
STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



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TO: All Counties, Municipalities, Townships

FROM: Jason Cockerill, Commissioner

DATE: June 3, 2026

SUBJECT: Legislation Affecting Fire Protection and Emergency Medical Service Funding Matters

Introduction

The Department of Local Government Finance (“Department”) issues this memorandum to inform interested parties about changes made to laws concerning the funding of fire protection and emergency medical services. The relevant legislation is found in House Enrolled Act 1210-2026 (“HEA 1210”) signed by Governor Mike Braun on March 12, 2026.

Please note that this memorandum is for informational purposes only and is not a substitute for reading the law.

I. Population-Based Fire Maximum Levy Adjustments, **Ind. Code § 6-1.1-18-28 through 29.5**

Sections 66 through 68 of HEA 1210, all effective upon passage, make the changes described below regarding fire maximum levy adjustments established by HEA 1065-2020 (for townships and fire protection districts) and HEA 1246-2022 (for fire protection territories). These adjustments provided for a permanent levy increase based on the population increase in the fire protection entity’s service area over a ten-year period, according to available Census Bureau data, if the increase was at least 6%. This percent increase is then translated into a property tax rate increase, which is then applied to the certified net assessed value (“CNAV”) of the fire protection entity’s operating fund to determine the levy increase.

A. Repeal of Levy Adjustment for Districts and Territories

Sections 67 and 68 of HEA 1210 repeal Ind. Code § 6-1.1-18-29 and Ind. Code § 6-1.1-18-29.5, respectively, which had allowed for a levy adjustment for fire protection districts and territories. Because these repeals are effective upon passage, a fire protection district or a provider unit of a fire protection territory may not submit a request for certification of an adjustment for Pay 2027 taxes.

B. Limitations on Levy Adjustments for Townships

Section 66 of HEA 1210 amends Ind. Code § 6-1.1-18-28, effective upon passage, to limit the number of townships that may qualify for a levy adjustment under this statute (a “1065 request”).

A township may now only qualify if the township:

- (1) previously submitted a petition or petitions under this statute after 2016;
- (2) received levy adjustments attributable to a combination of one (1) or more rate increases adding up to 0.15; and
- (3) had a percentage increase to its CNAV over the last two (2) years (2024 Pay 2025 and 2025 Pay 2026 between two (2) times and four (4) times the maximum levy growth quotient for the preceding calendar year. For calendar year 2025, the maximum levy growth quotient was 1.04 (4%).

A township for which the above applies may submit a petition to the Department before **June 1**. Note the change in deadline, which was previously April 1. Note also that a qualifying township would have had to have had an eligible rate of 0.15, the maximum allowed by statute. The amendments to Ind. Code § 6-1.1-18-28 permit an additional rate increase over this amount, subject to limitations as explained below.

The determination of eligibility for the levy adjustment based on population does not change. However, for qualifying townships, additional conditions apply:

- (1) The rate determined under Step Three of the statutory formula may not exceed 80% of the amount determined in Step Two.
- (2) The rate determined under Step Three of the statutory formula, when added to the current year’s certified tax rate for the township’s fire fund or fire and EMS fund (as applicable), may not exceed \$0.20.
- (3) If a township subsequently submits a petition under Ind. Code § 6-1.1-18-28 after receiving an adjustment based on the amended version of this statute, Step Four of the statutory formula will apply.

II. Fire Protection Levy and Rate Controls, Ind. Code § 36-8-11 and Ind. Code § 36-8-19

A. Property Tax Rate Cap on New Fire Protection Districts, Ind. Code § 36-8-11-16

Section 273 of HEA 1210 amends Ind. Code § 36-8-11-16 to add a new subsection (b). This new provision states that a fire protection district established after December 31, 2025, may not impose a tax rate that exceeds forty cents (\$0.40) per \$100 of assessed valuation. This is effective retroactive to January 1, 2026.

Therefore, a fire protection district established on or after January 1, 2026, will be subject to this \$0.40 rate cap. Be aware that this is not specific to the fire protection district special operating fund (DLGF Fund Number 8603) and does not exclude the special cumulative fire fund (DLGF Fund Number 8691) or of any debt service fund. **This rate cap will therefore be applied on the sum of the tax rates imposed for all of the fire protection district's levy-supported funds.**

For example, assume a fire protection district is established on January 1, 2026, and imposes a tax levy for pay-2027. The district also establishes a cumulative fire fund at a maximum rate of \$0.0333, per Ind. Code § 36-8-14-4, and subsequently adopts that tax rate in its budget. Under Ind. Code § 36-8-11-16, as amended, the fire protection district's operating fund tax rate cannot exceed \$0.3667, assuming no debt service levy is imposed, or downward adjustment is made to the cumulative fire fund rate.

Finally, note that this rate cap applies only to a fire protection district created on or after January 1, 2026. Fire protection districts established before that date are not subject to the cap. Presumably, fire protection districts that were established before January 1, 2026, and extended after that date would also not be subject to the rate cap. However, fire protection districts that were established before January 1, 2026, and then dissolved and subsequently re-established after January 1, 2026, would be subject to the rate cap.

*B. Property Tax Rate Cap on New or Extended Fire Protection Territories,
Ind. Code § 36-8-19-7*

Similarly, Section 276 of HEA 1210 amends Ind. Code § 36-8-19-7 to make a change to the existing rate cap on fire territories established after December 31, 2024, and to impose other rate caps on fire territories under certain circumstances. This change is effective retroactive to January 1, 2026.

(1) Under current law, for a fire protection territory established after December 31, 2024, the total tax rate imposed by the fire protection territory cannot exceed forty cents (\$0.40) per \$100 of assessed valuation. As amended by HEA 1210, for property taxes imposed in 2027, the \$0.40 rate cap applies only to the fire protection territory operating fund (DLGF Fund Number 8704) established under Ind. Code § 36-8-19-8. Then, for property taxes imposed after 2027, the \$0.40 rate cap applies to both the operating fund and the equipment replacement fund established under Ind. Code § 36-8-19-8.5 (DLGF Fund Number 8793). Please note that this rate cap of \$0.40 does not apply to a rate imposed for a debt service fund.

(2) Under Ind. Code § 36-8-19-7(e), for an existing fire protection territory that changes its boundaries by an ordinance or a resolution after December 31, 2025, the tax rate for the operating fund may not exceed forty cents (\$0.40) per \$100 of assessed value. Note that this is only for the operating fund and does not include equipment replacement fund rate.

(3) Under Ind. Code § 36-8-19-7(f), for a fire territory that existed before January 1, 2025, but for which the boundaries of the service area changed by addition of

participating units through ordinances or resolutions adopted in 2025: the operating fund rate must not exceed the pay-2026 certified rate for the operating fund for the fire territory.

C. Summary of Rate Caps on Fire Protection Districts and Territories

A summary of the rate caps affecting fire protection district and territory funds, and the conditions to which they apply, is below.

Fire Protection Entity	Condition	Rate Cap	Cap applies to
District	Established before January 1, 2026	No rate cap	Not applicable (Ind. Code § 36-8-11-16)
District	Established on or after January 1, 2026	\$0.40	Operating Fund, Cumulative Fire Fund, and any Debt Service Fund (Ind. Code § 36-8-11-16)
Territory	Established before January 1, 2025, no change in boundaries	No rate cap	Not applicable (Ind. Code § 36-8-19-7)
Territory	Established on or after January 1, 2025	\$0.40	Pay-2026: Operating Fund, Equipment Replacement Fund, and any Debt Service Fund Pay-2027: Operating Fund only Pay-2028 and thereafter: Operating Fund and Equipment Replacement Fund (Ind. Code § 36-8-19-7(d))
Territory	Established before January 1, 2025, change in boundaries in 2025	Pay-2026 certified rate	Operating Fund only (Ind. Code § 36-8-19-7(f))
Territory	Established territory, change in boundaries in 2026 and thereafter	\$0.40	Operating Fund only (Ind. Code § 36-8-19-7(e))

*D. Placement of Equipment Replacement Fund Under Maximum Levy,
Ind. Code § 36-8-19-8.5*

Section 278 amends Ind. Code § 36-8-19-8.5 to clarify that the levy for an equipment replacement fund for a fire protection territory is included in the maximum levy of the territory's funds under Ind. Code § 6-1.1-18.5-10.5. Unlike the rate caps described above, this will apply to all fire protection territories supported with equipment replacement funds, regardless of when the territories themselves were established.

This amendment is effective **July 1, 2027**. Therefore, this change will first apply to Pay 2028 taxes.

Contact Information

Questions may be directed to Stephen Lucas, General Counsel at slucas@dlgf.in.gov or Anna Culy, Budget Division Director at aculy@dlgf.in.gov.