

COMMITTEE REPORT

MADAM PRESIDENT:

The Senate Committee on Local Government, to which was referred House Bill No. 1181, 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:

- 1 Page 1 between the enacting clause and line 1, begin a new
2 paragraph and insert:
3 "SECTION 1. IC 3-5-2-25 IS AMENDED TO READ AS
4 FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 25. "Fiscal body"
5 means:
6 (1) county council, for a county not having a consolidated city;
7 (2) city-county council, for a consolidated city or county having
8 a consolidated city;
9 (3) common council, for a second or third class city;
10 (4) town council, for a town;
11 (5) ~~township board~~, for a township:
12 (A) the township board, before January 1, 2013; and
13 (B) the county fiscal body after December 31, 2012; or
14 (6) governing body or budget approval body, for any other
15 political subdivision."
16 Page 3, line 2, delete "This clause does not apply to elections".
17 Page 3, delete lines 3 through 4.
18 Page 3, line 6, delete "in a township that" and insert ".".
19 Page 3, delete line 7.
20 Page 4, line 20, delete "This subdivision does not apply to".

- 1 Page 4, delete lines 21 through 22.
- 2 Page 4, line 24, delete "in a township that" and insert ".".
- 3 Page 4, delete line 25.
- 4 Page 4, line 30, delete "This subsection applies to a township that
- 5 disapproves a".
- 6 Page 4, line 31, delete "public question under IC 36-6-1.1".
- 7 Page 4, line 32, delete "to any of the following offices at the
- 8 general" and insert "**as a township board member in 2010 shall serve**
- 9 **a two (2) year term. The term of an individual elected as a**
- 10 **township board member in 2010 expires January 1, 2013.**".
- 11 Page 4, delete lines 33 through 36.
- 12 Page 5, line 37, delete "This clause does not apply to elections".
- 13 Page 5, delete lines 38 through 39.
- 14 Page 5, line 41, delete "in a township that" and insert ".".
- 15 Page 5, delete line 42.
- 16 Page 6, between lines 11 and 12, begin a new paragraph and insert:
- 17 "SECTION 5. IC 5-11-1-27 IS ADDED TO THE INDIANA CODE
- 18 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
- 19 1, 2010]: **Sec. 27. (a) The state board of accounts shall each year**
- 20 **prepare a report that includes the following information for each**
- 21 **township for the preceding calendar year:**
- 22 (1) **The population of the township.**
- 23 (2) **The budget, property tax levies, and property tax rates**
- 24 **adopted by the township and approved by the department of**
- 25 **local government finance.**
- 26 (3) **The assessed valuation in the township used to determine**
- 27 **property taxes first due and payable in the preceding calendar**
- 28 **year.**
- 29 (4) **The balance in each township fund as of the end of the**
- 30 **preceding calendar year.**
- 31 (5) **A summary of the township assistance information**
- 32 **submitted by the township trustee under IC 12-20-28-3.**
- 33 (6) **A summary of any statutory compliance issues or**
- 34 **exceptions noted by the state board of accounts in its**
- 35 **examination report for the township for the preceding**
- 36 **calendar year.**
- 37 (7) **A description of any interlocal agreements in effect**
- 38 **concerning the township's functions and duties.**
- 39 (8) **A description of any resolutions or petitions concerning**
- 40 **the township that were adopted or submitted under IC 36-1.5**
- 41 **(government modernization) during the preceding calendar**
- 42 **year.**

1 **(9) A description of the property owned or leased by the**
 2 **township.**

3 **(b) To the extent that the information required by subsection (a)**
 4 **has not been previously submitted to or certified by the state board**
 5 **of accounts or the department of local government finance, a**
 6 **township shall submit the information to the state board of**
 7 **accounts on a schedule established by the state board of accounts.**

8 **(c) The state board of accounts shall do the following before**
 9 **July 1 of each year:**

10 **(1) Submit a copy of the report prepared under subsection (a)**
 11 **to the executive director of the legislative services agency in**
 12 **an electronic format under IC 5-14-6.**

13 **(2) Submit to the county council of each county a copy of the**
 14 **information compiled in the report for each township within**
 15 **the county.**

16 SECTION 6. IC 6-1.1-17-2, AS AMENDED BY P.L.1-2006,
 17 SECTION 135, IS AMENDED TO READ AS FOLLOWS
 18 [EFFECTIVE JULY 1, 2010]: Sec. 2. (a) When formulating an annual
 19 budget estimate, the proper officers of a political subdivision shall
 20 prepare an estimate of the amount of revenue which the political
 21 subdivision will receive from the state for and during the budget year
 22 for which the budget is being formulated. These estimated revenues
 23 shall be shown in the budget estimate and shall be taken into
 24 consideration in calculating the tax levy which is to be made for the
 25 ensuing calendar year. However, this section does not apply to funds
 26 to be received from the state or the federal government for:

- 27 (1) township assistance;
 28 (2) unemployment relief;
 29 (3) old age pensions; or
 30 (4) other funds which may at any time be made available under
 31 "The Economic Security Act" or under any other federal act
 32 which provides for civil and public works projects.

33 (b) When formulating an annual budget estimate, the proper officers
 34 of a political subdivision shall prepare an estimate of the amount of
 35 revenue that the political subdivision will receive under a development
 36 agreement (as defined in IC 36-1-8-9.5) for and during the budget year
 37 for which the budget is being formulated. Revenue received under a
 38 development agreement may not be used to reduce the political
 39 subdivision's maximum levy under IC 6-1.1-18.5 but may be used at
 40 the discretion of the political subdivision to reduce the property tax
 41 levy of the political subdivision for a particular year.

42 **(c) When formulating an annual budget estimate, the proper**

1 **officers of a township or (after December 31, 2012) the county**
 2 **fiscal body shall consider the following:**

3 **(1) The ending balance that will remain in each township fund**
 4 **relative to:**

5 **(A) the budgeted expenditures from the fund;**

6 **(B) the fund balance that must be maintained by the**
 7 **township on account of actual or anticipated delayed**
 8 **property tax billing, collection, or distribution; and**

9 **(C) the amount of tax anticipation notes or warrants or**
 10 **other obligations incurred by the township on account of**
 11 **delayed property tax billing, collection, or distribution.**

12 **(2) Whether the ending balance remaining in each township**
 13 **fund is excessive and should be used by the township to reduce**
 14 **property tax levies. In determining whether an ending balance**
 15 **in a township fund is excessive, the township board (before**
 16 **January 1, 2013) or the county fiscal body (after December**
 17 **31, 2012) shall consider the factors described in subdivision**
 18 **(1). If the township board (before January 1, 2013) or the**
 19 **county fiscal body (after December 31, 2012) determines**
 20 **under this subdivision that the ending balance in a township**
 21 **fund is excessive, the township board or county fiscal body**
 22 **shall transfer the excessive amount to the township's levy**
 23 **excess fund.**

24 **(3) After December 31, 2012, with regard to a township**
 25 **capital improvement fund or cumulative building fund, the**
 26 **township capital improvement plan prepared under**
 27 **IC 36-6-10."**

28 Page 6, delete lines 12 through 42.

29 Page 7, delete lines 1 through 25.

30 Page 8, line 8, after "county" insert "**or (after December 31, 2012)**
 31 **the county fiscal body"**.

32 Page 8, line 10, after "board" insert "**or (after December 31, 2012)**
 33 **the county fiscal body"**.

34 Page 8, reset in roman lines 15 through 18.

35 Page 8, line 19, reset in roman "(1) The cost of child services (as
 36 defined in".

37 Page 8, line 19, delete "IC 12-19-7-1)" and insert "IC 12-19-7-1,
 38 **before its repeal)"**.

39 Page 8, line 19, reset in roman "of the".

40 Page 8, reset in roman lines 20 through 21.

41 Page 8, line 22, reset in roman "services (as defined in".

42 Page 8, line 22, delete "IC 12-19-7.5-1)" and insert "IC 12-19-7.5-1,

1 **before its repeal)".**

2 Page 8, line 22, reset in roman "of the county payable from".

3 Page 8, reset in roman lines 23 through 28.

4 Page 8, delete lines 29 through 42, begin a new paragraph and
5 insert:

6 **"(e) The following apply to township budgets adopted for 2011,
7 2012, and 2013:**

8 **(1) Except as provided in subdivision (2), the total amount
9 appropriated by a township board for a particular year
10 (including any additional appropriations made for that year)
11 may not exceed the result of:**

12 **(A) the total amount appropriated by the township board
13 for the previous year (including any additional
14 appropriations made for that year); multiplied by**

15 **(B) the assessed value growth quotient determined under
16 IC 6-1.1-18.5-2 and applicable to the township for the
17 particular year.**

18 **(2) If a township board determines after a public hearing that
19 the township cannot carry out its governmental functions for
20 a year under the appropriation limitations imposed by
21 subdivision (1), the township board, after approval by the
22 township executive, may appeal to the department of local
23 government finance for relief from the appropriation
24 limitations for the year. In the appeal, the township board
25 must state that the township will be unable to carry out the
26 governmental functions committed to it by law unless the
27 township is given relief from the appropriation limits. The
28 township board must support the appeal by reasonably
29 detailed statements of fact. The department of local
30 government finance shall review the merits of the township
31 board's appeal. If the department of local government finance
32 determines after reviewing the appeal that the township
33 cannot carry out its governmental functions for a year under
34 the appropriation limitations imposed by subdivision (1), the
35 department of local government finance may grant relief from
36 those appropriation limitations in the manner determined to
37 be appropriate by the department of local government
38 finance.**

39 **This subsection expires January 1, 2014.**

40 SECTION 8. IC 6-1.1-17-16, AS AMENDED BY P.L.182-2009(ss),
41 SECTION 123, IS AMENDED TO READ AS FOLLOWS
42 [EFFECTIVE JULY 1, 2010]: Sec. 16. (a) Subject to the limitations

1 and requirements prescribed in this section, the department of local
2 government finance may revise, reduce, or increase a political
3 subdivision's budget by fund, tax rate, or tax levy which the department
4 reviews under section 8 or 10 of this chapter. **When reviewing a**
5 **budget, tax rate, and tax levy of a township, the department of**
6 **local government finance shall consider the issues described in**
7 **section 2(c) of this chapter.**

8 (b) Subject to the limitations and requirements prescribed in this
9 section, the department of local government finance may review,
10 revise, reduce, or increase the budget by fund, tax rate, or tax levy of
11 any of the political subdivisions whose tax rates compose the aggregate
12 tax rate within a political subdivision whose budget, tax rate, or tax
13 levy is the subject of an appeal initiated under this chapter.

14 (c) Except as provided in subsections (j) and (k), before the
15 department of local government finance reviews, revises, reduces, or
16 increases a political subdivision's budget by fund, tax rate, or tax levy
17 under this section, the department must hold a public hearing on the
18 budget, tax rate, and tax levy. The department of local government
19 finance shall hold the hearing in the county in which the political
20 subdivision is located. The department of local government finance
21 may consider the budgets by fund, tax rates, and tax levies of several
22 political subdivisions at the same public hearing. At least five (5) days
23 before the date fixed for a public hearing, the department of local
24 government finance shall give notice of the time and place of the
25 hearing and of the budgets by fund, levies, and tax rates to be
26 considered at the hearing. The department of local government finance
27 shall publish the notice in two (2) newspapers of general circulation
28 published in the county. However, if only one (1) newspaper of general
29 circulation is published in the county, the department of local
30 government finance shall publish the notice in that newspaper.

31 (d) Except as provided in subsection (i), IC 20-46, or IC 6-1.1-18.5,
32 the department of local government finance may not increase a political
33 subdivision's budget by fund, tax rate, or tax levy to an amount which
34 exceeds the amount originally fixed by the political subdivision.
35 However, if the department of local government finance determines
36 that IC 5-3-1-2.3(b) applies to the tax rate, tax levy, or budget of the
37 political subdivision, the maximum amount by which the department
38 may increase the tax rate, tax levy, or budget is the amount originally
39 fixed by the political subdivision, and not the amount that was
40 incorrectly published or omitted in the notice described in
41 IC 5-3-1-2.3(b). The department of local government finance shall give
42 the political subdivision written notification specifying any revision,

1 reduction, or increase the department proposes in a political
 2 subdivision's tax levy or tax rate. The political subdivision has ten (10)
 3 calendar days from the date the political subdivision receives the notice
 4 to provide a written response to the department of local government
 5 finance's Indianapolis office. The response may include budget
 6 reductions, reallocation of levies, a revision in the amount of
 7 miscellaneous revenues, and further review of any other item about
 8 which, in the view of the political subdivision, the department is in
 9 error. The department of local government finance shall consider the
 10 adjustments as specified in the political subdivision's response if the
 11 response is provided as required by this subsection and shall deliver a
 12 final decision to the political subdivision.

13 (e) The department of local government finance may not approve a
 14 levy for lease payments by a city, town, county, library, or school
 15 corporation if the lease payments are payable to a building corporation
 16 for use by the building corporation for debt service on bonds and if:

- 17 (1) no bonds of the building corporation are outstanding; or
- 18 (2) the building corporation has enough legally available funds on
 19 hand to redeem all outstanding bonds payable from the particular
 20 lease rental levy requested.

21 (f) The department of local government finance shall certify its
 22 action to:

- 23 (1) the county auditor;
- 24 (2) the political subdivision if the department acts pursuant to an
 25 appeal initiated by the political subdivision;
- 26 (3) the taxpayer that initiated an appeal under section 13 of this
 27 chapter, or, if the appeal was initiated by multiple taxpayers, the
 28 first ten (10) taxpayers whose names appear on the statement filed
 29 to initiate the appeal; and
- 30 (4) a taxpayer that owns property that represents at least ten
 31 percent (10%) of the taxable assessed valuation in the political
 32 subdivision.

33 (g) The following may petition for judicial review of the final
 34 determination of the department of local government finance under
 35 subsection (f):

- 36 (1) If the department acts under an appeal initiated by a political
 37 subdivision, the political subdivision.
- 38 (2) If the department:
 - 39 (A) acts under an appeal initiated by one (1) or more taxpayers
 40 under section 13 of this chapter; or
 - 41 (B) fails to act on the appeal before the department certifies its
 42 action under subsection (f);

- 1 a taxpayer who signed the statement filed to initiate the appeal.
- 2 (3) If the department acts under an appeal initiated by the county
- 3 auditor under section 14 of this chapter, the county auditor.
- 4 (4) A taxpayer that owns property that represents at least ten
- 5 percent (10%) of the taxable assessed valuation in the political
- 6 subdivision.
- 7 The petition must be filed in the tax court not more than forty-five (45)
- 8 days after the department certifies its action under subsection (f).
- 9 (h) The department of local government finance is expressly
- 10 directed to complete the duties assigned to it under this section not later
- 11 than February 15th of each year for taxes to be collected during that
- 12 year.
- 13 (i) Subject to the provisions of all applicable statutes, the
- 14 department of local government finance may increase a political
- 15 subdivision's tax levy to an amount that exceeds the amount originally
- 16 fixed by the political subdivision if the increase is:
- 17 (1) requested in writing by the officers of the political
- 18 subdivision;
- 19 (2) either:
- 20 (A) based on information first obtained by the political
- 21 subdivision after the public hearing under section 3 of this
- 22 chapter; or
- 23 (B) results from an inadvertent mathematical error made in
- 24 determining the levy; and
- 25 (3) published by the political subdivision according to a notice
- 26 provided by the department.
- 27 (j) The department of local government finance shall annually
- 28 review the budget by fund of each school corporation not later than
- 29 April 1. The department of local government finance shall give the
- 30 school corporation written notification specifying any revision,
- 31 reduction, or increase the department proposes in the school
- 32 corporation's budget by fund. A public hearing is not required in
- 33 connection with this review of the budget.
- 34 (k) The department of local government finance may hold a hearing
- 35 under subsection (c) only if the notice required in section 12 of this
- 36 chapter is published at least ten (10) days before the date of the
- 37 hearing.
- 38 SECTION 9. IC 6-3.5-1.1-25, AS AMENDED BY P.L.146-2008,
- 39 SECTION 332, IS AMENDED TO READ AS FOLLOWS
- 40 [EFFECTIVE JULY 1, 2010]: Sec. 25. (a) As used in this section,
- 41 "public safety" refers to the following:
- 42 (1) A police and law enforcement system to preserve public peace

- 1 and order.
- 2 (2) A firefighting and fire prevention system.
- 3 (3) Emergency ambulance services (as defined in
4 IC 16-18-2-107).
- 5 (4) Emergency medical services (as defined in IC 16-18-2-110).
- 6 (5) Emergency action (as defined in IC 13-11-2-65).
- 7 (6) A probation department of a court.
- 8 (7) Confinement, supervision, services under a community
9 corrections program (as defined in IC 35-38-2.6-2), or other
10 correctional services for a person who has been:
- 11 (A) diverted before a final hearing or trial under an agreement
12 that is between the county prosecuting attorney and the person
13 or the person's custodian, guardian, or parent and that provides
14 for confinement, supervision, community corrections services,
15 or other correctional services instead of a final action
16 described in clause (B) or (C);
- 17 (B) convicted of a crime; or
- 18 (C) adjudicated as a delinquent child or a child in need of
19 services.
- 20 (8) A juvenile detention facility under IC 31-31-8.
- 21 (9) A juvenile detention center under IC 31-31-9.
- 22 (10) A county jail.
- 23 (11) A communications system (as defined in IC 36-8-15-3) or an
24 enhanced emergency telephone system (as defined in
25 IC 36-8-16-2).
- 26 (12) Medical and health expenses for jail inmates and other
27 confined persons.
- 28 (13) Pension payments for any of the following:
- 29 (A) A member of the fire department (as defined in
30 IC 36-8-1-8) or any other employee of a fire department.
- 31 (B) A member of the police department (as defined in
32 IC 36-8-1-9), a police chief hired under a waiver under
33 IC 36-8-4-6.5, or any other employee hired by a police
34 department.
- 35 (C) A county sheriff or any other member of the office of the
36 county sheriff.
- 37 (D) Other personnel employed to provide a service described
38 in this section.
- 39 (b) If a county council has imposed a tax rate of at least twenty-five
40 hundredths of one percent (0.25%) under section 24 of this chapter, a
41 tax rate of at least twenty-five hundredths of one percent (0.25%) under
42 section 26 of this chapter, or a total combined tax rate of at least

1 twenty-five hundredths of one percent (0.25%) under sections 24 and
 2 26 of this chapter, the county council may also adopt an ordinance to
 3 impose an additional tax rate under this section to provide funding for
 4 public safety.

5 (c) A tax rate under this section may not exceed twenty-five
 6 hundredths of one percent (0.25%).

7 (d) If a county council adopts an ordinance to impose a tax rate
 8 under this section, the county auditor shall send a certified copy of the
 9 ordinance to the department and the department of local government
 10 finance by certified mail.

11 (e) A tax rate under this section is in addition to any other tax rates
 12 imposed under this chapter and does not affect the purposes for which
 13 other tax revenue under this chapter may be used.

14 (f) Except as provided in subsection (k) **or (l)**, the county auditor
 15 shall distribute the portion of the certified distribution that is
 16 attributable to a tax rate under this section to the county and to each
 17 municipality in the county. The amount that shall be distributed to the
 18 county or municipality is equal to the result of:

19 (1) the portion of the certified distribution that is attributable to a
 20 tax rate under this section; multiplied by

21 (2) a fraction equal to:

22 (A) the attributed allocation amount (as defined in
 23 IC 6-3.5-1.1-15) of the county or municipality for the calendar
 24 year; divided by

25 (B) the sum of the attributed allocation amounts of the county
 26 and each municipality in the county for the calendar year.

27 The county auditor shall make the distributions required by this
 28 subsection not more than thirty (30) days after receiving the portion of
 29 the certified distribution that is attributable to a tax rate under this
 30 section. Tax revenue distributed to a county or municipality under this
 31 subsection must be deposited into a separate account or fund and may
 32 be appropriated by the county or municipality only for public safety
 33 purposes.

34 (g) The department of local government finance may not require a
 35 county or municipality receiving tax revenue under this section to
 36 reduce the county's or municipality's property tax levy for a particular
 37 year on account of the county's or municipality's receipt of the tax
 38 revenue.

39 (h) The tax rate under this section and the tax revenue attributable
 40 to the tax rate under this section shall not be considered for purposes
 41 of computing:

42 (1) the maximum income tax rate that may be imposed in a county

1 under section 2 of this chapter or any other provision of this
2 chapter;

3 (2) the maximum permissible property tax levy under STEP
4 EIGHT of IC 6-1.1-18.5-3(b);

5 (3) the total county tax levy under IC 6-1.1-21-2(g)(3),
6 IC 6-1.1-21-2(g)(4), or IC 6-1.1-21-2(g)(5) (before the repeal of
7 IC 6-1.1-21); or

8 (4) the credit under IC 6-1.1-20.6.

9 (i) The tax rate under this section may be imposed or rescinded at
10 the same time and in the same manner that the county may impose or
11 increase a tax rate under section 24 of this chapter.

12 (j) The department of local government finance and the department
13 of state revenue may take any actions necessary to carry out the
14 purposes of this section.

15 (k) Two (2) or more political subdivisions that are entitled to receive
16 a distribution under this section may adopt resolutions providing that
17 some part or all of those distributions shall instead be paid to one (1)
18 political subdivision in the county to carry out specific public safety
19 purposes specified in the resolutions.

20 **(l) A fire department, volunteer fire department, or emergency
21 medical services provider that:**

22 **(1) provides fire protection or emergency medical services
23 within the county; and**

24 **(2) is operated by or serves a political subdivision that is not
25 otherwise entitled to receive a distribution of tax revenue
26 under this section;**

27 **may apply to the county council for a distribution of tax revenue
28 under this section. The county council shall review an application
29 submitted under this subsection and may adopt a resolution
30 requiring that one (1) or more of the applicants shall receive a
31 specified amount of the tax revenue to be distributed under this
32 section. Any amount of tax revenue distributed under this
33 subsection to a fire department, volunteer fire department, or
34 emergency medical services provider shall be distributed before
35 the remainder of the tax revenue is distributed under subsection
36 (f).**

37 SECTION 10. IC 6-3.5-6-31, AS AMENDED BY P.L.146-2008,
38 SECTION 342, IS AMENDED TO READ AS FOLLOWS
39 [EFFECTIVE JULY 1, 2010]: Sec. 31. (a) As used in this section,
40 "public safety" refers to the following:

41 (1) A police and law enforcement system to preserve public peace
42 and order.

- 1 (2) A firefighting and fire prevention system.
- 2 (3) Emergency ambulance services (as defined in
3 IC 16-18-2-107).
- 4 (4) Emergency medical services (as defined in IC 16-18-2-110).
- 5 (5) Emergency action (as defined in IC 13-11-2-65).
- 6 (6) A probation department of a court.
- 7 (7) Confinement, supervision, services under a community
8 corrections program (as defined in IC 35-38-2.6-2), or other
9 correctional services for a person who has been:
- 10 (A) diverted before a final hearing or trial under an agreement
11 that is between the county prosecuting attorney and the person
12 or the person's custodian, guardian, or parent and that provides
13 for confinement, supervision, community corrections services,
14 or other correctional services instead of a final action
15 described in clause (B) or (C);
- 16 (B) convicted of a crime; or
- 17 (C) adjudicated as a delinquent child or a child in need of
18 services.
- 19 (8) A juvenile detention facility under IC 31-31-8.
- 20 (9) A juvenile detention center under IC 31-31-9.
- 21 (10) A county jail.
- 22 (11) A communications system (as defined in IC 36-8-15-3) or an
23 enhanced emergency telephone system (as defined in
24 IC 36-8-16-2).
- 25 (12) Medical and health expenses for jail inmates and other
26 confined persons.
- 27 (13) Pension payments for any of the following:
- 28 (A) A member of the fire department (as defined in
29 IC 36-8-1-8) or any other employee of a fire department.
- 30 (B) A member of the police department (as defined in
31 IC 36-8-1-9), a police chief hired under a waiver under
32 IC 36-8-4-6.5, or any other employee hired by a police
33 department.
- 34 (C) A county sheriff or any other member of the office of the
35 county sheriff.
- 36 (D) Other personnel employed to provide a service described
37 in this section.
- 38 (b) The county income tax council may adopt an ordinance to
39 impose an additional tax rate under this section to provide funding for
40 public safety if:
- 41 (1) the county income tax council has imposed a tax rate under
42 section 30 of this chapter, in the case of a county containing a

- 1 consolidated city; or
- 2 (2) the county income tax council has imposed a tax rate of at
- 3 least twenty-five hundredths of one percent (0.25%) under section
- 4 30 of this chapter, a tax rate of at least twenty-five hundredths of
- 5 one percent (0.25%) under section 32 of this chapter, or a total
- 6 combined tax rate of at least twenty-five hundredths of one
- 7 percent (0.25%) under sections 30 and 32 of this chapter, in the
- 8 case of a county other than a county containing a consolidated
- 9 city.
- 10 (c) A tax rate under this section may not exceed the following:
- 11 (1) Five-tenths of one percent (0.5%), in the case of a county
- 12 containing a consolidated city.
- 13 (2) Twenty-five hundredths of one percent (0.25%), in the case of
- 14 a county other than a county containing a consolidated city.
- 15 (d) If a county income tax council adopts an ordinance to impose a
- 16 tax rate under this section, the county auditor shall send a certified
- 17 copy of the ordinance to the department and the department of local
- 18 government finance by certified mail.
- 19 (e) A tax rate under this section is in addition to any other tax rates
- 20 imposed under this chapter and does not affect the purposes for which
- 21 other tax revenue under this chapter may be used.
- 22 (f) Except as provided in ~~subsection~~ **subsections (l) and (m)**, the
- 23 county auditor shall distribute the portion of the certified distribution
- 24 that is attributable to a tax rate under this section to the county and to
- 25 each municipality in the county. The amount that shall be distributed
- 26 to the county or municipality is equal to the result of:
- 27 (1) the portion of the certified distribution that is attributable to a
- 28 tax rate under this section; multiplied by
- 29 (2) a fraction equal to:
- 30 (A) the total property taxes being collected in the county by
- 31 the county or municipality for the calendar year; divided by
- 32 (B) the sum of the total property taxes being collected in the
- 33 county by the county and each municipality in the county for
- 34 the calendar year.
- 35 The county auditor shall make the distributions required by this
- 36 subsection not more than thirty (30) days after receiving the portion of
- 37 the certified distribution that is attributable to a tax rate under this
- 38 section. Tax revenue distributed to a county or municipality under this
- 39 subsection must be deposited into a separate account or fund and may
- 40 be appropriated by the county or municipality only for public safety
- 41 purposes.
- 42 (g) The department of local government finance may not require a

1 county or municipality receiving tax revenue under this section to
 2 reduce the county's or municipality's property tax levy for a particular
 3 year on account of the county's or municipality's receipt of the tax
 4 revenue.

5 (h) The tax rate under this section and the tax revenue attributable
 6 to the tax rate under this section shall not be considered for purposes
 7 of computing:

8 (1) the maximum income tax rate that may be imposed in a county
 9 under section 8 or 9 of this chapter or any other provision of this
 10 chapter;

11 (2) the maximum permissible property tax levy under STEP
 12 EIGHT of IC 6-1.1-18.5-3(b);

13 (3) the total county tax levy under IC 6-1.1-21-2(g)(3),
 14 IC 6-1.1-21-2(g)(4), or IC 6-1.1-21-2(g)(5) (before the repeal of
 15 IC 6-1.1-21); or

16 (4) the credit under IC 6-1.1-20.6.

17 (i) The tax rate under this section may be imposed or rescinded at
 18 the same time and in the same manner that the county may impose or
 19 increase a tax rate under section 30 of this chapter.

20 (j) The department of local government finance and the department
 21 of state revenue may take any actions necessary to carry out the
 22 purposes of this section.

23 (k) Notwithstanding any other provision, in Lake County the county
 24 council (and not the county income tax council) is the entity authorized
 25 to take actions concerning the additional tax rate under this section.

26 (l) Two (2) or more political subdivisions that are entitled to receive
 27 a distribution under this section may adopt resolutions providing that
 28 some part or all of those distributions shall instead be paid to one (1)
 29 political subdivision in the county to carry out specific public safety
 30 purposes specified in the resolutions.

31 **(m) A fire department, volunteer fire department, or emergency
 32 medical services provider that:**

33 **(1) provides fire protection or emergency medical services
 34 within the county; and**

35 **(2) is operated by or serves a political subdivision that is not
 36 otherwise entitled to receive a distribution of tax revenue
 37 under this section;**

38 **may apply to the county income tax council for a distribution of tax
 39 revenue under this section. The county income tax council shall
 40 review an application submitted under this subsection and may
 41 adopt a resolution requiring that one (1) or more of the applicants
 42 shall receive a specified amount of the tax revenue to be distributed**

1 **under this section. Any amount of tax revenue distributed under**
 2 **this subsection to a fire department, volunteer fire department, or**
 3 **emergency medical services provider shall be distributed before**
 4 **the remainder of the tax revenue is distributed under subsection**
 5 **(f).**

6 SECTION 11. IC 13-11-2-86 IS AMENDED TO READ AS
 7 FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 86. "Fiscal body"
 8 means:

- 9 (1) the county council, for a county not having a consolidated city;
- 10 (2) the city-county council of a consolidated city and county;
- 11 (3) the common council of a city;
- 12 (4) the town council of a town;
- 13 (5) ~~the township board; or~~ for a township:
 - 14 (A) **the township board, before January 1, 2013; and**
 - 15 (B) **the county fiscal body, after December 31, 2012; or**
- 16 (6) the board of directors of a conservancy district.

17 SECTION 12. IC 36-1-2-6, AS AMENDED BY P.L.186-2006,
 18 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 19 JULY 1, 2010]: Sec. 6. "Fiscal body" means:

- 20 (1) county council, for a county not having a consolidated city;
- 21 (2) city-county council, for a consolidated city or county having
 22 a consolidated city;
- 23 (3) common council, for a city other than a consolidated city;
- 24 (4) town council, for a town;
- 25 (5) ~~township board;~~ for a township:
 - 26 (A) **the township board, before January 1, 2013; and**
 - 27 (B) **the county fiscal body, after December 31, 2012;**
- 28 (6) governing body or budget approval body, for any other
 29 political subdivision that has a governing body or budget approval
 30 body; or
- 31 (7) chief executive officer of any other political subdivision that
 32 does not have a governing body or budget approval body.

33 SECTION 13. IC 36-1-2-9, AS AMENDED BY P.L.186-2006,
 34 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 35 JULY 1, 2010]: Sec. 9. "Legislative body" means: ~~the~~

- 36 (1) **the** board of county commissioners, for a county not subject
 37 to IC 36-2-3.5 or IC 36-3-1;
- 38 (2) **the** county council, for a county subject to IC 36-2-3.5;
- 39 (3) **the** city-county council, for a consolidated city or county
 40 having a consolidated city;
- 41 (4) **the** common council, for a city other than a consolidated city;
- 42 (5) **the** town council, for a town;

- 1 (6) ~~township board~~; for a township:
 2 **(A) the township board, before January 1, 2013; and**
 3 **(B) the county fiscal body, after December 31, 2012;**
 4 (7) **the** governing body of any other political subdivision that has
 5 a governing body; or
 6 (8) **the** chief executive officer of any other political subdivision
 7 that does not have a governing body."

8 Delete pages 9 through 23.

9 Page 24, delete lines 1 through 9.

10 Page 24, line 12, delete "This section applies only to a township in"
 11 and insert "**Each township office must include the address, phone**
 12 **number, and regular office hours (if any) of the township office in**
 13 **at least one (1) local telephone directory.**

14 **(b) A public meeting or a public hearing of a township official**
 15 **or governing body must be held in a public place.**

16 SECTION 15. IC 36-1.5-1-10 IS ADDED TO THE INDIANA
 17 CODE AS A NEW SECTION TO READ AS FOLLOWS
 18 [EFFECTIVE JULY 1, 2010]: **Sec. 10. (a) This section applies if:**

19 **(1) a township reorganizes under this article with one (1) or**
 20 **more townships; and**

21 **(2) the new political subdivision that results from the**
 22 **reorganization is not a city or town.**

23 **(b) After December 31, 2012, the fiscal body of the resulting new**
 24 **political subdivision is the county fiscal body, which shall review**
 25 **the budget of the new political subdivision under IC 6-1.1-17-2.**

26 SECTION 16. IC 36-6-4-12 IS AMENDED TO READ AS
 27 FOLLOWS [EFFECTIVE JULY 1, 2010]: **Sec. 12. (a)** At the annual
 28 meeting of the township legislative body under IC 36-6-6-9 the
 29 executive shall present a complete report of all receipts and
 30 expenditures of the preceding calendar year, including the balance to
 31 the credit of each fund controlled by the executive. If the executive
 32 controls any money that is not included in a particular fund, then the
 33 executive shall state all the facts concerning that money in the report.

34 **(b)** Each item of expenditure must be accompanied by the verified
 35 voucher of the person to whom the sum was paid, stating:

36 (1) why the payment was made;

37 (2) that the receipt is for the exact sum received;

38 (3) that no part of the sum has been retained by the executive; and

39 (4) that no part of the sum has been or is to be returned to the
 40 executive or any other person.

41 The executive may administer oaths to persons giving these receipts.

42 **(c) The report must separately list each expenditure that is**

1 **made to reimburse the executive for the executive's use of tangible**
 2 **property (as defined in IC 6-1.1-1-19) for public business, including**
 3 **any reimbursements made for the executive's use of a private**
 4 **residence, a personal telephone, or a personal vehicle for public**
 5 **business. As used in this section, "private residence" means a place**
 6 **that is not a public place.**

7 ~~(c)~~ **(d)** The executive shall swear or affirm that:

8 (1) the report shows all sums received by ~~him~~; **the executive;**

9 (2) the expenditures credited have been fully paid in the sums
 10 stated, without express or implied agreement that any part of the
 11 sums is to be retained by or returned to the executive or any other
 12 person; and

13 (3) the executive has received no money or other property in
 14 consideration of any contract entered into on behalf of the
 15 township.

16 ~~(d)~~ **(e)** Within ten (10) days after the legislative body's action under
 17 IC 36-6-6-9, the executive shall file a copy of the report and its
 18 accompanying vouchers, as adopted by the legislative body, in the
 19 county auditor's office. The legislative body may, for the benefit of the
 20 township, bring a civil action against the executive if the executive fails
 21 to file the report within ten (10) days after the legislative body's action.
 22 The legislative body may recover five dollars (\$5) for each day beyond
 23 the time limit for filing the report, until the report is filed.

24 SECTION 17. IC 36-6-6-1 IS AMENDED TO READ AS
 25 FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 1. **(a)** This chapter
 26 applies to all townships.

27 **(b) On January 1, 2013, the township boards in each county are**
 28 **abolished.**

29 **(c) After December 31, 2012:**

30 **(1) the county fiscal body is the fiscal body and legislative**
 31 **body of each township in the county; and**

32 **(2) the county fiscal body shall exercise the legislative and**
 33 **fiscal powers assigned in the Indiana Code to township**
 34 **boards, including the authority to adopt the township's annual**
 35 **budget and to levy township property taxes for township**
 36 **funds.**

37 **(d) The abolishment of a township board under subsection (b)**
 38 **does not invalidate:**

39 **(1) any resolutions, fees, schedules, or other actions adopted**
 40 **or taken by the township board before January 1, 2013; or**

41 **(2) any appointments made by the township board before**
 42 **January 1, 2013.**

- 1 **(e) After December 31, 2012, any reference:**
2 **(1) in the Indiana Code;**
3 **(2) in the Indiana Administrative Code; or**
4 **(3) in any resolution;**
5 **to the township board shall be considered a reference to the county**
6 **fiscal body."**
7 Page 24, delete lines 13 through 42.
8 Delete pages 25 through 29.
9 Page 30, delete lines 1 through 5.
10 Page 30, line 9, after "Relatives" insert **"; Contracting With**
11 **Relatives"**.
12 Page 30, line 10, delete "section" and insert **"chapter"**.
13 Page 30, line 10, delete "an individual who:" and insert **"the**
14 **following:"**.
15 Page 30, line 11, after "(1)" insert **"An individual who"**.
16 Page 30, line 12, delete "township".
17 Page 30, line 12, delete ";" and insert ".".
18 Page 30, delete lines 13 through 14.
19 Page 30, line 15, delete "(3)" and insert **"(2) An individual who"**.
20 Page 30, line 15, delete "a township" and insert **"the"**.
21 Page 30, line 17, delete "; or" and insert ".".
22 Page 30, line 18, delete "(4)" and insert **"(3) An individual who"**.
23 Page 30, between lines 20 and 21, begin a new paragraph and insert:
24 **"Sec. 2. As used in this chapter, "employee" means an individual**
25 **who is employed by a township on a full-time, a part-time, a**
26 **temporary, an intermittent, or an hourly basis. The term does not**
27 **include a member of a paid fire department or a volunteer fire**
28 **department that renders fire protection services to the township."**
29 Page 30, line 21, delete "2." and insert **"3."**
30 Page 30, line 21, delete ":" and insert **"any of the following:"**.
31 Page 30, line 22, delete "a" and insert **"A"**.
32 Page 30, line 22, delete ";" and insert ".".
33 Page 30, line 23, delete "a" and insert **"A"**.
34 Page 30, line 23, delete ";" and insert ".".
35 Page 30, line 24, delete "a" and insert **"A"**.
36 Page 30, line 24, delete ";" and insert ".".
37 Page 30, line 25, delete "a" and insert **"A"**.
38 Page 30, line 25, delete ";" and insert ".".
39 Page 30, line 26, delete "a" and insert **"A"**.
40 Page 30, line 26, delete ";" and insert ".".
41 Page 30, line 27, delete "a" and insert **"A"**.
42 Page 30, line 28, delete ";" and insert ".".

- 1 Page 30, line 29, delete "a" and insert "A".
- 2 Page 30, line 29, delete ";" and insert ".".
- 3 Page 30, line 30, delete "a" and insert "A".
- 4 Page 30, line 30, delete ";" and insert ".".
- 5 Page 30, line 31, delete "an" and insert "An".
- 6 Page 30, line 31, delete ";" and insert ".".
- 7 Page 30, line 32, delete "an" and insert "An".
- 8 Page 30, line 32, delete ";" and insert ".".
- 9 Page 30, line 33, delete "a" and insert "A".
- 10 Page 30, line 33, delete ";" and insert ".".
- 11 Page 30, line 34, delete "a" and insert "A".
- 12 Page 30, line 34, delete "; or" and insert ".".
- 13 Page 30, line 35, delete "a" and insert "A".
- 14 Page 30, line 36, delete "For purposes of this chapter, a" and insert
- 15 "A".
- 16 Page 30, line 37, delete "shall be treated as" and insert "**is**
- 17 **considered**".
- 18 Page 30, line 38, delete "." and insert "**for purposes of this**
- 19 **chapter**".
- 20 Page 30, line 39, delete "3." and insert "4".
- 21 Page 30, line 39, delete "a township" and insert "an".
- 22 Page 30, line 40, after "employee" insert "**of a township**".
- 23 Page 31, between lines 1 and 2, begin a new paragraph and insert:
- 24 "**Sec. 5. (a) A township may not enter into a contract or renew**
- 25 **a contract with:**
- 26 (1) **an individual to provide goods or services to the township,**
- 27 **if the individual is a relative of the township trustee; or**
- 28 (2) **a business entity to provide goods or services, if a relative**
- 29 **of the township trustee has an ownership interest in the**
- 30 **business entity.**
- 31 (b) **This section does not prohibit a township from entering into**
- 32 **a contract or renewing a contract if an employee of:**
- 33 (1) **an individual contractor under subsection (a)(1); or**
- 34 (2) **a business entity under subsection (a)(2);**
- 35 **is a relative of the township trustee.**
- 36 (c) **This section does not affect the initial term of a contract in**
- 37 **existence at the time a township trustee's term of office begins.**"
- 38 Page 31, delete lines 2 through 6.
- 39 Page 31, line 7, delete "5." and insert "6".
- 40 Page 31, line 8, delete "before January 1, 2012,".
- 41 Page 31, line 10, delete "2012." and insert "**2015**".
- 42 Page 31, between lines 10 and 11, begin a new paragraph and insert:

1 "SECTION 19. IC 36-6-10 IS ADDED TO THE INDIANA CODE
2 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2010]:

4 **Chapter 10. Township Capital Improvement Plan**

5 **Sec. 1. This chapter applies after December 31, 2012.**

6 **Sec. 2. As used in this chapter, "capital improvement" means:**

- 7 (1) acquisition of land;
- 8 (2) site improvements;
- 9 (3) infrastructure improvements;
- 10 (4) construction of buildings or structures;
- 11 (5) rehabilitation, renovation, or enlargement of buildings or
- 12 structures; or
- 13 (6) acquisition or improvement of machinery, equipment,
- 14 furnishings, or facilities.

15 **Sec. 3. As used in this chapter, "capital improvement fund"**
16 **means a township fund in which the money in the fund may be used**
17 **for the payment of capital improvements. The term includes:**

- 18 (1) a cumulative firefighting building and equipment fund
- 19 under IC 36-8-14;
- 20 (2) an equipment replacement fund under IC 36-8-19-8.5;
- 21 (3) a cumulative township vehicle and building fund under
- 22 IC 36-9-17.5;
- 23 (4) a cumulative building fund under IC 36-10-7.5-19; and
- 24 (5) any other fund established by a township for the payment
- 25 of capital improvements.

26 **Sec. 4. As used in this chapter, "plan" refers to a township**
27 **capital improvement plan adopted or amended under this chapter.**

28 **Sec. 5. Before a township may collect property taxes for a**
29 **capital improvement fund in a particular year, the township**
30 **trustee must prepare a proposed or amended plan in the**
31 **immediately preceding year. The county fiscal body, not later than**
32 **August 1, shall hold a public hearing on a proposed or amended**
33 **plan and adopt the proposed or amended plan.**

34 **Sec. 6. (a) The department of local government finance shall**
35 **prescribe the format of the plan.**

36 **(b) A plan must:**

- 37 (1) apply to at least the three (3) years immediately following
- 38 the year the plan is adopted;
- 39 (2) estimate for each year to which the plan applies the nature
- 40 and amount of proposed expenditures from the capital
- 41 improvement fund; and
- 42 (3) estimate:

- 1 (A) the source of all revenue to be dedicated to the
- 2 proposed expenditures in the upcoming calendar year; and
- 3 (B) the amount of property taxes to be collected in the
- 4 upcoming calendar year and retained in the fund for
- 5 expenditures proposed for a later year.

6 **Sec. 7. A township trustee, with the approval of the county fiscal**
 7 **body, may amend a plan to:**

- 8 (1) provide money for purposes of the fund; or
- 9 (2) supplement money accumulated in the fund for purposes
- 10 of the fund.

11 **Sec. 8. The plan shall be considered by:**

- 12 (1) the county fiscal body in making the annual budget
- 13 estimate under IC 6-1.1-17-2; and
- 14 (2) the department of local government finance when
- 15 reviewing a budget, tax rate, or tax levy of a township under
- 16 IC 6-1.1-17-16.

17 SECTION 20. [EFFECTIVE JULY 1, 2010] (a) IC 6-3.5-1.1-25
 18 and IC 6-3.5-6-31, both as amended by this act, apply to
 19 distributions of tax revenue made under those sections after
 20 December 31, 2010.

21 (b) This SECTION expires July 1, 2012."

22 Page 31, delete lines 11 through 42.

23 Delete pages 32 through 40.

24 Re-number all SECTIONS consecutively.

(Reference is to HB 1181 as reprinted January 14, 2010.)

and when so amended that said bill do pass .

Committee Vote: Yeas 6, Nays 4.

Senator Lawson C, Chairperson