



Reprinted
March 29, 2013

ENGROSSED HOUSE BILL No. 1287

DIGEST OF HB 1287 (Updated March 28, 2013 2:31 pm - DI 73)

Citations Affected: IC 36-1.5; IC 36-8.

Synopsis: Local government. Provides that in the case of a governmental reorganization involving municipalities and townships that are participating units in a fire protection territory on the date the reorganization is approved by voters, the fiscal body of the reorganized political subdivision may establish an equipment replacement fund and impose a property tax for the fund in the same manner as participating units in a fire protection territory may do so. Specifies that if such a reorganized political subdivision establishes an equipment replacement fund, the department of local government finance (DLGF) may adjust the maximum property tax levy that would otherwise apply to the reorganized political subdivision in the same manner as the DLGF may adjust the maximum property tax levy of a civil taxing unit to meet the civil taxing unit's obligations to a fire protection territory. Specifies that the requirements and procedures in the statute governing the establishment of a cumulative fund and the imposing or increasing of a property tax rate for a cumulative fund also apply to an equipment replacement fund established for a fire protection territory.

Effective: Upon passage; July 1, 2013.

Thompson, Steuerwald

(SENATE SPONSORS — MILLER PETE, YOUNG R MICHAEL, YOUNG R)

January 14, 2013, read first time and referred to Committee on Government and Regulatory Reform.

February 7, 2013, reported — Do Pass.

February 11, 2013, read second time, ordered engrossed.

February 12, 2013, engrossed. Read third time, passed. Yeas 98, nays 0.

SENATE ACTION

February 25, 2013, read first time and referred to Committee on Local Government.

March 14, 2013, reported favorably — Do Pass.

March 28, 2013, read second time, amended, ordered engrossed.

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First Regular Session 118th General Assembly (2013)

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 2012 Regular Session of the General Assembly.

ENGROSSED HOUSE BILL No. 1287

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

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

- 1 SECTION 1. IC 36-1.5-4-34.5 IS ADDED TO THE INDIANA
2 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
3 [EFFECTIVE JULY 1, 2013]: **Sec. 34.5. (a) This section applies to a**
4 **reorganization under this chapter that:**
5 (1) occurs after **June 30, 2006**; and
6 (2) involves one (1) or more municipalities and one (1) or
7 more townships, all of which are participating units in a fire
8 protection territory on the date the reorganization is
9 approved by voters.
10 (b) The fiscal body of a reorganized political subdivision that
11 results from a reorganization described in subsection (a) may:
12 (1) establish an equipment replacement fund under
13 IC 36-8-19-8.5 and impose a property tax for the fund as
14 provided in IC 36-8-19-8.5; and
15 (2) take any other action under IC 36-8-19-8.5 that may be
16 taken under that section by a participating unit in a fire
17 protection territory.

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1 (c) If a reorganized political subdivision establishes an
 2 equipment replacement fund under IC 36-8-19-8.5 as authorized
 3 by this section, the department of local government finance may
 4 adjust the maximum permissible ad valorem property tax levy that
 5 would otherwise apply to the reorganized political subdivision in
 6 the same manner as the department may adjust the maximum
 7 permissible ad valorem property tax levy of a civil taxing unit
 8 under IC 6-1.1-18.5-10.5 to meet the civil taxing unit's obligations
 9 to a fire protection territory established under IC 36-8-19.

10 SECTION 2. IC 36-8-19-8.5, AS AMENDED BY P.L.47-2007,
 11 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 12 UPON PASSAGE]: Sec. 8.5. (a) Participating units may agree to
 13 establish an equipment replacement fund under this section to be used
 14 to purchase fire protection equipment, including housing, that will be
 15 used to serve the entire territory. To establish the fund, the legislative
 16 bodies of each participating unit must adopt an ordinance (if the unit
 17 is a county or municipality) or a resolution (if the unit is a township)
 18 that meets the following requirements:

19 (1) The ordinance or resolution is identical to the ordinances and
 20 resolutions adopted by the other participating units under this
 21 section.

22 ~~(2) The ordinance or resolution is adopted after January 1 but~~
 23 ~~before April 1.~~

24 **(2) Before adopting the ordinance or resolution, each**
 25 **participating unit must comply with the notice and hearing**
 26 **requirements of IC 6-1.1-41-3.**

27 (3) The ordinance or resolution authorizes the provider unit to
 28 establish the fund.

29 (4) The ordinance or resolution includes at least the following:

30 (A) The name of each participating unit and the provider unit.

31 (B) An agreement to impose a uniform tax rate upon all of the
 32 taxable property within the territory for the equipment
 33 replacement fund.

34 (C) The contents of the agreement to establish the fund.

35 An ordinance or a resolution adopted under this section takes effect
 36 ~~July 1 of the year the ordinance or resolution is adopted: as provided~~
 37 **in IC 6-1.1-41.**

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

39 (1) impose a property tax to provide for the accumulation of
 40 money in the fund to purchase fire protection equipment;

41 (2) incur debt to purchase fire protection equipment and impose
 42 a property tax to retire the loan; or

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1 (3) transfer an amount from the fire protection territory fund to
 2 the fire equipment replacement fund not to exceed five percent
 3 (5%) of the levy for the fire protection territory fund for that year;
 4 or any combination of these options. The property tax rate for the levy
 5 imposed under this section may not exceed three and thirty-three
 6 hundredths cents (\$0.0333) per one hundred dollars (\$100) of assessed
 7 value. Before debt may be incurred, the fiscal body of a participating
 8 unit must adopt an ordinance (if the unit is a county or municipality) or
 9 a resolution (if the unit is a township) that specifies the amount and
 10 purpose of the debt. The ordinance or resolution must be identical to
 11 the other ordinances and resolutions adopted by the participating units.
 12 In addition, the department of local government finance must approve
 13 the incurrence of the debt using the same standards as applied to the
 14 incurrence of debt by civil taxing units.

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

18 **(d) The requirements and procedures specified in IC 6-1.1-41**
 19 **concerning the establishment or reestablishment of a cumulative**
 20 **fund, the imposing of a property tax for a cumulative fund, and the**
 21 **increasing of a property tax rate for a cumulative fund apply to:**

22 **(1) the establishment or reestablishment of a fund under this**
 23 **section;**

24 **(2) the imposing of a property tax for a fund under this**
 25 **section; and**

26 **(3) the increasing of a property tax rate for a fund under this**
 27 **section.**

28 **(e) Notwithstanding IC 6-1.1-18-12, if a fund under this section**
 29 **is reestablished in the manner provided in IC 6-1.1-41, the**
 30 **property tax rate imposed for the fund in the first year after the**
 31 **fund is reestablished may not exceed three and thirty-three**
 32 **hundredths cents (\$0.0333) per one hundred dollars (\$100) of**
 33 **assessed value.**

34 SECTION 3. An emergency is declared for this act.

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Government and Regulatory Reform, to which was referred House Bill 1287, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

MAHAN, Chair

Committee Vote: yeas 11, nays 1.

COMMITTEE REPORT

Madam President: The Senate Committee on Local Government, to which was referred House Bill No. 1287, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill DO PASS.

(Reference is made to House Bill 1287 as printed February 8, 2013.)

HEAD, Chairperson

Committee Vote: Yeas 7, Nays 0.

SENATE MOTION

Madam President: I move that Engrossed House Bill 1287 be amended to read as follows:

Page 2, after line 9, begin a new paragraph and insert:

"SECTION 2. IC 36-8-19-8.5, AS AMENDED BY P.L.47-2007, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8.5. (a) Participating units may agree to establish an equipment replacement fund under this section to be used to purchase fire protection equipment, including housing, that will be used to serve the entire territory. To establish the fund, the legislative bodies of each participating unit must adopt an ordinance (if the unit is a county or municipality) or a resolution (if the unit is a township) that meets the following requirements:

(1) The ordinance or resolution is identical to the ordinances and resolutions adopted by the other participating units under this section.

(2) The ordinance or resolution is adopted after January 1 but

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before April 1.

(2) Before adopting the ordinance or resolution, each participating unit must comply with the notice and hearing requirements of IC 6-1.1-41-3.

(3) The ordinance or resolution authorizes the provider unit to establish the fund.

(4) The ordinance or resolution includes at least the following:

(A) The name of each participating unit and the provider unit.

(B) An agreement to impose a uniform tax rate upon all of the taxable property within the territory for the equipment replacement fund.

(C) The contents of the agreement to establish the fund.

An ordinance or a resolution adopted under this section takes effect ~~July 1 of the year the ordinance or resolution is adopted.~~ **as provided in IC 6-1.1-41.**

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

(1) impose a property tax to provide for the accumulation of money in the fund to purchase fire protection equipment;

(2) incur debt to purchase fire protection equipment and impose a property tax to retire the loan; or

(3) transfer an amount from the fire protection territory fund to the fire equipment replacement fund not to exceed five percent (5%) of the levy for the fire protection territory fund for that year;

or any combination of these options. The property tax rate for the levy imposed under this section may not exceed three and thirty-three hundredths cents (\$0.0333) per one hundred dollars (\$100) of assessed value. Before debt may be incurred, the fiscal body of a participating unit must adopt an ordinance (if the unit is a county or municipality) or a resolution (if the unit is a township) that specifies the amount and purpose of the debt. The ordinance or resolution must be identical to the other ordinances and resolutions adopted by the participating units. In addition, the department of local government finance must approve the incurrence of the debt using the same standards as applied to the incurrence of debt by civil taxing units.

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

(d) The requirements and procedures specified in IC 6-1.1-41 concerning the establishment or reestablishment of a cumulative fund, the imposing of a property tax for a cumulative fund, and the increasing of a property tax rate for a cumulative fund apply to:

(1) the establishment or reestablishment of a fund under this

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section;

(2) the imposing of a property tax for a fund under this section; and

(3) the increasing of a property tax rate for a fund under this section.

(e) Notwithstanding IC 6-1.1-18-12, if a fund under this section is reestablished in the manner provided in IC 6-1.1-41, the property tax rate imposed for the fund in the first year after the fund is reestablished may not exceed three and thirty-three hundredths cents (\$0.0333) per one hundred dollars (\$100) of assessed value.

SECTION 3. An emergency is declared for this act."

Renumber all SECTIONS consecutively.

(Reference is to EHB 1287 as printed March 15, 2013.)

MILLER PETE

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