during a particular calendar year under IC 6-3.5-6-17. To make such an election, the county fiscal body must adopt an ordinance before September 1 of the immediately preceding calendar year. The county fiscal body must specify in the ordinance the amount of the certified distribution that is to be used to fund the operation of the district. If the county fiscal body adopts such an ordinance, it shall immediately send a copy of the ordinance to the county auditor.

(c) Subject to subsections (d), (e), and (f), if an ordinance or resolution is adopted changing the territory covered by the district or the number of public agencies served by the district, the local government tax control board shall, for property taxes first due and

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payable during the year after the adoption of the ordinance, adjust the maximum permissible ad valorem property tax levy limits of the district and the units participating in the district.

(d) If a unit by ordinance or resolution joins the district or elects to have its public safety agencies served by the district, the local government tax control board shall reduce the maximum permissible ad valorem property tax levy of the unit for property taxes first due and payable during the year after the adoption of the ordinance or resolution. The reduction shall be based on the amount budgeted by the unit for public safety communication services in the year in which the ordinance was adopted. If such an ordinance or resolution is adopted, the district shall refer its proposed budget, ad valorem property tax levy, and property tax rate for the following year to the board, which shall review and set the budget, levy, and rate as though the district were covered by IC 6-1.1-18.5-7.

(e) If a unit by ordinance or resolution withdraws from the district or rescinds its election to have its public safety agencies served by the district, the local government tax control board shall reduce the maximum permissible ad valorem property tax levy of the district for property taxes first due and payable during the year after the adoption of the ordinance or resolution. The reduction shall be based on the amounts being levied by the district within that unit. If such an ordinance or resolution is adopted, the unit shall refer its proposed budget, ad valorem property tax levy, and property tax rate for public safety communication services to the board, which shall review and set the budget, levy, and rate as though the unit were covered by IC 6-1.1-18.5-7.

(f) The adjustments provided for in subsections (c), (d), and (e) do not apply to a district or unit located in a particular county if the county fiscal body of that county does not impose an ad valorem property tax levy under subsection (a) to fund the operation of the district.

(g) A county that has adopted an ordinance under section 1(3) of this chapter may not impose an ad valorem property tax levy on property within the district to fund the operation or implementation of the district.

SECTION 9. [EFFECTIVE UPON PASSAGE] **(a) As used in this SECTION, "board" refers to the following:**

(1) For the 1925 fund, the local board as referenced in IC 36-8-6-2.

(2) For the 1937 fund, the local board as referenced in IC 36-8-7-3.

(3) For the 1953 fund, the local board as referenced in

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IC 36-8-7.5-2.

(4) For the 1977 fund, the PERF board as referenced in IC 36-8-8-4.

(b) As used in this SECTION, "member" means an individual who is a member of any of the following funds:

(1) 1925 police pension fund (IC 36-8-6) (1925 fund).

(2) 1937 firefighters' pension fund (IC 36-8-7) (1937 fund).

(3) 1953 police pension fund (Indianapolis) (IC 36-8-7.5) (1953 fund).

(4) 1977 police officers' and firefighters' pension and disability fund (IC 36-8-8) (1977 fund).

(c) A member:

(1) who, after March 14, 2006, and before July 1, 2006, made or attempted to make an election to enter a deferred retirement option plan (DROP) under IC 36-8-8.5-9 with a DROP retirement date (as defined in IC 36-8-8.5-8) after December 31, 2007; and

(2) whose election under subdivision (1) was not approved;

is entitled to resubmit the election described in subdivision (1) as initially submitted.

(d) A member may not resubmit an election described in subsection (c) after July 1, 2007.

(e) For an election that is resubmitted under subsection (c), the board shall:

(1) accept the election as resubmitted; and

(2) use the DROP entry date (as defined in IC 36-8-8.5-6) and the DROP retirement date (as defined in IC 36-8-8.5-8) shown on the resubmitted election as the dates the member enters and exits the DROP.

(f) This SECTION expires December 31, 2007.

SECTION 10. IC 36-8-8.5-16 IS REPEALED [EFFECTIVE JULY 1, 2007].

SECTION 11. **An emergency is declared for this act.**

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COMMITTEE REPORT

Madam President: The Senate Committee on Pensions and Labor, to which was referred Senate Bill No. 561, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 1, line 6, delete "16.5" and insert "**16.5(d)**".
Page 1, line 11, delete "16.5" and insert "**16.5(d)**".
Page 2, line 13, delete "16.5" and insert "**16.5(d)**".
Page 2, line 18, delete "16.5" and insert "**16.5(d)**".
Page 2, line 22, delete "16.5" and insert "**16.5(d)**".
Page 2, line 27, delete "16.5" and insert "**16.5(d)**".
Page 3, line 13, delete "16.5" and insert "**16.5(d)**".
Page 3, line 24, delete "16.5" and insert "**16.5(d)**".
Page 3, line 35, delete "who retires after June 30, 2007," and insert "**of the 1977 fund who becomes disabled after December 31, 2005,**".
Page 4, delete lines 14 through 18.
Page 4, delete lines 21 through 42.
Page 5, delete lines 1 through 3.
Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 561 as introduced.)

KRUSE, Chairperson

Committee Vote: Yeas 7, Nays 0.

SENATE MOTION

Madam President: I move that Senator Miller be added as second author of Engrossed Senate Bill 561.

MISHLER

SENATE MOTION

Madam President: I move that Senate Bill 561 be amended to read as follows:

Page 3, line 35, delete "December" and insert "**June**".

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Page 3, line 36, delete "31," and insert "**1,**".

(Reference is to SB 561 as printed February 23, 2007.)

LAWSON C

COMMITTEE REPORT

Mr. Speaker: Your Committee on Judiciary, to which was referred Senate Bill 561, 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, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 36-8-8-18 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 18. (a) Except as provided in subsection (b), if a unit becomes a participant in the 1977 fund, credit for prior service by police officers (including prior service as a full-time, fully paid town marshal or full-time, fully paid deputy town marshal by a police officer employed by a metropolitan board of police commissioners) or by firefighters before the date of participation may be given by the PERF board only if:

(1) the unit contributes to the 1977 fund the amount necessary to amortize prior service liability over a period of not more than forty (40) years, the amount and period to be determined by the PERF board; and

(2) the police officers or firefighters pay, either in a lump sum or in a series of payments determined by the PERF board, the amount that they would have contributed if they had been members of the 1977 fund during their prior service.

If the requirements of subdivisions (1) and (2) are not met, a fund member is entitled to credit only for years of service after the date of participation.

(b) If a unit becomes a participant in the 1977 fund under section 3(c) of this chapter, or if a firefighter becomes a member of the 1977 fund under section 7(g) of this chapter, credit for prior service before the date of participation or membership shall be given by the PERF board as follows:

(1) For a member who will accrue twenty (20) years of service credit in the 1977 fund by the time the member reaches the earliest retirement age under the fund at the time of the member's date of participation in the 1977 fund, the member will be given

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credit in the 1977 fund for one-third (1/3) of the member's years of participation in PERF as a police officer, a firefighter, or an emergency medical technician.

(2) For a member who will not accrue twenty (20) years of service credit in the 1977 fund by the time the member reaches the earliest retirement age under the fund at the time of the member's date of participation in the 1977 fund, such prior service shall be given only if:

(A) The unit contributes to the 1977 fund the amount necessary to fund prior service liability amortized over a period of not more than ten (10) years. The amount of contributions must be based on the actual salary earned by a first class firefighter at the time the unit becomes a participant in the 1977 fund, or the firefighter becomes a member of the 1977 fund, or if no such salary designation exists, the actual salary earned by the firefighter. ~~However, credit for prior service is limited to the amount necessary to allow the firefighter to accrue twenty (20) years of service credit in the 1977 fund by the time the firefighter reaches the earliest retirement age under the 1977 fund at the time of the member's date of participation in the 1977 fund.~~ The limit on credit for prior service does not apply if the firefighter was a member of the 1937 fund or 1977 fund whose participation was terminated due to the creation of a new fire protection district under IC 36-8-11-5 and who subsequently became a member of the 1977 fund. A firefighter who was a member of or reentered the 1937 fund or 1977 fund whose participation was terminated due to the creation of a new fire protection district under IC 36-8-11-5 is entitled to full credit for prior service in an amount equal to the firefighter's years of service before becoming a member of or reentering the 1977 fund. Service may only be credited for time as a full-time, fully paid firefighter or as an emergency medical technician under section 7(g) of this chapter.

(B) The amount the firefighter would have contributed if the firefighter had been a member of the 1977 fund during the firefighter's prior service must be fully paid and must be based on the firefighter's actual salary earned during that period before service can be credited under this section.

(C) Any amortization schedule for contributions paid under clause (A) and contributions to be paid under clause (B) must include interest at a rate determined by the PERF board.

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(3) If, at the time a unit entered the 1977 fund, the unit contributed the amount required by subdivision (2) so that a fund member received the maximum prior service credit allowed by subdivision (2) and, at a later date, the earliest retirement age was lowered, the unit may contribute to the 1977 fund on the fund member's behalf an additional amount that is determined in the same manner as under subdivision (2) with respect to the additional prior service, if any, available as a result of the lower retirement age. If the unit pays the additional amount described in this subdivision in accordance with the requirements of subdivision (2), the fund member shall receive the additional service credit necessary for the fund member to retire at the lower earliest retirement age.

(c) This subsection applies to a unit that:

(1) becomes a participant in the 1977 fund under section 3(c) of this chapter; and

(2) is a fire protection district created under IC 36-8-11 that includes a township or a municipality that had a 1937 fund.

A firefighter who continues uninterrupted service with a unit covered by this subsection and who participated in the township or municipality 1937 fund is entitled to receive service credit for such service in the 1977 fund. However, credit for such service is limited to the amount accrued by the firefighter in the 1937 fund or the amount necessary to allow the firefighter to accrue twenty (20) years of service credit in the 1977 fund by the time the firefighter becomes fifty-five (55) years of age, whichever is less.

(d) The unit shall contribute into the 1977 fund the amount necessary to fund the amount of past service determined in accordance with subsection (c), amortized over a period not to exceed ten (10) years with interest at a rate determined by the PERF board.

(e) If the township or municipality has accumulated money in its 1937 fund, any amount accumulated that exceeds the present value of all projected future benefits from the 1937 plan shall be paid by the township or municipality to the unit for the sole purpose of making the contributions determined in subsection (d).

(f) To the extent permitted by the Internal Revenue Code and the applicable regulations, the 1977 fund may accept, on behalf of a fund member who is purchasing permissive service credit under this chapter, a rollover of a distribution from any of the following:

(1) A qualified plan described in Section 401(a) or Section 403(a) of the Internal Revenue Code.

(2) An annuity contract or account described in Section 403(b) of

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the Internal Revenue Code.

(3) An eligible plan that is maintained by a state, a political subdivision of a state, or an agency or instrumentality of a state or political subdivision of a state under Section 457(b) of the Internal Revenue Code.

(4) An individual retirement account or annuity described in Section 408(a) or Section 408(b) of the Internal Revenue Code.

(g) To the extent permitted by the Internal Revenue Code and the applicable regulations, the 1977 fund may accept, on behalf of a fund member who is purchasing permissive service credit under this chapter, a trustee to trustee transfer from any of the following:

(1) An annuity contract or account described in Section 403(b) of the Internal Revenue Code.

(2) An eligible deferred compensation plan under Section 457(b) of the Internal Revenue Code.".

Page 4, between lines 13 and 14, begin a new paragraph and insert:

"SECTION 6. IC 36-8-10.5-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 7. (a) The education board shall adopt rules under IC 4-22-2 establishing minimum basic training requirements for full-time firefighters and volunteer firefighters, **subject to subsection (b).** ~~that~~ **The requirements** must include training in the following areas:

(1) Orientation.

(2) Personal safety.

(3) Forcible entry.

(4) Ventilation.

(5) Apparatus.

(6) Ladders.

(7) Self-contained breathing apparatus.

(8) Hose loads.

(9) Streams.

(10) Basic recognition of special hazards.

(b) A person who fulfills the certification requirements for:

(1) Firefighter I, as described in 655 IAC 1-2.1-4; or

(2) Firefighter II, as described in 655 IAC 1-2.1-5;

is considered to comply with the requirements established under subsection (a).

~~(b)~~ **(c)** In addition to the requirements of subsections (a) and ~~(c),~~ **(d),** the minimum basic training requirements for full-time firefighters and volunteer firefighters must include successful completion of a basic or inservice course of education and training on sudden infant death syndrome that is certified by the emergency medical services

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commission (created under IC 16-31-2-1) in conjunction with the state health commissioner.

~~(c)~~ **(d)** In addition to the requirements of subsections (a) and ~~(b),~~ **(c),** the minimum basic training requirements for full-time and volunteer firefighters must include successful completion of an instruction course on vehicle emergency response driving safety. The education board shall adopt rules under IC 4-22-2 to operate this course.

SECTION 7. IC 36-8-15-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. This chapter applies to a county ~~having.~~ **that has:**

(1) a consolidated city; ~~or~~

(2) a population of more than one hundred eighty-two thousand seven hundred ninety (182,790) but less than two hundred thousand (200,000); **or**

(3) adopted an ordinance providing for the county to be governed by this chapter.

However, sections 9.5, 15, 16, 17, and 18 of this chapter apply only to a county having a consolidated city.

SECTION 8. IC 36-8-15-19 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 19. (a) This subsection applies to a county ~~not having a consolidated city.~~ **that has a population of more than one hundred eighty-two thousand seven hundred ninety (182,790) but less than two hundred thousand (200,000).** For the purpose of raising money to fund the operation of the district, the county fiscal body may impose, for property taxes first due and payable during each year after the adoption of an ordinance establishing the district, an ad valorem property tax levy on property within the district. The property tax rate for that levy may not exceed five cents ($0.05) on each one hundred dollars ($100) of assessed valuation.

(b) This subsection applies to a county having a consolidated city. The county fiscal body may elect to fund the operation of the district from part of the certified distribution, if any, that the county is to receive during a particular calendar year under IC 6-3.5-6-17. To make such an election, the county fiscal body must adopt an ordinance before September 1 of the immediately preceding calendar year. The county fiscal body must specify in the ordinance the amount of the certified distribution that is to be used to fund the operation of the district. If the county fiscal body adopts such an ordinance, it shall immediately send a copy of the ordinance to the county auditor.

(c) Subject to subsections (d), (e), and (f), if an ordinance or resolution is adopted changing the territory covered by the district or

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the number of public agencies served by the district, the local government tax control board shall, for property taxes first due and payable during the year after the adoption of the ordinance, adjust the maximum permissible ad valorem property tax levy limits of the district and the units participating in the district.

(d) If a unit by ordinance or resolution joins the district or elects to have its public safety agencies served by the district, the local government tax control board shall reduce the maximum permissible ad valorem property tax levy of the unit for property taxes first due and payable during the year after the adoption of the ordinance or resolution. The reduction shall be based on the amount budgeted by the unit for public safety communication services in the year in which the ordinance was adopted. If such an ordinance or resolution is adopted, the district shall refer its proposed budget, ad valorem property tax levy, and property tax rate for the following year to the board, which shall review and set the budget, levy, and rate as though the district were covered by IC 6-1.1-18.5-7.

(e) If a unit by ordinance or resolution withdraws from the district or rescinds its election to have its public safety agencies served by the district, the local government tax control board shall reduce the maximum permissible ad valorem property tax levy of the district for property taxes first due and payable during the year after the adoption of the ordinance or resolution. The reduction shall be based on the amounts being levied by the district within that unit. If such an ordinance or resolution is adopted, the unit shall refer its proposed budget, ad valorem property tax levy, and property tax rate for public safety communication services to the board, which shall review and set the budget, levy, and rate as though the unit were covered by IC 6-1.1-18.5-7.

(f) The adjustments provided for in subsections (c), (d), and (e) do not apply to a district or unit located in a particular county if the county fiscal body of that county does not impose an ad valorem property tax levy under subsection (a) to fund the operation of the district.

(g) A county that has adopted an ordinance under section 1(3) of this chapter may not impose an ad valorem property tax levy on property within the district to fund the operation or implementation of the district.

SECTION 9. [EFFECTIVE UPON PASSAGE] **(a) As used in this SECTION, "board" refers to the following:**

(1) For the 1925 fund, the local board as referenced in IC 36-8-6-2.

(2) For the 1937 fund, the local board as referenced in

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IC 36-8-7-3.

(3) For the 1953 fund, the local board as referenced in IC 36-8-7.5-2.

(4) For the 1977 fund, the PERF board as referenced in IC 36-8-8-4.

(b) As used in this SECTION, "member" means an individual who is a member of any of the following funds:

(1) 1925 police pension fund (IC 36-8-6) (1925 fund).

(2) 1937 firefighters' pension fund (IC 36-8-7) (1937 fund).

(3) 1953 police pension fund (Indianapolis) (IC 36-8-7.5) (1953 fund).

(4) 1977 police officers' and firefighters' pension and disability fund (IC 36-8-8) (1977 fund).

(c) A member:

(1) who, after March 14, 2006, and before July 1, 2006, made or attempted to make an election to enter a deferred retirement option plan (DROP) under IC 36-8-8.5-9 with a DROP retirement date (as defined in IC 36-8-8.5-8) after December 31, 2007; and

(2) whose election under subdivision (1) was not approved;

is entitled to resubmit the election described in subdivision (1) as initially submitted.

(d) A member may not resubmit an election described in subsection (c) after July 1, 2007.

(e) For an election that is resubmitted under subsection (c), the board shall:

(1) accept the election as resubmitted; and

(2) use the DROP entry date (as defined in IC 36-8-8.5-6) and the DROP retirement date (as defined in IC 36-8-8.5-8) shown on the resubmitted election as the dates the member enters and exits the DROP.

(f) This SECTION expires December 31, 2007.".

Page 4, after line 15, begin a new paragraph and insert:

"SECTION 11. **An emergency is declared for this act.**".

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 561 as reprinted February 26, 2007.)

LAWSON L, Chair

Committee Vote: yeas 11, nays 0.

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