

# HOUSE BILL No. 1034

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 4-4-11-15.6; IC 5-1.5-1-8; IC 5-11-10; IC 6-3.5; IC 34-6-2-110; IC 34-13-3-22; IC 36-9; IC 36-9.1.

**Synopsis:** Public mass transportation. Specifies that a county or city council (other than the city-county council of Marion County) may elect by ordinance to provide revenue to a public transportation corporation from the city's or the county's distributive share of county adjusted gross income taxes, county option income taxes, or county economic development income taxes. Authorizes the establishment of a metropolitan transit district by specified eligible counties through local public questions and provides for an appointed board to govern the metropolitan transit district. Provides that certain outlying townships of eligible counties may each separately determine whether to be included in the metropolitan transit district through local public questions in the outlying townships. Authorizes the metropolitan transit district to: (1) construct or acquire any public transportation facility; (2) provide public transportation service by operating public transportation facilities; and (3) issue bonds and otherwise incur indebtedness. Authorizes the Indiana finance authority to issue bonds and use the proceeds to acquire any obligations issued by a metropolitan transit district. Provides that in a county that has approved the local public question, an additional county economic development income tax (CEDIT) rate of not more than 0.3% may be imposed in that part of the county included in the metropolitan transit district to pay the county's contribution to the funding of the metropolitan transit district. Specifies that the CEDIT rate may not exceed the recommended tax.

**Effective:** July 1, 2014.

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January 7, 2014, read first time and referred to Committee on Roads and Transportation.

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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. 1034



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

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

1 SECTION 1. IC 4-4-11-15.6, AS AMENDED BY P.L.233-2013,  
2 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2014]: Sec. 15.6. In addition to the powers listed in section 15  
4 of this chapter, the authority may:  
5 (1) issue bonds under terms and conditions determined by the  
6 authority and use the proceeds of the bonds to acquire obligations  
7 issued by any entity authorized to acquire, finance, construct, or  
8 lease capital improvements under IC 5-1-17;  
9 (2) issue bonds under terms and conditions determined by the  
10 authority and use the proceeds of the bonds to acquire any  
11 obligations issued by the northwest Indiana regional development  
12 authority established by IC 36-7.5-2-1;  
13 (3) after December 31, 2009, issue bonds under terms and  
14 conditions determined by the authority and use the proceeds of  
15 the bonds to acquire any obligations issued by either the  
16 commuter rail service board established under IC 8-24-5 or the



1 regional demand and scheduled bus service board established  
2 under IC 8-24-6;

3 (4) enter into leases and issue bonds under terms and conditions  
4 determined by the authority and use the proceeds of the bonds to  
5 carry out the purposes of IC 5-1-17.5 within a motorsports  
6 investment district; ~~and~~

7 (5) perform any other functions determined by the authority to be  
8 necessary or appropriate to carry out the purposes of IC 5-1-17.5  
9 within a motorsports investment district; **and**

10 **(6) issue bonds under terms and conditions determined by the**  
11 **authority and use the proceeds of the bonds to acquire any**  
12 **obligations issued by a metropolitan transit district**  
13 **established under IC 36-9.1-2.**

14 SECTION 2. IC 5-1.5-1-8, AS AMENDED BY P.L.232-2007,  
15 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
16 JULY 1, 2014]: Sec. 8. "Qualified entity" means:

17 (1) a political subdivision (as defined in IC 36-1-2-13);

18 (2) a state educational institution;

19 (3) a leasing body (as defined in IC 5-1-1-1(a));

20 (4) a not-for-profit utility (as defined in IC 8-1-2-125);

21 (5) any rural electric membership corporation organized under  
22 IC 8-1-13;

23 (6) any corporation that was organized in 1963 under Acts 1935,  
24 c. 157 and that engages in the generation and transmission of  
25 electric energy;

26 (7) any telephone cooperative corporation formed under  
27 IC 8-1-17;

28 (8) any commission, authority, or authorized body of any qualified  
29 entity;

30 (9) any organization, association, or trust with members,  
31 participants, or beneficiaries that are all individually qualified  
32 entities;

33 (10) any commission, authority, or instrumentality of the state;

34 (11) any other participant (as defined in IC 13-11-2-151.1);

35 (12) a charter school established under IC 20-5.5 (before its  
36 repeal) or IC 20-24 that is not a qualified entity under  
37 IC 5-1.4-1-10;

38 (13) a volunteer fire department (as defined in IC 36-8-12-2); ~~or~~

39 (14) a development authority (as defined in IC 36-7.6-1-8); **or**

40 **(15) a metropolitan transit district established under**  
41 **IC 36-9.1-2.**

42 SECTION 3. IC 5-11-10-1, AS AMENDED BY P.L.182-2009(ss),



1 SECTION 76, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 2 JULY 1, 2014]: Sec. 1. (a) This section applies to the state and its  
 3 political subdivisions. However, this section does not apply to the  
 4 following:

5 (1) A state educational institution, including Ivy Tech Community  
 6 College of Indiana.

7 (2) A municipality (as defined in IC 36-1-2-11).

8 (3) A county.

9 (4) An airport authority operating in a consolidated city.

10 (5) A capital improvements board of managers operating in a  
 11 consolidated city.

12 (6) A board of directors of a public transportation corporation  
 13 operating in a consolidated city.

14 (7) A municipal corporation organized under IC 16-22-8-6.

15 (8) A public library.

16 (9) A library services authority.

17 (10) A hospital organized under IC 16-22 or a hospital organized  
 18 under IC 16-23.

19 (11) A school corporation (as defined in IC 36-1-2-17).

20 (12) A regional water or sewer district organized under IC 13-26  
 21 or under IC 13-3-2 (before its repeal).

22 (13) A municipally owned utility (as defined in IC 8-1-2-1).

23 (14) A board of an airport authority under IC 8-22-3.

24 (15) A conservancy district.

25 (16) A board of aviation commissioners under IC 8-22-2.

26 (17) A public transportation corporation under IC 36-9-4.

27 (18) A commuter transportation district under IC 8-5-15.

28 (19) A solid waste management district established under  
 29 IC 13-21 or IC 13-9.5 (before its repeal).

30 (20) A county building authority under IC 36-9-13.

31 (21) A soil and water conservation district established under  
 32 IC 14-32.

33 (22) The northwestern Indiana regional planning commission  
 34 established by IC 36-7-7.6-3.

35 (23) The commuter rail service board established under  
 36 IC 8-24-5.

37 (24) The regional demand and scheduled bus service board  
 38 established under IC 8-24-6.

39 **(25) A metropolitan transit district established under**  
 40 **IC 36-9.1-2.**

41 (b) No warrant or check shall be drawn by a disbursing officer in  
 42 payment of any claim unless the same has been fully itemized and its



1 correctness properly certified to by the claimant or some authorized  
 2 person in the claimant's behalf, and filed and allowed as provided by  
 3 law.

4 (c) The certificate provided for in subsection (b) is not required for:

5 (1) claims rendered by a public utility for electric, gas, steam,  
 6 water, or telephone services, the charges for which are regulated  
 7 by a governmental body;

8 (2) a warrant issued by the auditor of state under IC 4-13-2-7(b);

9 (3) a check issued by a special disbursing officer under  
 10 IC 4-13-2-20(g); or

11 (4) a payment of fees under IC 36-7-11.2-49(b) or  
 12 IC 36-7-11.3-43(b).

13 (d) The disbursing officer shall issue checks or warrants for all  
 14 claims which meet all of the requirements of this section. The  
 15 disbursing officer does not incur personal liability for disbursements:

16 (1) processed in accordance with this section; and

17 (2) for which funds are appropriated and available.

18 (e) The certificate provided for in subsection (b) must be in the  
 19 following form:

20 I hereby certify that the foregoing account is just and correct, that  
 21 the amount claimed is legally due, after allowing all just credits,  
 22 and that no part of the same has been paid.

23 SECTION 4. IC 5-11-10-1.6, AS AMENDED BY P.L. 182-2009(ss),  
 24 SECTION 77, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 25 JULY 1, 2014]: Sec. 1.6. (a) As used in this section, "governmental  
 26 entity" refers to any of the following:

27 (1) A municipality (as defined in IC 36-1-2-11).

28 (2) A school corporation (as defined in IC 36-1-2-17), including  
 29 a school extracurricular account.

30 (3) A county.

31 (4) A regional water or sewer district organized under IC 13-26  
 32 or under IC 13-3-2 (before its repeal).

33 (5) A municipally owned utility that is subject to IC 8-1.5-3 or  
 34 IC 8-1.5-4.

35 (6) A board of an airport authority under IC 8-22-3.

36 (7) A board of aviation commissioners under IC 8-22-2.

37 (8) A conservancy district.

38 (9) A public transportation corporation under IC 36-9-4.

39 (10) A commuter transportation district under IC 8-5-15.

40 (11) The state.

41 (12) A solid waste management district established under  
 42 IC 13-21 or IC 13-9.5 (before its repeal).



- 1 (13) A levee authority established under IC 14-27-6.  
 2 (14) A county building authority under IC 36-9-13.  
 3 (15) A soil and water conservation district established under  
 4 IC 14-32.  
 5 (16) The northwestern Indiana regional planning commission  
 6 established by IC 36-7-7.6-3.  
 7 (17) The commuter rail service board established under  
 8 IC 8-24-5.  
 9 (18) The regional demand and scheduled bus service board  
 10 established under IC 8-24-6.  
 11 **(19) A metropolitan transit district established under**  
 12 **IC 36-9.1-2.**

13 (b) As used in this section, "claim" means a bill or an invoice  
 14 submitted to a governmental entity for goods or services.

15 (c) The fiscal officer of a governmental entity may not draw a  
 16 warrant or check for payment of a claim unless:

- 17 (1) there is a fully itemized invoice or bill for the claim;  
 18 (2) the invoice or bill is approved by the officer or person  
 19 receiving the goods and services;  
 20 (3) the invoice or bill is filed with the governmental entity's fiscal  
 21 officer;  
 22 (4) the fiscal officer audits and certifies before payment that the  
 23 invoice or bill is true and correct; and  
 24 (5) payment of the claim is allowed by the governmental entity's  
 25 legislative body or the board or official having jurisdiction over  
 26 allowance of payment of the claim.

27 This subsection does not prohibit a school corporation, with prior  
 28 approval of the board having jurisdiction over allowance of payment of  
 29 the claim, from making payment in advance of receipt of services as  
 30 allowed by guidelines developed under IC 20-20-13-10. This  
 31 subsection does not prohibit a municipality from making meal expense  
 32 advances to a municipal employee who will be traveling on official  
 33 municipal business if the municipal fiscal body has adopted an  
 34 ordinance allowing the advance payment, specifying the maximum  
 35 amount that may be paid in advance, specifying the required invoices  
 36 and other documentation that must be submitted by the municipal  
 37 employee, and providing for reimbursement from the wages of the  
 38 municipal employee if the municipal employee does not submit the  
 39 required invoices and documentation.

40 (d) The fiscal officer of a governmental entity shall issue checks or  
 41 warrants for claims by the governmental entity that meet all of the  
 42 requirements of this section. The fiscal officer does not incur personal



1 liability for disbursements:

2 (1) processed in accordance with this section; and

3 (2) for which funds are appropriated and available.

4 (e) The certification provided for in subsection (c)(4) must be on a  
5 form prescribed by the state board of accounts.

6 SECTION 5. IC 6-3.5-1.1-15, AS AMENDED BY  
7 P.L.182-2009(ss), SECTION 212, IS AMENDED TO READ AS  
8 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 15. (a) As used in this  
9 section, "attributed allocation amount" of a civil taxing unit for a  
10 calendar year means the sum of:

11 (1) the allocation amount of the civil taxing unit for that calendar  
12 year; plus

13 (2) the current ad valorem property tax levy of any special taxing  
14 district, authority, board, or other entity formed to discharge  
15 governmental services or functions on behalf of or ordinarily  
16 attributable to the civil taxing unit; plus

17 (3) in the case of a county, an amount equal to the welfare  
18 allocation amount.

19 The welfare allocation amount is an amount equal to the sum of the  
20 property taxes imposed by the county in 1999 for the county's welfare  
21 fund and welfare administration fund and, if the county received a  
22 certified distribution under this chapter or IC 6-3.5-6 in 2008, the  
23 property taxes imposed by the county in 2008 for the county's county  
24 medical assistance to wards fund, family and children's fund, children's  
25 psychiatric residential treatment services fund, county hospital care for  
26 the indigent fund, and children with special health care needs county  
27 fund.

28 (b) The part of a county's certified distribution that is to be used as  
29 certified shares shall be allocated only among the county's civil taxing  
30 units. Each civil taxing unit of a county is entitled to receive a certified  
31 share during a calendar year in an amount determined in STEP TWO  
32 of the following formula:

33 STEP ONE: Divide:

34 (A) the attributed allocation amount of the civil taxing unit  
35 during that calendar year; by

36 (B) the sum of the attributed allocation amounts of all the civil  
37 taxing units of the county during that calendar year.

38 STEP TWO: Multiply the part of the county's certified  
39 distribution that is to be used as certified shares by the STEP  
40 ONE amount.

41 (c) The department of local government finance shall determine the  
42 attributed levies of civil taxing units that are entitled to receive certified



1 shares during a calendar year. If the ad valorem property tax levy of  
 2 any special taxing district, authority, board, or other entity is attributed  
 3 to another civil taxing unit under subsection (a)(2), then the special  
 4 taxing district, authority, board, or other entity shall not be treated as  
 5 having an attributed allocation amount of its own. The department of  
 6 local government finance shall certify the attributed allocation amounts  
 7 to the appropriate county auditor. The county auditor shall then allocate  
 8 the certified shares among the civil taxing units of the auditor's county.

9 (d) Certified shares received by a civil taxing unit shall be treated  
 10 as additional revenue for the purpose of fixing its budget for the  
 11 calendar year during which the certified shares will be received. The  
 12 certified shares may be allocated to or appropriated for any purpose,  
 13 including:

14 (1) property tax relief;

15 (2) **providing revenue to a public transportation corporation**  
 16 **as provided in an election, if any, made by a county or city**  
 17 **fiscal body under IC 36-9-4-42(d);** or

18 (3) a transfer of funds to another civil taxing unit whose levy was  
 19 attributed to the civil taxing unit in the determination of its  
 20 attributed allocation amount.

21 SECTION 6. IC 6-3.5-6-18, AS AMENDED BY P.L.135-2011,  
 22 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 23 JULY 1, 2014]: Sec. 18. (a) The revenue a county auditor receives  
 24 under this chapter shall be used to:

25 (1) replace the amount, if any, of property tax revenue lost due to  
 26 the allowance of an increased homestead credit within the county;  
 27 (2) fund the operation of a public communications system and  
 28 computer facilities district as provided in an election, if any, made  
 29 by the county fiscal body under IC 36-8-15-19(b);

30 (3) fund the operation of a public transportation corporation as  
 31 provided in an election, if any, made by the county fiscal body  
 32 under ~~IC 36-9-4-42~~; **IC 36-9-4-42(c)**;

33 (4) fund the operation of a public library in a county containing a  
 34 consolidated city as provided in an election, if any, made by the  
 35 county fiscal body under IC 36-3-7-6;

36 (5) make payments permitted under IC 36-7-14-25.5 or  
 37 IC 36-7-15.1-17.5;

38 (6) make payments permitted under subsection (i);

39 (7) make distributions of distributive shares to the civil taxing  
 40 units of a county; and

41 (8) make the distributions permitted under sections 27, 28, 29, 30,  
 42 31, 32, and 33 of this chapter.





1 (b) The county auditor shall retain from the payments of the county's  
 2 certified distribution an amount equal to the revenue lost, if any, due to  
 3 the increase of the homestead credit within the county. This money  
 4 shall be distributed to the civil taxing units and school corporations of  
 5 the county as though they were property tax collections and in such a  
 6 manner that no civil taxing unit or school corporation shall suffer a net  
 7 revenue loss due to the allowance of an increased homestead credit.

8 (c) The county auditor shall retain:

9 (1) the amount, if any, specified by the county fiscal body for a  
 10 particular calendar year under subsection (i), IC 36-3-7-6,  
 11 IC 36-7-14-25.5, IC 36-7-15.1-17.5, IC 36-8-15-19(b), and  
 12 ~~IC 36-9-4-42~~ **IC 36-9-4-42(c)** from the county's certified  
 13 distribution for that same calendar year; and

14 (2) the amount of an additional tax rate imposed under section 27,  
 15 28, 29, 30, 31, 32, or 33 of this chapter.

16 The county auditor shall distribute amounts retained under this  
 17 subsection to the county.

18 (d) All certified distribution revenues that are not retained and  
 19 distributed under subsections (b) and (c) shall be distributed to the civil  
 20 taxing units of the county as distributive shares.

21 (e) The amount of distributive shares that each civil taxing unit in  
 22 a county is entitled to receive during a month equals the product of the  
 23 following:

24 (1) The amount of revenue that is to be distributed as distributive  
 25 shares during that month; multiplied by

26 (2) A fraction. The numerator of the fraction equals the allocation  
 27 amount for the civil taxing unit for the calendar year in which the  
 28 month falls. The denominator of the fraction equals the sum of the  
 29 allocation amounts of all the civil taxing units of the county for  
 30 the calendar year in which the month falls.

31 (f) The department of local government finance shall provide each  
 32 county auditor with the fractional amount of distributive shares that  
 33 each civil taxing unit in the auditor's county is entitled to receive  
 34 monthly under this section.

35 (g) Notwithstanding subsection (e), if a civil taxing unit of an  
 36 adopting county does not impose a property tax levy that is first due  
 37 and payable in a calendar year in which distributive shares are being  
 38 distributed under this section, that civil taxing unit is entitled to receive  
 39 a part of the revenue to be distributed as distributive shares under this  
 40 section within the county. The fractional amount such a civil taxing  
 41 unit is entitled to receive each month during that calendar year equals  
 42 the product of the following:



1 (1) The amount to be distributed as distributive shares during that  
2 month; multiplied by

3 (2) A fraction. The numerator of the fraction equals the budget of  
4 that civil taxing unit for that calendar year. The denominator of  
5 the fraction equals the aggregate budgets of all civil taxing units  
6 of that county for that calendar year.

7 (h) If for a calendar year a civil taxing unit is allocated a part of a  
8 county's distributive shares by subsection (g), then the formula used in  
9 subsection (e) to determine all other civil taxing units' distributive  
10 shares shall be changed each month for that same year by reducing the  
11 amount to be distributed as distributive shares under subsection (e) by  
12 the amount of distributive shares allocated under subsection (g) for that  
13 same month. The department of local government finance shall make  
14 any adjustments required by this subsection and provide them to the  
15 appropriate county auditors.

16 (i) Notwithstanding any other law, a county fiscal body may pledge  
17 revenues received under this chapter (other than revenues attributable  
18 to a tax rate imposed under section 30, 31, or 32 of this chapter) to the  
19 payment of bonds or lease rentals to finance a qualified economic  
20 development tax project under IC 36-7-27 in that county or in any other  
21 county if the county fiscal body determines that the project will  
22 promote significant opportunities for the gainful employment or  
23 retention of employment of the county's residents.

24 SECTION 7. IC 6-3.5-6-19, AS AMENDED BY P.L.118-2005,  
25 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
26 JULY 1, 2014]: Sec. 19. (a) Except as provided in sections 18(e) and  
27 18.5(b)(3) of this chapter, in determining the fractional share of  
28 distributive shares the civil taxing units of a county are entitled to  
29 receive under section 18 of this chapter during a calendar year, the  
30 department of local government finance shall consider only property  
31 taxes imposed on tangible property subject to assessment in that  
32 county.

33 (b) In determining the amount of distributive shares a civil taxing  
34 unit is entitled to receive under section 18(g) of this chapter, the  
35 department of local government finance shall consider only the  
36 percentage of the civil taxing unit's budget that equals the ratio that the  
37 total assessed valuation that lies within the civil taxing unit and the  
38 county that has adopted the county option tax bears to the total assessed  
39 valuation that lies within the civil taxing unit.

40 (c) The distributive shares to be allocated and distributed under this  
41 chapter:

42 (1) shall be treated by each civil taxing unit as additional revenue



1 for the purpose of fixing the civil taxing unit's budget for the  
 2 budget year during which the distributive shares are to be  
 3 distributed to the civil taxing unit; and

4 (2) may be used for any lawful purpose of the civil taxing unit,  
 5 **including providing revenue to a public transportation**  
 6 **corporation as provided in an election, if any, made by a**  
 7 **county or city fiscal body under IC 36-9-4-42(d).**

8 (d) In the case of a civil taxing unit that includes a consolidated city,  
 9 its fiscal body may distribute any revenue it receives under this chapter  
 10 to any governmental entity located in its county except an excluded  
 11 city, a township, or a school corporation.

12 SECTION 8. IC 6-3.5-7-4.9, AS AMENDED BY P.L.261-2013,  
 13 SECTION 26, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 14 JULY 1, 2014]: Sec. 4.9. (a) Notwithstanding any other provision of  
 15 this chapter **and except as provided in subsection (e)**, a power  
 16 granted by this chapter to adopt an ordinance to:

- 17 (1) impose, increase, decrease, or rescind a tax or tax rate; or  
 18 (2) grant, increase, decrease, rescind, or change a homestead  
 19 credit or property tax replacement credit authorized under this  
 20 chapter;

21 may be exercised at any time in a year before November 1 of that year.

22 (b) Notwithstanding any other provision of this chapter **and except**  
 23 **as provided in subsection (e)**, an ordinance authorized by this chapter  
 24 that imposes, increases, decreases, or rescinds a tax or a tax rate takes  
 25 effect as follows:

- 26 (1) An ordinance adopted after December 31 of the immediately  
 27 preceding year and before September 1 of the current year takes  
 28 effect on October 1 of the current year.  
 29 (2) An ordinance adopted after August 31 and before November  
 30 1 of the current year takes effect on January 1 of the following  
 31 year.

32 (c) Notwithstanding any other provision of this chapter, an  
 33 ordinance authorized by this chapter that grants, increases, decreases,  
 34 rescinds, or changes a homestead credit or property tax replacement  
 35 credit authorized under this chapter takes effect for and applies to  
 36 property taxes first due and payable in the year immediately following  
 37 the year in which the ordinance is adopted.

38 (d) If the commissioner of the department determines that an  
 39 ordinance described in subsection (b) was not adopted according to the  
 40 requirements of this article or is otherwise not in compliance with this  
 41 article:

- 42 (1) the commissioner shall:



- 1 (A) notify the county auditor that the ordinance was not
- 2 adopted according to the requirements of this article or is not
- 3 in compliance with this article; and
- 4 (B) specify the corrective action that must be taken for the
- 5 ordinance to be adopted according to the requirements of this
- 6 article and to be in compliance with this article; and
- 7 (2) the ordinance may not take effect until the corrective action is
- 8 taken.

9 **(e) The power granted by this chapter to adopt an ordinance**  
 10 **imposing a tax rate under section 23.5 of this chapter may be**  
 11 **exercised at any time in a year. Subsection (b) applies to the**  
 12 **effective date of an ordinance adopted under section 23.5 of this**  
 13 **chapter. In addition, an ordinance adopted under section 23.5 of**  
 14 **this chapter after October 31 of a year and before the following**  
 15 **January 1 takes effect on the later of:**

- 16 **(1) December 15 of the year; or**
- 17 **(2) thirty (30) days after the ordinance is adopted.**

18 SECTION 9. IC 6-3.5-7-5, AS AMENDED BY P.L.261-2013,  
 19 SECTION 27, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 20 JULY 1, 2014]: Sec. 5. (a) Except as provided in subsection (c), the  
 21 county economic development income tax may be imposed on the  
 22 adjusted gross income of county taxpayers. The entity that may impose  
 23 the tax is:

- 24 (1) the county income tax council (as defined in IC 6-3.5-6-1) if
- 25 the county option income tax is in effect on October 1 of the year
- 26 the county economic development income tax is imposed;
- 27 (2) the county council if the county adjusted gross income tax is
- 28 in effect on October 1 of the year the county economic
- 29 development tax is imposed; or
- 30 (3) the county income tax council or the county council,
- 31 whichever acts first, for a county not covered by subdivision (1)
- 32 or (2).

33 To impose the county economic development income tax, a county  
 34 income tax council shall use the procedures set forth in IC 6-3.5-6  
 35 concerning the imposition of the county option income tax.

36 (b) Except as provided in this section and ~~section~~ **sections 23.5 and**  
 37 **28** of this chapter, the county economic development income tax may  
 38 be imposed at a rate of:

- 39 (1) one-tenth percent (0.1%);
- 40 (2) two-tenths percent (0.2%);
- 41 (3) twenty-five hundredths percent (0.25%);
- 42 (4) three-tenths percent (0.3%);



- 1 (5) thirty-five hundredths percent (0.35%);  
 2 (6) four-tenths percent (0.4%);  
 3 (7) forty-five hundredths percent (0.45%); or  
 4 (8) five-tenths percent (0.5%);

5 on the adjusted gross income of county taxpayers.

6 (c) Except as provided in this section **and section 23.5 of this**  
 7 **chapter**, the county economic development income tax rate plus the  
 8 county adjusted gross income tax rate, if any, that are in effect on  
 9 January 1 of a year may not exceed one and twenty-five hundredths  
 10 percent (1.25%). Except as provided in this section **and section 23.5**  
 11 **of this chapter**, the county economic development tax rate plus the  
 12 county option income tax rate, if any, that are in effect on January 1 of  
 13 a year may not exceed one percent (1%).

14 (d) To impose, increase, decrease, or rescind the county economic  
 15 development income tax, the appropriate body must adopt an  
 16 ordinance.

17 (e) The ordinance to impose the tax must substantially state the  
 18 following:

19 "The \_\_\_\_\_ County \_\_\_\_\_ imposes the county economic  
 20 development income tax on the county taxpayers of \_\_\_\_\_  
 21 County. The county economic development income tax is imposed at  
 22 a rate of \_\_\_\_\_ percent (\_\_\_\_%) on the county taxpayers of the  
 23 county."

24 (f) The auditor of a county shall record all votes taken on ordinances  
 25 presented for a vote under the authority of this chapter and shall, not  
 26 more than ten (10) days after the vote, send a certified copy of the  
 27 results to the commissioner of the department, the director of the  
 28 budget agency, and the commissioner of the department of local  
 29 government finance in an electronic format approved by the director of  
 30 the budget agency.

31 (g) For Jackson County, except as provided in subsection (o), the  
 32 county economic development income tax rate plus the county adjusted  
 33 gross income tax rate that are in effect on January 1 of a year may not  
 34 exceed one and thirty-five hundredths percent (1.35%) if the county has  
 35 imposed the county adjusted gross income tax at a rate of one and  
 36 one-tenth percent (1.1%) under IC 6-3.5-1.1-2.5.

37 (h) For Pulaski County, except as provided in subsection (o), the  
 38 county economic development income tax rate plus the county adjusted  
 39 gross income tax rate that are in effect on January 1 of a year may not  
 40 exceed one and fifty-five hundredths percent (1.55%).

41 (i) For Wayne County, except as provided in subsection (o), the  
 42 county economic development income tax rate plus the county adjusted



1 gross income tax rate that are in effect on January 1 of a year may not  
2 exceed one and five-tenths percent (1.5%).

3 (j) This subsection applies to Randolph County. Except as provided  
4 in subsection (o), in addition to the rates permitted under subsection  
5 (b):

6 (1) the county economic development income tax may be imposed  
7 at a rate of twenty-five hundredths percent (0.25%); and

8 (2) the sum of the county economic development income tax rate  
9 and the county adjusted gross income tax rate that are in effect on  
10 January 1 of a year may not exceed one and five-tenths percent  
11 (1.5%);

12 if the county council makes a determination to impose rates under this  
13 subsection and section 22.5 of this chapter.

14 (k) For Daviess County, except as provided in subsection (o), the  
15 county economic development income tax rate plus the county adjusted  
16 gross income tax rate that are in effect on January 1 of a year may not  
17 exceed one and five-tenths percent (1.5%).

18 (l) For:

19 (1) Elkhart County; or

20 (2) Marshall County;

21 except as provided in subsection (o), the county economic development  
22 income tax rate plus the county adjusted gross income tax rate that are  
23 in effect on January 1 of a year may not exceed one and five-tenths  
24 percent (1.5%).

25 (m) For Union County, except as provided in subsection (o), the  
26 county economic development income tax rate plus the county adjusted  
27 gross income tax rate that are in effect on January 1 of a year may not  
28 exceed one and five-tenths percent (1.5%).

29 (n) This subsection applies to Knox County. Except as provided in  
30 subsection (o), in addition to the rates permitted under subsection (b):

31 (1) the county economic development income tax may be imposed  
32 at a rate of twenty-five hundredths percent (0.25%); and

33 (2) the sum of the county economic development income tax rate  
34 and:

35 (A) the county adjusted gross income tax rate that are in effect  
36 on January 1 of a year may not exceed one and five-tenths  
37 percent (1.5%); or

38 (B) the county option income tax rate that are in effect on  
39 January 1 of a year may not exceed one and twenty-five  
40 hundredths percent (1.25%);

41 if the county council makes a determination to impose rates under this  
42 subsection and section 24 of this chapter.



- 1 (o) In addition:  
 2 (1) the county economic development income tax may be imposed  
 3 at a rate that exceeds by not more than twenty-five hundredths  
 4 percent (0.25%) the maximum rate that would otherwise apply  
 5 under this section; and  
 6 (2) the:  
 7 (A) county economic development income tax; and  
 8 (B) county option income tax or county adjusted gross income  
 9 tax;  
 10 may be imposed at combined rates that exceed by not more than  
 11 twenty-five hundredths percent (0.25%) the maximum combined  
 12 rates that would otherwise apply under this section.  
 13 However, the additional rate imposed under this subsection may not  
 14 exceed the amount necessary to mitigate the increased ad valorem  
 15 property taxes on homesteads (as defined in IC 6-1.1-20.9-1 (repealed)  
 16 before January 1, 2009, or IC 6-1.1-12-37 after December 31, 2008) or  
 17 residential property (as defined in section 26 of this chapter), as  
 18 appropriate under the ordinance adopted by the adopting body in the  
 19 county, resulting from the deduction of the assessed value of inventory  
 20 in the county under IC 6-1.1-12-41 or IC 6-1.1-12-42 or from the  
 21 exclusion in 2008 of inventory from the definition of personal property  
 22 in IC 6-1.1-1-11.  
 23 (p) If the county economic development income tax is imposed as  
 24 authorized under subsection (o) at a rate that exceeds the maximum  
 25 rate that would otherwise apply under this section, the certified  
 26 distribution must be used for the purpose provided in section 26 of this  
 27 chapter to the extent that the certified distribution results from the  
 28 difference between:  
 29 (1) the actual county economic development tax rate; and  
 30 (2) the maximum rate that would otherwise apply under this  
 31 section.  
 32 (q) This subsection applies only to a county described in section 27  
 33 of this chapter. Except as provided in subsection (o), in addition to the  
 34 rates permitted by subsection (b), the:  
 35 (1) county economic development income tax may be imposed at  
 36 a rate of twenty-five hundredths percent (0.25%); and  
 37 (2) county economic development income tax rate plus the county  
 38 option income tax rate that are in effect on January 1 of a year  
 39 may equal up to one and twenty-five hundredths percent (1.25%);  
 40 if the county council makes a determination to impose rates under this  
 41 subsection and section 27 of this chapter.  
 42 (r) Except as provided in subsection (o), the county economic



1 development income tax rate plus the county adjusted gross income tax  
 2 rate that are in effect on January 1 of a year may not exceed one and  
 3 five-tenths percent (1.5%) if the county has imposed the county  
 4 adjusted gross income tax under IC 6-3.5-1.1-3.3.

5 (s) This subsection applies to Howard County. Except as provided  
 6 in subsection (o), the sum of the county economic development income  
 7 tax rate and the county option income tax rate that are in effect on  
 8 January 1 of a year may not exceed one and twenty-five hundredths  
 9 percent (1.25%).

10 (t) This subsection applies to Scott County. Except as provided in  
 11 subsection (o), the sum of the county economic development income  
 12 tax rate and the county option income tax rate that are in effect on  
 13 January 1 of a year may not exceed one and twenty-five hundredths  
 14 percent (1.25%).

15 (u) This subsection applies to Jasper County. Except as provided in  
 16 subsection (o), the sum of the county economic development income  
 17 tax rate and the county adjusted gross income tax rate that are in effect  
 18 on January 1 of a year may not exceed one and five-tenths percent  
 19 (1.5%).

20 (v) An additional county economic development income tax rate  
 21 imposed under section 28 of this chapter may not be considered in  
 22 calculating any limit under this section on the sum of:

- 23 (1) the county economic development income tax rate plus the  
 24 county adjusted gross income tax rate; or
- 25 (2) the county economic development tax rate plus the county  
 26 option income tax rate.

27 (w) The income tax rate limits imposed by subsection (c) or (x) or  
 28 any other provision of this chapter do not apply to:

- 29 (1) a county adjusted gross income tax rate imposed under  
 30 IC 6-3.5-1.1-24, IC 6-3.5-1.1-25, or IC 6-3.5-1.1-26; or
- 31 (2) a county option income tax rate imposed under IC 6-3.5-6-30,  
 32 IC 6-3.5-6-31, or IC 6-3.5-6-32.

33 For purposes of computing the maximum combined income tax rate  
 34 under subsection (c) or (x) or any other provision of this chapter that  
 35 may be imposed in a county under IC 6-3.5-1.1, IC 6-3.5-6, and this  
 36 chapter, a county's county adjusted gross income tax rate or county  
 37 option income tax rate for a particular year does not include the county  
 38 adjusted gross income tax rate imposed under IC 6-3.5-1.1-24,  
 39 IC 6-3.5-1.1-25, or IC 6-3.5-1.1-26 or the county option income tax rate  
 40 imposed under IC 6-3.5-6-30, IC 6-3.5-6-31, or IC 6-3.5-6-32.

41 (x) This subsection applies to Monroe County. Except as provided  
 42 in subsection (o), if an ordinance is adopted under IC 6-3.5-6-33, the





1 sum of the county economic development income tax rate and the  
 2 county option income tax rate that are in effect on January 1 of a year  
 3 may not exceed one and twenty-five hundredths percent (1.25%).

4 (y) This subsection applies to Perry County. Except as provided in  
 5 subsection (o), if an ordinance is adopted under section 27.5 of this  
 6 chapter, the county economic development income tax rate plus the  
 7 county option income tax rate that is in effect on January 1 of a year  
 8 may not exceed one and seventy-five hundredths percent (1.75%).

9 (z) This subsection applies to Starke County. Except as provided in  
 10 subsection (o), if an ordinance is adopted under section 27.6 of this  
 11 chapter, the county economic development income tax rate plus the  
 12 county adjusted gross income tax rate that is in effect on January 1 of  
 13 a year may not exceed two percent (2%).

14 SECTION 10. IC 6-3.5-7-11, AS AMENDED BY P.L.261-2013,  
 15 SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 16 JULY 1, 2014]: Sec. 11. (a) Revenue derived from the imposition of  
 17 the county economic development income tax shall, in the manner  
 18 prescribed by this section, be distributed to the county that imposed it.

19 (b) Before August 2 of each calendar year, the budget agency shall  
 20 provide to the county auditor of each adopting county an estimate of  
 21 the amount determined under subsection (a) that will be distributed to  
 22 the county, based on known tax rates. Not later than thirty (30) days  
 23 after receiving the estimate of the certified distribution, the county  
 24 auditor shall notify each taxing unit entitled to receive a distribution  
 25 under this chapter of the estimated amount of the distribution and other  
 26 revenue that will be distributed to the taxing unit under this chapter  
 27 during the ensuing calendar year. Before October 1 of each calendar  
 28 year, the budget agency shall certify to the county auditor of each  
 29 adopting county the sum of the amount of county economic  
 30 development income tax revenue that the budget agency determines  
 31 has been:

- 32 (1) received from that county for a taxable year ending before the  
 33 calendar year in which the determination is made; and  
 34 (2) reported on an annual return or amended return processed by  
 35 the department in the state fiscal year ending before July 1 of the  
 36 calendar year in which the determination is made;

37 as adjusted for refunds of county economic development income tax  
 38 made in the state fiscal year plus the amount of interest in the county's  
 39 account that has been accrued and has not been included in a  
 40 certification made in a preceding year. The amount certified is the  
 41 county's certified distribution, which shall be distributed on the dates  
 42 specified in section 16 of this chapter for the following calendar year.



1 (c) The amount certified under subsection (b) shall be adjusted  
 2 under subsections (d), (e), (f), and (g). Not later than thirty (30) days  
 3 after receiving the notice of the amount of the certified distribution, the  
 4 county auditor shall notify each taxing unit entitled to receive a  
 5 distribution under this chapter of the amount of distribution and other  
 6 revenue that will be distributed to the taxing unit under this chapter  
 7 during the ensuing calendar year. The budget agency shall provide the  
 8 county council with an informative summary of the calculations used  
 9 to determine the certified distribution. The summary of calculations  
 10 must include:

- 11 (1) the amount reported on individual income tax returns  
 12 processed by the department during the previous fiscal year;  
 13 (2) adjustments for over distributions in prior years;  
 14 (3) adjustments for clerical or mathematical errors in prior years;  
 15 (4) adjustments for tax rate changes; and  
 16 (5) the amount of excess account balances to be distributed under  
 17 IC 6-3.5-7-17.3.

18 (d) The budget agency shall certify an amount less than the amount  
 19 determined under subsection (b) if the budget agency determines that  
 20 the reduced distribution is necessary to offset overpayments made in a  
 21 calendar year before the calendar year of the distribution. The budget  
 22 agency may reduce the amount of the certified distribution over several  
 23 calendar years so that any overpayments are offset over several years  
 24 rather than in one (1) lump sum.

25 (e) The budget agency shall adjust the certified distribution of a  
 26 county to correct for any clerical or mathematical errors made in any  
 27 previous certification under this section. The budget agency may  
 28 reduce the amount of the certified distribution over several calendar  
 29 years so that any adjustment under this subsection is offset over several  
 30 years rather than in one (1) lump sum.

31 (f) The budget agency shall adjust the certified distribution of a  
 32 county to provide the county with the amount of any tax increase  
 33 imposed under section 26 of this chapter to provide additional  
 34 homestead credits as provided in those provisions.

35 (g) This subsection applies to a county that:

- 36 **(1) imposes, increases, decreases, or rescinds a tax or tax rate**  
 37 **under this chapter before November 1 in the same calendar year**  
 38 **in which the budget agency makes a certification under this**  
 39 **section; or**  
 40 **(2) adopts an ordinance imposing a tax rate under section 23.5**  
 41 **of this chapter in the same calendar year in which the budget**  
 42 **agency makes a certification under this section.**



1 The budget agency shall adjust the certified distribution of a county to  
 2 provide for a distribution in the immediately following calendar year  
 3 and in each calendar year thereafter. The budget agency shall provide  
 4 for a full transition to certification of distributions as provided in  
 5 subsection (b)(1) through (b)(2) in the manner provided in subsection  
 6 (d). If the county imposes, increases, decreases, or rescinds a tax or tax  
 7 rate under this chapter after the date for which a certification under  
 8 subsection (b) is based, the budget agency shall adjust the certified  
 9 distribution of the county after September 30 of the calendar year. The  
 10 adjustment shall reflect any other adjustment authorized under  
 11 subsections (c), (d), (e), and (f). The adjusted certification shall be  
 12 treated as the county's certified distribution for the immediately  
 13 succeeding calendar year. The budget agency shall certify the adjusted  
 14 certified distribution to the county auditor for the county and provide  
 15 the county council with an informative summary of the calculations  
 16 that revises the informative summary provided in subsection (c) and  
 17 reflects the changes made in the adjustment.

18 (h) The budget agency shall before May 1 of every odd-numbered  
 19 year publish an estimate of the statewide total amount of certified  
 20 distributions to be made under this chapter during the following two (2)  
 21 calendar years.

22 (i) The budget agency shall before May 1 of every even-numbered  
 23 year publish an estimate of the statewide total amount of certified  
 24 distributions to be made under this chapter during the following  
 25 calendar year.

26 (j) The estimates under subsections (h) and (i) must specify the  
 27 amount of the estimated certified distributions that are attributable to  
 28 any additional rates authorized under this chapter.

29 SECTION 11. IC 6-3.5-7-13.1, AS AMENDED BY P.L.137-2012,  
 30 SECTION 99, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 31 JULY 1, 2014]: Sec. 13.1. (a) The fiscal officer of each county, city, or  
 32 town for a county in which the county economic development tax is  
 33 imposed shall establish an economic development income tax fund.  
 34 Except as provided in sections 23, 26, 27, 27.5, and 27.6 of this  
 35 chapter, the revenue received by a county, city, or town under this  
 36 chapter shall be deposited in the unit's economic development income  
 37 tax fund.

38 (b) As used in this subsection, "homestead" means a homestead that  
 39 is eligible for a standard deduction under IC 6-1.1-12-37. Except as  
 40 provided in sections 15, 23, 26, 27, 27.5, and 27.6 of this chapter,  
 41 revenues from the county economic development income tax may be  
 42 used as follows:



- 1 (1) By a county, city, or town for economic development projects,  
2 for paying, notwithstanding any other law, under a written  
3 agreement all or a part of the interest owed by a private developer  
4 or user on a loan extended by a financial institution or other  
5 lender to the developer or user if the proceeds of the loan are or  
6 are to be used to finance an economic development project, for  
7 the retirement of bonds under section 14 of this chapter for  
8 economic development projects, for leases under section 21 of  
9 this chapter, or for leases or bonds entered into or issued prior to  
10 the date the economic development income tax was imposed if  
11 the purpose of the lease or bonds would have qualified as a  
12 purpose under this chapter at the time the lease was entered into  
13 or the bonds were issued.
- 14 (2) By a county, city, or town for:
- 15 (A) the construction or acquisition of, or remedial action with  
16 respect to, a capital project for which the unit is empowered to  
17 issue general obligation bonds or establish a fund under any  
18 statute listed in IC 6-1.1-18.5-9.8;
  - 19 (B) the retirement of bonds issued under any provision of  
20 Indiana law for a capital project;
  - 21 (C) the payment of lease rentals under any statute for a capital  
22 project;
  - 23 (D) contract payments to a nonprofit corporation whose  
24 primary corporate purpose is to assist government in planning  
25 and implementing economic development projects;
  - 26 (E) operating expenses of a governmental entity that plans or  
27 implements economic development projects;
  - 28 (F) to the extent not otherwise allowed under this chapter,  
29 funding substance removal or remedial action in a designated  
30 unit; or
  - 31 (G) funding of a revolving fund established under  
32 IC 5-1-14-14.
- 33 (3) By a county, city, or town for any lawful purpose for which  
34 money in any of its other funds may be used.
- 35 (4) By a city or county described in IC 36-7.5-2-3(b) for making  
36 transfers required by IC 36-7.5-4-2. If the county economic  
37 development income tax rate is increased after April 30, 2005, in  
38 Porter County, the first three million five hundred thousand  
39 dollars (\$3,500,000) of the tax revenue that results each year from  
40 the tax rate increase shall be used by the county or by eligible  
41 municipalities (as defined in IC 36-7.5-1-11.3) in the county only  
42 to make the county's transfer required by IC 36-7.5-4-2. The first



1 three million five hundred thousand dollars (\$3,500,000) of the  
 2 tax revenue that results each year from the tax rate increase shall  
 3 be paid by the county treasurer to the treasurer of the northwest  
 4 Indiana regional development authority under IC 36-7.5-4-2  
 5 before certified distributions are made to the county or any cities  
 6 or towns in the county under this chapter from the tax revenue  
 7 that results each year from the tax rate increase. If Porter County  
 8 ceases to be a member of the northwest Indiana regional  
 9 development authority under IC 36-7.5 but two (2) or more  
 10 municipalities in the county have become members of the  
 11 northwest Indiana regional development authority as authorized  
 12 by IC 36-7.5-2-3(i), the county treasurer shall continue to transfer  
 13 the three million five hundred thousand dollars (\$3,500,000) to  
 14 the treasurer of the northwest Indiana regional development  
 15 authority under IC 36-7.5-4-2 before certified distributions are  
 16 made to the county or any cities or towns in the county. In Porter  
 17 County, all of the tax revenue that results each year from the tax  
 18 rate increase that is in excess of the first three million five  
 19 hundred thousand dollars (\$3,500,000) that results each year from  
 20 the tax rate increase must be used by the county and cities and  
 21 towns in the county for homestead credits under subdivision (5).  
 22 (5) This subdivision applies only in Porter County. All of the tax  
 23 revenue that results each year from a tax rate increase described  
 24 in subdivision (4) that is in excess of the first three million five  
 25 hundred thousand dollars (\$3,500,000) that results each year from  
 26 the tax rate increase must be used by the county and cities and  
 27 towns in the county for homestead credits under this subdivision.  
 28 The following apply to homestead credits provided under this  
 29 subdivision:

30 (A) The homestead credits must be applied uniformly to  
 31 provide a homestead credit for homesteads in the county, city,  
 32 or town.

33 (B) The homestead credits shall be treated for all purposes as  
 34 property tax levies.

35 (C) The homestead credits shall be applied to the net property  
 36 taxes due on the homestead after the application of all other  
 37 assessed value deductions or property tax deductions and  
 38 credits that apply to the amount owed under IC 6-1.1.

39 (D) The department of local government finance shall  
 40 determine the homestead credit percentage for a particular  
 41 year based on the amount of county economic development  
 42 income tax revenue that will be used under this subdivision to



- 1 provide homestead credits in that year.
- 2 (6) This subdivision applies only in Lake County. The county or  
3 a city or town in the county may use county economic  
4 development income tax revenue to provide homestead credits in  
5 the county, city, or town. The following apply to homestead  
6 credits provided under this subdivision:
- 7 (A) The county, city, or town fiscal body must adopt an  
8 ordinance authorizing the homestead credits. The ordinance  
9 must specify the amount of county economic development  
10 income tax revenue that will be used to provide homestead  
11 credits in the following year.
- 12 (B) The county, city, or town fiscal body that adopts an  
13 ordinance under this subdivision must forward a copy of the  
14 ordinance to the county auditor and the department of local  
15 government finance not more than thirty (30) days after the  
16 ordinance is adopted.
- 17 (C) The homestead credits must be applied uniformly to  
18 increase the homestead credit under IC 6-1.1-20.9 (repealed)  
19 for homesteads in the county, city, or town (for property taxes  
20 first due and payable before January 1, 2009) or to provide a  
21 homestead credit for homesteads in the county, city, or town  
22 (for property taxes first due and payable after December 31,  
23 2008).
- 24 (D) The homestead credits shall be treated for all purposes as  
25 property tax levies.
- 26 (E) The homestead credits shall be applied to the net property  
27 taxes due on the homestead after the application of all other  
28 assessed value deductions or property tax deductions and  
29 credits that apply to the amount owed under IC 6-1.1.
- 30 (F) The department of local government finance shall  
31 determine the homestead credit percentage for a particular  
32 year based on the amount of county economic development  
33 income tax revenue that will be used under this subdivision to  
34 provide homestead credits in that year.
- 35 (7) For a regional venture capital fund established under section  
36 13.5 of this chapter or a local venture capital fund established  
37 under section 13.6 of this chapter.
- 38 (8) This subdivision applies only to LaPorte County, if:
- 39 (A) the county fiscal body has adopted an ordinance under  
40 IC 36-7.5-2-3(e) providing that the county is joining the  
41 northwest Indiana regional development authority; and  
42 (B) the fiscal body of the city described in IC 36-7.5-2-3(e) has



1           adopted an ordinance under IC 36-7.5-2-3(e) providing that  
2           the city is joining the development authority.  
3           Revenue from the county economic development income tax may  
4           be used by a county or a city described in this subdivision for  
5           making transfers required by IC 36-7.5-4-2. In addition, if the  
6           county economic development income tax rate is increased after  
7           June 30, 2006, in the county, the first three million five hundred  
8           thousand dollars (\$3,500,000) of the tax revenue that results each  
9           year from the tax rate increase shall be used by the county only to  
10          make the county's transfer required by IC 36-7.5-4-2. The first  
11          three million five hundred thousand dollars (\$3,500,000) of the  
12          tax revenue that results each year from the tax rate increase shall  
13          be paid by the county treasurer to the treasurer of the northwest  
14          Indiana regional development authority under IC 36-7.5-4-2  
15          before certified distributions are made to the county or any cities  
16          or towns in the county under this chapter from the tax revenue  
17          that results each year from the tax rate increase. All of the tax  
18          revenue that results each year from the tax rate increase that is in  
19          excess of the first three million five hundred thousand dollars  
20          (\$3,500,000) that results each year from the tax rate increase must  
21          be used by the county and cities and towns in the county for  
22          homestead credits under subdivision (9).  
23          (9) This subdivision applies only to LaPorte County. All of the tax  
24          revenue that results each year from a tax rate increase described  
25          in subdivision (8) that is in excess of the first three million five  
26          hundred thousand dollars (\$3,500,000) that results each year from  
27          the tax rate increase must be used by the county and cities and  
28          towns in the county for homestead credits under this subdivision.  
29          The following apply to homestead credits provided under this  
30          subdivision:  
31                (A) The homestead credits must be applied uniformly to  
32                provide a homestead credit for homesteads in the county, city,  
33                or town.  
34                (B) The homestead credits shall be treated for all purposes as  
35                property tax levies.  
36                (C) The homestead credits shall be applied to the net property  
37                taxes due on the homestead after the application of all other  
38                assessed value deductions or property tax deductions and  
39                credits that apply to the amount owed under IC 6-1.1.  
40                (D) The department of local government finance shall  
41                determine the homestead credit percentage for a particular  
42                year based on the amount of county economic development



1 income tax revenue that will be used under this subdivision to  
2 provide homestead credits in that year.

3 **(10) By a county or city to provide revenue to a public**  
4 **transportation corporation as provided in an election, if any,**  
5 **made by a county or city fiscal body under IC 36-9-4-42(d).**

6 (c) As used in this section, an economic development project is any  
7 project that:

- 8 (1) the county, city, or town determines will:  
9 (A) promote significant opportunities for the gainful  
10 employment of its citizens;  
11 (B) attract a major new business enterprise to the unit; or  
12 (C) retain or expand a significant business enterprise within  
13 the unit; and  
14 (2) involves an expenditure for:  
15 (A) the acquisition of land;  
16 (B) interests in land;  
17 (C) site improvements;  
18 (D) infrastructure improvements;  
19 (E) buildings;  
20 (F) structures;  
21 (G) rehabilitation, renovation, and enlargement of buildings  
22 and structures;  
23 (H) machinery;  
24 (I) equipment;  
25 (J) furnishings;  
26 (K) facilities;  
27 (L) administrative expenses associated with such a project,  
28 including contract payments authorized under subsection  
29 (b)(2)(D);  
30 (M) operating expenses authorized under subsection (b)(2)(E);  
31 or  
32 (N) to the extent not otherwise allowed under this chapter,  
33 substance removal or remedial action in a designated unit;  
34 or any combination of these.

35 (d) If there are bonds outstanding that have been issued under  
36 section 14 of this chapter or leases in effect under section 21 of this  
37 chapter, the county or a city or town may not expend money from its  
38 economic development income tax fund for a purpose authorized under  
39 subsection (b)(3) in a manner that would adversely affect owners of the  
40 outstanding bonds or payment of any lease rentals due.

41 SECTION 12. IC 6-3.5-7-23.5 IS ADDED TO THE INDIANA  
42 CODE AS A NEW SECTION TO READ AS FOLLOWS





1 [EFFECTIVE JULY 1, 2014]: **Sec. 23.5. (a) If a local public question**  
 2 **under IC 36-9.1-2-2 or IC 36-9.1-2-3 has been approved in an**  
 3 **eligible county (as defined in IC 36-9.1-1-8):**

4 (1) **the county income tax council, if the county option income**  
 5 **tax is in effect in the county and the county does not contain**  
 6 **a consolidated city;**

7 (2) **the county council, if the county adjusted gross income tax**  
 8 **is in effect in the county; or**

9 (3) **the city-county council, if the county contains a**  
 10 **consolidated city;**

11 **may adopt an ordinance imposing a county economic development**  
 12 **income tax rate to pay the county's contribution to the funding of**  
 13 **the metropolitan transit district established under IC 36-9.1-2.**

14 (b) **The following apply in a county in which an ordinance has**  
 15 **been adopted under subsection (a):**

16 (1) **The county economic development income tax rate**  
 17 **imposed under subsection (a) may not exceed the maximum**  
 18 **rate approved in the local public question under IC 36-9.1-2-2**  
 19 **or IC 36-9.1-2-3.**

20 (2) **A county economic development income tax rate imposed**  
 21 **under subsection (a) is in addition to any other tax rate**  
 22 **imposed under this chapter.**

23 (3) **For purposes of computing the maximum combined**  
 24 **income tax rate under section 5 of this chapter that may be**  
 25 **imposed in a county under IC 6-3.5-1.1, IC 6-3.5-6, and this**  
 26 **chapter, a county's county economic development income tax**  
 27 **rate for a particular year does not include a tax rate imposed**  
 28 **under subsection (a).**

29 (4) **For purposes of computing the maximum income tax rate**  
 30 **that may be imposed in a county under section 5 of this**  
 31 **chapter, a county's county economic development income tax**  
 32 **rate for a particular year does not include a tax rate imposed**  
 33 **under subsection (a).**

34 (5) **A county economic development income tax rate imposed**  
 35 **in an eligible county under subsection (a) applies only in those**  
 36 **townships of the county that are included in the territory of**  
 37 **the metropolitan transit district under IC 36-9.1-2-7.**

38 (c) **If a border township (as defined in IC 36-9.1-1-6) of an**  
 39 **eligible county:**

40 (1) **is not included in the territory of the metropolitan transit**  
 41 **district at the time a county economic development income tax**  
 42 **rate is imposed in the eligible county under subsection (a);**



1           **and**  
 2           **(2) the border township afterwards approves a local public**  
 3           **question under IC 36-9.1-2-4;**  
 4           **a county taxpayer of the border township is subject to the county**  
 5           **economic development income tax rate imposed under subsection**  
 6           **(a) in the eligible county beginning on January 1 of the year**  
 7           **following the year in which the border township approves the local**  
 8           **public question.**

9           SECTION 13. IC 34-6-2-110, AS AMENDED BY P.L.2-2007,  
 10          SECTION 371, IS AMENDED TO READ AS FOLLOWS  
 11          [EFFECTIVE JULY 1, 2014]: Sec. 110. "Political subdivision", for  
 12          purposes of IC 34-13-3, means a:

- 13           (1) county;
- 14           (2) township;
- 15           (3) city;
- 16           (4) town;
- 17           (5) separate municipal corporation;
- 18           (6) special taxing district;
- 19           (7) state educational institution;
- 20           (8) city or county hospital;
- 21           (9) school corporation;
- 22           (10) board or commission of one (1) of the entities listed in
- 23           subdivisions (1) through (9);
- 24           (11) drug enforcement task force operated jointly by political
- 25           subdivisions;
- 26           (12) community correctional service program organized under
- 27           IC 12-12-1; ~~or~~
- 28           (13) solid waste management district established under IC 13-21
- 29           or IC 13-9.5-2 (before its repeal); **or**
- 30           **(14) metropolitan transit district established under**  
 31           **IC 36-9.1-2.**

32          SECTION 14. IC 34-13-3-22 IS AMENDED TO READ AS  
 33          FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 22. (a) For purposes of  
 34          this chapter, the following shall be treated as political subdivisions:

- 35           (1) A community action agency (as defined in IC 12-14-23-2).
- 36           (2) An individual or corporation rendering public transportation
- 37           services under a contract with a commuter transportation district
- 38           created under IC 8-5-15.
- 39           (3) A volunteer fire department (as defined in IC 36-8-12-2) that
- 40           is acting under:
- 41                (A) a contract with a unit or a fire protection district; or
- 42                (B) IC 36-8-17.



- 1           **(4) An individual or a corporation rendering public**
- 2           **transportation services under a contract with a metropolitan**
- 3           **transportation district established under IC 36-9.1-2.**
- 4           (b) The treatment provided for under subsection (a)(2) shall be
- 5           accorded only in relation to a loss that occurs in the course of rendering
- 6           public transportation services under contract with a commuter
- 7           transportation district.
- 8           **(c) The treatment provided for under subsection (a)(4) shall be**
- 9           **accorded only in relation to a loss that occurs in the course of**
- 10          **rendering public transportation services under a contract with a**
- 11          **metropolitan transit district.**
- 12          SECTION 15. IC 36-9-3-5, AS AMENDED BY P.L.119-2012,
- 13          SECTION 226, IS AMENDED TO READ AS FOLLOWS
- 14          [EFFECTIVE JULY 1, 2014]: Sec. 5. (a) An authority is under the
- 15          control of a board (referred to as "the board" in this chapter) that,
- 16          except as provided in subsections (b) and (c), consists of:
- 17               (1) two (2) members appointed by the executive of each county in
- 18               the authority;
- 19               (2) one (1) member appointed by the executive of the largest
- 20               municipality in each county in the authority;
- 21               (3) one (1) member appointed by the executive of each second
- 22               class city in a county in the authority; and
- 23               (4) one (1) member from any other political subdivision that has
- 24               public transportation responsibilities in a county in the authority.
- 25          **(b) Except as provided in subsection (d),** an authority that includes
- 26          a consolidated city is under the control of a board consisting of the
- 27          following:
- 28               (1) Two (2) members appointed by the executive of the county
- 29               having the consolidated city.
- 30               (2) One (1) member appointed by the board of commissioners of
- 31               the county having the consolidated city.
- 32               (3) One (1) member appointed by the executive of each other
- 33               county in the authority.
- 34               (4) Two (2) members appointed by the governor from a list of at
- 35               least five (5) names provided by the Indianapolis regional
- 36               transportation council.
- 37               (5) One (1) member representing the four (4) largest
- 38               municipalities in the authority located in a county other than a
- 39               county containing a consolidated city. The member shall be
- 40               appointed by the executives of the municipalities acting jointly.
- 41               (6) One (1) member representing the excluded cities located in a
- 42               county containing a consolidated city that are members of the



1 authority. The member shall be appointed by the executives of the  
2 excluded cities acting jointly.

3 (7) One (1) member of a labor organization representing  
4 employees of the authority who provide public transportation  
5 services within the geographic jurisdiction of the authority. The  
6 labor organization shall appoint the member.

7 **If the consolidated city is located in a county that is a member of a**  
8 **metropolitan transit district established under IC 36-9.1, the terms**  
9 **of the members appointed under this subsection expire on the date**  
10 **on which the first meeting of the board of the metropolitan transit**  
11 **district is called under IC 36-9.1-4-5(a). If not otherwise ineligible,**  
12 **a member appointed under this subsection is eligible for**  
13 **appointment under subsection (d).**

14 (c) After December 31, 2009, this subsection applies if both a  
15 county having a population of more than four hundred thousand  
16 (400,000) but less than seven hundred thousand (700,000) and a county  
17 having a population of more than one hundred fifty thousand (150,000)  
18 but less than one hundred seventy thousand (170,000) are not members  
19 of the northern Indiana regional transportation district established  
20 under IC 8-24. An authority that includes a county having a population  
21 of more than four hundred thousand (400,000) but less than seven  
22 hundred thousand (700,000) is under the control of a board consisting  
23 of the following twenty-one (21) members:

24 (1) Three (3) members appointed by the executive of a city with  
25 a population of more than eighty thousand (80,000) but less than  
26 eighty thousand four hundred (80,400).

27 (2) Two (2) members appointed by the executive of a city with a  
28 population of more than eighty thousand five hundred (80,500)  
29 but less than one hundred thousand (100,000).

30 (3) One (1) member jointly appointed by the executives of the  
31 following municipalities located within a county having a  
32 population of more than four hundred thousand (400,000) but less  
33 than seven hundred thousand (700,000):

34 (A) A city with a population of more than four thousand nine  
35 hundred fifty (4,950) but less than five thousand (5,000).

36 (B) A city with a population of more than twenty-nine  
37 thousand six hundred (29,600) but less than twenty-nine  
38 thousand nine hundred (29,900).

39 (4) One (1) member who is jointly appointed by the fiscal body of  
40 the following municipalities located within a county with a  
41 population of more than four hundred thousand (400,000) but less  
42 than seven hundred thousand (700,000):



- 1 (A) A town with a population of more than sixteen thousand  
 2 five hundred (16,500) but less than twenty thousand (20,000).  
 3 (B) A town with a population of more than twenty-three  
 4 thousand seven hundred (23,700) but less than twenty-four  
 5 thousand (24,000).  
 6 (C) A town with a population of more than twenty thousand  
 7 (20,000) but less than twenty-three thousand seven hundred  
 8 (23,700).  
 9 (5) One (1) member who is jointly appointed by the fiscal body of  
 10 the following municipalities located within a county with a  
 11 population of more than four hundred thousand (400,000) but less  
 12 than seven hundred thousand (700,000):  
 13 (A) A town with a population of more than fourteen thousand  
 14 (14,000) but less than sixteen thousand (16,000).  
 15 (B) A town with a population of more than twenty-four  
 16 thousand (24,000) but less than thirty thousand (30,000).  
 17 (C) A town with a population of more than sixteen thousand  
 18 (16,000) but less than sixteen thousand five hundred (16,500).  
 19 (6) One (1) member who is jointly appointed by the following  
 20 authorities of municipalities located in a county having a  
 21 population of more than four hundred thousand (400,000) but less  
 22 than seven hundred thousand (700,000):  
 23 (A) The executive of a city with a population of more than  
 24 twenty-five thousand (25,000) but less than twenty-nine  
 25 thousand (29,000).  
 26 (B) The fiscal body of a town with a population of more than  
 27 ten thousand (10,000) but less than fourteen thousand  
 28 (14,000).  
 29 (C) The fiscal body of a town with a population of more than  
 30 five thousand (5,000) but less than ten thousand (10,000).  
 31 (D) The fiscal body of a town with a population of less than  
 32 one thousand five hundred (1,500).  
 33 (E) The fiscal body of a town with a population of more than  
 34 two thousand two hundred (2,200) but less than five thousand  
 35 (5,000).  
 36 (7) One (1) member appointed by the fiscal body of a town with  
 37 a population of more than thirty thousand (30,000) located within  
 38 a county with a population of more than four hundred thousand  
 39 (400,000) but less than seven hundred thousand (700,000).  
 40 (8) One (1) member who is jointly appointed by the following  
 41 authorities of municipalities that are located within a county with  
 42 a population of more than four hundred thousand (400,000) but



- 1 less than seven hundred thousand (700,000):
- 2 (A) The executive of a city having a population of more than
- 3 twenty-nine thousand (29,000) but less than twenty-nine
- 4 thousand five hundred (29,500).
- 5 (B) The executive of a city having a population of more than
- 6 twelve thousand five hundred (12,500) but less than twelve
- 7 thousand seven hundred (12,700).
- 8 (C) The fiscal body of a town having a population of more
- 9 than one thousand five hundred (1,500) but less than two
- 10 thousand two hundred (2,200).
- 11 (9) Three (3) members appointed by the fiscal body of a county
- 12 with a population of more than four hundred thousand (400,000)
- 13 but less than seven hundred thousand (700,000).
- 14 (10) One (1) member appointed by the county executive of a
- 15 county with a population of more than four hundred thousand
- 16 (400,000) but less than seven hundred thousand (700,000).
- 17 (11) One (1) member of a labor organization representing
- 18 employees of the authority who provide public transportation
- 19 services within the geographic jurisdiction of the authority. The
- 20 labor organization shall appoint the member. If more than one (1)
- 21 labor organization represents the employees of the authority, each
- 22 organization shall submit one (1) name to the governor, and the
- 23 governor shall appoint the member from the list of names
- 24 submitted by the organizations.
- 25 (12) The executive of a city with a population of more than
- 26 thirty-one thousand seven hundred twenty-five (31,725) but less
- 27 than thirty-five thousand (35,000), or the executive's designee.
- 28 (13) The executive of a city with a population of more than
- 29 thirty-six thousand eight hundred twenty-five (36,825) but less
- 30 than forty thousand (40,000), or the executive's designee.
- 31 (14) One (1) member of the board of commissioners of a county,
- 32 with a population of more than one hundred fifty thousand
- 33 (150,000) but less than one hundred seventy thousand (170,000),
- 34 appointed by the board of commissioners, or the member's
- 35 designee.
- 36 (15) One (1) member appointed jointly by the township executive
- 37 of the township containing the following towns:
- 38 (A) Chesterton.
- 39 (B) Porter.
- 40 (C) Burns Harbor.
- 41 (D) Dune Acres.
- 42 The member appointed under this subdivision must be a resident



- 1 of a town listed in this subdivision.
- 2 (16) One (1) member appointed jointly by the township
- 3 executives of the following townships located in Porter County:
- 4 (A) Washington Township.
- 5 (B) Morgan Township.
- 6 (C) Pleasant Township.
- 7 (D) Boone Township.
- 8 (E) Union Township.
- 9 (F) Porter Township.
- 10 (G) Jackson Township.
- 11 (H) Liberty Township.
- 12 (I) Pine Township.

13 The member appointed under this subdivision must be a resident  
 14 of a township listed in this subdivision.

15 If a county or city becomes a member of the authority under section 3.5  
 16 of this chapter, the executive of the county or city shall appoint one (1)  
 17 member to serve on the board.

18 **(d) This subsection applies to an authority that includes a**  
 19 **consolidated city in a county that is a member of a metropolitan**  
 20 **transit district established under IC 36-9.1. Beginning on the date**  
 21 **on which the first meeting of the board of the metropolitan transit**  
 22 **district is called under IC 36-9.1-4-5(a), the authority is under the**  
 23 **control of a board consisting of the following:**

- 24 **(1) Each member of the board of the metropolitan transit**  
 25 **district.**
- 26 **(2) One (1) member appointed by the executive of each county**  
 27 **in the authority that is not also a member of the metropolitan**  
 28 **transit district.**
- 29 **(3) One (1) member to represent the three (3) largest**  
 30 **municipalities in the authority located in a county other than**  
 31 **a county that is a member of the metropolitan transit district.**  
 32 **The executives of the municipalities shall jointly appoint the**  
 33 **member.**
- 34 **(4) One (1) member of the labor organization representing the**  
 35 **largest number of employees of the authority who provide**  
 36 **public transportation services within the geographic**  
 37 **jurisdiction of the authority. The labor organization shall**  
 38 **appoint the member.**

39 **If not otherwise ineligible, a member whose term expires under**  
 40 **subsection (b) is eligible for appointment under this subsection.**

41 SECTION 16. IC 36-9-3-7, AS AMENDED BY P.L.182-2009(ss),  
 42 SECTION 448, IS AMENDED TO READ AS FOLLOWS



1 [EFFECTIVE JULY 1, 2014]: Sec. 7. (a) Except as provided in  
2 subsection (e), as soon as is practical, but not later than ninety (90)  
3 days after the authority is established, the members shall meet and  
4 organize themselves as a board.

5 (b) Except as provided in ~~subsection~~ **subsections (f) and (g)**, at its  
6 first meeting, and annually after that, the board shall elect from its  
7 members a president, a vice president who shall perform the duties of  
8 the president during the absence or disability of the president, a  
9 secretary, and a treasurer. If the authority includes more than one (1)  
10 county, the president and vice president must be from different  
11 counties.

12 (c) The regional planning commission staff or the metropolitan  
13 planning organization if the authority includes a consolidated city shall  
14 serve as staff to the board secretary for the purpose of recording the  
15 minutes of all board meetings and keeping the records of the authority.

16 (d) The board shall keep its maps, plans, documents, records, and  
17 accounts in a suitable office, subject to public inspection at all  
18 reasonable times.

19 (e) After December 31, 2009, this subsection applies if a county is  
20 not a member of the northern Indiana regional transportation district  
21 established under IC 8-24. If the authority includes a county having a  
22 population of more than four hundred thousand (400,000) but less than  
23 seven hundred thousand (700,000), the first meeting of the board shall  
24 be at the call of the county council of the county having a population  
25 of more than four hundred thousand (400,000) but less than seven  
26 hundred thousand (700,000). The president of the county council shall  
27 preside over the first meeting until the officers of the board have been  
28 elected.

29 (f) After December 31, 2009, this subsection applies if a county is  
30 not a member of the northern Indiana regional transportation district  
31 established under IC 8-24. If the authority includes a county having a  
32 population of more than four hundred thousand (400,000) but less than  
33 seven hundred thousand (700,000), the board shall first meet in  
34 January. At the first meeting the board shall elect from its members a  
35 president, a vice president who shall perform the duties of the president  
36 during the absence or disability of the president, a secretary, a  
37 treasurer, and any other officers the board determines are necessary for  
38 the board to function.

39 **(g) This subsection applies to an authority that includes a county**  
40 **that is a member of a metropolitan transit district established**  
41 **under IC 36-9.1. The chairperson and vice chairperson of the**  
42 **board of the metropolitan transit district shall serve as chairperson**





1 **and vice chairperson of the board of the authority. The board shall**  
 2 **elect from its members a secretary-treasurer.**

3 SECTION 17. IC 36-9-3-13 IS AMENDED TO READ AS  
 4 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 13. **(a)** The board may:

- 5 (1) exercise the executive and legislative powers of the authority  
 6 as provided by this chapter;  
 7 (2) as a municipal corporation, sue and be sued in its name;  
 8 (3) sell, lease, or otherwise contract for advertising in or on the  
 9 facilities of the authority;  
 10 (4) protect all property owned or managed by the board;  
 11 (5) adopt an annual budget;  
 12 (6) incur indebtedness in the name of the authority in accordance  
 13 with this chapter;  
 14 (7) acquire real, personal, or mixed property by deed, purchase,  
 15 or lease and dispose of it for use in connection with or for  
 16 administrative purposes;  
 17 (8) receive gifts, donations, bequests, and public trusts, agree to  
 18 conditions and terms accompanying them, and bind the authority  
 19 to carry them out;  
 20 (9) receive federal or state aid and administer that aid;  
 21 (10) erect the buildings or structures needed to administer and  
 22 carry out this chapter;  
 23 (11) determine matters of policy regarding internal organization  
 24 and operating procedures not specifically provided for by law;  
 25 (12) adopt a schedule of reasonable charges and rents, and collect  
 26 them from all users of facilities and services within the  
 27 jurisdiction of the authority;  
 28 (13) purchase supplies, materials, and equipment to carry out the  
 29 duties and functions of the board, in accordance with procedures  
 30 adopted by the board and under applicable statutes;  
 31 (14) employ the personnel necessary to carry out the duties,  
 32 functions, and powers of the board;  
 33 (15) sell any surplus or unneeded real and personal property in  
 34 accordance with procedures adopted by the board and under  
 35 applicable statutes;  
 36 (16) adopt rules governing the duties of its officers, employees,  
 37 and personnel, and the internal management of the affairs of the  
 38 board;  
 39 (17) fix the compensation of the various officers and employees  
 40 of the authority, within the limitations of the total personal  
 41 services budget;  
 42 (18) purchase public transportation services from public or



1 private transportation agencies upon the terms and conditions set  
 2 forth in purchase of service agreements between the authority and  
 3 the transportation agencies;

4 (19) acquire, establish, construct, improve, equip, operate,  
 5 maintain, subsidize, and regulate public transportation systems  
 6 within the jurisdiction of the authority;

7 (20) after receiving a request for assistance from a public  
 8 transportation system, enter into agreements with government  
 9 agencies, political subdivisions, private transportation companies,  
 10 railroads, and other persons providing for:

11 (A) construction, operation, and use by the other party of any  
 12 public transportation system and equipment held or later  
 13 acquired by the authority; and

14 (B) acquisition of any public transportation system and  
 15 equipment of another party if all or part of the operations of  
 16 that party take place within the jurisdiction of the authority;

17 (21) rent or lease any real property, including air rights above real  
 18 property owned or leased by a transportation system, for  
 19 transportation or other purposes, with the revenues from those  
 20 rentals to accrue to the authority and to be used exclusively for the  
 21 purposes of this chapter;

22 (22) negotiate and execute contracts of sale, purchase, or lease, or  
 23 contracts for personal services, materials, supplies, equipment, or  
 24 passenger transportation services;

25 (23) establish at or near its terminals and stations the off-street  
 26 parking facilities and access roads that are necessary and  
 27 desirable, and charge fees for or allow free use of those facilities;

28 (24) enter into agreements with other persons for the purpose of  
 29 participating in transportation planning activities;

30 (25) administer any rail services or other use of rail rights-of-way  
 31 that may be the responsibility of state or local government under  
 32 the Federal Regional Rail Reorganization Act of 1973, as  
 33 amended (45 U.S.C. sections 701-794);

34 (26) determine the level and kind of public transportation services  
 35 that should be provided by the authority; and

36 **(27) accept revenue provided under IC 36-9-4-42; and**

37 ~~(27)~~ **(28)** do all other acts necessary or reasonably incident to  
 38 carrying out the purposes of this chapter.

39 **(b) This subsection applies to an authority whose members have**  
 40 **established a metropolitan transit district under IC 36-9.1. The**  
 41 **board may not take any action or exercise any power over the**  
 42 **metropolitan transit district, which is a separately governed body**



1 **corporate and politic.**

2 SECTION 18. IC 36-9-4-1, AS AMENDED BY P.L.119-2012,  
3 SECTION 227, IS AMENDED TO READ AS FOLLOWS  
4 [EFFECTIVE JULY 1, 2014]: Sec. 1. **(a)** This chapter applies to all  
5 municipalities. However, after December 31, 2009, this chapter does  
6 not apply to a municipality if it is located in a county that is a member  
7 of the northern Indiana regional transportation district established  
8 under IC 8-24 and has a population of:

9 (1) more than four hundred thousand (400,000) but less than  
10 seven hundred thousand (700,000); or

11 (2) more than one hundred fifty thousand (150,000) but less than  
12 one hundred seventy thousand (170,000).

13 **(b) The following apply if a metropolitan transit district is**  
14 **established under IC 36-9.1-2:**

15 **(1) Except as provided in subsection (c) and subdivision (5),**  
16 **the powers and duties under this chapter and under any other**  
17 **law of the Indianapolis public transportation corporation and**  
18 **its board of directors are transferred to the metropolitan**  
19 **transit district effective thirty (30) days after the metropolitan**  
20 **transit district board initially meets and organizes itself under**  
21 **IC 36-9.1-4. Except as provided in subsection (c) and**  
22 **subdivision (5), the metropolitan transit district may exercise**  
23 **throughout Marion County any of the powers and duties of a**  
24 **public transportation corporation.**

25 **(2) The Indianapolis public transportation corporation is**  
26 **abolished upon the transfer of powers and duties to the**  
27 **metropolitan transit district as provided in subdivision (1).**  
28 **However, the taxing district established for the public**  
29 **transportation corporation continues in existence for**  
30 **purposes of any property taxes imposed by the county fiscal**  
31 **body for transfer to the metropolitan transit district to pay**  
32 **the district's costs of carrying out the powers and duties of a**  
33 **public transportation corporation.**

34 **(3) Except as specifically provided, all:**

35 **(A) assets;**

36 **(B) property rights;**

37 **(C) equipment;**

38 **(D) records;**

39 **(E) personnel;**

40 **(F) contracts;**

41 **(G) indebtedness; and**

42 **(H) lease rental obligations;**



1 of the Indianapolis public transportation corporation and its  
 2 board of directors are transferred to the metropolitan transit  
 3 district. The metropolitan transit district is subject to the  
 4 requirements of section 41 of this chapter and IC 36-9-3-21.

5 (4) Upon the transfer of powers and duties to the metropolitan  
 6 transit district as provided in subdivision (1), the board of  
 7 directors of the Indianapolis public transportation  
 8 corporation:

9 (A) is no longer the governing body of the public  
 10 transportation corporation;

11 (B) shall serve as an advisory board to the metropolitan  
 12 transit district for the first six (6) months after the  
 13 metropolitan transit district is established; and

14 (C) is abolished at the end of the six (6) month period  
 15 described in clause (B).

16 (5) The following apply after the powers and duties of the  
 17 Indianapolis public transportation corporation are  
 18 transferred to the metropolitan transit district:

19 (A) The metropolitan transit district shall each year submit  
 20 to the fiscal body of Marion County a proposed budget and  
 21 proposed property tax levy for the ensuing calendar year  
 22 for purposes of operating an urban mass transportation  
 23 system as a public transportation corporation, including  
 24 payment or satisfaction of indebtedness and lease rental  
 25 obligations transferred to the metropolitan transit district.  
 26 The metropolitan transit district shall submit the proposed  
 27 budget and proposed property tax levy in the form and at  
 28 the time determined by the fiscal body of Marion County.

29 (B) The fiscal body of Marion County:

30 (i) shall review the proposed budget and proposed  
 31 property tax levy submitted under clause (A); and

32 (ii) shall adopt the property tax levy for the ensuing  
 33 calendar year to enable the metropolitan transit district  
 34 to carry out the powers and duties of a public  
 35 transportation corporation.

36 The fiscal body of Marion County shall adopt the property  
 37 tax levy under this subdivision in the same manner that  
 38 other county property tax levies are adopted.

39 (C) The department of local government finance shall  
 40 increase the maximum permissible ad valorem property  
 41 tax levy of Marion County by an amount equal to:

42 (i) the maximum permissible ad valorem property tax



1 levy of the public transportation corporation for the year  
 2 preceding the year in which the powers and duties of the  
 3 public transportation corporation are transferred to the  
 4 metropolitan transit district; multiplied by  
 5 (ii) the assessed value growth quotient determined under  
 6 IC 6-1.1-18.5-2.

7 (D) At the time of each semiannual settlement of property  
 8 taxes under IC 6-1.1-27, the county treasurer shall transfer  
 9 to the fiscal officer of the metropolitan transit district:

10 (i) the amount of property taxes collected from the  
 11 property tax levy imposed under this subdivision; and  
 12 (ii) any excise taxes or other taxes distributed to the  
 13 county on account of the property taxes collected from a  
 14 property tax levy imposed under this subdivision.

15 (E) The county may exercise any power of a public  
 16 transportation corporation to issue bonds as provided  
 17 under this chapter and to levy a tax to pay the principal  
 18 and interest on the bonds.

19 (F) Except as otherwise provided in this subsection, any  
 20 reference:

21 (i) in the Indiana Code;  
 22 (ii) in the Indiana Administrative Code;  
 23 (iii) in an ordinance or resolution; or  
 24 (iv) in any deed, lease, contract, or other legal document  
 25 or instrument;

26 to the Indianapolis public transportation corporation is  
 27 considered to be a reference to the metropolitan transit  
 28 district.

29 (c) A metropolitan transit district receiving the powers and  
 30 duties of a public transportation corporation under subsection (b)  
 31 may not exercise the power of eminent domain under section 32 of  
 32 this chapter.

33 SECTION 19. IC 36-9-4-14 IS AMENDED TO READ AS  
 34 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 14. (a) **Except as**  
 35 **provided in section 1(b) of this chapter**, a public transportation  
 36 corporation is under the control of a board of directors, which shall  
 37 exercise the executive and legislative powers of the corporation.

38 (b) Directors must be residents of the taxing district of the  
 39 corporation.

40 SECTION 20. IC 36-9-4-15 IS AMENDED TO READ AS  
 41 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 15. (a) **Except as**  
 42 **provided in section 1(b) of this chapter**, the board of directors of a



1 public transportation corporation in a city consists of either five (5) or  
2 seven (7) directors, as determined by the city legislative body.

3 (b) If the board of directors consists of five (5) directors, they are:

4 (1) two (2) directors appointed by the city executive, for terms of  
5 one (1) and two (2) years, respectively; and

6 (2) three (3) directors appointed by the city legislative body, for  
7 terms of two (2), three (3), and four (4) years, respectively.

8 (c) If the board of directors consists of seven (7) directors, they are:

9 (1) three (3) directors appointed by the city executive, for terms  
10 of one (1), two (2), and three (3) years, respectively; and

11 (2) four (4) directors appointed by the city legislative body, for  
12 terms of one (1), two (2), three (3), and four (4) years,  
13 respectively.

14 SECTION 21. IC 36-9-4-42, AS AMENDED BY P.L.137-2012,  
15 SECTION 123, IS AMENDED TO READ AS FOLLOWS  
16 [EFFECTIVE JULY 1, 2014]: Sec. 42. (a) A municipality or a public  
17 transportation corporation that expends money for the establishment or  
18 maintenance of an urban mass transportation system under this chapter  
19 may acquire the money for these expenditures:

20 (1) by issuing bonds under section 43 or 44 of this chapter;

21 (2) by borrowing money made available for such purposes by any  
22 source;

23 (3) by accepting grants or contributions made available for such  
24 purposes by any source;

25 (4) in the case of a municipality, by appropriation from the  
26 general fund of the municipality, or from a special fund that the  
27 municipal legislative body includes in the municipality's budget;  
28 or

29 (5) in the case of a public transportation corporation, by levying  
30 a tax under section 49 of this chapter or by recommending an  
31 election to use revenue from the county option income taxes, as  
32 provided in subsection (c).

33 (b) Money may be acquired under this section for the purpose of  
34 exercising any of the powers granted by or incidental to this chapter,  
35 including:

36 (1) studies under section 4, 9, or 11 of this chapter;

37 (2) grants in aid;

38 (3) the purchase of buses or real property by a municipality for  
39 lease to an urban mass transportation system, including the  
40 payment of any amount outstanding under a mortgage, contract of  
41 sale, or other security device that may attach to the buses or real  
42 property;



1 (4) the acquisition by a public transportation corporation of  
 2 property of an urban mass transportation system, including the  
 3 payment of any amount outstanding under a mortgage, contract of  
 4 sale, or other security device that may attach to the property;

5 (5) the operation of an urban mass transportation system by a  
 6 public transportation corporation, including the acquisition of  
 7 additional property for such a system; and

8 (6) the retirement of bonds issued and outstanding under this  
 9 chapter.

10 (c) This subsection applies only to a public transportation  
 11 corporation located in a county having a consolidated city. In order to  
 12 provide revenue to a public transportation corporation during a year,  
 13 the public transportation corporation board may recommend and the  
 14 county fiscal body may elect to provide revenue to the corporation from  
 15 part of the certified distribution, if any, that the county is to receive  
 16 during that same year under IC 6-3.5-6-17. To make the election, the  
 17 county fiscal body must adopt an ordinance before November 1 of the  
 18 preceding year. The county fiscal body must specify in the ordinance  
 19 the amount of the certified distribution that is to be used to provide  
 20 revenue to the corporation. If such an ordinance is adopted, the county  
 21 fiscal body shall immediately send a copy of the ordinance to the  
 22 county auditor.

23 **(d) This subsection does not apply to a county having a**  
 24 **consolidated city. A county or city fiscal body may, upon the**  
 25 **recommendation of the public transportation corporation board,**  
 26 **elect to provide revenue to the corporation from part of the**  
 27 **distributive share of the tax revenue that the county or city is to**  
 28 **receive under IC 6-3.5-1.1-15, IC 6-3.5-6-19, or IC 6-3.5-7-13.1**  
 29 **during a particular calendar year. To make the election, the county**  
 30 **or city fiscal body must adopt an ordinance before September 1 of**  
 31 **the preceding calendar year. The county or city fiscal body must**  
 32 **specify in the ordinance the amount of the distributive share that**  
 33 **the fiscal body will provide to the public transportation**  
 34 **corporation in the following calendar year. If an ordinance is**  
 35 **adopted under this subsection, the county or city fiscal body shall**  
 36 **immediately send a copy of the ordinance to the county auditor.**  
 37 **The county auditor shall distribute the amount of the election to**  
 38 **the public transportation corporation on the same schedule that**  
 39 **the county auditor distributes distributive shares to the civil taxing**  
 40 **units of the county.**

41 SECTION 22. IC 36-9.1 IS ADDED TO THE INDIANA CODE AS  
 42 A NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1,



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2014]:

**ARTICLE 9.1. METROPOLITAN TRANSIT DISTRICT**

**Chapter 1. Purpose of Article; Definitions**

**Sec. 1. The purpose of this article is to provide for the planning, designing, acquiring, constructing, enlarging, improving, renovating, maintaining, equipping, financing, operating, and supporting of public transportation systems in central Indiana.**

**Sec. 2. The definitions in this chapter apply throughout this article.**

**Sec. 3. "Authorizing body" means the following:**

- (1) For a county containing a consolidated city, the city-county council.**
- (2) For a county (other than a county containing a consolidated city) in which the county option income tax is in effect, the county income tax council (as defined in IC 6-3.5-6-1).**
- (3) For a county in which the county adjusted gross income tax is in effect, the county council.**
- (4) For a border township, the legislative body of the border township.**

**Sec. 4. "Authorizing county" means a county that has approved a local public question under IC 36-9.1-2-2.**

**Sec. 5. "Bonds" means, except as otherwise provided, bonds, notes, or other evidences of indebtedness. The term includes obligations (as defined in IC 8-9.5-9-3) and swap agreements (as defined in IC 8-9.5-9-4).**

**Sec. 6. "Border township" means a township with the following characteristics:**

- (1) The township is located in an eligible county.**
- (2) The boundary of the township is contiguous along any part of its boundary to a county that is not an eligible county.**
- (3) The territory of the township does not intersect with the territory of the county seat of the eligible county in which the township is located.**

**Sec. 7. "District" means, except as otherwise provided, a metropolitan transit district established under IC 36-9.1-2-6.**

**Sec. 8. "Eligible county" means any of the following counties:**

- (1) Boone County.**
- (2) Delaware County.**
- (3) Hamilton County.**
- (4) Hancock County.**
- (5) Hendricks County.**





- 1           (6) Johnson County.
- 2           (7) Madison County.
- 3           (8) Marion County.
- 4           (9) Morgan County.
- 5           (10) Shelby County.

6           **Sec. 9. "Interior township" means a township in an eligible**  
 7 **county that is not a border township.**

8           **Sec. 10. "Project" refers to an action taken to:**

- 9           (1) plan;
- 10          (2) design;
- 11          (3) acquire;
- 12          (4) construct;
- 13          (5) enlarge;
- 14          (6) improve;
- 15          (7) renovate;
- 16          (8) maintain;
- 17          (9) equip; or
- 18          (10) operate;

19 **a public transportation system.**

20           **Sec. 11. "Public transportation agency" has the meaning set**  
 21 **forth in IC 36-9-1-5.5.**

22           **Sec. 12. "Public transportation system" means a common**  
 23 **carrier of passengers for hire.**

24           **Sec. 13. "Transit board" refers to the metropolitan transit**  
 25 **district board appointed under IC 36-9.1-4-2.**

26           **Chapter 2. Establishment of the Metropolitan Transit District**

27           **Sec. 1. Subject to the requirements of this article, a metropolitan**  
 28 **transit district may be established as provided in this chapter.**

29           **Sec. 2. (a) This section applies only to Marion County.**

30           **(b) The authorizing body of Marion County may adopt an**  
 31 **ordinance to place on the ballot a local public question concerning**  
 32 **the authority to become a member of a metropolitan transit**  
 33 **district. The authorizing body shall include in the ordinance a**  
 34 **maximum county economic development income tax rate that will**  
 35 **be dedicated to pay the county's contribution to the funding of the**  
 36 **metropolitan transit district. The maximum tax rate may not**  
 37 **exceed a rate of three-tenths of one percent (0.3%). The**  
 38 **authorizing body must take final action under this subsection not**  
 39 **later than December 31, 2014.**

40           **(c) If the authorizing body adopts an ordinance under**  
 41 **subsection (b), the county auditor shall certify the ordinance to the**  
 42 **county election board, and the county election board shall place the**



1 following question on the election ballot in accordance with  
2 IC 3-10-9:

3 "Shall Marion County become a member of a metropolitan  
4 transit district and have the ability to impose a county  
5 economic development income tax rate, not to exceed a rate of  
6 \_\_\_\_\_ (insert recommended rate included in the  
7 ordinance under subsection (b)), the proceeds of which will be  
8 dedicated to the metropolitan transit district to provide  
9 improved transit service in the county, including increased  
10 local bus service, express buses, and rapid transit lines?"

11 (d) Except as provided in subsection (g), if the county auditor  
12 certifies the ordinance as provided in subsection (c), the county  
13 election board shall place the local public question on the ballot at  
14 the next general election for which the question may be certified  
15 under IC 3-10-9-3 and for which all voters of the county are  
16 entitled to vote.

17 (e) After an election on the local public question, the circuit  
18 court clerk of the county shall:

- 19 (1) make a certified copy of the election returns; and  
20 (2) not later than five (5) days after the election, file the copy  
21 with:  
22 (A) the department of state revenue; and  
23 (B) the authorizing body of the county.

24 (f) The local public question is approved by a county if a  
25 majority of the county voters voting on the local public question  
26 vote "yes". The local public question is defeated by a county if a  
27 majority of the county voters voting on the local public question  
28 vote "no".

29 (g) If the local public question is defeated in a county, the  
30 authorizing body may adopt an ordinance under this section to  
31 place another local public question on the ballot as provided in this  
32 section at a subsequent general election in the county. However, a  
33 local public question under this section may not be placed on the  
34 ballot more than two (2) times in any seven (7) year period.

35 Sec. 3. (a) This section applies only to an eligible county other  
36 than Marion County.

37 (b) The authorizing body of an eligible county to which this  
38 section applies may adopt an ordinance to place on the ballot a  
39 local public question concerning the authority to become a member  
40 of a metropolitan transit district. The authorizing body shall  
41 include in the ordinance a maximum county economic development  
42 income tax rate that will be dedicated to pay the county's



1 contribution to the funding of the metropolitan transit district. The  
 2 maximum tax rate may not exceed a rate of three-tenths of one  
 3 percent (0.3%). The authorizing body must take final action under  
 4 this subsection not later than December 31, 2014.

5 (c) If the authorizing body adopts an ordinance under  
 6 subsection (b), the county auditor shall certify the ordinance to the  
 7 county election board, and the county election board shall place the  
 8 following question on the election ballot in accordance with  
 9 IC 3-10-9:

10 "Shall \_\_\_\_\_ County become a member of a  
 11 metropolitan transit district, shall the territory of  
 12 \_\_\_\_\_ Townships (list the interior townships of the  
 13 eligible county) of \_\_\_\_\_ County be included in the  
 14 metropolitan transit district, and shall \_\_\_\_\_ County  
 15 have the ability to impose a county economic development  
 16 income tax rate, not to exceed a rate of \_\_\_\_\_ (insert  
 17 recommended rate included in the ordinance under subsection  
 18 (b)), the proceeds of which will be dedicated to the  
 19 metropolitan transit district to provide improved transit  
 20 service in the part of the county included in the territory of  
 21 the metropolitan transit district, including increased local bus  
 22 service, express buses, and rapid transit lines?"

23 (d) Except as provided in subsection (g), if the county auditor  
 24 certifies the ordinance as provided in subsection (c), the county  
 25 election board shall place the local public question on the ballot in  
 26 the interior townships of the eligible county at the next general  
 27 election for which the question may be certified under IC 3-10-9-3  
 28 and for which all voters of the interior townships of the eligible  
 29 county are entitled to vote.

30 (e) After an election on the local public question, the circuit  
 31 court clerk of the county shall:

- 32 (1) make a certified copy of the election returns; and  
 33 (2) not later than five (5) days after the election, file the copy  
 34 with:  
 35 (A) the department of state revenue; and  
 36 (B) the authorizing body of the county.

37 (f) The local public question is approved by a county with  
 38 respect to the interior townships of the county if a majority of the  
 39 county voters in the interior townships of the county voting on the  
 40 local public question vote "yes". The local public question is  
 41 defeated by a county if a majority of the county voters in the  
 42 interior townships of the county voting on the local public question



1 vote "no".

2 (g) If the local public question submitted to the voters of the  
3 interior townships of a county is defeated in a referendum under  
4 this section, the authorizing body may adopt an ordinance under  
5 this section to place another local public question on the ballot in  
6 the interior townships of the county as provided in this section at  
7 a subsequent general election in the county. However, a local  
8 public question under this section may not be placed on the ballot  
9 more than two (2) times in any seven (7) year period.

10 Sec. 4. (a) The authorizing body of a border township may adopt  
11 a resolution to place on the ballot a local public question  
12 concerning whether the territory of the border township shall be  
13 included in territory of the metropolitan transit district.

14 (b) If the authorizing body adopts a resolution under subsection  
15 (a), the county auditor shall certify the resolution to the county  
16 election board, and the county election board shall place the  
17 following question on the election ballot in accordance with  
18 IC 3-10-9:

19 "Shall the territory of \_\_\_\_\_ Township of \_\_\_\_\_  
20 County be included in the territory of the metropolitan transit  
21 district and shall the taxpayers of \_\_\_\_\_ Township of  
22 \_\_\_\_\_ County be subject to a county economic  
23 development income tax rate, not to exceed a rate of  
24 \_\_\_\_\_ (insert recommended rate included in the  
25 ordinance adopted under section 3(b) of this chapter by the  
26 authorizing body of the county in which the township is  
27 located), the proceeds of which will be dedicated to the  
28 metropolitan transit district to provide improved transit  
29 service in the township, including increased local bus service,  
30 express buses, and rapid transit lines?"

31 (c) Except as provided in subsection (f), if the county auditor  
32 certifies the resolution as provided in subsection (b), the county  
33 election board shall place the local public question on the ballot at  
34 the next general election for which the question may be certified  
35 under IC 3-10-9-3 and for which all voters of the border township  
36 are entitled to vote.

37 (d) After an election on the local public question, the circuit  
38 court clerk of the county shall:

- 39 (1) make a certified copy of the election returns; and  
40 (2) not later than five (5) days after the election, file the copy  
41 with:  
42 (A) the department of state revenue;



- 1           **(B) the authorizing body of the township; and**  
 2           **(C) the authorizing body of the county.**  
 3           **(e) The local public question is approved by a border township**  
 4 **if a majority of the border township voters voting on the local**  
 5 **public question vote "yes". The local public question is defeated by**  
 6 **a border township if a majority of the border township voters**  
 7 **voting on the local public question vote "no".**  
 8           **(f) If the local public question is defeated in a border township,**  
 9 **the authorizing body may adopt a resolution under this section to**  
 10 **place another local public question on the ballot as provided in this**  
 11 **section at a subsequent general election in the township. However,**  
 12 **a local public question under this section may not be placed on the**  
 13 **ballot more than two (2) times in any seven (7) year period.**  
 14           **(g) If the voters of a border township approve a local public**  
 15 **question under this section, the territory of the border township is**  
 16 **not included in the territory of the metropolitan transit district**  
 17 **until the eligible county in which the border township is located**  
 18 **becomes a member of the metropolitan transit district.**  
 19           **Sec. 5. A political subdivision may not expend public funds (as**  
 20 **defined in IC 5-13-4-20) to support or oppose the approval of the**  
 21 **local public question under this chapter.**  
 22           **Sec. 6. (a) A metropolitan transit district is established on**  
 23 **January 1 of the year following the year in which a local public**  
 24 **question is approved in one (1) or more of the following**  
 25 **combination of counties under section 2 of this chapter, or sections**  
 26 **2 and 3 of this chapter:**  
 27           **(1) By the voters in Marion County only.**  
 28           **(2) By the voters in Marion County and by the voters of the**  
 29 **interior townships of at least one (1) county that is contiguous**  
 30 **to Marion County.**  
 31           **(3) By the voters in Marion County, the voters of the interior**  
 32 **townships of Madison County, and the voters of the interior**  
 33 **townships of at least one (1) county that is contiguous to both**  
 34 **Marion County and Madison County.**  
 35           **(b) Except as provided in subsections (c) and (d), the**  
 36 **membership of the metropolitan transit district consists of the**  
 37 **counties in which a local public question under section 2 or 3 of this**  
 38 **chapter is approved.**  
 39           **(c) If the voters of the interior townships in Madison County**  
 40 **approve a local public question under section 3 of this chapter:**  
 41           **(1) Madison County is not included in a metropolitan transit**  
 42 **district; and**



- 1           (2) the territory of the interior townships of Madison County  
2           is not included in the territory of the metropolitan transit  
3           district;  
4           until the combination of approvals described in subsection (a)(3)  
5           occurs.
- 6           (d) If the voters of the interior townships in Delaware County  
7           approve a local public question under section 3 of this chapter:  
8           (1) Delaware County is not included in a metropolitan transit  
9           district; and  
10           (2) the territory of the interior townships of Delaware County  
11           is not included in the territory of the metropolitan transit  
12           district;  
13           until the combination of approvals described in subsection (a)(3)  
14           occurs.
- 15           (e) The approval of voters in a combination of counties required  
16           by this section to establish a metropolitan transit district may  
17           occur in separate elections.
- 18           Sec. 7. (a) The territory of the metropolitan transit district must  
19           be connected.
- 20           (b) Subject to section 8 of this chapter, the territory of the  
21           metropolitan transit district consists of the territories of:  
22           (1) Marion County;  
23           (2) the interior townships of eligible counties other than  
24           Marion County that have become members of the  
25           metropolitan transit district; and  
26           (3) the border townships:  
27           (A) that have approved a local public question under  
28           section 4 of this chapter; and  
29           (B) that are located in an eligible county that is a member  
30           of the metropolitan transit district.
- 31           Sec. 8. The following apply if a metropolitan transit district is  
32           established under section 6 of this chapter:  
33           (1) An eligible county other than Marion County that does not  
34           become a member of the metropolitan transit district at the  
35           time the metropolitan transit district is established may  
36           become a member of the metropolitan transit district at a  
37           later date if a local public question under section 3 of this  
38           chapter is approved in the county at a subsequent general  
39           election. If a local public question under section 3 of this  
40           chapter is approved in a county, the county becomes a  
41           member of the metropolitan transit district on January 1 of  
42           the following year.



1 (2) If a local public question under section 4 of this chapter is  
2 approved in a border township, the territory of the  
3 metropolitan transit district is enlarged to include the  
4 territory of the border township on January 1 of the following  
5 year.

6 (3) A county that is not an eligible county may not become a  
7 member of the metropolitan transit district.

8 **Chapter 3. Status of the Metropolitan Transit District**

9 **Sec. 1. (a)** The metropolitan transit district is a body corporate  
10 and politic. The metropolitan transit district is separate from the  
11 state and any other political subdivision, but the exercise of powers  
12 by the metropolitan transit district is an essential governmental  
13 function.

14 (b) The metropolitan transit district may sue and be sued in the  
15 name of the district.

16 **Sec. 2.** A pledge or mortgage by the metropolitan transit district  
17 does not create an obligation of the state or a political subdivision  
18 within the meaning of the Constitution of the State of Indiana or  
19 any statute.

20 **Sec. 3. All:**

- 21 (1) property owned by the metropolitan transit district;
- 22 (2) revenue of the metropolitan transit district; and
- 23 (3) bonds issued by the metropolitan transit district, the
- 24 interest on the bonds, the proceeds received by a holder from
- 25 the sale of bonds to the extent of the holder's cost of
- 26 acquisition, proceeds received upon redemption before
- 27 maturity, proceeds received at maturity, and the receipt of
- 28 interest in proceeds;

29 are exempt from taxation in Indiana for all purposes except the  
30 financial institutions tax imposed under IC 6-5.5 or a state  
31 inheritance tax imposed under IC 6-4.1.

32 **Sec. 4.** All securities issued under this article are exempt from  
33 the registration requirements of IC 23-19 and other securities  
34 registration statutes.

35 **Sec. 5.** Service provided by the metropolitan transit district is  
36 exempt from regulation by the department of state revenue under  
37 IC 8-2.1. This exemption applies to transportation services  
38 provided by the metropolitan transit district directly or by grants  
39 or purchase of service agreements.

40 **Chapter 4. Metropolitan Transit District Board**

41 **Sec. 1.** The power to govern the metropolitan transit district is  
42 vested in a board.



1           **Sec. 2. (a) The metropolitan transit district board consists of the**  
 2 **following members appointed by the authorizing counties as**  
 3 **follows:**

4           **(1) In a county containing a consolidated city, five (5)**  
 5 **members appointed as follows:**

6           **(A) Two (2) members appointed by the county executive.**

7           **(B) Two (2) members appointed by the county authorizing**  
 8 **body.**

9           **(C) One (1) member appointed by the board of county**  
 10 **commissioners.**

11           **(2) In a county that does not contain a consolidated city and**  
 12 **becomes a member of the district before January 1, 2016,**  
 13 **three (3) members appointed as follows:**

14           **(A) One (1) member appointed by the county**  
 15 **commissioners.**

16           **(B) One (1) member appointed by the county authorizing**  
 17 **body.**

18           **(C) One (1) member jointly appointed by the executives of**  
 19 **the four (4) largest municipalities located in the territory**  
 20 **of the county included in the district.**

21           **(3) In a county that does not contain a consolidated city and**  
 22 **becomes a member of the district after December 31, 2015,**  
 23 **two (2) members appointed as follows:**

24           **(A) One (1) member appointed by the county**  
 25 **commissioners.**

26           **(B) One (1) member appointed by the county authorizing**  
 27 **body.**

28           **(b) Not more than two (2) members appointed in a county**  
 29 **described in subsection (a)(2) or (a)(3) may be from the same**  
 30 **political party. One (1) member appointed under subsection**  
 31 **(a)(1)(A) and (a)(1)(B) must be from each major political party.**

32           **(c) A member must reside in the county from which the**  
 33 **appointment was made. A member's term expires on the date the**  
 34 **member establishes residency in another county.**

35           **(d) The following individuals are not eligible for membership on**  
 36 **the transit board:**

37           **(1) An officer of the district.**

38           **(2) An employee of the district.**

39           **(3) An elected official.**

40           **Sec. 3. (a) A member of the transit board appointed under this**  
 41 **chapter:**

42           **(1) shall serve for a term of four (4) years, but is eligible for**





1           reappointment for any number of successive terms; and  
 2           (2) serves at the pleasure of the appointing authority that  
 3           appointed the member.

4           (b) A member of the transit board is not entitled to receive  
 5           compensation for performance of the member's duties. However,  
 6           a member of the transit board is entitled to reimbursement from  
 7           the district for actual expenses and mileage.

8           Sec. 4. A member of the transit board appointed under this  
 9           chapter must have knowledge and at least five (5) years  
 10          professional work experience with a for profit or nonprofit entity  
 11          in at least one (1) of the following:

- 12           (1) Business or finance.  
 13           (2) Regional economic development.  
 14           (3) Transportation.

15          Sec. 5. (a) As soon as practical, but not more than ninety (90)  
 16          days after the district is established, the county executive of  
 17          Marion County shall:

- 18           (1) call the first meeting of the transit board; and  
 19           (2) designate a member of the transit board to preside over  
 20           the meeting until the officers of the transit board are elected.

21          (b) A majority of the members appointed to the transit board  
 22          constitutes a quorum for a meeting of the transit board.

23          (c) The transit board shall annually elect a chairperson, a vice  
 24          chairperson, and a secretary-treasurer from the members of the  
 25          transit board. If the district is comprised of more than one (1)  
 26          county, the chairperson and the vice chairperson of the transit  
 27          board must reside in different counties.

28          (d) The transit board shall meet at least quarterly. The  
 29          chairperson of the transit board or any two (2) members of the  
 30          transit board may call a meeting of the transit board.

31          Sec. 6. The transit board may adopt the bylaws and rules that  
 32          the transit board considers necessary to carry out the transit  
 33          board's powers and duties.

34          Sec. 7. (a) When voting on matters that are related to the  
 35          metropolitan transit district, the transit board has a total of one  
 36          hundred (100) votes. Every member of the transit board is  
 37          allocated a percentage of the total one hundred (100) votes that  
 38          may be cast by the transit board.

39          (b) The number of votes that a member of the transit board has  
 40          when voting on matters that are related to the metropolitan transit  
 41          district is determined in the following STEPS:

42           STEP ONE: Determine the financial contributions to the



1 metropolitan transit district that are made by the authorizing  
2 county that appointed the member.

3 **STEP TWO: Determine the financial contributions to the**  
4 **metropolitan transit district that are made by all authorizing**  
5 **counties.**

6 **STEP THREE: Multiply:**

7 (A) one hundred (100); by

8 (B) the result of:

9 (i) the STEP ONE result; divided by

10 (ii) the STEP TWO result.

11 **STEP FOUR: Determine the total number of members**  
12 **appointed to the transit board by the authorizing county that**  
13 **appointed the member to the transit board.**

14 **STEP FIVE: Divide:**

15 (A) the result determined under STEP THREE; by

16 (B) the STEP FOUR result.

17 (c) For purposes of determining votes under this section, an  
18 authorizing county's financial contributions to the metropolitan  
19 transit district are considered to be equal to the sum of:

20 (1) the amount of county economic development income tax  
21 revenue distributed during the preceding year to the  
22 authorizing county from a tax rate under IC 6-3.5-7-23.5 and  
23 transferred to the metropolitan transit district;

24 (2) any amounts transferred by the county to the metropolitan  
25 transit district under IC 36-9-4-1(b) to fund the metropolitan  
26 transit district's exercise of the powers and duties of a public  
27 transportation corporation as provided in IC 36-9-4-1(b); and

28 (3) any additional financial contributions made from the  
29 county to the metropolitan transit district, as determined  
30 according to the bylaws of the transit board.

31 However, during the first year after the district is established, an  
32 authorized county's financial contributions to the metropolitan  
33 transit district for purposes of determining votes under this section  
34 are considered to be equal to the amount of county economic  
35 development income tax revenue that the budget agency estimates  
36 will be distributed during the year to the authorizing county from  
37 a tax rate under IC 6-3.5-7-23.5, plus the amount the county  
38 auditor of Marion County estimates will be transferred under  
39 subdivision (2) during that first year.

40 (d) The transit board shall, as necessary, specify in its bylaws  
41 which matters are, for purposes of this section, considered to be  
42 matters related to the metropolitan transit district.



1           **Sec. 8. (a) Except as provided in subsections (b) through (d), at**  
 2 **least fifty-one (51) affirmative votes of the one hundred (100) votes**  
 3 **allocated to the transit board under section 7 of this chapter are**  
 4 **necessary to authorize any action of the transit board.**

5           **(b) The number of affirmative votes specified in subsection (c)**  
 6 **is required for the transit board to authorize any of the following**  
 7 **actions:**

8           **(1) Issuing any debt or entering into a capital lease.**

9           **(2) The hiring of a chief executive officer, technical experts,**  
 10 **legal counsel, or consultants.**

11           **(3) Acquiring real property.**

12           **(4) Entering into a contract with a cost of at least one million**  
 13 **dollars (\$1,000,000).**

14           **(5) Adopting or amending bylaws.**

15           **(6) Approving the formula developed under section 9(a) of**  
 16 **this chapter.**

17           **(7) Adopting the findings required under section 9(b) of this**  
 18 **chapter.**

19           **(8) Adopting the capital improvement plan under**  
 20 **IC 36-9.1-8-7.**

21           **(c) The number of affirmative votes required for the transit**  
 22 **board to authorize any of the actions listed in subsection (b) is**  
 23 **equal to the greater of:**

24           **(1) the number of affirmative votes equal to the sum of:**

25           **(A) the total number of votes allocated under section 7 of**  
 26 **this chapter to the authorizing county with the greatest**  
 27 **population; plus**

28           **(B) one (1) vote; or**

29           **(2) fifty-one (51) affirmative votes.**

30           **(d) The transit board's bylaws may include voting requirements**  
 31 **that require:**

32           **(1) for approval of an action listed in subsection (b); or**

33           **(2) for approval of any other action;**

34 **a greater number of affirmative votes than is otherwise required**  
 35 **under subsection (c).**

36           **Sec. 9. (a) The transit board shall, based on the findings**  
 37 **required by subsection (b), develop a formula for determining the**  
 38 **allocation of financial contributions to be made to the metropolitan**  
 39 **transit district.**

40           **(b) The transit board shall make written findings concerning the**  
 41 **following:**

42           **(1) The value of the public transportation facilities that the**



1 transit board proposes to put in service and to be allocated to  
2 each authorizing county.

3 (2) The total amount of the capital needs of the metropolitan  
4 transit district.

5 (3) The annual amount of capital costs that the transit board  
6 proposes to be allocated to each authorizing county. In  
7 determining the amount of capital costs to be allocated to each  
8 authorizing county, the transit board shall allocate the capital  
9 costs according to a formula established by the transit board  
10 that reflects the benefit received by the authorizing county  
11 from the capital costs in facilitating public transportation in  
12 the authorizing county and to and from the authorizing  
13 county.

14 (4) The total amount of the operating needs of the  
15 metropolitan transit district.

16 (5) The annual amount of operating expenses that the transit  
17 board proposes to be allocated to each authorizing county,  
18 using:

19 (A) the total number of passengers and total miles traveled  
20 by individuals using public transportation that:

21 (i) is within each authorizing county; and

22 (ii) is provided by the metropolitan transit district; and

23 (B) other factors the transit board considers to be  
24 appropriate.

25 Sec. 10. The metropolitan transit district and the transit board  
26 are:

27 (1) subject to the requirements of IC 5-14-1.5 (open door law)  
28 and IC 5-14-3 (public records law); and

29 (2) subject to audit by the state board of accounts under  
30 IC 5-11-1.

### 31 Chapter 5. General Powers

32 Sec. 1. (a) Except as provided in subsection (b), the metropolitan  
33 transit district may:

34 (1) do any and all acts necessary, proper, or convenient to  
35 carry out the metropolitan transit district's powers and duties  
36 under this article concerning the metropolitan transit district;

37 (2) exercise for and on behalf of the metropolitan transit  
38 district any of the powers that may be exercised by a regional  
39 transportation authority under IC 36-9-3 or any other law;  
40 and

41 (3) exercise, in Marion County, for and on behalf of the  
42 metropolitan transit district, any of the powers that may be



1           exercised by a public transportation corporation under  
2           IC 36-9-4 or any other law.

3           **(b) The metropolitan transit district may not do the following:**

4           **(1) Impose any tax.**

5           **(2) Exercise the power of eminent domain.**

6           **Sec. 2. The metropolitan transit district may determine matters**  
7 **of policy regarding internal organization and operating procedures**  
8 **not specifically provided for by law.**

9           **Sec. 3. The metropolitan transit district may employ the**  
10 **personnel necessary to carry out the duties, functions, and powers**  
11 **of the district.**

12           **Sec. 4. The transit board shall fix the compensation of the**  
13 **various officers and employees of the metropolitan transit district,**  
14 **within the limitations of the district's total personal services**  
15 **budget.**

16           **Sec. 5. The transit board may adopt rules and policies governing**  
17 **the duties of its officers, employees, and personnel and the internal**  
18 **management of the affairs of the district.**

19           **Sec. 6. The metropolitan transit district may protect all**  
20 **property owned or managed by the district and procure insurance**  
21 **against any losses in connection with its property, operations, or**  
22 **assets in amounts and from insurers as it considers desirable.**

23           **Sec. 7. Subject to the requirements and limitations of this article**  
24 **and IC 36-9-4-1(b)(5)(E), the metropolitan transit district may**  
25 **borrow money, make guaranties, issue bonds, issue debentures,**  
26 **notes, or other evidences of indebtedness, and otherwise incur**  
27 **indebtedness (whether secured or unsecured) for any of the**  
28 **district's purposes.**

29           **Sec. 8. The metropolitan transit district may acquire and**  
30 **dispose of any real or personal property in connection with or for**  
31 **the purposes of the district, including supplies, materials, and**  
32 **equipment to carry out the duties and functions of the district.**

33           **Sec. 9. The metropolitan transit district may receive gifts,**  
34 **donations, bequests, and public trusts, agree to conditions and**  
35 **terms accompanying them, and bind the district to carry them out.**

36           **Sec. 10. (a) The metropolitan transit district may receive federal**  
37 **or state aid and administer that aid.**

38           **(b) The metropolitan transit district shall comply with federal**  
39 **statutes and rules concerning the expenditure of federal money for**  
40 **public transportation systems. The transit board may apply to**  
41 **state and federal agencies for grants for public transportation**  
42 **development, make or execute representations, assurances, and**



1 contracts, and enter into covenants and agreements with any state  
 2 or federal agency relative to public transportation systems. The  
 3 metropolitan transit district shall comply with federal and state  
 4 statutes and rules concerning the acquisition, development,  
 5 operation, and administration of public transportation systems.

6 (c) The metropolitan transit district may use money received by  
 7 the district that is not pledged or restricted for another purpose to  
 8 provide a local match required for the receipt of any federal funds.

9 Sec. 11. The metropolitan transit district may adopt a schedule  
 10 of reasonable charges and rents, and collect them from all users of  
 11 facilities and services operated by or on behalf of the district.

12 Sec. 12. The metropolitan transit district may purchase public  
 13 transportation services from public or private transportation  
 14 agencies upon the terms and conditions set forth in purchase of  
 15 service agreements between the district and the transportation  
 16 agencies.

17 Sec. 13. The metropolitan transit district may acquire, establish,  
 18 construct, renovate, improve, equip, operate, maintain, finance,  
 19 subsidize, lease, and regulate public transportation systems serving  
 20 the district.

21 Sec. 14. The metropolitan transit district may make, execute,  
 22 and enforce contracts and all other instruments, including  
 23 public-private agreements (as defined in IC 5-23-2-13), that are  
 24 necessary, convenient, or desirable for the purposes of the district  
 25 or pertaining to:

- 26 (1) a purchase, acquisition, or sale of securities or other  
 27 investments related to a project; or  
 28 (2) the performance of the district's duties and execution of  
 29 any of the district's powers.

30 Sec. 15. The metropolitan transit district may enter into  
 31 agreements with government agencies, political subdivisions,  
 32 private transportation companies, railroads, and other persons  
 33 providing for:

- 34 (1) construction, improvement, renovation, operation,  
 35 maintenance, and use by the other party of any public  
 36 transportation system and equipment held or later acquired  
 37 by the district; and  
 38 (2) acquisition of any public transportation system and  
 39 equipment of another party if all or part of the operations of  
 40 that party take place within the jurisdiction of the district.

41 Sec. 16. The metropolitan transit district may lease to others for  
 42 development or operation all or any part of the property of the



1 district on the terms and conditions as the transit board considers  
2 advisable.

3 Sec. 17. The metropolitan transit district may invest money not  
4 immediately needed for a project as provided in a resolution,  
5 agreement, or trust agreement of the transit board.

6 Sec. 18. The metropolitan transit district may enter into an  
7 agreement with another district or any other entity to:

8 (1) jointly equip, own, lease, and finance projects and  
9 facilities; or

10 (2) otherwise carry out the purposes of the district;  
11 in any location.

12 Sec. 19. The metropolitan transit district may rent or lease any  
13 real property, including air rights above real property owned or  
14 leased by a transportation system, for transportation or other  
15 purposes, with the revenues from those rentals to accrue to the  
16 district and to be used exclusively for the purposes of this article.

17 Sec. 20. The metropolitan transit district may sell, lease, or  
18 otherwise contract for advertising in or on the facilities of the  
19 district.

20 Sec. 21. The metropolitan transit district may administer any  
21 rail services or other use of rail rights-of-way that may be the  
22 responsibility of state or local government under the Federal  
23 Regional Rail Reorganization Act of 1973, as amended (45 U.S.C.  
24 701 through 45 U.S.C. 794).

25 Sec. 22. The metropolitan transit district may determine the  
26 level and type of public transportation services to be provided by  
27 the district.

28 Sec. 23. The metropolitan transit district may make grants and  
29 loans to and purchase securities of any public transportation  
30 agency to carry out the public transportation purposes of the  
31 district.

32 Sec. 24. Except as provided in section 1(b) of this chapter, the  
33 metropolitan transit district may do all other acts necessary or  
34 reasonably incident to carrying out the purposes of this article.

35 Sec. 25. The metropolitan transit district may enter into  
36 agreements with government agencies, political subdivisions, and  
37 other persons providing for public safety services.

38 **Chapter 6. Administration**

39 Sec. 1. (a) The transit board shall adopt an annual budget for  
40 the metropolitan transit district.

41 (b) Before adopting the annual budget of the metropolitan  
42 transit district, the transit board shall submit a copy of its



1 proposed budget to the fiscal body of each authorizing county for  
 2 review. The transit board shall submit the proposed budget at least  
 3 thirty (30) days before the transit board takes final action on the  
 4 metropolitan transit district's budget. Each county fiscal body shall  
 5 review the proposed budget submitted by the transit board.

6 Sec. 2. The transit board may establish the funds and accounts  
 7 that the transit board determines are necessary.

8 Sec. 3. The transit board shall, before April 1 of each year, issue  
 9 a report to the legislative council, the budget committee, and the  
 10 governor concerning the operations and activities of the  
 11 metropolitan transit district during the preceding calendar year.  
 12 The report to the legislative council must be in an electronic format  
 13 under IC 5-14-6.

14 Sec. 4. The transit board shall appoint a chief executive officer  
 15 to manage the metropolitan transit district. The chief executive  
 16 officer must have at least seven (7) years experience in public  
 17 transportation at a senior executive level.

18 Sec. 5. The transit board may establish any advisory committees  
 19 that the transit board determines to be advisable.

20 Sec. 6. All employees of the metropolitan transit district:

- 21 (1) must be employed solely on the basis of ability, taking into  
 22 account their qualifications to perform the duties of their  
 23 positions;
- 24 (2) must be employed regardless of political affiliation;
- 25 (3) may not be appointed, promoted, reduced, removed, or in  
 26 any way favored or discriminated against because of their  
 27 political affiliation, race, religion, color, sex, national origin,  
 28 or ancestry; and
- 29 (4) may not be required to make contributions for or  
 30 participate in political activities.

31 Sec. 7. Before July 1 of the calendar year in which the district is  
 32 established, the transit board shall publish the estimated total cost  
 33 of implementing the district on an Internet web site maintained by  
 34 the transit board.

#### 35 Chapter 7. Procurement

36 Sec. 1. The metropolitan transit district shall comply with the  
 37 following:

- 38 (1) IC 5-22 (public purchasing).
- 39 (2) IC 36-1-12 (public work projects).
- 40 (3) IC 5-16-7 (common construction wage).
- 41 (4) All applicable federal bidding statutes and regulations.

42 Sec. 2. An entity that receives a loan, a grant, or other financial





1 assistance from the metropolitan transit district or enters into a  
 2 lease with the metropolitan transit district shall comply with  
 3 applicable federal, state, and local public purchasing and bidding  
 4 laws and regulations. However, a purchasing agency (as defined in  
 5 IC 5-22-2-25) of a political subdivision may:

6 (1) assign or sell a lease for property to the metropolitan  
 7 transit district; or

8 (2) enter into a lease for property with the metropolitan  
 9 transit district;

10 at any price and under any other terms and conditions as may be  
 11 determined by the entity and the metropolitan transit district.  
 12 However, before making an assignment or a sale of a lease or  
 13 entering into a lease under this section that would otherwise be  
 14 subject to IC 5-22, the political subdivision or its purchasing agent  
 15 must obtain or cause to be obtained a purchase price for the  
 16 property to be subject to the lease from the lowest responsible and  
 17 responsive bidder in accordance with the requirements for the  
 18 purchase of supplies under IC 5-22.

19 Sec. 3. Except where 49 CFR 26 applies, the transit board shall  
 20 set a goal for participation by minority business enterprises and  
 21 women's business enterprises in conformity with the goals  
 22 established by the department of minority and women's business  
 23 development of a consolidated city. The goals must be consistent  
 24 with the goals of delivering the project on time and within the  
 25 budgeted amount and, insofar as possible, using Indiana businesses  
 26 for employees, goods, and services.

#### 27 Chapter 8. Planning

28 Sec. 1. After reviewing the transportation plans of the Indiana  
 29 department of transportation and the plans of regional and other  
 30 planning agencies, the transit board shall develop, continuously  
 31 update, and implement a long range comprehensive transportation  
 32 plan to ensure the orderly development and maintenance of an  
 33 efficient system of public transportation in the district. The transit  
 34 board shall periodically amend and update the plan as appropriate.

35 Sec. 2. The plan developed under section 1 of this chapter must  
 36 identify goals and objectives with respect to the following:

37 (1) Increasing ridership and passenger miles on public  
 38 transportation funded by the metropolitan transit district.

39 (2) Coordination of public transportation services and the  
 40 investment in public transportation facilities to enhance the  
 41 integration of public transportation throughout the  
 42 metropolitan transit district territory.



- 1           **(3) Coordination of fare and transfer policies to promote**  
 2           **transfers by riders among public transportation agencies and**  
 3           **public transportation modes, which may include goals and**  
 4           **objectives for development of a universal fare instrument that**  
 5           **riders may use interchangeably on all public transportation**  
 6           **funded by the metropolitan transit district, and methods to be**  
 7           **used to allocate revenues from transfers.**
- 8           **(4) Improvements in public transportation facilities to bring**  
 9           **those facilities into a state of good repair, enhancements that**  
 10           **attract ridership and improve customer service, and**  
 11           **expansions needed to serve areas with sufficient demand for**  
 12           **public transportation.**
- 13           **(5) Access for transit dependent populations, including access**  
 14           **by low income communities to places of employment, using**  
 15           **analyses provided by the department of workforce**  
 16           **development and other planning agencies regarding**  
 17           **employment and transportation availability, and giving**  
 18           **consideration to the location of employment centers in each**  
 19           **county and the availability of public transportation at off**  
 20           **peak hours and on weekends.**
- 21           **(6) The financial viability of the public transportation system,**  
 22           **including both operating and capital programs.**
- 23           **(7) Limiting road congestion within the metropolitan transit**  
 24           **district territory and enhancing transit options to improve**  
 25           **mobility.**
- 26           **(8) Other goals and objectives that advance adequate,**  
 27           **efficient, and coordinated public transportation in the**  
 28           **metropolitan transit district territory.**
- 29           **Sec. 3. The plan developed under section 1 of this chapter must**  
 30           **establish the process and criteria by which proposals for capital**  
 31           **improvements by the metropolitan transit district will be evaluated**  
 32           **by the transit board for inclusion in the metropolitan transit**  
 33           **district's capital program. The plan may include criteria for the**  
 34           **following:**
- 35           **(1) Allocating funds among maintenance, enhancement, and**  
 36           **expansion improvements.**
- 37           **(2) Projects to be funded.**
- 38           **(3) Projects intended to improve or enhance ridership or**  
 39           **customer service.**
- 40           **(4) Design and location of station or transit improvements**  
 41           **intended to promote transfers, increase ridership, and**  
 42           **support transit oriented land development.**



1           **(5) Assessing the impact of projects on the ability to operate**  
2           **and maintain the existing transit system.**

3           **(6) Other criteria that advance the goals and objectives of the**  
4           **plan.**

5           **Sec. 4. The plan developed under section 1 of this chapter must**  
6           **establish performance standards and measurements regarding the**  
7           **adequacy, efficiency, and coordination of public transportation**  
8           **services in the region and the implementation of the goals and**  
9           **objectives in the plan. At a minimum, the standards and**  
10           **measurements must include customer related performance data**  
11           **measured by line, route, or subregion, as determined by the**  
12           **district, on the following:**

13           **(1) Travel times and on time performance.**

14           **(2) Ridership data.**

15           **(3) Equipment failure rates.**

16           **(4) Employee and customer safety.**

17           **(5) Customer satisfaction.**

18           **Sec. 5. The plan developed under section 1 of this chapter must**  
19           **describe the expected financial condition of public transportation**  
20           **in the metropolitan transit district territory prospectively over a**  
21           **ten (10) year period, which may include information about the cash**  
22           **position and all known obligations of the metropolitan transit**  
23           **district, including operating expenditures, debt service,**  
24           **contributions for payment of pension and other postemployment**  
25           **benefits, the expected revenues from fares, tax receipts, grants**  
26           **from the federal, state, and local governments for operating and**  
27           **capital purposes and issuance of debt, the availability of working**  
28           **capital, and the resources needed to achieve the goals and**  
29           **objectives described in the plan.**

30           **Sec. 6. The transit board may adopt corridor plans for specific**  
31           **geographic areas of the metropolitan transit district territory to**  
32           **improve the adequacy, efficiency, and coordination of existing, or**  
33           **the delivery of new, public transportation. The plans also may**  
34           **address areas outside the metropolitan transit district territory**  
35           **that may affect public transportation use in the metropolitan**  
36           **transit district territory. In preparing a corridor plan, the transit**  
37           **board may identify changes in operating practices or capital**  
38           **investment in the corridor that could increase ridership, reduce**  
39           **costs, improve coordination, or enhance transit oriented**  
40           **development.**

41           **Sec. 7. The transit board shall annually establish a capital**  
42           **improvement plan to govern the distribution of funds. The capital**



1 improvement plan must cover at least a five (5) year period. The  
 2 capital improvement plan must be based on the formula developed  
 3 under IC 36-9.1-4-9(a) and the written findings made under  
 4 IC 36-9.1-4-9(b).

5 Sec. 8. The transit board shall cooperate with the various public  
 6 agencies charged with responsibility for long range or  
 7 comprehensive planning for the metropolitan transit district  
 8 territory. The transit board may, before the adoption of any plan  
 9 under this chapter, submit its proposals to these agencies for  
 10 review and comment. The transit board may use existing studies,  
 11 surveys, plans, data, and other materials in the possession of any  
 12 state agency or department, any planning agency, or any unit of  
 13 local government.

14 **Chapter 9. Acquisition and Construction of Public**  
 15 **Transportation Facilities**

16 Sec. 1. The powers granted under this chapter supplement any  
 17 other powers granted by another law.

18 Sec. 2. (a) The metropolitan transit district may:

19 (1) construct or enter into an agreement to acquire any public  
 20 transportation facility for use by the district; and

21 (2) acquire funds and interests in and materials for  
 22 transportation facilities from any public transportation  
 23 agency, including:

24 (A) reserve funds;

25 (B) employees' pension or retirement funds;

26 (C) special funds;

27 (D) franchises;

28 (E) licenses;

29 (F) patents;

30 (G) permits; and

31 (H) papers and records of the agency.

32 (b) In making acquisitions from a public transportation agency,  
 33 the metropolitan transit district may assume the obligations of the  
 34 transportation agency regarding its property or public  
 35 transportation operations.

36 Sec. 3. The metropolitan transit district may acquire, improve,  
 37 maintain, lease, and rent facilities, including air rights, that are  
 38 within one hundred (100) yards of a terminal, fixed guideway  
 39 transit corridor, station, or other facility of the district. If these  
 40 facilities generate revenues that exceed their cost to the  
 41 metropolitan transit district, the metropolitan transit district must  
 42 use the excess revenues exclusively for the purposes of this article.



1           **Chapter 10. Operation of Public Transportation Facilities**

2           **Sec. 1. The powers granted under this chapter supplement any**  
 3 **other powers granted by another law.**

4           **Sec. 2. The metropolitan transit district may provide public**  
 5 **transportation service by operating public transportation facilities.**

6           **Sec. 3. The metropolitan transit district may enter into**  
 7 **operating agreements with any private or public person to operate**  
 8 **transportation facilities on behalf of the district.**

9           **Sec. 4. Whenever the metropolitan transit district provides any**  
 10 **public transportation service by operating public transportation**  
 11 **facilities, the metropolitan transit district shall establish the level**  
 12 **and nature of fares or charges to be made for public transportation**  
 13 **services, and the nature and standards of public transportation**  
 14 **service to be provided within the jurisdiction of the metropolitan**  
 15 **transit district.**

16           **Sec. 5. The transit board shall, to the extent it considers feasible,**  
 17 **adopt uniform standards for the making of grants and purchase of**  
 18 **service agreements. These grant contracts or purchase of service**  
 19 **agreements may be for the number of years or duration agreed to**  
 20 **by the metropolitan transit district and the transportation agency.**

21           **Sec. 6. If the metropolitan transit district provides grants for**  
 22 **operating expenses or participates in any purchase of service**  
 23 **agreement, the purchase of service agreement or grant contract**  
 24 **must state the level and nature of fares or charges to be made for**  
 25 **public transportation services and the nature and standards of**  
 26 **public transportation to be so provided. In addition, any purchase**  
 27 **of service agreements or grant contracts must provide, among**  
 28 **other matters, for:**

29           **(1) the terms or cost of transfers or interconnections between**  
 30 **different public transportation agencies;**

31           **(2) schedules or routes of transportation service;**

32           **(3) changes that may be made in transportation service;**

33           **(4) the nature and condition of the facilities used in providing**  
 34 **service;**

35           **(5) the manner of collection and disposition of fares or**  
 36 **charges;**

37           **(6) the records and reports to be kept and made concerning**  
 38 **transportation service; and**

39           **(7) interchangeable tickets or other coordinated or uniform**  
 40 **methods of collection of charges.**

41           **Chapter 11. Coordination of Programs**

42           **Sec. 1. (a) The metropolitan transit district may construct or**



1 enter into an agreement to acquire any public transportation  
 2 facility for use by any transportation agency and may acquire any  
 3 facilities from any transportation agency, including also without  
 4 limitation any reserve funds, employees' pension or retirement  
 5 funds, special funds, franchises, licenses, patents, permits, papers,  
 6 documents, and records of the agency. In connection with any  
 7 acquisition from a transportation agency, the metropolitan transit  
 8 district may assume obligations of the transportation agency with  
 9 regard to the facilities or property or public transportation  
 10 operations of the agency.

11 (b) In connection with any construction or acquisition under this  
 12 section, the metropolitan transit district shall make relocation  
 13 payments as may be required by federal law or by the  
 14 requirements of any federal agency authorized to administer any  
 15 federal program of aid.

16 Sec. 2. The metropolitan transit district shall develop  
 17 coordinated and consolidated sales, marketing, advertising, and  
 18 public information programs that promote the use and  
 19 coordination of, and transfers among, public transportation  
 20 services in the district territory.

21 Sec. 3. To provide or assist any transportation of members of  
 22 the public between points in the metropolitan transit district  
 23 territory and points outside the metropolitan transit district  
 24 territory, the district may enter into agreements with any unit of  
 25 local government, individual, corporation, or other person or  
 26 public agency in or of any state or with any private entity for  
 27 service. The agreements may provide for participation by the  
 28 metropolitan transit district in providing the service and for grants  
 29 by the metropolitan transit district in connection with the service,  
 30 and may, subject to federal and state law, set forth any terms  
 31 relating to the service, including coordinating the service with  
 32 public transportation in the metropolitan transit district territory.  
 33 The agreement may be for the number of years or duration as the  
 34 parties agree. In regard to the agreements or grants, the district  
 35 shall consider the benefit to the metropolitan transit district  
 36 territory and the financial contribution with regard to the service  
 37 made or to be made from public funds in the areas served outside  
 38 the metropolitan transit district territory.

#### 39 Chapter 12. Bonds

40 Sec. 1. (a) Subject to section 2 of this chapter, the district may  
 41 borrow money, make guaranties, issue bonds, debentures, notes, or  
 42 other evidences of indebtedness, whether secured or unsecured, to



1 any person (including the Indiana finance authority established by  
 2 IC 4-4-11), and otherwise incur indebtedness for any of the  
 3 metropolitan transit district's purposes, including:

4 (1) acquiring real or personal property, including existing  
 5 capital improvements;

6 (2) acquiring, constructing, improving, reconstructing, or  
 7 renovating one (1) or more projects;

8 (3) paying the costs of:

9 (A) planning and development of equipment or a facility  
 10 and all buildings, facilities, structures, equipment, and  
 11 improvements related to the facility;

12 (B) acquisition of a site and clearing and preparing the site  
 13 for construction;

14 (C) equipment, facilities, structures, and improvements  
 15 that are necessary or desirable to make the project suitable  
 16 for use and operations;

17 (D) architectural, engineering, consultant, and attorney's  
 18 fees;

19 (E) incidental expenses in connection with the issuance and  
 20 sale of bonds;

21 (F) reserves for principal and interest;

22 (G) interest during construction;

23 (H) financial advisory fees;

24 (I) insurance during construction; and

25 (J) bond insurance, debt service reserve insurance, letters  
 26 of credit, or other credit enhancement; and

27 (4) funding or refunding bonds or other evidences of  
 28 indebtedness.

29 (b) The indebtedness under subsection (a) is payable solely  
 30 from:

31 (1) the lease rentals from the lease of the projects for which  
 32 the bonds were issued, insurance proceeds, and any other  
 33 funds pledged or available; and

34 (2) to the extent designated in the agreements for the bonds,  
 35 revenue received by the transit board and amounts deposited  
 36 in funds established for the metropolitan transit district.

37 (c) The indebtedness under subsection (a) must be authorized by  
 38 a resolution of the transit board.

39 (d) The terms and form of the indebtedness under subsection (a)  
 40 must either be set out in the resolution or in a form of trust  
 41 indenture approved by the resolution.

42 (e) The indebtedness under subsection (a) must mature within



1 twenty-five (25) years.

2 **Sec. 2.** The district may not issue bonds unless the issuance of  
3 the bonds is reviewed by the fiscal body of each county in which the  
4 project being financed by the proposed bond issuance is located.

5 **Sec. 3. (a)** Bonds issued under this article may be secured by a  
6 trust indenture between the metropolitan transit district and a  
7 corporate trustee, which may be any:

8 (1) trust company; or

9 (2) national or state bank;

10 in Indiana that has trust powers.

11 (b) The trust indenture under subsection (a) may:

12 (1) pledge or assign revenue received by the metropolitan  
13 transit district, amounts deposited in a metropolitan transit  
14 district fund, and lease rentals, receipts, and income from  
15 leased projects, but may not mortgage land or projects;

16 (2) contain reasonable and proper provisions for protecting  
17 and enforcing the rights and remedies of the bondholders,  
18 including covenants setting forth the duties of the  
19 metropolitan transit district and the transit board;

20 (3) set forth the rights and remedies of bondholders and  
21 trustees; and

22 (4) restrict the individual right of action of bondholders.

23 (c) Any pledge or assignment made by the metropolitan transit  
24 district under this section is valid and binding in accordance with  
25 IC 5-1-14-4 from the time that the pledge or assignment is made,  
26 against all persons whether they have notice of the lien. Any trust  
27 indenture by which a pledge is created or an assignment made need  
28 not be filed or recorded. The lien is perfected against third parties  
29 in accordance with IC 5-1-14-4.

30 **Sec. 4.** The total amount of bonds issued by the metropolitan  
31 transit district under this article and scheduled to be paid during  
32 any year may not exceed an amount equal to twenty-five percent  
33 (25%) of the total operating and capital revenues of the  
34 metropolitan transit district in the year preceding the year in  
35 which the bonds are issued.

36 **Sec. 5.** Bonds issued under this article are legal investments for  
37 private trust funds and the funds of banks, trust companies,  
38 insurance companies, building and loan associations, credit unions,  
39 savings banks, private banks, loan and trust and safe deposit  
40 companies, rural loan and savings associations, guaranty loan and  
41 savings associations, mortgage guaranty companies, small loan  
42 companies, industrial loan and investment companies, and other





1 financial institutions organized under Indiana law.

2 Sec. 6. An action to contest the validity of bonds to be issued  
3 under this article may not be brought after the time limitations set  
4 forth in IC 5-1-14-13.

5 Sec. 7. The general assembly covenants that it will not:

6 (1) repeal or amend this article in a manner that would  
7 adversely affect owners of outstanding bonds, or the payment  
8 of lease rentals, secured by the amounts pledged under this  
9 article; or

10 (2) in any way impair the rights of owners of bonds of the  
11 metropolitan transit district, or the owners of bonds secured  
12 by lease rentals or by a pledge of revenues under this article.

13 Sec. 8. (a) If the transit board determines that the sum of:

14 (1) the cost of a proposed project of the district that would be  
15 financed by bonds issued under this chapter; and

16 (2) the total amount of money expended by the district as of  
17 the date of the transit board's determination;

18 exceeds the amount published under IC 36-9.1-6-7 by more than  
19 five percent (5%), the district may not issue bonds for the project  
20 unless the issuance is approved by the voters in each county that is  
21 a member of the district in a local public question held under this  
22 section.

23 (b) To obtain the approval of the voters, each authorizing body  
24 in the district shall adopt an ordinance to certify the following  
25 question to its county election board, and the county election board  
26 shall place the question on the election ballot at the next general  
27 election in accordance with IC 3-10-9:

28 "Shall the metropolitan transit district have the ability to  
29 issue bonds in an amount not to exceed \_\_\_\_\_ (insert  
30 the amount to be financed by the proposed bond issuance) to  
31 finance \_\_\_\_\_ (insert the type of project to be financed  
32 if approved by the voters) in \_\_\_\_\_ (insert the  
33 name of the county or municipality in which the proposed  
34 project is located)?"

35 (c) After an election on the local public question, the circuit  
36 court clerk of the county shall:

37 (1) make a certified copy of the election returns; and

38 (2) not later than five (5) days after the election, file the copy  
39 with:

40 (A) the department of state revenue; and

41 (B) the authorizing body of the county.

42 (d) The local public question is approved by a county if a



1 majority of the county voters voting on the local public question  
 2 vote "yes". The local public question is defeated by a county if a  
 3 majority of the county voters voting on the local public question  
 4 vote "no".

5 (e) If the local public question is defeated in a county, the  
 6 authorizing body may adopt an ordinance under this section to  
 7 place another local public question on the ballot as provided in this  
 8 section at a subsequent general election in the county. However, a  
 9 local public question under this section may not be placed on the  
 10 ballot more than two (2) times in any five (5) year period.

11 **Chapter 13. Leases and Agreements With Public**  
 12 **Transportation Agencies**

13 **Sec. 1. (a) Before a lease may be entered into by the**  
 14 **metropolitan transit district, the transit board must find that the**  
 15 **lease rental provided for is fair and reasonable.**

16 **(b) A lease of land or a project by the metropolitan transit**  
 17 **district:**

- 18 **(1) may not have a term exceeding twenty-five (25) years;**  
 19 **(2) may not require payment of lease rentals for a newly**  
 20 **constructed project or for improvements to an existing**  
 21 **project until the project or improvements to the project have**  
 22 **been completed and are ready for occupancy or use;**  
 23 **(3) may contain provisions:**  
 24 **(A) allowing the metropolitan transit district to continue to**  
 25 **operate an existing project until completion of the**  
 26 **acquisition, improvements, reconstruction, or renovation**  
 27 **of that project or any other project; and**  
 28 **(B) requiring payment of lease rentals for land, for an**  
 29 **existing project being used, reconstructed, or renovated, or**  
 30 **for any other existing project;**  
 31 **(4) may contain an option to renew the lease for the same or**  
 32 **a shorter term on the conditions provided in the lease;**  
 33 **(5) must contain an option for the metropolitan transit district**  
 34 **to purchase the project upon the terms stated in the lease**  
 35 **during the term of the lease for a price equal to the amount**  
 36 **required to pay all indebtedness incurred on account of the**  
 37 **project, including indebtedness incurred for the refunding of**  
 38 **that indebtedness;**  
 39 **(6) may be entered into before acquisition or construction of**  
 40 **a project;**  
 41 **(7) may provide that the metropolitan transit district shall**  
 42 **agree to:**



- 1 (A) pay any taxes and assessments on the project;  
 2 (B) maintain insurance on the project;  
 3 (C) assume responsibility for utilities, repairs, alterations,  
 4 and any costs of operation; and  
 5 (D) pay a deposit or series of deposits to the lessor from  
 6 any funds available to the metropolitan transit district  
 7 before the commencement of the lease to secure the  
 8 performance of the metropolitan transit district's  
 9 obligations under the lease; and  
 10 (8) must provide that the lease rental payments by the  
 11 metropolitan transit district must be made from:  
 12 (A) net revenues of the project;  
 13 (B) any other funds available to the metropolitan transit  
 14 district; or  
 15 (C) both sources described in clauses (A) and (B).

16 **Sec. 2.** This article contains full and complete authority for  
 17 leases by a metropolitan transit district. No law, procedure,  
 18 proceedings, publications, notices, consents, approvals, orders, or  
 19 acts by the metropolitan transit district or any other officer,  
 20 department, agency, or instrumentality of the state or any political  
 21 subdivision is required to enter into any lease, except as prescribed  
 22 in this article.

23 **Sec. 3.** If a lease provides for a project or improvements to a  
 24 project to be constructed by the metropolitan transit district, the  
 25 plans and specifications must be submitted to and approved by all  
 26 state agencies designated by law to pass on plans and specifications  
 27 for public buildings.

28 **Sec. 4.** The metropolitan transit district may enter into common  
 29 wall (party wall) agreements or other agreements concerning  
 30 easements or licenses. These agreements shall be recorded with the  
 31 recorder of the county in which the project is located.

32 **Chapter 14. Use of Money by the Metropolitan Transit District**

33 **Sec. 1.** Subject to section 3 of this chapter, the metropolitan  
 34 transit district shall use the money received by the district for the  
 35 capital and operating expenses of the district.

36 **Sec. 2.** The money described in section 1 of this chapter must be  
 37 used in accordance with the metropolitan transit district's  
 38 transportation plan.

39 **Sec. 3.** Federal highway revenues received from a metropolitan  
 40 planning organization or the Indianapolis regional transportation  
 41 council:

- 42 (1) must be used for route and station infrastructure; and



1           **(2) may not be used for the purchase of vehicles.**  
2           **Sec. 4. The metropolitan transit district may not impose any tax.**

