February 22, 2013

SENATE BILL No. 229

DIGEST OF SB 229 (Updated February 20, 2013 3:37 pm - DI 87)

Citations Affected: IC 36-8.

Synopsis: Adjustment for township firefighting fund levy. Provides that in the case of a township and a municipality in the township in which: (1) the township provides fire protection to the municipality; and (2) the municipality does not pay the township for any part of the township's cost in providing fire protection services; the department of local government finance shall make an adjustment to the maximum property tax levies of the township and municipality, if the adjustment is agreed to by the fiscal bodies of the township and municipality. Provides that the municipality's maximum property tax levy shall be reduced by the average annual amount budgeted by the municipality for fire protection services during the preceding three years, and that the maximum property tax levy for the township's firefighting fund shall be increased by the product of: (1) the average annual amount budgeted by the municipality for fire protection services during the preceding three years; multiplied by (2) the assessed value growth quotient. Specifies that the tax rate for the township's firefighting fund shall also be imposed within the corporate boundaries of the municipality.

Effective: July 1, 2013.

Boots

January 7, 2013, read first time and referred to Committee on Local Government.
February 21, 2013, reported favorably — Do Pass.

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February 22, 2013

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. 229

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

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

SECTION 1. IC 36-8-13-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 4. (a) Each township shall annually establish a township firefighting fund which is to be the exclusive fund used by the township for the payment of costs attributable to providing fire protection or emergency services under the methods prescribed in section 3 of this chapter and for no other purposes. The money in the fund may be paid out by the township executive with the consent of the township legislative body.

(b) Each township may levy, for each year, a tax for the township firefighting fund. Other than a township providing fire protection or emergency services or both to municipalities in the township under section 3(b) or 3(c) of this chapter **or under section 4.6(b) of this chapter,** the tax levy is on all taxable real and personal property in the township outside the corporate boundaries of municipalities. Subject to the levy limitations contained in IC 6-1.1-18.5, the township levy is to be in an amount sufficient to pay all costs attributable to fire protection and emergency services that are not paid from other

revenues available to the fund. The tax rate and levy shall be established in accordance with the procedures set forth in IC 6-1.1-17.

(c) In addition to the tax levy and service charges received under IC 36-8-12-13 and IC 36-8-12-16, the executive may accept donations to the township for the purpose of firefighting and other emergency services and shall place them in the fund, keeping an accurate record of the sums received. A person may also donate partial payment of any purchase of firefighting or other emergency services equipment made by the township.

(d) If a fire department serving a township dispatches fire apparatus or personnel to a building or premises in the township in response to:

(1) an alarm caused by improper installation or improper maintenance; or

(2) a drill or test, if the fire department is not previously notified that the alarm is a drill or test;

the township may impose a fee or service charge upon the owner of the property. However, if the owner of property that constitutes the owner's residence establishes that the alarm is under a maintenance contract with an alarm company and that the alarm company has been notified of the improper installation or maintenance of the alarm, the alarm company is liable for the payment of the fee or service charge.

(e) The amount of a fee or service charge imposed under subsection (d) shall be determined by the township legislative body. All money received by the township from the fee or service charge must be deposited in the township's firefighting fund.

SECTION 2. IC 36-8-13-4.6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 4.6. (a) For townships and municipalities that elect to have the township provide fire protection and emergency services under section 3(b) of this chapter, the department of local government finance shall adjust each township's and each municipality's maximum permissible levy in the year following the year in which the change is elected, as determined under IC 6-1.1-18.5-3, to reflect the change from providing fire protection under a contract between the municipality and the township to allowing the township to impose a property tax levy on the taxable property located within the corporate boundaries of each municipality.

(b) This subsection does not apply to townships and municipalities that elect to have the township provide fire protection and emergency services under section 3(b) of this chapter. This subsection applies to a township and a municipality in the township in which:

(1) the township provides fire protection to the municipality

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through the use of firefighters employed by the township or by contracting with a volunteer fire department; and

(2) the municipality does not pay the township for any part of the township's cost in providing fire protection services to the municipality.

Upon approval by the fiscal body of such a township and by the fiscal body of such a municipality, the department of local government finance shall adjust the township's and the municipality's maximum permissible ad valorem property tax levies in the year following the year in which the conditions described in subdivisions (1) through (2) are first satisfied, to reflect the fact that the township is providing fire protection to the municipality.

(c) In the case of an adjustment under subsection (a), each municipality's maximum permissible property tax levy shall be reduced by the amount of the municipality's property tax levy that was imposed by the municipality to meet the obligations to the township under the fire protection contract. The township's maximum permissible property tax levy shall be increased by the product of:

(1) one and five-hundredths (1.05); multiplied by

(2) the amount the township received:

(A) in the year in which the change is elected; and

(B) as fire protection contract payments from all municipalities whose levy is decreased under this section.

(d) In the case of an adjustment under subsection (b):

(1) the municipality's maximum permissible ad valorem property tax levy shall be reduced by the average annual amount budgeted by the municipality for fire protection services during the three (3) years immediately preceding the year for which the adjustment is made. The maximum permissible ad valorem property tax levy for the township's firefighting fund shall be increased by the product of:

(A) the average annual amount budgeted by the municipality for fire protection services during the three (3) years immediately preceding the year for which the adjustment is made; multiplied by

(B) the assessed value growth quotient determined under IC 6-1.1-18.5-2 for the year for which the adjustment is made; and

(2) the tax rate for the township firefighting fund shall also be imposed within the corporate boundaries of the municipality.

If the township ceases to provide fire protection services to the

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municipality under subsection (b), the department of local government finance shall adjust the township's and the municipality's maximum permissible ad valorem property tax levies to reflect the fact that the township no longer provides fire protection services under subsection (b), and the tax rate for the township's firefighting fund may no longer be imposed under this subsection within the corporate boundaries of the municipality.

~~(b)~~ **(e)** For purposes of determining a township's or municipality's maximum permissible ad valorem property tax levy under IC 6-1.1-18.5-3 for years following the first year after the year in which the change is elected, a township's or municipality's maximum permissible ad valorem property tax levy is the levy after the adjustment made under subsection ~~(a).~~ **(c) or (d).**

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COMMITTEE REPORT

Madam President: The Senate Committee on Local Government, to which was referred Senate Bill No. 229, 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 Senate Bill 229 as introduced.)

HEAD, Chairperson

Committee Vote: Yeas 8, Nays 0.

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