

## SENATE BILL No. 547

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### DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-1.1-18.5-13.

**Synopsis:** Property tax levy appeals. Provides a property tax levy appeal for the city of Goshen in an amount not to exceed the amount of property tax replacement credits under CAGIT that the city petitioned to have reallocated for a purpose other than property tax relief in 2001 under the property tax levy appeal provisions.

**Effective:** July 1, 2001.

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### Riegsecker

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January 23, 2001, read first time and referred to Committee on Rules and Legislative Procedure.

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First Regular Session 112th General Assembly (2001)

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 2000 General Assembly.

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## SENATE BILL No. 547



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 6-1.1-18.5-13 IS AMENDED TO READ AS  
 2 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 13. With respect to an  
 3 appeal filed under section 12 of this chapter, the local government tax  
 4 control board may recommend that a civil taxing unit receive any one  
 5 (1) or more of the following types of relief:  
 6 (1) Permission to the civil taxing unit to reallocate the amount set  
 7 aside as a property tax replacement credit as required by  
 8 IC 6-3.5-1.1 for a purpose other than property tax relief. However,  
 9 whenever this occurs, the local government tax control board  
 10 shall also state the amount to be reallocated.  
 11 (2) Permission to the civil taxing unit to increase its levy in excess  
 12 of the limitations established under section 3 of this chapter, if in  
 13 the judgment of the local government tax control board the  
 14 increase is reasonably necessary due to increased costs of the civil  
 15 taxing unit resulting from annexation, consolidation, or other  
 16 extensions of governmental services by the civil taxing unit to  
 17 additional geographic areas or persons.



- 1 (3) Permission to the civil taxing unit to increase its levy in excess  
 2 of the limitations established under section 3 of this chapter, if the  
 3 local government tax control board finds that the civil taxing unit  
 4 needs the increase to meet the civil taxing unit's share of the costs  
 5 of operating a court established by statute enacted after December  
 6 31, 1973. Before recommending such an increase, the local  
 7 government tax control board shall consider all other revenues  
 8 available to the civil taxing unit that could be applied for that  
 9 purpose. The maximum aggregate levy increases that the local  
 10 government tax control board may recommend for a particular  
 11 court equals the civil taxing unit's share of the costs of operating  
 12 a court for the first full calendar year in which it is in existence.
- 13 (4) Permission to the civil taxing unit to increase its levy in excess  
 14 of the limitations established under section 3 of this chapter, if the  
 15 civil taxing unit's average three (3) year growth factor, as  
 16 determined in section 2 (STEP THREE) of this chapter, exceeds  
 17 one and one-tenth (1.1). However, any increase in the amount of  
 18 the civil taxing unit's levy recommended by the local government  
 19 tax control board under this subdivision may not exceed an  
 20 amount equal to the remainder of:
- 21 (A) the amount of ad valorem property taxes the civil taxing  
 22 unit could impose for the ensuing calendar year under section  
 23 3 of this chapter if at STEP TWO of subsection (a) or (b), as  
 24 the case may be, the amount determined in STEP THREE of  
 25 section 2 of this chapter is substituted for the amount  
 26 determined under STEP FIVE of section 2 of this chapter;  
 27 minus
- 28 (B) the amount of ad valorem property taxes the civil taxing  
 29 unit could impose under section 3 of this chapter for the  
 30 ensuing calendar year.
- 31 In addition, before the local government tax control board may  
 32 recommend the relief allowed under this subdivision, the civil  
 33 taxing unit must show a need for the increased levy because of  
 34 special circumstances, and the local government tax control board  
 35 must consider other sources of revenue and other means of relief.
- 36 (5) Permission to the civil taxing unit to increase its levy in excess  
 37 of the limitations established under section 3 of this chapter, if the  
 38 local government tax control board finds that the civil taxing unit  
 39 needs the increase to pay the costs of furnishing fire protection for  
 40 the civil taxing unit through a volunteer fire department. For  
 41 purposes of determining a township's need for an increased levy,  
 42 the local government tax control board shall not consider the

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1 amount of money borrowed under IC 36-6-6-14 during the  
 2 immediately preceding calendar year. However, any increase in  
 3 the amount of the civil taxing unit's levy recommended by the  
 4 local government tax control board under this subdivision for the  
 5 ensuing calendar year may not exceed the lesser of:

6 (A) ten thousand dollars (\$10,000); or

7 (B) twenty percent (20%) of:

8 (i) the amount authorized for operating expenses of a  
 9 volunteer fire department in the budget of the civil taxing  
 10 unit for the immediately preceding calendar year; plus

11 (ii) the amount of any additional appropriations authorized  
 12 during that calendar year for the civil taxing unit's use in  
 13 paying operating expenses of a volunteer fire department  
 14 under ~~IC 6-1-1-18.5~~; **this chapter**; minus

15 (iii) the amount of money borrowed under IC 36-6-6-14  
 16 during that calendar year for the civil taxing unit's use in  
 17 paying operating expenses of a volunteer fire department.

18 (6) Permission to a civil taxing unit to increase its levy in excess  
 19 of the limitations established under section 3 of this chapter in  
 20 order to raise revenues for pension payments and contributions  
 21 the civil taxing unit is required to make under IC 36-8. The  
 22 maximum increase in a civil taxing unit's levy that may be  
 23 recommended under this subdivision for an ensuing calendar year  
 24 equals the amount, if any, by which the pension payments and  
 25 contributions the civil taxing unit is required to make under  
 26 IC 36-8 during the ensuing calendar year exceeds the product of  
 27 one and one-tenth (1.1) multiplied by the pension payments and  
 28 contributions made by the civil taxing unit under IC 36-8 during  
 29 the calendar year that immediately precedes the ensuing calendar  
 30 year. For purposes of this subdivision, "pension payments and  
 31 contributions made by a civil taxing unit" does not include that  
 32 part of the payments or contributions that are funded by  
 33 distributions made to a civil taxing unit by the state.

34 (7) Permission to increase its levy in excess of the limitations  
 35 established under section 3 of this chapter if the local government  
 36 tax control board finds that:

37 (A) the township's poor relief ad valorem property tax rate is  
 38 less than one and sixty-seven hundredths cents (\$0.0167) per  
 39 one hundred dollars (\$100) of assessed valuation; and

40 (B) the township needs the increase to meet the costs of  
 41 providing poor relief under IC 12-20 and IC 12-30-4.

42 The maximum increase that the board may recommend for a

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1 township is the levy that would result from an increase in the  
 2 township's poor relief ad valorem property tax rate of one and  
 3 sixty-seven hundredths cents (\$0.0167) per one hundred dollars  
 4 (\$100) of assessed valuation minus the township's ad valorem  
 5 property tax rate per one hundred dollars (\$100) of assessed  
 6 valuation before the increase.

7 (8) Permission to a civil taxing unit to increase its levy in excess  
 8 of the limitations established under section 3 of this chapter if:

9 (A) the increase has been approved by the legislative body of  
 10 the municipality with the largest population where the civil  
 11 taxing unit provides public transportation services; and

12 (B) the local government tax control board finds that the civil  
 13 taxing unit needs the increase to provide adequate public  
 14 transportation services.

15 The local government tax control board shall consider tax rates  
 16 and levies in civil taxing units of comparable population, and the  
 17 effect (if any) of a loss of federal or other funds to the civil taxing  
 18 unit that might have been used for public transportation purposes.  
 19 However, the increase that the board may recommend under this  
 20 subdivision for a civil taxing unit may not exceed the revenue that  
 21 would be raised by the civil taxing unit based on a property tax  
 22 rate of one cent (\$0.01) per one hundred dollars (\$100) of  
 23 assessed valuation.

24 (9) Permission to a civil taxing unit to increase the unit's levy in  
 25 excess of the limitations established under section 3 of this  
 26 chapter if the local government tax control board finds that:

27 (A) the civil taxing unit is:

28 (i) a county having a population of more than one hundred  
 29 twenty-nine thousand (129,000) but less than one hundred  
 30 thirty thousand six hundred (130,600);

31 (ii) a city having a population of more than forty-three  
 32 thousand seven hundred (43,700) but less than forty-four  
 33 thousand (44,000);

34 (iii) a city having a population of more than twenty-five  
 35 thousand five hundred (25,500) but less than twenty-six  
 36 thousand (26,000);

37 (iv) a city having a population of more than fifteen thousand  
 38 three hundred fifty (15,350) but less than fifteen thousand  
 39 five hundred seventy (15,570); or

40 (v) a city having a population of more than five thousand six  
 41 hundred fifty (5,650) but less than five thousand seven  
 42 hundred eight (5,708); and

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1 (B) the increase is necessary to provide funding to undertake  
 2 removal (as defined in ~~IC 13-7-8.7-1~~ **IC 13-11-2-187**) and  
 3 remedial action (as defined in ~~IC 13-7-8.7-1~~ **IC 13-11-2-185**)  
 4 relating to hazardous substances (as defined in ~~IC 13-7-8.7-1~~  
 5 **IC 13-11-2-98**) in solid waste disposal facilities or industrial  
 6 sites in the civil taxing unit that have become a menace to the  
 7 public health and welfare.

8 The maximum increase that the local government tax control  
 9 board may recommend for such a civil taxing unit is the levy that  
 10 would result from a property tax rate of six and sixty-seven  
 11 hundredths cents (\$0.0667) for each one hundred dollars (\$100)  
 12 of assessed valuation. For purposes of computing the ad valorem  
 13 property tax levy limit imposed on a civil taxing unit under  
 14 section 3 of this chapter, the civil taxing unit's ad valorem  
 15 property tax levy for a particular year does not include that part of  
 16 the levy imposed under this subdivision. In addition, a property  
 17 tax increase permitted under this subdivision may be imposed for  
 18 only two (2) calendar years.

19 (10) Permission for a county having a population of more than  
 20 seventy-eight thousand (78,000) but less than eighty-five  
 21 thousand (85,000) to increase the county's levy in excess of the  
 22 limitations established under section 3 of this chapter, if the local  
 23 government tax control board finds that the county needs the  
 24 increase to meet the county's share of the costs of operating a jail  
 25 or juvenile detention center, including expansion of the facility,  
 26 if the jail or juvenile detention center is opened after December  
 27 31, 1991. Before recommending an increase, the local  
 28 government tax control board shall consider all other revenues  
 29 available to the county that could be applied for that purpose. An  
 30 appeal for operating funds for a jail or juvenile detention center  
 31 shall be considered individually, if a jail and juvenile detention  
 32 center are both opened in one (1) county. The maximum  
 33 aggregate levy increases that the local government tax control  
 34 board may recommend for a county equals the county's share of  
 35 the costs of operating the jail or juvenile detention center for the  
 36 first full calendar year in which the jail or juvenile detention  
 37 center is in operation.

38 (11) Permission for a township to increase its levy in excess of the  
 39 limitations established under section 3 of this chapter, if the local  
 40 government tax control board finds that the township needs the  
 41 increase so that the property tax rate to pay the costs of furnishing  
 42 fire protection for a township, or a portion of a township, enables

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1 the township to pay a fair and reasonable amount under a contract  
 2 with the municipality that is furnishing the fire protection.  
 3 However, for the first time an appeal is granted the resulting rate  
 4 increase may not exceed fifty percent (50%) of the difference  
 5 between the rate imposed for fire protection within the  
 6 municipality that is providing the fire protection to the township  
 7 and the township's rate. A township is required to appeal a second  
 8 time for an increase under this subdivision if the township wants  
 9 to further increase its rate. However, a township's rate may be  
 10 increased to equal but may not exceed the rate that is used by the  
 11 municipality. More than one (1) township served by the same  
 12 municipality may use this appeal.

13 **(12) Permission to a city having a population of more than**  
 14 **twenty-three thousand five hundred (23,500) but less than**  
 15 **twenty-four thousand (24,000) to increase its levy in excess of**  
 16 **the limitations established under section 3 of this chapter if:**

17 (A) an appeal was granted to the city under subdivision (1)  
 18 in 1998, 1999, and 2000; and

19 (B) the increase has been approved by the legislative body  
 20 of the city, and the legislative body of the city has by  
 21 resolution determined that the increase is necessary to pay  
 22 normal operating expenses.

23 **The maximum amount of the increase is equal to the amount**  
 24 **of property tax replacement credits under IC 6-3.5-1.1 that**  
 25 **the city petitioned to have reallocated in 2001 under**  
 26 **subdivision (1) for a purpose other than property tax relief.**

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