

# HOUSE BILL No. 1012

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-1.1-17-3.7; IC 20-26-18.3; IC 20-40-3.5; IC 20-46-1.5.

**Synopsis:** School safety levy and school protection officers. Specifies that a school corporation may impose a school safety improvement property tax levy if a majority of the individuals in the school district who vote in a referendum on the tax levy approve the imposition of the tax levy. Provides that if a referendum is approved and a school corporation imposes a school safety improvement property tax levy, the tax revenue must be deposited in a school safety improvement fund and may be used by the school corporation only to pay the costs of: (1) employing a school resource officer or school protection officer, or entering into a contract to employ a school resource officer or school protection officer; (2) conducting a threat assessment of the buildings in the school corporation; (3) purchasing or leasing capital improvements, equipment, or technology that is used to prevent unauthorized access to school property or to expedite notification of first responders; (4) developing and implementing a school safety plan; or (5) paying the school corporation's share of any matching grants awarded from the Indiana safe schools fund or from the Indiana secured school fund. Specifies the powers, duties, and responsibilities of a school protection officer regarding school safety.

**Effective:** Upon passage.

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January 7, 2014, read first time and referred to Committee on Ways and Means.

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Second Regular Session 118th General Assembly (2014)

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 2013 Regular Session and 2013 First Regular Technical Session of the General Assembly.

## HOUSE BILL No. 1012

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

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

1 SECTION 1. IC 6-1.1-17-3.7, AS ADDED BY P.L.257-2013,  
2 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 UPON PASSAGE]: Sec. 3.7. (a) This section authorizes a three (3)  
4 year pilot program to allow county fiscal bodies of designated counties  
5 to carry out a more thorough nonbinding review of the proposed  
6 budgets, property tax rates, and property tax levies of all taxing units  
7 in those counties. The general assembly finds that, because of the  
8 enactment of property tax credits under IC 6-1.1-20.6, there is an even  
9 greater need for taxing units to cooperate in the adoption of their  
10 budgets, property tax rates, and property tax levies.

11 (b) The department of local government finance may establish a  
12 pilot program concerning nonbinding review of budgets, property tax  
13 rates, and property tax levies as provided in this section. The role of the  
14 department of local government finance in the pilot program is to  
15 develop the framework for the continuation of a more thorough  
16 nonbinding review in all counties without the direct involvement of the



1 department of local government finance.

2 (c) For a county to be eligible for designation as a pilot county  
3 participating in the pilot program:

4 (1) the county fiscal body must adopt a resolution approving the  
5 submission of an application to be designated as a pilot county;  
6 and

7 (2) the county fiscal body must submit to the department of local  
8 government finance before the date specified by the department:

9 (A) an application in the form and containing the information  
10 prescribed by the department; and

11 (B) a copy of the resolution adopted under subdivision (1).

12 (d) After reviewing applications submitted under subsection (c), the  
13 department of local government finance may designate not more than  
14 three (3) counties that submit an application under subsection (c) as  
15 pilot counties under this section. In determining which counties are  
16 designated as pilot counties, the department of local government  
17 finance shall attempt to achieve diversity among designated counties  
18 based on:

19 (1) the geographical location of the counties;

20 (2) the population of the counties; and

21 (3) whether the counties are primarily rural or urban.

22 (e) The department of local government finance shall notify each  
23 taxing unit in a pilot county of:

24 (1) the designation of the county as a pilot county; and

25 (2) the duties of the taxing unit under this section.

26 (f) The following apply in 2014 and thereafter:

27 (1) Each taxing unit in a pilot county shall, before September 2 of  
28 each year, file with the department of local government finance  
29 and with the county fiscal body:

30 (A) the taxing unit's proposed budgets, property tax rates, and  
31 property tax levies for the following calendar year;

32 (B) a statement of whether:

33 (i) a petition and remonstrance process has been initiated  
34 under IC 6-1.1-20 concerning a controlled project of the  
35 taxing unit;

36 (ii) a public question under IC 6-1.1-20 concerning a  
37 controlled project of the taxing unit has been certified and  
38 will be on the election ballot;

39 (iii) a referendum tax levy question under IC 20-46-1 **or a**  
40 **school safety improvement property tax levy question**  
41 **under IC 20-46-1.5** has been certified and will be on the  
42 election ballot; or



- 1 (iv) the taxing unit anticipates that it will during the  
 2 following eighteen (18) months either adopt a resolution or  
 3 ordinance under IC 6-1.1-20 making a preliminary  
 4 determination to issue bonds or enter into a lease concerning  
 5 a controlled project of the taxing unit, or adopt a resolution  
 6 under IC 20-46-1 to place a referendum tax levy question on  
 7 the election ballot **or adopt a resolution under**  
 8 **IC 20-46-1.5 to place a school safety improvement**  
 9 **property tax levy question on the election ballot; and**  
 10 (C) any additional information required by the department to  
 11 prepare the analysis required under subdivision (4).  
 12 A school corporation providing information to the department of  
 13 local government finance shall provide the information through  
 14 the department's interactive and searchable Internet web site  
 15 containing local government information (the Indiana gateway for  
 16 governmental units). When formulating the taxing unit's estimated  
 17 budget, property tax rate, and property tax levy under section 3 of  
 18 this chapter, the proper officers of the taxing unit shall consider  
 19 the estimated consequences of the property tax credits under  
 20 IC 6-1.1-20.6 on the property taxes that will be collected by the  
 21 taxing unit and the calculation of fund balances.  
 22 (2) A taxing unit in a pilot county that would otherwise be  
 23 required to submit its proposed budgets, property tax rates, and  
 24 property tax levies for nonbinding review under section 3.5 of this  
 25 chapter is not required to do so, but the taxing unit must instead  
 26 submit the information required by subdivision (1) to the  
 27 department of local government finance.  
 28 (3) A taxing unit that is located in a pilot county and that is  
 29 subject to binding review and approval of the taxing unit's  
 30 budgets, property tax rates, and property tax levies under section  
 31 20 of this chapter or IC 36-3-6-9:  
 32 (A) remains subject to binding review and approval under  
 33 those statutes and must submit the information required under  
 34 those statutes to the appropriate fiscal body; and  
 35 (B) must also submit the information required by subdivision  
 36 (1) to the department of local government finance.  
 37 (4) The department shall prepare an analysis of the proposed  
 38 budgets, property tax rates, and property tax levies submitted by  
 39 taxing units in each pilot county. The department of local  
 40 government finance may establish appropriate procedures and  
 41 conduct the appropriate analysis that meets the department's  
 42 requirements for the review of a unit's budget under this chapter.



- 1 The analysis prepared by the department must include at least the  
 2 following:
- 3 (A) The estimated total property tax rate for each taxing  
 4 district in the pilot county.
- 5 (B) The estimated total amount of property taxes to be levied  
 6 in the pilot county.
- 7 (C) The estimated consequences of the property tax credits  
 8 under IC 6-1.1-20.6 on:
- 9 (i) the property tax rates of each taxing unit and taxing  
 10 district in the pilot county;
- 11 (ii) the expected total tax rate of each taxing district in the  
 12 county; and
- 13 (iii) the property taxes that will be collected by each taxing  
 14 unit in the pilot county.
- 15 (5) The department of local government finance shall, before  
 16 October 2 of each year, provide the analysis prepared under  
 17 subdivision (4) for a pilot county to the county fiscal body of the  
 18 pilot county and to the fiscal body of each taxing unit in the pilot  
 19 county. Upon request by the county fiscal body, representatives  
 20 of the department of local government finance shall appear before  
 21 the county fiscal body to review the analysis.
- 22 (6) The county fiscal body of a pilot county shall, on or before  
 23 October 15 of each year:
- 24 (A) review the proposed budgets, property tax rates, and  
 25 property tax levies of each taxing unit in the pilot county;
- 26 (B) review the expected total tax rate of each taxing district in  
 27 the county; and
- 28 (C) issue a nonbinding recommendation to each taxing unit in  
 29 the pilot county regarding the taxing unit's proposed budgets,  
 30 property tax rates, and property tax levies.
- 31 The review and recommendation required to be carried out under  
 32 this subdivision may be carried out by the full county fiscal body  
 33 or by a committee appointed by the county fiscal body for that  
 34 purpose.
- 35 (7) A recommendation by a county fiscal body must include a  
 36 comparison of any increase in a taxing unit's budgets, property tax  
 37 rates, and property tax levies to:
- 38 (A) the average increase in Indiana nonfarm personal income  
 39 for the preceding six (6) calendar years and the average  
 40 increase in nonfarm personal income for the county for the  
 41 preceding six (6) calendar years; and
- 42 (B) increases in the budgets, property tax rates, and property



1 tax levies of other taxing units in the county.  
 2 (8) After review under this section, a taxing unit must adopt its  
 3 budget, property tax rates, and property tax levies by the date  
 4 required under section 5 of this chapter.

5 (g) The county fiscal body of a pilot county may, before July 1 of a  
 6 year, adopt a resolution discontinuing the county's participation in the  
 7 pilot program. If a county fiscal body adopts such a resolution:

- 8 (1) the county fiscal body shall certify a copy of the resolution to  
 9 the department of local government finance;  
 10 (2) the county's participation in the pilot program is terminated;  
 11 and  
 12 (3) the department of local government finance shall attempt to  
 13 replace the pilot county with another county that has applied to be  
 14 designated as a pilot county.

15 (h) The department of local government finance shall, before  
 16 November 1, 2014, and each year thereafter, report to the commission  
 17 on state tax and financing policy concerning the pilot program and  
 18 whether the nonbinding review under the pilot program is fostering  
 19 cooperation among taxing units in the adoption of their budgets,  
 20 property tax rates, and property tax levies.

21 (i) This section expires January 1, 2017.

22 SECTION 2. IC 20-26-18.3 IS ADDED TO THE INDIANA CODE  
 23 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
 24 UPON PASSAGE]:

25 **Chapter 18.3. School Protection Officers**

26 **Sec. 1. (a) As used in this chapter, "school protection officer"**  
 27 **means an individual who:**

28 **(1) is authorized to exercise the police powers described in**  
 29 **IC 5-2-1-9; and**

30 **(2) is employed by:**

31 **(A) a school corporation as an employee or a contract**  
 32 **employee; or**

33 **(B) a law enforcement agency, if the person is assigned to**  
 34 **a school on a permanent basis;**

35 **to provide physical security for students and staff on school**  
 36 **property.**

37 **(b) The term does not include a school resource officer (as**  
 38 **defined in IC 20-26-18.2-1) or a law enforcement officer who is**  
 39 **responding to an incident on school property but who does not**  
 40 **meet the requirements of subsection (a)(1) and (a)(2).**

41 **Sec. 2. A school protection officer has the following powers,**  
 42 **duties, and responsibilities regarding school safety:**



- 1           (1) Except as provided in subdivision (2), a school protection  
2 officer is subordinate to the school corporation and the school  
3 principal with respect to the school protection officer's daily  
4 activities, assignments, and responsibilities.
- 5           (2) A school protection officer shall use the school protection  
6 officer's own discretion in determining how or whether to  
7 exercise the school protection officer's police powers.
- 8           (3) A school protection officer may exercise the school  
9 protection officer's police powers if the school protection  
10 officer believes that a crime or delinquent act has been  
11 committed.
- 12           (4) A school protection officer may not enforce school rules or  
13 school discipline if no crime or delinquent act has been  
14 committed.
- 15           (5) A school protection officer may not be involved in  
16 follow-up investigations, truancy cases, or home visits.
- 17           SECTION 3. IC 20-40-3.5 IS ADDED TO THE INDIANA CODE  
18 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
19 UPON PASSAGE]:
- 20           **Chapter 3.5. School Safety Improvement Fund**
- 21           **Sec. 1.** As used in this chapter, "school protection officer" has  
22 the meaning set forth in IC 20-26-18.3-1.
- 23           **Sec. 2.** As used in this chapter, "school resource officer" has the  
24 meaning set forth in IC 20-26-18.2-1.
- 25           **Sec. 3.** The governing body of each school corporation for which  
26 a school safety improvement property tax levy is approved in a  
27 referendum and imposed under IC 20-46-1.5 shall establish a  
28 school safety improvement fund.
- 29           **Sec. 4.** Property tax collections from a school safety  
30 improvement property tax levy imposed by a school corporation  
31 shall be deposited in the school safety improvement fund.
- 32           **Sec. 5.** Money in a school safety improvement fund may be used  
33 by a school corporation only for the following purposes:
- 34           (1) To pay the costs of any of the following:
- 35           (A) Employing a school resource officer or school  
36 protection officer.
- 37           (B) Entering into a contract or a memorandum of  
38 understanding with a local law enforcement agency,  
39 private entity, or nonprofit corporation to employ a school  
40 resource officer or school protection officer.
- 41           (C) Conducting a threat assessment of the buildings within  
42 the school corporation.



1           **(D) Purchasing or leasing capital improvements,**  
 2           **equipment, or technology that is used to:**

- 3           **(i) prevent unauthorized access to school property; or**  
 4           **(ii) expedite notification of first responders.**

5           **(E) Developing and implementing a school safety plan**  
 6           **described in IC 20-26-18.2-2(b).**

7           **(2) To pay the school corporation's share of any matching**  
 8           **grants awarded from the Indiana safe schools fund under**  
 9           **IC 5-2-10.1-2 or from the Indiana secured school fund under**  
 10           **IC 10-21-1.**

11           SECTION 4. IC 20-46-1.5 IS ADDED TO THE INDIANA CODE  
 12           AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
 13           UPON PASSAGE]:

14           **Chapter 1.5. School Safety Improvement Property Tax Levy**

15           **Sec. 1. As used in this chapter, "referendum" refers to a**  
 16           **referendum under this chapter.**

17           **Sec. 2. The governing body of a school corporation may impose**  
 18           **a school safety improvement property tax levy for the school**  
 19           **corporation's school safety improvement fund under IC 20-40-3.5**  
 20           **only if a majority of the individuals who vote in a referendum that**  
 21           **is conducted in accordance with this chapter approve the**  
 22           **imposition of the tax levy.**

23           **Sec. 3. (a) The governing body of a school corporation may, as**  
 24           **provided in this chapter, adopt a resolution to place on the ballot**  
 25           **a referendum requesting the approval of a school safety**  
 26           **improvement property tax levy. The governing body of the school**  
 27           **corporation shall either:**

- 28           **(1) specify the number of years for which the school safety**  
 29           **improvement property tax levy is requested; or**  
 30           **(2) request that the governing body permanently be granted**  
 31           **authority to impose a school safety improvement property tax**  
 32           **levy.**

33           **(b) The governing body of the school corporation shall submit**  
 34           **a certified copy of the resolution to the department of local**  
 35           **government finance, including the language for the question**  
 36           **required by section 5 of this chapter. The department of local**  
 37           **government finance shall review the language for compliance with**  
 38           **section 5 of this chapter and either approve or reject the language.**  
 39           **The department of local government finance must, not more than**  
 40           **ten (10) days after the resolution is submitted to the department,**  
 41           **notify the governing body of the school corporation regarding the**  
 42           **department's decision. If the language is approved, the governing**





1 body of the school corporation shall certify a copy of the resolution,  
2 including the language for the question and approval of the  
3 department of local government finance, to:

- 4 (1) the county fiscal body (for informational purposes only);
  - 5 and
  - 6 (2) the circuit court clerk;
- 7 of each county in which the school corporation is located.

8 Sec. 4. A circuit court clerk shall, upon receiving the question  
9 certified by the governing body of a school corporation under this  
10 chapter, call a meeting of the county election board to make  
11 arrangements for the referendum.

12 Sec. 5. (a) The question to be submitted to the voters in the  
13 referendum must read as follows:

14 "Shall the \_\_\_\_\_ (insert name of school corporation)  
15 be authorized to impose a property tax rate for school safety  
16 improvement that does not exceed \_\_\_\_\_ cents  
17 (\$0. \_\_) (insert amount requested by the governing body) on  
18 each one hundred dollars (\$100) of assessed valuation and  
19 that is in addition to all other property tax levies imposed by  
20 the school corporation?"

21 If the governing body specifies the number of years for which the  
22 school safety improvement property tax levy is requested, the  
23 following language must also be included in the question to be  
24 submitted to the voters in the referendum:

25 "If approved by the voters, the property tax rate may be  
26 imposed for \_\_\_ years following the holding of the  
27 referendum."

28 (b) The referendum shall be held in the next primary election,  
29 general election, or municipal election in which all the registered  
30 voters who are residents of the school corporation are entitled to  
31 vote after certification of the question under IC 3-10-9-3. However,  
32 if a primary election, general election, or municipal election will  
33 not be held during the first year in which the public question is  
34 eligible to be placed on the ballot under this chapter and if the  
35 school corporation requests the public question to be placed on the  
36 ballot at a special election, the public question shall be placed on  
37 the ballot at a special election to be held on the first Tuesday after  
38 the first Monday in May or November of the year. The certification  
39 must occur not later than noon seventy-four (74) days before a  
40 special election to be held in May (if the special election is to be  
41 held in May) or noon on August 1 (if the special election is to be  
42 held in November).



1 (c) If the referendum is not conducted at a primary election,  
 2 general election, or municipal election, the school corporation in  
 3 which the referendum is to be held shall pay all the costs of holding  
 4 the referendum.

5 Sec. 6. Each county election board shall cause:

6 (1) the question certified to the circuit court clerk by the  
 7 governing body of a school corporation to be placed on the  
 8 ballot in the form prescribed by IC 3-10-9-4; and

9 (2) an adequate supply of ballots and voting equipment to be  
 10 delivered to the precinct election board of each precinct in  
 11 which the referendum is to be held.

12 Sec. 7. All registered voters who reside in the school corporation  
 13 are entitled to vote in the referendum.

14 Sec. 8. (a) Each precinct election board shall count the  
 15 affirmative votes and the negative votes cast in the referendum and  
 16 shall certify those two (2) totals to the county election board of  
 17 each county in which the referendum is held. The circuit court  
 18 clerk of each county shall, immediately after the votes cast in the  
 19 referendum have been counted, certify the results of the  
 20 referendum to the department of local government finance.

21 (b) If a majority of the individuals who vote in the referendum  
 22 vote "yes" on the referendum question:

23 (1) the department of local government finance shall promptly  
 24 notify the school corporation that the school corporation is  
 25 authorized to collect, for the calendar year that next follows  
 26 the calendar year in which the referendum is held, a school  
 27 safety improvement property tax levy not greater than the  
 28 amount approved in the referendum;

29 (2) the school safety improvement property tax levy may be  
 30 imposed by the governing body:

31 (A) each year, if the referendum does not specify the  
 32 number of years for which the tax levy may be imposed; or

33 (B) for the number of years approved by the voters in the  
 34 referendum, if the referendum specifies the number of  
 35 years for which the tax levy may be imposed; and

36 (3) the school corporation shall establish a school safety  
 37 improvement fund under IC 20-40-3.5.

38 (c) If a majority of the individuals who vote in the referendum  
 39 do not vote "yes" on the referendum question:

40 (1) the school corporation may not impose a school safety  
 41 improvement property tax levy; and

42 (2) another referendum under this chapter may not be held



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for one (1) year after the date of the referendum.

**Sec. 9. A school safety improvement property tax levy may be reimposed or extended under this chapter.**

**Sec. 10. If a referendum is approved by the voters in a school corporation under this chapter in a calendar year, another referendum may not be placed on the ballot in the school corporation under this chapter in the following calendar year.**

**Sec. 11. The provisions set forth in IC 20-46-1-20 concerning promoting a position on a referendum, identifying a student as the child of a parent or guardian who supports or opposes a referendum, spending money to promote a position on a referendum, personally advocating for or against a position on a referendum or discussing a referendum, and using school equipment or facilities to promote a position on a referendum also apply to a referendum under this chapter.**

**Sec. 12. A school corporation's school safety improvement property tax levy under this chapter may not be considered in the determination of the school corporation's state tuition support distribution under IC 20-43 or the determination of any other property tax levy imposed by the school corporation.**

**Sec. 13. (a) The county auditor shall distribute to the school corporation any proceeds collected from an allocation area (as defined in IC 6-1.1-21.2-3) that are attributable to property taxes imposed after being approved by the voters in a referendum under this chapter.**

**(b) The amount to be distributed under subsection (a) shall be treated as part of the school safety improvement property tax levy for purposes of setting the school corporation's tax rates.**

**SECTION 5. An emergency is declared for this act.**

