
HOUSE BILL No. 1068

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1-18.5-10.5.

Synopsis: Fire protection territories. Specifies the factors that the department of local government finance (DLGF) shall consider when a civil taxing unit (unit) requests an increase in the unit's maximum property tax levy to meet the unit's obligations to a fire protection territory. Provides that ten or more taxpayers may file a petition with the DLGF requesting the DLGF to reduce the maximum property tax levy and the actual property tax levy for a taxing unit that is the provider unit of a fire protection territory. Specifies the factors the DLGF must consider if such a petition is filed.

Effective: July 1, 2012.

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January 9, 2012, read first time and referred to Committee on Local Government.

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Second Regular Session 117th General Assembly (2012)

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 2011 Regular Session of the General Assembly.

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HOUSE BILL No. 1068



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

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

1 SECTION 1. IC 6-1.1-18.5-10.5, AS AMENDED BY P.L.113-2010,
2 SECTION 32, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2012]: Sec. 10.5. (a) The ad valorem property tax levy limits
4 imposed by section 3 of this chapter do not apply to ad valorem
5 property taxes imposed by a civil taxing unit for fire protection services
6 within a fire protection territory under IC 36-8-19, if the civil taxing
7 unit is a participating unit in a fire protection territory established
8 before August 1, 2001. For purposes of computing the ad valorem
9 property tax levy limits imposed on a civil taxing unit by section 3 of
10 this chapter on a civil taxing unit that is a participating unit in a fire
11 protection territory, established before August 1, 2001, the civil taxing
12 unit's ad valorem property tax levy for a particular calendar year does
13 not include that part of the levy imposed under IC 36-8-19. Any
14 property taxes imposed by a civil taxing unit that are exempted by this
15 subsection from the ad valorem property tax levy limits imposed by
16 section 3 of this chapter and first due and payable after December 31,
17 2008, may not increase annually by a percentage greater than the result



- 1 of:
- 2 (1) the assessed value growth quotient determined under section
- 3 2 of this chapter; minus
- 4 (2) one (1).
- 5 (b) The department of local government finance may, under this
- 6 subsection, increase the maximum permissible ad valorem property tax
- 7 levy that would otherwise apply to a civil taxing unit under section 3
- 8 of this chapter to meet the civil taxing unit's obligations to a fire
- 9 protection territory established under IC 36-8-19. To obtain an increase
- 10 in the civil taxing unit's maximum permissible ad valorem property tax
- 11 levy, a civil taxing unit shall submit a petition to the department of
- 12 local government finance in the year immediately preceding the first
- 13 year in which the civil taxing unit levies a tax to support the fire
- 14 protection territory. The petition must be filed before the date specified
- 15 in section 12(a)(1) of this chapter of that year. The department of local
- 16 government finance shall make a final determination of the civil taxing
- 17 unit's budget, ad valorem property tax levy, and property tax rate for the
- 18 fire protection territory for the ensuing calendar year. In making its
- 19 determination under this subsection, the department of local
- 20 government finance shall consider:
- 21 **(1) the amount that the civil taxing unit is obligated to provide to**
- 22 **meet the expenses of operation and maintenance of the fire**
- 23 **protection services within the territory; including the participating**
- 24 **unit's reasonable share of an operating balance for the fire**
- 25 **protection territory; budgets, ad valorem property tax levies,**
- 26 **and property tax rates adopted or imposed in the area to be**
- 27 **served by the fire protection territory before the creation of**
- 28 **the fire protection territory;**
- 29 **(2) whether the requested increase is reasonable because of a**
- 30 **population increase in the area to be served by the fire**
- 31 **protection territory; and**
- 32 **(3) any other factors determined by the department.**
- 33 The department of local government finance shall determine the entire
- 34 amount of the allowable adjustment in the final determination. The
- 35 department shall order the adjustment implemented in the amounts and
- 36 over the number of years, not exceeding three (3), requested by the
- 37 petitioning civil taxing unit. However, the department of local
- 38 government finance may not approve under this subsection a property
- 39 tax levy greater than zero (0) if the civil taxing unit did not exist as of
- 40 the March 1 assessment date for which the tax levy will be imposed.
- 41 For purposes of applying this subsection to the civil taxing unit's
- 42 maximum permissible ad valorem property tax levy in subsequent

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1 calendar years, the department of local government finance may
2 determine not to consider part or all of the part of the property tax levy
3 imposed to establish the operating balance of the fire protection
4 territory.

5 **(c) Ten (10) or more taxpayers within a civil taxing unit may**
6 **before July 1 of a year, file a petition with the department of local**
7 **government finance requesting that the department reduce the**
8 **maximum permissible ad valorem property tax levy for the ensuing**
9 **calendar year for a civil taxing unit that is the provider unit of a**
10 **fire protection territory. The following apply if a petition is filed as**
11 **provided in this subsection:**

12 **(1) The department shall consider:**

13 **(A) the population and change in population of each**
14 **participating unit in the fire protection territory;**

15 **(B) the assessed valuation and change in the assessed**
16 **valuation of each participating unit in the fire protection**
17 **territory;**

18 **(C) the cost of providing fire service to each participating**
19 **unit in the fire protection territory;**

20 **(D) comparisons to other jurisdictions providing similar**
21 **fire service;**

22 **(E) previous tax rates and levies for fire service;**

23 **(F) future needs and planned or expected expenses for fire**
24 **service; and**

25 **(G) any other factors determined by the department.**

26 **(2) After considering the factors under subdivision (1), the**
27 **department may reduce the maximum permissible ad valorem**
28 **property tax levy and the actual property tax levy for the**
29 **ensuing calendar year for the civil taxing unit that is the**
30 **provider unit of a fire protection territory.**

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