

COMMITTEE REPORT

MADAM PRESIDENT:

The Senate Committee on Local Government, to which was referred Senate Bill No. 405, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

- 1 Page 7, delete lines 41 through 42.
2 Page 8, delete lines 1 through 4.
3 Page 8, line 5, delete "(c)" and insert "(b)".
4 Page 9, delete lines 20 through 42, begin a new paragraph and
5 insert:
6 "SECTION 9. IC 6-1.1-17-3, AS AMENDED BY P.L.182-2009(ss),
7 SECTION 114, IS AMENDED TO READ AS FOLLOWS
8 [EFFECTIVE JULY 1, 2011]: Sec. 3. (a) The proper officers of a
9 political subdivision shall formulate its estimated budget and its
10 proposed tax rate and tax levy on the form prescribed by the
11 department of local government finance and approved by the state
12 board of accounts. The political subdivision shall give notice by
13 publication to taxpayers of:
14 (1) the estimated budget;
15 (2) the estimated maximum permissible levy;
16 (3) the current and proposed tax levies of each fund; and
17 (4) the amounts of excessive levy appeals to be requested.
18 In the notice, the political subdivision shall also state the time and
19 place at which a public hearing will be held on these items. The notice

1 shall be published twice in accordance with IC 5-3-1 with the first
 2 publication at least ten (10) days before the date fixed for the public
 3 hearing. Beginning in 2009, the duties required by this subsection must
 4 be completed before September 10 of the calendar year.

5 **(b) Beginning with budgets adopted for 2012, the county shall**
 6 **give notice by publication to taxpayers of the budgets and tax levies**
 7 **of each township as part of the notice by publication of the budget**
 8 **and tax levies of the county. The department of local government**
 9 **finance shall for property taxes first due and payable after**
 10 **December 31, 2011, adjust the maximum permissible ad valorem**
 11 **property tax levies of each township and each county as necessary**
 12 **to account for the transfer of publication responsibilities to**
 13 **counties under this subsection.**

14 **(c) Beginning with budgets adopted for 2012, the county shall**
 15 **hold the public hearing on the budgets and tax levies of each**
 16 **township as part of the public hearing on the budget and tax levies**
 17 **of the county. The department of local government finance shall**
 18 **for property taxes first due and payable after December 31, 2011,**
 19 **adjust the maximum permissible ad valorem property tax levies of**
 20 **each township and each county as necessary to account for the**
 21 **transfer of public hearing responsibilities to counties under this**
 22 **subsection.**

23 ~~(b)~~ **(d)** The board of directors of a solid waste management district
 24 established under IC 13-21 or IC 13-9.5-2 (before its repeal) may
 25 conduct the public hearing required under subsection (a):

- 26 (1) in any county of the solid waste management district; and
- 27 (2) in accordance with the annual notice of meetings published
- 28 under IC 13-21-5-2.

29 ~~(c)~~ **(e)** The trustee of each township in the county shall estimate the
 30 amount necessary to meet the cost of township assistance in the
 31 township for the ensuing calendar year. The township board **or (after**
 32 **December 31, 2012) the county fiscal body** shall adopt with the
 33 township budget a tax rate sufficient to meet the estimated cost of
 34 township assistance. The taxes collected as a result of the tax rate
 35 adopted under this subsection are credited to the township assistance
 36 fund.

37 ~~(d)~~ **(f)** This subsection expires January 1, 2009. A county shall adopt
 38 with the county budget and the department of local government finance

1 shall certify under section 16 of this chapter a tax rate sufficient to raise
2 the levy necessary to pay the following:

3 (1) The cost of child services (as defined in IC 12-19-7-1, **before**
4 **its repeal**) of the county payable from the family and children's
5 fund.

6 (2) The cost of children's psychiatric residential treatment
7 services (as defined in IC 12-19-7.5-1, **before its repeal**) of the
8 county payable from the children's psychiatric residential
9 treatment services fund.

10 A budget, tax rate, or tax levy adopted by a county fiscal body or
11 approved or modified by a county board of tax adjustment that is less
12 than the levy necessary to pay the costs described in subdivision (1) or
13 (2) shall not be treated as a final budget, tax rate, or tax levy under
14 section 11 of this chapter.

15 **(g) This subsection applies to township budgets adopted for 2012**
16 **and 2013. The township board may file a statement of the**
17 **township's proposed budget, tax rate, and tax levy with the county**
18 **fiscal body. The county fiscal body shall consider the matters in**
19 **section 2(c) of this chapter in reviewing the statement. The county**
20 **fiscal body shall formulate the final proposed budget, tax rate, and**
21 **tax levy for the township on the form prescribed by the department**
22 **of local government finance and approved by the state board of**
23 **accounts. The county fiscal body may revise, reduce, or modify, but**
24 **may not increase, the township's proposed budget, tax rate, or levy**
25 **submitted to the county fiscal body under this section. The county**
26 **fiscal body shall adopt the final proposed budget, tax rate, and tax**
27 **levy as part of the county budget. The budget, tax rate, and tax levy**
28 **for each township shall be treated as funds under the budget, tax**
29 **rate, and tax levy of the county. The county shall submit the**
30 **budget, tax rate, and tax levy in the manner prescribed by the**
31 **department of local government finance. This subsection expires**
32 **January 1, 2015.**

33 **(h) The following apply to township budgets adopted for 2012**
34 **and 2013:**

35 (1) **Except as provided in subdivision (2), the total amount**
36 **appropriated by the township board for a particular year**
37 **(including any additional appropriations made for that year)**
38 **may not exceed the result of:**

1 (A) the total amount appropriated for the previous year
 2 (including any additional appropriations made for that
 3 year); multiplied by
 4 (B) the assessed value growth quotient determined under
 5 IC 6-1.1-18.5-2 and applicable to the township for the
 6 particular year.

7 (2) If the township board or (after December 31, 2012) the
 8 county fiscal body determines after a public hearing that the
 9 township cannot carry out its governmental functions for a
 10 year under the appropriation limitations imposed by
 11 subdivision (1), the township board or (after December 31,
 12 2012) the county fiscal body may appeal before October 20 of
 13 the current year to the department of local government
 14 finance for relief from the appropriation limitations for the
 15 ensuing year. In the appeal, the township board or (after
 16 December 31, 2012) the county fiscal body must state that the
 17 township will be unable to carry out the governmental
 18 functions committed to it by law unless the township is given
 19 relief from the appropriation limits. The township board or
 20 (after December 31, 2012) the county fiscal body must support
 21 the appeal by reasonably detailed statements of fact. The
 22 department of local government finance shall review the
 23 merits of the appeal. If the department of local government
 24 finance determines after reviewing the appeal that the
 25 township cannot carry out its governmental functions for a
 26 year under the appropriation limitations imposed by
 27 subdivision (1), the department of local government finance
 28 may grant relief from those appropriation limitations in the
 29 manner determined to be appropriate by the department of
 30 local government finance.

31 **This subsection expires January 1, 2015.**

32 SECTION 10. IC 6-1.1-17-3.5, AS AMENDED BY
 33 P.L.182-2009(ss), SECTION 115, IS AMENDED TO READ AS
 34 FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 3.5. (a) This section
 35 does not apply to civil taxing units located in a county in which a
 36 county board of tax adjustment reviews budgets, tax rates, and tax
 37 levies. This section does not apply to a civil taxing unit that has its
 38 proposed budget and proposed property tax levy approved under

1 section 20 of this chapter or IC 36-3-6-9. **Beginning with budgets**
 2 **adopted for 2012, this section does not apply to townships.**

3 (b) This section applies to a civil taxing unit other than a county. If
 4 a civil taxing unit will impose property taxes due and payable in the
 5 ensuing calendar year, the civil taxing unit shall file with the fiscal
 6 body of the county in which the civil taxing unit is located:

7 (1) a statement of the proposed or estimated tax rate and tax levy
 8 for the civil taxing unit for the ensuing budget year; and

9 (2) a copy of the civil taxing unit's proposed budget for the
 10 ensuing budget year.

11 (c) In the case of a civil taxing unit located in more than one (1)
 12 county, the civil taxing unit shall file the information under subsection
 13 (b) with the fiscal body of the county in which the greatest part of the
 14 civil taxing unit's net assessed valuation is located.

15 (d) A civil taxing unit must file the information under subsection (b)
 16 at least forty-five (45) days before the civil taxing unit fixes its tax rate
 17 and tax levy and adopts its budget under this chapter.

18 (e) A county fiscal body shall complete the following at least fifteen
 19 (15) days before the civil taxing unit fixes its tax rate and tax levy and
 20 adopts its budget under this chapter:

21 (1) Review any proposed or estimated tax rate or tax levy or
 22 proposed budget filed by a civil taxing unit with the county fiscal
 23 body under this section.

24 (2) Issue a nonbinding recommendation to a civil taxing unit
 25 regarding the civil taxing unit's proposed or estimated tax rate or
 26 tax levy or proposed budget.

27 (f) The recommendation under subsection (e) must include a
 28 comparison of any increase in the civil taxing unit's budget or tax levy
 29 to:

30 (1) the average increase in Indiana nonfarm personal income for
 31 the preceding six (6) calendar years and the average increase in
 32 nonfarm personal income for the county for the preceding six (6)
 33 calendar years; and

34 (2) increases in the budgets and tax levies of other civil taxing
 35 units in the county.

36 (g) The department of local government finance must provide each
 37 county fiscal body with the most recent available information
 38 concerning increases in Indiana nonfarm personal income and

1 increases in county nonfarm personal income.

2 (h) If a civil taxing unit fails to file the information required by
3 subsection (b) with the fiscal body of the county in which the civil
4 taxing unit is located by the time prescribed in subsection (d), the most
5 recent annual appropriations and annual tax levy of that civil taxing
6 unit are continued for the ensuing budget year.

7 (i) If a county fiscal body fails to complete the requirements of
8 subsection (e) before the deadline in subsection (e) for any civil taxing
9 unit subject to this section, the most recent annual appropriations and
10 annual tax levy of the county are continued for the ensuing budget year.

11 SECTION 11. IC 6-1.1-17-5, AS AMENDED BY P.L.111-2010,
12 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
13 JULY 1, 2011]: Sec. 5. (a) The officers of political subdivisions shall
14 meet each year to fix the budget, tax rate, and tax levy of their
15 respective subdivisions for the ensuing budget year as follows:

16 (1) The board of school trustees of a school corporation that is
17 located in a city having a population of more than one hundred
18 five thousand (105,000) but less than one hundred twenty
19 thousand (120,000), not later than:

- 20 (A) the time required in section 5.6(b) of this chapter; or
21 (B) November 1 if a resolution adopted under section 5.6(d) of
22 this chapter is in effect.

23 (2) The proper officers of all other political subdivisions that are
24 not school corporations, not later than November 1.

25 (3) The governing body of a school corporation (other than a
26 school corporation described in subdivision (1)) that elects to
27 adopt a budget under section 5.6 of this chapter for budget years
28 beginning after June 30, 2011, not later than the time required
29 under section 5.6(b) of this chapter for budget years beginning
30 after June 30, 2011.

31 (4) The governing body of a school corporation that is not
32 described in subdivision (1) or (3), not later than November 1.

33 Except in a consolidated city and county and in a second class city, the
34 public hearing required by section 3 of this chapter must be completed
35 at least ten (10) days before the proper officers of the political
36 subdivision meet to fix the budget, tax rate, and tax levy. In a
37 consolidated city and county and in a second class city, that public
38 hearing, by any committee or by the entire fiscal body, may be held at

1 any time after introduction of the budget. **Beginning with budgets**
2 **adopted for 2012, the county fiscal body shall adopt the budget, tax**
3 **rate, and tax levy for each township in the county as part of the**
4 **county budget. The budget, tax rate, and tax levy for each township**
5 **shall be treated as funds under the budget, tax rate, and tax levy of**
6 **the county. The county shall submit the budget, tax rate, and tax**
7 **levy in the manner prescribed by the department of local**
8 **government finance.**

9 (b) Ten (10) or more taxpayers may object to a budget, tax rate, or
10 tax levy of a political subdivision fixed under subsection (a) by filing
11 an objection petition with the proper officers of the political
12 subdivision not more than seven (7) days after the hearing. The
13 objection petition must specifically identify the provisions of the
14 budget, tax rate, and tax levy to which the taxpayers object.

15 (c) If a petition is filed under subsection (b), the fiscal body of the
16 political subdivision shall adopt with its budget a finding concerning
17 the objections in the petition and any testimony presented at the
18 adoption hearing.

19 (d) This subsection does not apply to a school corporation. Each
20 year at least two (2) days before the first meeting of the county board
21 of tax adjustment held under IC 6-1.1-29-4, a political subdivision shall
22 file with the county auditor:

23 (1) a statement of the tax rate and levy fixed by the political
24 subdivision for the ensuing budget year;

25 (2) two (2) copies of the budget adopted by the political
26 subdivision for the ensuing budget year; and

27 (3) two (2) copies of any findings adopted under subsection (c).

28 Each year the county auditor shall present these items to the county
29 board of tax adjustment at the board's first meeting under
30 IC 6-1.1-29-4.

31 (e) In a consolidated city and county and in a second class city, the
32 clerk of the fiscal body shall, notwithstanding subsection (d), file the
33 adopted budget and tax ordinances with the county board of tax
34 adjustment within two (2) days after the ordinances are signed by the
35 executive, or within two (2) days after action is taken by the fiscal body
36 to override a veto of the ordinances, whichever is later.

37 (f) If a fiscal body does not fix the budget, tax rate, and tax levy of
38 the political subdivisions for the ensuing budget year as required under

- 1 this section, the most recent annual appropriations and annual tax levy
2 are continued for the ensuing budget year."
- 3 Delete page 10.
- 4 Page 11, delete lines 1 through 33.
- 5 Page 16, line 6, delete "fiscal" and insert "**legislative**".
- 6 Page 16, line 22, delete "fiscal" and insert "**legislative**".
- 7 Page 17, line 22, delete "fiscal" and insert "**legislative**".
- 8 Page 17, line 26, delete "fiscal" and insert "**legislative**".
- 9 Page 22, line 21, delete "fiscal" and insert "**legislative**".
- 10 Page 24, line 6, delete "and legislative".
- 11 Page 24, line 7, delete "body".
- 12 Page 24, line 8, delete "legislative and".
- 13 Page 24, between lines 12 and 13, begin a new paragraph and insert:
14 **"(d) After December 31, 2012:**
- 15 **(1) the county legislative body is the legislative body of each**
16 **township in the county; and**
- 17 **(2) the county legislative body shall exercise the legislative**
18 **powers assigned in the Indiana Code to township boards.**
- 19 **(e) The county executive shall allow and make orders for**
20 **payment of claims against the township in the same manner that**
21 **the county executive allows and orders payment of claims against**
22 **the county."**
- 23 Page 24, line 13, delete "(d)" and insert "**(f)**".
- 24 Page 24, line 17, delete "(e)" and insert "**(g)**".
- 25 Page 24, line 23, delete "(f)" and insert "**(h)**".
- 26 Page 24, line 27, after "board" insert "**concerning fiscal powers**
27 **and duties**".
- 28 Page 24, between lines 28 and 29, begin a new paragraph and insert:
29 **"(i) After December 31, 2012, any reference:**
- 30 **(1) in the Indiana Code;**
- 31 **(2) in the Indiana Administrative Code; or**
- 32 **(3) in any resolution;**
- 33 **to the township board concerning legislative powers and duties**
34 **shall be considered a reference to the county legislative body."**
- 35 Page 24, delete lines 29 through 42.

- 1 Delete page 25.
- 2 Page 26, delete lines 1 through 25.
- 3 Renumber all SECTIONS consecutively.
(Reference is to SB 405 as introduced.)

and when so amended that said bill do pass.

Committee Vote: Yeas 7, Nays 1.

Lawson C

Chairperson