



February 13, 2013

SENATE BILL No. 459

DIGEST OF SB 459 (Updated February 12, 2013 12:04 pm - DI 73)

Citations Affected: IC 6-1.1; IC 12-20; IC 36-1.5.

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.
January 31, 2013, reported favorably — Do Pass; reassigned to Committee on Tax and Fiscal Policy.
February 12, 2013, reported favorably — Do Pass.

SB 459—LS 7216/DI 73+



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February 13, 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. 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:

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

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

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

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

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

SB 459—LS 7216/DI 73+



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

6 notwithstanding section 9.8 of this chapter.

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

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

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

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

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

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

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

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

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

41 (A) accepting and processing applications for township
42 assistance;

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- 1 **(B) investigating applications for township assistance;**
- 2 **(C) approving and denying applications for township**
- 3 **assistance;**
- 4 **(D) administering approved relief; and**
- 5 **(E) working with other governmental and nonprofit**
- 6 **providers of assistance to direct applicants to other**
- 7 **resources.**
- 8 **(5) Any reference in this article or any other law to "township**
- 9 **trustee" or "trustee" for purposes of providing and**
- 10 **administering township assistance is considered for purposes**
- 11 **of the reorganized township to be a reference to the county**
- 12 **trustee.**
- 13 **(d) After the effective date of a reorganization described in**
- 14 **subsection (a), the county executive shall for purposes of**
- 15 **IC 6-1.1-17 estimate the amount necessary to meet the cost of**
- 16 **township assistance in the reorganized township for each calendar**
- 17 **year. Subject to subsection (e), the county fiscal body shall impose**
- 18 **in the first year in which the reorganization is effective and**
- 19 **thereafter a uniform tax rate throughout the entire reorganized**
- 20 **township that is sufficient to meet the estimated cost of township**
- 21 **assistance in the reorganized township. The taxes collected as a**
- 22 **result of the tax rate shall be credited to a township assistance fund**
- 23 **established for the reorganized township.**
- 24 **(e) The department of local government finance shall treat the**
- 25 **township assistance property tax levy as a separate levy for**
- 26 **purposes of the county's maximum permissible ad valorem**
- 27 **property tax levy under IC 6-1.1-18.5. For purposes of computing**
- 28 **the ad valorem property tax levy limit imposed on the county**
- 29 **under IC 6-1.1-18.5, the county's ad valorem property tax levy for**
- 30 **a particular calendar year does not include any part the levy**
- 31 **imposed for township assistance for the reorganized township**
- 32 **under this section. The county's initial maximum permissible ad**
- 33 **valorem property tax levy for township assistance in the**
- 34 **reorganized township is equal to the result of:**
- 35 **(1) the total amount of property taxes imposed for township**
- 36 **assistance by the township in the year before the effective date**
- 37 **of the reorganization; multiplied by**
- 38 **(2) the assessed value growth quotient determined under**
- 39 **IC 6-1.1-18.5-2 for the year in which the county's initial**
- 40 **property tax levy for township assistance is imposed.**
- 41 **(f) In addition to the other methods of financing township**
- 42 **assistance under this article, if the county trustee determines that**

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

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

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

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

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

- 28 (A) the reorganized political subdivision is not required to
29 repay the entire loan during the following year; and
- 30 (B) the reorganized political subdivision may repay the
31 loan in installments during the following five (5) years.

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

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

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COMMITTEE REPORT

Madam President: The Senate Committee on Local Government, to which was referred Senate Bill No. 459, 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 and be reassigned to the Senate Committee on Tax and Fiscal Policy.

(Reference is made to Senate Bill 459 as introduced.)

HEAD, Chairperson

Committee Vote: Yeas 7, Nays 0.

COMMITTEE REPORT

Madam President: The Senate Committee on Tax and Fiscal Policy, to which was referred Senate Bill No. 459, 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 459 as introduced.)

HERSHMAN, Chairperson

Committee Vote: Yeas 7, Nays 3.

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