
STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



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TO: Counties, Townships, Municipalities, and Fire Protection Districts

FROM: Wesley R. Bennett, Commissioner

RE: Legislation Affecting Fire Protection Territories

DATE: June 18, 2021

The Department of Local Government Finance (“Department”) issues this memorandum to explain legislative changes made in House Enrolled Act 1065-2021 (“HEA 1065”) concerning the formation and composition of fire territories. HEA 1065 was signed into law by Governor Eric J. Holcomb on April 1, 2021, and is effective July 1, 2021.

This memorandum is being issued for informative purposes only and is not a substitute for reading the law.

I. Changes to Process for Forming a Fire Territory

Section 1 of HEA 1065 amends Ind. Code § 36-8-19-6 to provide for the following:

- A fire territory can be expanded to add a participating unit by following the process outlined in Ind. Code § 36-8-19-6.
- A total of three (3) public hearings must be held before the participating units can adopt the resolutions and ordinances to form a fire territory.
 - The first public hearing must be held at least thirty (30) days before the units vote to establish the territory. At this hearing, the legislative body of the participating unit must make the following available to the public:
 - (1) The property tax levy, property tax rate, and budget to be imposed or adopted during the first year of the proposed territory for each of the units or fire protection districts that would participate in the proposed territory;
 - (2) The estimated effect of the proposed reorganization in the following years on taxpayers in each of the units or fire districts that would participate in the proposed territory, including the expected property tax rates, property tax levies, expenditure levels, service levels, and annual debt service payments;
 - (3) The estimated effect of the proposed reorganization on other units in the county in the following years and on local income taxes, excise taxes, and property tax circuit breaker credits;
 - (4) A description of the planned services and staffing levels to be provided in the proposed territory; and

- (5) A description of any capital improvements to be provided in the proposed territory.
- The next two (2) public hearings must be held after the first public hearing. The third public hearing must be held not later than ten (10) days before the legislative body votes on the establishment of the fire territory.
- Notice of each hearing must be given under Ind. Code § 5-3-1.
- The ordinance or resolution to establish the fire territory must also include an agreement as to how the property that is held by the territory will be disposed of if either a participating unit withdraws from the territory or the territory is dissolved.

II. Territory Executive Board Composition

Section 2 of HEA 1065 adds Ind. Code § 36-8-19-6.9 as a new statute that applies to any fire territory established by an ordinance or resolution adopted after December 31, 2021, and which delegates administrative, budget, or fiscal responsibilities to an executive board. The executive board must include at least one (1) voting member who resides within and represents each participating unit and who does not reside in any of the other participating units.

Contact Information

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