SENATE BILL No. 459

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1-18.5-10.4; IC 12-20-1-7; IC 36-1.5-4-40.5.

Synopsis: Local government reorganization. Provides that in the case of a reorganization under the government modernization statutes that includes a township and another political subdivision, the rate-controlled property taxes imposed by the reorganized political subdivision for a cumulative firefighting building and equipment fund remain outside of the property tax levy limits. Provides that in the case of a reorganization that includes a township and one or more municipalities in the township, but does not include all municipalities within the township: (1) the township's powers and duties concerning township assistance are transferred to the county; and (2) the county fiscal body shall impose a uniform tax rate throughout the entire township that is sufficient to meet the estimated cost of township assistance in the township. Specifies that the following apply in the case of a reorganization that includes a township and another political subdivision: (1) If the township borrowed money from a township fund to pay the operating expenses of the township fire department or a volunteer fire department before the reorganization, the reorganized political subdivision may repay the loan in installments during the following five years. (2) If the township borrowed money to meet an emergency or to meet the township's current expenses, the fiscal body of the reorganized political subdivision may renew the loan for a period not to exceed five years.

Effective: Upon passage.

Miller Pete

January 10, 2013, read first time and referred to Committee on Local Government.

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Introduced

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.

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SENATE BILL No. 459

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:

SECTION 1. IC 6-1.1-18.5-10.4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10.4. (a) The ad valorem property tax levy limits imposed by section 3 of this chapter do not apply to ad valorem property taxes imposed by a township or a fire protection district under IC 36-8-14.

(b) For purposes of computing the ad valorem property tax levy limit imposed on a township or a fire protection district under section 3 of this chapter, the township's or the fire protection district's ad valorem property tax levy for a particular calendar year does not include that part of the levy imposed under IC 36-8-14.

(c) In the case of a reorganization under IC 36-1.5 that includes a township and another political subdivision:

(1) the ad valorem property tax levy limits imposed by section 3 of this chapter do not apply to any of the ad valorem property taxes imposed by the reorganized political subdivision under IC 36-8-14; and

(2) for purposes of computing the ad valorem property tax

levy limit imposed on the reorganized political subdivision under section 3 of this chapter, the reorganized political subdivision's ad valorem property tax levy for a particular calendar year does not include any part of the levy imposed under IC 36-8-14;

notwithstanding section 9.8 of this chapter.

SECTION 2. IC 12-20-1-7 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 7. (a) This section applies to a reorganization under IC 36-1.5:**

(1) that includes a township and one (1) or more municipalities in the township as part of the reorganization; but

(2) does not include all municipalities within the township as part of the reorganization.

(b) As used in this section, "reorganized township" means a township described in subsection (a).

(c) Subject to any interlocal cooperation agreement described in subsection (g), the following apply after the effective date of a reorganization described in subsection (a):

(1) The powers and duties of the reorganized township concerning township assistance under this article and any other law are transferred to the county for purposes of providing and administering township assistance within the reorganized township.

(2) The county executive shall appoint an individual to serve as the county trustee to administer township assistance in the reorganized township. The county trustee shall carry out the county trustee's powers and duties as directed by the county executive. The county trustee serves at the pleasure of the county executive.

(3) The county shall perform all duties and has all of the powers related to township assistance in the reorganized township that were performed by or possessed by the reorganized township before the powers and duties related to township assistance in the reorganized township were transferred to the county.

(4) The county trustee shall administer township assistance in the reorganized township within the standards adopted under this article, including:

(A) accepting and processing applications for township assistance;

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(B) investigating applications for township assistance;

(C) approving and denying applications for township assistance;

(D) administering approved relief; and

(E) working with other governmental and nonprofit providers of assistance to direct applicants to other resources.

(5) Any reference in this article or any other law to "township trustee" or "trustee" for purposes of providing and administering township assistance is considered for purposes of the reorganized township to be a reference to the county trustee.

(d) After the effective date of a reorganization described in subsection (a), the county executive shall for purposes of IC 6-1.1-17 estimate the amount necessary to meet the cost of township assistance in the reorganized township for each calendar year. Subject to subsection (e), the county fiscal body shall impose in the first year in which the reorganization is effective and thereafter a uniform tax rate throughout the entire reorganized township that is sufficient to meet the estimated cost of township assistance in the reorganized township. The taxes collected as a result of the tax rate shall be credited to a township assistance fund established for the reorganized township.

(e) The department of local government finance shall treat the township assistance property tax levy as a separate levy for purposes of the county's maximum permissible ad valorem property tax levy under IC 6-1.1-18.5. For purposes of computing the ad valorem property tax levy limit imposed on the county under IC 6-1.1-18.5, the county's ad valorem property tax levy for a particular calendar year does not include any part the levy imposed for township assistance for the reorganized township under this section. The county's initial maximum permissible ad valorem property tax levy for township assistance in the reorganized township is equal to the result of:

(1) the total amount of property taxes imposed for township assistance by the township in the year before the effective date of the reorganization; multiplied by

(2) the assessed value growth quotient determined under IC 6-1.1-18.5-2 for the year in which the county's initial property tax levy for township assistance is imposed.

(f) In addition to the other methods of financing township assistance under this article, if the county trustee determines that

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the county's township assistance fund will be exhausted before the end of a year, the county trustee shall notify the county fiscal body of that determination. After receiving notice that the county's township assistance fund will be exhausted before the end of a fiscal year, the county fiscal body may appeal to the department of local government finance for the right to borrow money on a short term basis as otherwise authorized in this article to fund township assistance services in the reorganized township.

(g) A reorganized township and the county containing the reorganized township may enter into an interlocal cooperation agreement under IC 36-1-7 concerning the powers and duties related to providing and administering township assistance in the reorganized township.

(h) The department of local government finance shall adjust the maximum permissible ad valorem property tax levy of the reorganized political subdivision as necessary to reflect the transfer to the county of the funding of township assistance within the reorganized township.

SECTION 3. IC 36-1.5-4-40.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 40.5. The following apply in the case of a reorganization under this article that includes a township and another political subdivision:**

(1) If the township borrowed money from a township fund under IC 36-6-6-14(c) to pay the operating expenses of the township fire department or a volunteer fire department before the reorganization:

(A) the reorganized political subdivision is not required to repay the entire loan during the following year; and

(B) the reorganized political subdivision may repay the loan in installments during the following five (5) years.

(2) If the township borrowed money under IC 36-6-6-14(b) or IC 36-6-6-15 to meet an emergency or to meet the township's current expenses, the fiscal body of the reorganized political subdivision may renew the loan for a period not to exceed five (5) years.

SECTION 4. **An emergency is declared for this act.**

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