



January 12, 2022

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## HOUSE BILL No. 1157

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DIGEST OF HB 1157 (Updated January 12, 2022 10:13 am - DI 87)

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

**Synopsis:** Township budget. Provides the following with regard to a township that fails to fix its budget, tax rate, and tax levy, or submit its estimated budget and other information to the department of local government finance's computer gateway: (1) The township's most recent annual tax levy continues for the ensuing budget year. (2) The township board must adopt and the township trustee must approve a resolution to continue the township's most recent annual appropriations for the ensuing budget year. (Current law provides that both levy and appropriations continue for the ensuing budget year without any action by the township board and trustee.) Provides that if a resolution is not adopted and approved, all appropriations during the ensuing budget year must be approved by the township board on a monthly basis.

**Effective:** July 1, 2022.

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January 6, 2022, read first time and referred to Committee on Government and Regulatory Reform.  
January 12, 2022, amended, reported — Do Pass.

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HB 1157—LS 6368/DI 87





January 12, 2022

Second Regular Session of the 122nd General Assembly (2022)

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 2021 Regular Session of the General Assembly.

## HOUSE BILL No. 1157

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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, AS AMENDED BY P.L.220-2021,  
2 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2022]: Sec. 3. (a) The proper officers of a political subdivision  
4 shall formulate its estimated budget and its proposed tax rate and tax  
5 levy on the form prescribed by the department of local government  
6 finance and approved by the state board of accounts. In formulating a  
7 political subdivision's estimated budget under this section, the proper  
8 officers of the political subdivision must consider the net property tax  
9 revenue that will be collected by the political subdivision during the  
10 ensuing year, after taking into account the estimate by the department  
11 of local government finance under IC 6-1.1-20.6-11.1 of the amount by  
12 which the political subdivision's distribution of property taxes will be  
13 reduced by credits under IC 6-1.1-20.6-9.5 in the ensuing year, after  
14 taking into account the estimate by the department of local government  
15 finance under section 0.7 of this chapter of the maximum amount of net  
16 property tax revenue and miscellaneous revenue that the political  
17 subdivision will receive in the ensuing year, and after taking into

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1 account all payments for debt service obligations that are to be made  
 2 by the political subdivision during the ensuing year. The political  
 3 subdivision or appropriate fiscal body, if the political subdivision is  
 4 subject to section 20 of this chapter, shall submit the following  
 5 information to the department's computer gateway:

- 6 (1) The estimated budget.
- 7 (2) The estimated maximum permissible levy, as provided by the  
 8 department under IC 6-1.1-18.5-24.
- 9 (3) The current and proposed tax levies of each fund.
- 10 (4) The percentage change between the current and proposed tax  
 11 levies of each fund.
- 12 (5) The amount by which the political subdivision's distribution  
 13 of property taxes may be reduced by credits granted under  
 14 IC 6-1.1-20.6, as estimated by the department of local government  
 15 finance under IC 6-1.1-20.6-11.1.
- 16 (6) The amounts of excessive levy appeals to be requested.
- 17 (7) The time and place at which the political subdivision or  
 18 appropriate fiscal body will hold a public hearing on the items  
 19 described in subdivisions (1) through (6).
- 20 (8) The time and place at which the political subdivision or  
 21 appropriate fiscal body will meet to fix the budget, tax rate, and  
 22 levy under section 5 of this chapter.
- 23 (9) The date, time, and place of the final adoption of the budget,  
 24 tax rate, and levy under section 5 of this chapter.

25 Except as provided in section 5.6(b) of this chapter, the political  
 26 subdivision or appropriate fiscal body shall submit this information to  
 27 the department's computer gateway at least ten (10) days before the  
 28 public hearing required by this subsection in the manner prescribed by  
 29 the department. If the date, time, or place of the final adoption  
 30 subsequently changes, the political subdivision shall update the  
 31 information submitted to the department's computer gateway. The  
 32 department shall make this information available to taxpayers, at least  
 33 ten (10) days before the public hearing, through its computer gateway  
 34 and provide a telephone number through which taxpayers may request  
 35 mailed copies of a political subdivision's information under this  
 36 subsection. The department's computer gateway must allow a taxpayer  
 37 to search for the information under this subsection by the taxpayer's  
 38 address. The department shall review only the submission to the  
 39 department's computer gateway for compliance with this section.

40 (b) The board of directors of a solid waste management district  
 41 established under IC 13-21 or IC 13-9.5-2 (before its repeal) may  
 42 conduct the public hearing required under subsection (a):



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

4 (c) The trustee of each township in the county shall estimate the  
 5 amount necessary to meet the cost of township assistance in the  
 6 township for the ensuing calendar year. The township board shall adopt  
 7 with the township budget a tax rate sufficient to meet the estimated cost  
 8 of township assistance. The taxes collected as a result of the tax rate  
 9 adopted under this subsection are credited to the township assistance  
 10 fund.

11 (d) **Except in the case of a township under section 5.7 of this**  
 12 **chapter**, a political subdivision for which any of the information under  
 13 subsection (a) is not submitted to the department's computer gateway  
 14 in the manner prescribed by the department shall have its most recent  
 15 annual appropriations and annual tax levy continued for the ensuing  
 16 budget year.

17 (e) If a political subdivision or appropriate fiscal body timely  
 18 submits the information under subsection (a) but subsequently  
 19 discovers the information contains an error, the political subdivision or  
 20 appropriate fiscal body may submit amended information to the  
 21 department's computer gateway. However, submission of an  
 22 amendment to information described in subsection (a)(1) through (a)(7)  
 23 must occur at least ten (10) days before the public hearing held under  
 24 subsection (a), and submission of an amendment to information  
 25 described in subsection (a)(8) must occur at least twenty-four (24)  
 26 hours before the time in which the meeting to fix the budget, tax rate,  
 27 and levy was originally advertised to commence.

28 (f) Each year, the governing body of a school corporation that  
 29 imposes property taxes to pay debt service on bonds or lease rentals on  
 30 a lease for a controlled project under IC 6-1.1-20, property taxes under  
 31 an operating referendum tax levy under IC 20-46-1, or property taxes  
 32 under a school safety referendum tax levy under IC 20-46-9, shall  
 33 submit the following information at least ten (10) days before the  
 34 public hearing required by subsection (a) in the manner prescribed by  
 35 the department:

- 36 (1) the purposes specified in the public question submitted to the  
 37 voters or any revenue spending plans adopted under  
 38 IC 6-1.1-20-13, IC 20-46-1-8, or IC 20-46-9-6 for:  
 39 (A) debt service on bonds or lease rentals on a lease for a  
 40 controlled project under IC 6-1.1-20;  
 41 (B) an operating referendum tax levy approved by the voters  
 42 of the school corporation under IC 20-46-1; or



1 (C) a school safety referendum tax levy approved by the voters  
 2 of the school corporation under IC 20-46-9;  
 3 as applicable; and  
 4 (2) the debt service levy fund, operating referendum tax levy  
 5 fund, or school safety referendum tax levy fund of the school  
 6 corporation, whichever is applicable;  
 7 to show whether the school corporation is using revenue collected from  
 8 the referendum tax levy in the amounts and for the purposes  
 9 established in the purposes specified in the public question submitted  
 10 to the voters or the revenue spending plan, as applicable. The  
 11 department shall make this information available to taxpayers at least  
 12 ten (10) days before the public hearing.

13 SECTION 2. IC 6-1.1-17-5, AS AMENDED BY P.L.159-2020,  
 14 SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 15 JULY 1, 2022]: Sec. 5. (a) The officers of political subdivisions shall  
 16 meet each year to fix the budget, tax rate, and tax levy of their  
 17 respective subdivisions for the ensuing budget year as follows:

18 (1) The board of school trustees of a school corporation that is  
 19 located in a city having a population of more than one hundred  
 20 thousand (100,000) but less than one hundred ten thousand  
 21 (110,000), not later than:

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

25 (2) Except as provided in section 5.2 of this chapter, the proper  
 26 officers of all other political subdivisions that are not school  
 27 corporations, not later than November 1.

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

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

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



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

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

11 (d) A political subdivision shall file the budget adopted by the  
 12 political subdivision with the department of local government finance  
 13 not later than five (5) business days after the budget is adopted under  
 14 subsection (a). The filing with the department of local government  
 15 finance must be in a manner prescribed by the department.

16 (e) In a consolidated city and county and in a second class city, the  
 17 clerk of the fiscal body shall, notwithstanding subsection (d), file the  
 18 adopted budget and tax ordinances with the department of local  
 19 government finance within five (5) business days after the ordinances  
 20 are signed by the executive, or within five (5) business days after action  
 21 is taken by the fiscal body to override a veto of the ordinances,  
 22 whichever is later.

23 (f) **Except in the case of a township under section 5.7 of this**  
 24 **chapter**, if a fiscal body does not fix the budget, tax rate, and tax levy  
 25 of the political subdivisions for the ensuing budget year as required  
 26 under this section, the most recent annual appropriations and annual  
 27 tax levy are continued for the ensuing budget year.

28 (g) When fixing a budget, tax rate, or tax levy under subsection (a),  
 29 the political subdivision shall indicate on its adopting document, in the  
 30 manner prescribed by the department, whether the political subdivision  
 31 intends to:

- 32 (1) issue debt after December 1 of the year preceding the budget  
 33 year; or  
 34 (2) file a shortfall appeal under IC 6-1.1-18.5-16.

35 SECTION 3. IC 6-1.1-17-5.7 IS ADDED TO THE INDIANA  
 36 CODE AS A **NEW SECTION TO READ AS FOLLOWS**  
 37 [EFFECTIVE JULY 1, 2022]: **Sec. 5.7. (a) This section applies to a**  
 38 **township that fails to:**

- 39 (1) **fix the budget, tax rate, and tax levy of the township for**  
 40 **the ensuing budget year as required under section 5 of this**  
 41 **chapter; or**  
 42 (2) **submit information to the department's computer gateway**



- 1 as prescribed under section 3(a) of this chapter.
- 2 (b) The most recent annual tax levy for the township is  
3 continued for the ensuing budget year.
- 4 (c) The township's most recent annual appropriations are  
5 continued for the ensuing budget year only if all of the following  
6 requirements are met:
- 7 (1) Not later than November 1 of the current year, a  
8 resolution to continue the most recent annual appropriations  
9 for the township for the ensuing budget year is:
- 10 (A) adopted by an affirmative vote of all members of the  
11 township board; and
- 12 (B) approved by the township trustee by:
- 13 (i) entering the township trustee's approval on; and  
14 (ii) signing;  
15 the resolution.
- 16 (2) The resolution is filed with the department of local  
17 government finance not later than five (5) business days after  
18 the date the resolution is adopted and approved as provided  
19 in subdivision (1). The filing with the department of local  
20 government finance must be in a manner prescribed by the  
21 department.
- 22 (d) If a township does not continue its most recent annual  
23 appropriations for the ensuing year under subsection (c), the  
24 township board shall meet at least monthly to make the necessary  
25 appropriations during the ensuing budget year in accordance with  
26 the provisions for making additional appropriations under  
27 IC 6-1.1-18-5. Notwithstanding any other statute, the township  
28 trustee may not disburse any township funds without a prior  
29 appropriation by the township board.





COMMITTEE REPORT

Mr. Speaker: Your Committee on Government and Regulatory Reform, to which was referred House Bill 1157, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 6, line 29, delete "A township trustee who".

Page 6, delete lines 30 through 32.

and when so amended that said bill do pass.

(Reference is to HB 1157 as introduced.)

MILLER D

Committee Vote: yeas 11, nays 0.

