

SENATE BILL No. 33

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-3.6-6-8; IC 36-8-19-8.

Synopsis: Distributions of public safety income tax revenue. Provides that a qualified township and various fire entities may apply to the county adopting body for a distribution of local income tax revenue that is allocated to public safety purposes. Requires the county adopting body to review a submitted application at a public hearing at which the qualified township or entity must present and explain its application. Provides that after the public hearing on the application, and before September 1, the county adopting body shall adopt a resolution approving the application and requiring that tax revenue be distributed to the qualified township or entity. Provides the calculation for the amount of the allocation to a qualified township. Repeals certain provisions enacted in the 2023 session in HB 1454 regarding distribution of tax revenue allocated to public safety to township fire departments, volunteer fire departments, fire protection territories, or fire protection districts.

Effective: July 1, 2024.

Niemeyer

January 8, 2024, read first time and referred to Committee on Tax and Fiscal Policy.



Second Regular Session of the 123rd General Assembly (2024)

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 2023 Regular Session of the General Assembly.

SENATE BILL No. 33



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 6-3.6-6-8, AS AMENDED BY P.L.236-2023,
2 SECTION 81, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2024]: Sec. 8. (a) This section applies to the allocation of
4 additional revenue from a tax under this chapter to public safety
5 purposes. Funding dedicated for a PSAP under a former tax continues
6 to apply under this chapter until it is rescinded or modified. If funding
7 was not dedicated for a PSAP under a former tax, the adopting body
8 may adopt a resolution providing that all or part of the additional
9 revenue allocated to public safety is to be dedicated for a PSAP. The
10 resolution first applies in the following year and then thereafter until it
11 is rescinded or modified. Funding dedicated for a PSAP shall be
12 allocated and distributed as provided in IC 6-3.6-11-4.

13 **(b) As used in this section, "qualified fire protection district"**
14 **means a fire protection district established under IC 36-8-11.**

15 **(c) As used in this section, "qualified fire protection territory"**
16 **means a fire protection territory as described in IC 36-8-19-5**
17 **whose boundaries are entirely contained within a single county**



1 other than Marion County.

2 (d) As used in this section, "qualified township" of a county
3 refers to any township with a firefighting levy in a county (other
4 than a township located in Marion County) that operates or
5 contracts with a fire department, a volunteer fire department, or
6 an emergency medical services provider.

7 ~~(b)~~ (e) Except as provided in ~~subsections (c) and (d)~~, subsection (g),
8 the amount of the certified distribution that is allocated to public safety
9 purposes, and after making allocations under IC 6-3.6-11, shall be
10 allocated to the county and to each municipality in the county that is
11 carrying out or providing at least one (1) public safety purpose. For
12 purposes of this subsection, in the case of a consolidated city, the total
13 property taxes imposed by the consolidated city include the property
14 taxes imposed by the consolidated city and all special taxing districts
15 (except for a public library district, a public transportation corporation,
16 and a health and hospital corporation), and all special service districts.
17 The amount allocated under this subsection to a county or municipality
18 is equal to the result of:

19 (1) the amount of the remaining certified distribution that is
20 allocated to public safety purposes; multiplied by

21 (2) a fraction equal to:

22 (A) in the case of a county that initially imposed a rate for
23 public safety under IC 6-3.5-6 (repealed), the result of the total
24 property taxes imposed in the county by the county or
25 municipality for the calendar year preceding the distribution
26 year, divided by the sum of the total property taxes imposed in
27 the county by the county and each municipality in the county
28 that is entitled to a distribution under this section for that
29 calendar year; or

30 (B) in the case of a county that initially imposed a rate for
31 public safety under IC 6-3.5-1.1 (repealed) or a county that did
32 not impose a rate for public safety under either IC 6-3.5-1.1
33 (repealed) or IC 6-3.5-6 (repealed), the result of the attributed
34 allocation amount of the county or municipality for the
35 calendar year preceding the distribution year, divided by the
36 sum of the attributed allocation amounts of the county and
37 each municipality in the county that is entitled to a distribution
38 under this section for that calendar year.

39 (f) A qualified township may, before July 1 of a year, apply to
40 the county adopting body for a distribution of tax revenue under
41 this section. The county adopting body shall review an application
42 submitted by a qualified township at a public hearing, after giving



1 notice under IC 5-3-1, at which the qualified township must
 2 present and explain its application. Not later than ten (10) days
 3 after the public hearing, and before September 1 of a year, the
 4 county adopting body shall adopt a resolution approving the
 5 application and requiring that tax revenue be distributed to the
 6 qualified township under this subsection. If a resolution is adopted,
 7 part of the certified distribution allocated to the county under
 8 subsection (e) shall be allocated to the qualified township (or
 9 qualified townships if more than one (1) qualified township applies)
 10 in an amount equal to the result of:

11 (1) the amount of the certified distribution that is allocated to
 12 the county under subsection (e); multiplied by

13 (2) a fraction equal to:

14 (A) in the case of a county that initially imposed a rate for
 15 public safety under IC 6-3.5-6 (repealed), the result of the
 16 total property taxes imposed in the county by the qualified
 17 township for the calendar year, divided by the sum of the
 18 total property taxes imposed in the county by the county
 19 and each qualified township in the county; or

20 (B) in the case of a county that initially imposed a rate for
 21 public safety under IC 6-3.5-1.1 (repealed) or a county that
 22 did not impose a rate for public safety under either
 23 IC 6-3.5-1.1 (repealed) or IC 6-3.5-6 (repealed), the result
 24 of the attributed allocation amount of the qualified
 25 township for the calendar year, divided by the sum of the
 26 attributed allocation amounts of the county and each
 27 qualified township in the county.

28 The county adopting body shall provide a copy of the resolution to
 29 the county auditor and the department of local government finance
 30 not more than fifteen (15) days after the resolution is adopted. A
 31 resolution adopted under this subsection and provided in a timely
 32 manner to the county auditor and the department of local
 33 government finance applies to distributions of tax revenue to the
 34 qualified township in the following calendar year and each
 35 calendar year thereafter until the qualified township rescinds its
 36 application under subsection (h).

37 (e) (g) A fire department, volunteer fire department, **qualified fire**
 38 **protection territory provider unit, qualified fire protection district,**
 39 or emergency medical services provider that:

40 (1) provides fire protection or emergency medical services within
 41 the county; and

42 (2) is operated by or serves a political subdivision that is not



1 otherwise entitled to receive a distribution of tax revenue under
 2 this section;
 3 may, before July 1 of a year, apply to the **county** adopting body for a
 4 distribution of tax revenue under this section during the following
 5 calendar year. The **county** adopting body shall review an application
 6 submitted by a **qualified fire protection territory provider unit or**
 7 **qualified fire protection district** under this subsection **at a public**
 8 **hearing, after giving notice under IC 5-3-1, at which the qualified**
 9 **applicant must present and explain its application. Not later than**
 10 **ten (10) days after the public hearing, and may, before September 1**
 11 **of a year, the county adopting body shall adopt a resolution**
 12 **approving the application and** requiring that **one (1) or more of the**
 13 **applicants shall receive a specified amount of the tax revenue to be**
 14 **distributed to the qualified applicant** under this section. **during the**
 15 **following calendar year.** The **county** adopting body shall provide a
 16 copy of the resolution to the county auditor and the department of local
 17 government finance not more than fifteen (15) days after the resolution
 18 is adopted. A resolution adopted under this subsection and provided in
 19 a timely manner to the county auditor and **the department applies only**
 20 **to distributions in the following calendar year. Any amount of tax**
 21 **revenue distributed under this subsection to a fire department,**
 22 **volunteer fire department, or emergency medical services provider**
 23 **shall be distributed before the remainder of the tax revenue is allocated**
 24 **under subsection (b). the department of local government finance**
 25 **applies to distributions of tax revenue to the qualified applicant in**
 26 **the following calendar year and each calendar year thereafter until**
 27 **the qualified applicant rescinds its application under subsection**
 28 **(h).**

29 (d) From the amount of the certified distribution that is allocated to
 30 public safety purposes; and after making allocations under IC 6-3.6-11;
 31 the adopting body may adopt a resolution that one (1) or more township
 32 fire departments; volunteer fire departments; fire protection territories;
 33 or fire protection districts shall receive an amount of the tax revenue to
 34 be distributed under this section during the following calendar year up
 35 to the amount of revenue that is attributable to five one-hundredths of
 36 one percent (0.05%) of the tax rate imposed for allocations to public
 37 safety purposes. A resolution adopted under this subsection must
 38 include information on the service area for each township fire
 39 department, volunteer fire department, fire protection territory, or fire
 40 protection district, as applicable. Any distribution under this subsection
 41 must be based on the assessed value of real property, not including
 42 land, that is served by each township fire department, volunteer fire



1 department, fire protection territory, or fire protection district, as
 2 applicable. The adopting body shall provide a copy of the resolution to
 3 the county auditor and the department of local government finance not
 4 more than fifteen (15) days after the resolution is adopted. A resolution
 5 adopted under this subsection and provided in a timely manner to the
 6 county auditor and the department applies only to distributions in the
 7 following calendar year. Any amount of tax revenue distributed under
 8 this subsection to a township fire department, volunteer fire
 9 department, fire protection territory, or fire protection district, as
 10 applicable, shall be distributed before the remainder of the tax revenue
 11 is allocated under subsection (b).

12 **(h) A qualified township under subsection (f) or qualified**
 13 **applicant under subsection (g) that wishes to rescind its application**
 14 **under the applicable subsection must notify the county adopting**
 15 **body in writing before July 1 of a year. If the county adopting body**
 16 **receives a qualified township's or qualified applicant's written**
 17 **notice to rescind its application for a distribution of tax revenue**
 18 **under this subsection, the county adopting body shall adopt a**
 19 **resolution rescinding the qualified township's or qualified**
 20 **applicant's distribution before September 1 of a year and shall**
 21 **provide a copy of the resolution to the county auditor and the**
 22 **department of local government finance not more than fifteen (15)**
 23 **days after the resolution is adopted.**

24 SECTION 2. IC 36-8-19-8, AS AMENDED BY P.L.236-2023,
 25 SECTION 209, IS AMENDED TO READ AS FOLLOWS
 26 [EFFECTIVE JULY 1, 2024]: Sec. 8. (a) Upon the adoption of
 27 identical ordinances or resolutions, or both, by the participating units
 28 under section 6 of this chapter, the designated provider unit must
 29 establish a fire protection territory fund from which all expenses of
 30 operating and maintaining the fire protection services within the
 31 territory, including repairs, fees, salaries, depreciation on all
 32 depreciable assets, rents, supplies, contingencies, and all other
 33 expenses lawfully incurred within the territory shall be paid. The
 34 purposes described in this subsection are the sole purposes of the fund,
 35 and money in the fund may not be used for any other expenses. Except
 36 as allowed in subsections (d) and (e) and section 8.5 of this chapter, the
 37 provider unit is not authorized to transfer money out of the fund at any
 38 time.

39 (b) The fund consists of the following:

- 40 (1) All receipts from the tax imposed under this section.
- 41 (2) Any money transferred to the fund by the provider unit as
- 42 authorized under subsection (d).



1 (3) Any receipts from a false alarm fee or service charge imposed
2 by the participating units under IC 36-8-13-4.

3 (4) Any money transferred to the fund by a participating unit
4 under section 8.6 of this chapter.

5 (5) Any receipts from a distribution made under ~~IC 6-3.6-6-8(d)~~;
6 **IC 6-3.6-6-8(g)**, which shall be deposited in the fund.

7 (c) The provider unit, with the assistance of each of the other
8 participating units, shall annually budget the necessary money to meet
9 the expenses of operation and maintenance of the fire protection
10 services within the territory. The provider unit may maintain a
11 reasonable balance, not to exceed one hundred twenty percent (120%)
12 of the budgeted expenses. Except as provided in IC 6-1.1-18.5-10.5,
13 and subject to section 7(c) of this chapter, after estimating expenses
14 and receipts of money, the provider unit shall establish the tax levy
15 required to fund the estimated budget. Subject to IC 6-1.1-18.5-10.5(c),
16 the amount budgeted under this subsection shall be considered a part
17 of each of the participating unit's budget.

18 (d) If the amount levied in a particular year is insufficient to cover
19 the costs incurred in providing fire protection services within the
20 territory, the provider unit may transfer from available sources to the
21 fire protection territory fund the money needed to cover those costs. In
22 this case:

23 (1) the levy in the following year shall be increased by the amount
24 required to be transferred; and

25 (2) the provider unit is entitled to transfer the amount described
26 in subdivision (1) from the fund as reimbursement to the provider
27 unit.

28 (e) If the amount levied in a particular year exceeds the amount
29 necessary to cover the costs incurred in providing fire protection
30 services within the territory, the levy in the following year shall be
31 reduced by the amount of surplus money that is not transferred to the
32 equipment replacement fund established under section 8.5 of this
33 chapter. The amount that may be transferred to the equipment
34 replacement fund may not exceed five percent (5%) of the levy for that
35 fund for that year. Each participating unit must agree to the amount to
36 be transferred by adopting an ordinance (if the unit is a county or
37 municipality) or a resolution (if the unit is a township) that specifies an
38 identical amount to be transferred.

39 (f) The tax under this section is subject to the tax levy limitations
40 imposed under IC 6-1.1-18.5-10.5.

