



February 18, 2014

ENGROSSED
SENATE BILL No. 176

DIGEST OF SB 176 (Updated February 12, 2014 1:39 pm - DI 103)

Citations Affected: IC 6-1.1; IC 6-3.5; IC 8-25 ; IC 12-29; IC 36-9.

Synopsis: Central Indiana transit. Provides for the establishment or expansion of public transportation services in an eligible county through local public questions placed on the ballot under ordinances adopted by the fiscal body of the eligible county. Provides that Delaware County, Hamilton County, Hancock County, Hendricks County, Johnson County, Madison County, and Marion County are eligible counties. Authorizes eligible counties to fund approved public transportation projects through various parts of the local option income tax rates that are available under current law for other purposes. Specifies that fares must cover 25% of the operating costs of a transportation system established or expanded under the bill. Authorizes interlocal agreements, public-private partnerships, and bonding with respect to a public transportation project. Prohibits a political subdivision from using public funds to promote a position on a local public question regarding transit. Prohibits an eligible county
(Continued next page)

Effective: July 1, 2014.

Miller Patricia, Waltz, Merritt,
Lanane

(HOUSE SPONSORS — TORR, KIRCHHOFER, PORTER, PRYOR)

January 8, 2014, read first time and referred to Committee on Tax and Fiscal Policy.
January 28, 2014, amended, reported favorably — Do Pass.
February 3, 2014, read second time, amended, ordered engrossed.
February 4, 2014, engrossed. Re-engrossed. Read third time, passed. Yeas 28, nays 20.

HOUSE ACTION

February 10, 2014, read first time and referred to Committee on Roads and Transportation.
February 13, 2014, amended, reported — Do Pass.
February 17, 2014, recommitted to Committee on Ways and Means pursuant to Rule 127.

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Digest Continued

from carrying out a light rail project. Provides that the provisions in the bill do not create a moral obligation of the state. Specifies that no general revenues of the state may be used to pay for a transportation project or service under the provisions in the bill (but that this restriction does not apply to distributions from the public mass transportation fund). Requires goals for participation by minority business enterprises, veteran business enterprises, and women's business enterprises in the development of a public transportation project.



February 18, 2014

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.

ENGROSSED SENATE BILL No. 176

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

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

1 SECTION 1. IC 6-1.1-18.5-3, AS AMENDED BY P.L.234-2013,
2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2014]: Sec. 3. (a) A civil taxing unit may not impose an ad
4 valorem property tax levy for an ensuing calendar year that exceeds the
5 amount determined in the last STEP of the following STEPS:
6 STEP ONE: Determine the civil taxing unit's maximum
7 permissible ad valorem property tax levy for the preceding
8 calendar year.
9 STEP TWO: Multiply the amount determined in STEP ONE by
10 the amount determined in the last STEP of section 2(b) of this
11 chapter.
12 STEP THREE: Determine the lesser of one and fifteen hundredths
13 (1.15) or the quotient (rounded to the nearest ten-thousandth
14 (0.0001)), of the assessed value of all taxable property subject to
15 the civil taxing unit's ad valorem property tax levy for the ensuing

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1 calendar year, divided by the assessed value of all taxable
 2 property that is subject to the civil taxing unit's ad valorem
 3 property tax levy for the ensuing calendar year and that is
 4 contained within the geographic area that was subject to the civil
 5 taxing unit's ad valorem property tax levy in the preceding
 6 calendar year.

7 STEP FOUR: Determine the greater of the amount determined in
 8 STEP THREE or one (1).

9 STEP FIVE: Multiply the amount determined in STEP TWO by
 10 the amount determined in STEP FOUR.

11 STEP SIX: Add the amount determined under STEP TWO to the
 12 amount of an excessive levy appeal granted under section 13 of
 13 this chapter for the ensuing calendar year.

14 STEP SEVEN: Determine the greater of STEP FIVE or STEP
 15 SIX.

16 (b) This subsection applies only to property taxes first due and
 17 payable after December 31, 2007. This subsection applies only to a
 18 civil taxing unit that is located in a county for which:

19 (1) a county adjusted gross income tax rate is first imposed or is
 20 increased in a particular year under IC 6-3.5-1.1-24; or

21 (2) a county option income tax rate is first imposed or is increased
 22 in a particular year under IC 6-3.5-6-30;

23 **to provide property tax relief in the county.** Notwithstanding any
 24 provision in this section, any other section of this chapter, or
 25 IC 12-20-21-3.2, and except as provided in subsection (c), the
 26 maximum permissible ad valorem property tax levy calculated under
 27 this section for the ensuing calendar year for a civil taxing unit subject
 28 to this section is equal to the civil taxing unit's maximum permissible
 29 ad valorem property tax levy for the current calendar year.

30 (c) This subsection applies only to property taxes first due and
 31 payable after December 31, 2007. In the case of a civil taxing unit that:

32 (1) is partially located in a county for which a county adjusted
 33 gross income tax rate is first imposed or is increased in a
 34 particular year under IC 6-3.5-1.1-24 or a county option income
 35 tax rate is first imposed or is increased in a particular year under
 36 IC 6-3.5-6-30 **to provide property tax relief in the county;** and

37 (2) is partially located in a county that is not described in
 38 subdivision (1);

39 the department of local government finance shall, notwithstanding
 40 subsection (b), adjust the portion of the civil taxing unit's maximum
 41 permissible ad valorem property tax levy that is attributable (as
 42 determined by the department of local government finance) to the



1 county or counties described in subdivision (2). The department of
2 local government finance shall adjust this portion of the civil taxing
3 unit's maximum permissible ad valorem property tax levy so that,
4 notwithstanding subsection (b), this portion is allowed to increase as
5 otherwise provided in this section. If the department of local
6 government finance increases the civil taxing unit's maximum
7 permissible ad valorem property tax levy under this subsection, any
8 additional property taxes imposed by the civil taxing unit under the
9 adjustment shall be paid only by the taxpayers in the county or counties
10 described in subdivision (2).

11 SECTION 2. IC 6-3.5-1.1-9, AS AMENDED BY P.L.261-2013,
12 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
13 JULY 1, 2014]: Sec. 9. (a) Revenue derived from the imposition of the
14 county adjusted gross income tax shall, in the manner prescribed by
15 this section, be distributed to the county that imposed it. The amount
16 to be distributed to a county during an ensuing calendar year equals the
17 amount of county adjusted gross income tax revenue that the budget
18 agency determines has been:

19 (1) received from that county for a taxable year ending before the
20 calendar year in which the determination is made; and

21 (2) reported on an annual return or amended return processed by
22 the department in the state fiscal year ending before July 1 of the
23 calendar year in which the determination is made;

24 as adjusted for refunds of county adjusted gross income tax made in the
25 state fiscal year.

26 (b) Before August 2 of each calendar year, the budget agency shall
27 provide to the county auditor of each adopting county an estimate of
28 the amount determined under subsection (a) that will be distributed to
29 the county, based on known tax rates. Not later than thirty (30) days
30 after receiving the estimate of the certified distribution, the county
31 auditor shall notify each taxing unit of the estimated amount of
32 property tax replacement credits, certified shares, and other revenue
33 that will be distributed to the taxing unit under this chapter during the
34 ensuing calendar year. Before October 1 of each calendar year, the
35 budget agency shall certify to the county auditor of each adopting
36 county the amount determined under subsection (a) plus the amount of
37 interest in the county's account that has accrued and has not been
38 included in a certification made in a preceding year. The amount
39 certified is the county's "certified distribution" for the immediately
40 succeeding calendar year. The amount certified shall be adjusted under
41 subsections (c), (d), (e), (f), and (g). Not later than thirty (30) days after
42 receiving the notice of the amount of the certified distribution, the



1 county auditor shall notify each taxing unit of the amount of property
2 tax replacement credits, certified shares, and other revenue that will be
3 distributed to the taxing unit under this chapter during the ensuing
4 calendar year. The budget agency shall provide the county council with
5 an informative summary of the calculations used to determine the
6 certified distribution. The summary of calculations must include:

7 (1) the amount reported on individual income tax returns
8 processed by the department during the previous fiscal year;

9 (2) adjustments for over distributions in prior years;

10 (3) adjustments for clerical or mathematical errors in prior years;

11 (4) adjustments for tax rate changes; and

12 (5) the amount of excess account balances to be distributed under
13 IC 6-3.5-1.1-21.1.

14 The budget agency shall also certify information concerning the part of
15 the certified distribution that is attributable to a tax rate under section
16 24, 25, or 26 of this chapter. This information must be certified to the
17 county auditor, the department, and the department of local government
18 finance before October 1 of each calendar year. The part of the certified
19 distribution that is attributable to a tax rate under section 24, 25, or 26
20 of this chapter may be used only as specified in those provisions.

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

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

34 (e) This subsection applies to a county that initially imposes,
35 increases, decreases, or rescinds a tax or tax rate under this chapter
36 before November 1 in the same calendar year in which the budget
37 agency makes a certification under this section. The budget agency
38 shall adjust the certified distribution of a county to provide for a
39 distribution in the immediately following calendar year and in each
40 calendar year thereafter. The budget agency shall provide for a full
41 transition to certification of distributions as provided in subsection
42 (a)(1) through (a)(2) in the manner provided in subsection (c). If the



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

13 (f) The budget agency shall adjust the certified distribution of a
 14 county to provide the county with the distribution required under
 15 section 3.3 of this chapter beginning not later than the tenth month after
 16 the month in which additional revenue from the tax authorized under
 17 section 3.3 of this chapter is initially collected.

18 (g) This subsection applies in the year in which a county initially
 19 imposes a tax rate under section 24 of this chapter. Notwithstanding
 20 any other provision, the budget agency shall adjust the part of the
 21 county's certified distribution that is attributable to the tax rate under
 22 section 24 of this chapter to provide for a distribution in the
 23 immediately following calendar year equal to the result of:

- 24 (1) the sum of the amounts determined under STEP ONE through
 25 STEP FOUR of ~~IC 6-3.5-1.5-1(a)~~ **IC 6-3.5-1.5-1(b)** in the year in
 26 which the county initially imposes a tax rate under section 24 of
 27 this chapter; multiplied by
 28 (2) two (2).

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

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

37 (j) The estimates under subsections (h) and (i) must specify the
 38 amount of the estimated certified distributions that are attributable to
 39 the additional rate authorized under section 24 of this chapter, the
 40 additional rate authorized under section 25 of this chapter, the
 41 additional rate authorized under section 26 of this chapter, and any
 42 other additional rates authorized under this chapter.



1 SECTION 3. IC 6-3.5-1.1-23, AS AMENDED BY P.L.224-2007,
 2 SECTION 65, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 3 JULY 1, 2014]: Sec. 23. (a) A pledge of county adjusted gross income
 4 tax revenues **received** under this chapter (other than tax revenue
 5 attributable to a tax rate under section 24, 25, or 26 of this chapter **for**
 6 **property tax relief or public safety**) is enforceable in accordance with
 7 IC 5-1-14.

8 (b) With respect to obligations for which a pledge has been made
 9 under this chapter, the general assembly covenants with the county and
 10 the purchasers or owners of those obligations that this chapter will not
 11 be repealed or amended in any manner that will adversely affect the
 12 collection of the tax imposed under this chapter as long as the principal
 13 of or interest on those obligations is unpaid.

14 SECTION 4. IC 6-3.5-1.1-24, AS AMENDED BY P.L.261-2013,
 15 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 16 JULY 1, 2014]: Sec. 24. (a) In a county in which the county adjusted
 17 gross income tax is in effect, the county council may adopt an
 18 ordinance to impose or increase (as applicable) a tax rate under this
 19 section.

20 (b) In a county in which neither the county adjusted gross income
 21 tax nor the county option income tax is in effect, the county council
 22 may adopt an ordinance to impose a tax rate under this section.

23 (c) If a county council adopts an ordinance to impose or increase a
 24 tax rate under this section, not more than ten (10) days after the vote,
 25 the county auditor shall send a certified copy of the ordinance to the
 26 commissioner of the department, the director of the budget agency, and
 27 the commissioner of the department of local government finance in an
 28 electronic format approved by the director of the budget agency.

29 (d) A tax rate under this section is in addition to any other tax rates
 30 imposed under this chapter and does not affect the purposes for which
 31 other tax revenue under this chapter may be used.

32 (e) **Except as provided in subsection (t)**, the following apply only
 33 in the year in which a county council first imposes a tax rate under this
 34 section:

35 (1) The county council shall, in the ordinance imposing the tax
 36 rate, specify the tax rate for each of the following two (2) years.

37 (2) The tax rate that must be imposed in the county in the first
 38 year is equal to the result of:

39 (A) the tax rate determined for the county under
 40 ~~IC 6-3.5-1.5-1(a)~~ **IC 6-3.5-1.5-1(b)** in the year in which the
 41 tax rate is increased; multiplied by

42 (B) two (2).



1 (3) The tax rate that must be imposed in the county in the second
 2 year is the tax rate determined for the county under
 3 ~~IC 6-3.5-1.5-1(b)~~; **IC 6-3.5-1.5-1(c)**. The tax rate under this
 4 subdivision continues in effect in later years unless the tax rate is
 5 increased under this section.

6 (4) The levy limitations in IC 6-1.1-18.5-3(b), IC 6-1.1-18.5-3(c),
 7 IC 12-19-7-4(b) (before its repeal), IC 12-19-7.5-6(b) (before its
 8 repeal), and IC 12-29-2-2(c) apply to property taxes first due and
 9 payable in the ensuing calendar year and to property taxes first
 10 due and payable in the calendar year after the ensuing calendar
 11 year.

12 (f) **Except as provided in subsection (t)**, the following apply only
 13 in a year in which a county council increases a tax rate under this
 14 section:

15 (1) The county council shall, in the ordinance increasing the tax
 16 rate, specify the tax rate for the following year.

17 (2) The tax rate that must be imposed in the county is equal to the
 18 result of:

19 (A) the tax rate determined for the county under
 20 ~~IC 6-3.5-1.5-1(a)~~ **IC 6-3.5-1.5-1(b)** in that year; plus

21 (B) the tax rate currently in effect in the county under this
 22 section.

23 The tax rate under this subdivision continues in effect in later
 24 years unless the tax rate is increased under this section.

25 (3) The levy limitations in IC 6-1.1-18.5-3(b), IC 6-1.1-18.5-3(c),
 26 IC 12-19-7-4(b) (before its repeal), IC 12-19-7.5-6(b) (before its
 27 repeal), and IC 12-29-2-2(c) apply to property taxes first due and
 28 payable in the ensuing calendar year.

29 (g) **Except as provided in subsection (t)**, the department of local
 30 government finance shall determine the following property tax
 31 replacement distribution amounts:

32 STEP ONE: Determine the sum of the amounts determined under
 33 STEP ONE through STEP FOUR of ~~IC 6-3.5-1.5-1(a)~~
 34 **IC 6-3.5-1.5-1(b)** for the county in the preceding year.

35 STEP TWO: For distribution to each civil taxing unit that in the
 36 year had a maximum permissible property tax levy limited under
 37 IC 6-1.1-18.5-3(b), determine the result of:

38 (1) the quotient of:

39 (A) the part of the amount determined under STEP ONE of
 40 ~~IC 6-3.5-1.5-1(a)~~ **IC 6-3.5-1.5-1(b)** in the preceding year
 41 that was attributable to the civil taxing unit; divided by

42 (B) the STEP ONE amount; multiplied by



- 1 (2) the tax revenue received by the county treasurer under this
 2 section.
- 3 STEP THREE: For distributions in 2009 and thereafter, the result
 4 of this STEP is zero (0). For distribution to the county for deposit
 5 in the county family and children's fund before 2009, determine
 6 the result of:
- 7 (1) the quotient of:
 8 (A) the amount determined under STEP TWO of
 9 ~~IC 6-3.5-1.5-1(a)~~ **IC 6-3.5-1.5-1(b)** in the preceding year;
 10 divided by
 11 (B) the STEP ONE amount; multiplied by
- 12 (2) the tax revenue received by the county treasurer under this
 13 section.
- 14 STEP FOUR: For distributions in 2009 and thereafter, the result
 15 of this STEP is zero (0). For distribution to the county for deposit
 16 in the county children's psychiatric residential treatment services
 17 fund before 2009, determine the result of:
- 18 (1) the quotient of:
 19 (A) the amount determined under STEP THREE of
 20 ~~IC 6-3.5-1.5-1(a)~~ **IC 6-3.5-1.5-1(b)** in the preceding year;
 21 divided by
 22 (B) the STEP ONE amount; multiplied by
- 23 (2) the tax revenue received by the county treasurer under this
 24 section.
- 25 STEP FIVE: For distribution to the county for community mental
 26 health center purposes, determine the result of:
- 27 (1) the quotient of:
 28 (A) the amount determined under STEP FOUR of
 29 ~~IC 6-3.5-1.5-1(a)~~ **IC 6-3.5-1.5-1(b)** in the preceding year;
 30 divided by
 31 (B) the STEP ONE amount; multiplied by
- 32 (2) the tax revenue received by the county treasurer under this
 33 section.
- 34 Except as provided in subsection (m), the county treasurer shall
 35 distribute the portion of the certified distribution that is attributable to
 36 a tax rate under this section as specified in this section. The county
 37 treasurer shall make the distributions under this subsection at the same
 38 time that distributions are made to civil taxing units under section 15
 39 of this chapter.
- 40 (h) Notwithstanding sections 3.1 and 4 of this chapter, a county
 41 council may not decrease or rescind a tax rate imposed under this
 42 ~~chapter.~~ **section.**



1 (i) The tax rate under this section shall not be considered for
2 purposes of computing:

3 (1) the maximum income tax rate that may be imposed in a county
4 under section 2 of this chapter or any other provision of this
5 chapter; or

6 (2) the maximum permissible property tax levy under
7 IC 6-1.1-18.5-3.

8 (j) The tax levy under this section shall not be considered for
9 purposes of the credit under IC 6-1.1-20.6.

10 (k) **Except as provided in subsections (s) and (t)**, a distribution
11 under this section shall be treated as a part of the receiving civil taxing
12 unit's property tax levy for that year for purposes of fixing the budget
13 of the civil taxing unit and for determining the distribution of taxes that
14 are distributed on the basis of property tax levies.

15 (l) If a county council imposes a tax rate under this section (**other**
16 **than a tax rate imposed under subsection (s)**), the portion of county
17 adjusted gross income tax revenue dedicated to property tax
18 replacement credits under section 11 of this chapter may not be
19 decreased.

20 (m) In the year following the year in a which a county first imposes
21 a tax rate under this section, one-half (1/2) of the tax revenue that is
22 attributable to the tax rate under this section (**other than a tax rate**
23 **imposed under subsection (s)**) must be deposited in the county
24 stabilization fund established under subsection (o).

25 (n) **Except as provided in subsection (t) and IC 8-25**, a pledge of
26 county adjusted gross income taxes does not apply to revenue
27 attributable to a tax rate under this section.

28 (o) **Except as provided in subsection (t)**, a county stabilization
29 fund is established in each county that imposes a tax rate under this
30 section. The county stabilization fund shall be administered by the
31 county auditor. If for a year the certified distributions attributable to a
32 tax rate under this section exceed the amount calculated under STEP
33 ONE through STEP FOUR of ~~IC 6-3.5-1.5-1(a)~~ **IC 6-3.5-1.5-1(b)** that
34 is used by the department of local government finance and the
35 department of state revenue to determine the tax rate under this section,
36 the excess shall be deposited in the county stabilization fund. Money
37 shall be distributed from the county stabilization fund in a year by the
38 county auditor to political subdivisions entitled to a distribution of tax
39 revenue attributable to the tax rate under this section if:

40 (1) the certified distributions attributable to a tax rate under this
41 section are less than the amount calculated under STEP ONE
42 through STEP FOUR of ~~IC 6-3.5-1.5-1(a)~~ **IC 6-3.5-1.5-1(b)** that



1 is used by the department of local government finance and the
 2 department of state revenue to determine the tax rate under this
 3 section for a year; or

4 (2) the certified distributions attributable to a tax rate under this
 5 section in a year are less than the certified distributions
 6 attributable to a tax rate under this section in the preceding year.

7 However, subdivision (2) does not apply to the year following the first
 8 year in which certified distributions of revenue attributable to the tax
 9 rate under this section are distributed to the county.

10 (p) Notwithstanding any other provision, a tax rate imposed under
 11 this section may not exceed one percent (1%).

12 (q) A county council must each year hold at least one (1) public
 13 meeting at which the county council discusses whether the tax rate
 14 under this section should be imposed or increased.

15 (r) The department of local government finance and the department
 16 of state revenue may take any actions necessary to carry out the
 17 purposes of this section.

18 **(s) This subsection applies only to Hancock County, Hendricks**
 19 **County, and Johnson County. If the voters of the county approve**
 20 **a local public question under IC 8-25-2, the fiscal body of the**
 21 **county may adopt an ordinance to provide for the use of county**
 22 **adjusted gross income tax revenues attributable to an additional**
 23 **tax rate imposed under this subsection to fund a public**
 24 **transportation project under IC 8-25. An ordinance adopted under**
 25 **this subsection must specify an additional tax rate to be imposed in**
 26 **the county of at least one-tenth percent (0.1%), but not more than**
 27 **twenty-five hundredths percent (0.25%). If an ordinance is**
 28 **adopted under this subsection, the amount of the certified**
 29 **distribution attributable to the additional tax rate imposed under**
 30 **this subsection must be:**

31 **(1) retained by the county auditor;**

32 **(2) deposited in the public transportation project fund**
 33 **established under IC 8-25-3-7; and**

34 **(3) used for the purpose provided in this subsection instead of**
 35 **as a property tax replacement distribution.**

36 **(t) The following do not apply to an additional tax rate imposed**
 37 **under subsection (s):**

38 **(1) Subsection (e).**

39 **(2) Subsection (f).**

40 **(3) Subsection (g).**

41 **(4) Subsection (k).**

42 **(5) Subsection (n).**



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(6) Subsection (o).
SECTION 5. IC 6-3.5-1.5-1, AS AMENDED BY P.L.137-2012, SECTION 74, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 1. **(a) This section does not apply to a tax rate imposed under IC 6-3.5-1.1-24(s) or IC 6-3.5-6-30(t) for a public transportation project authorized under IC 8-25-2.**

~~(a)~~ **(b)** The department of local government finance and the budget agency shall, before September 1 of each year, jointly calculate the county adjusted income tax rate or county option income tax rate (as applicable) that must be imposed in a county to raise income tax revenue in the following year equal to the sum of the following STEPS:

- STEP ONE: Determine the greater of zero (0) or the result of:
 - (1) the department of local government finance's estimate of the sum of the maximum permissible ad valorem property tax levies calculated under IC 6-1.1-18.5 for all civil taxing units in the county for the ensuing calendar year (before any adjustment under IC 6-1.1-18.5-3(g) or IC 6-1.1-18.5-3(h) for the ensuing calendar year); minus
 - (2) the sum of the maximum permissible ad valorem property tax levies calculated under IC 6-1.1-18.5 for all civil taxing units in the county for the current calendar year.

In the case of a civil taxing unit that is located in more than one (1) county, the department of local government finance shall, for purposes of making the determination under this subdivision, apportion the civil taxing unit's maximum permissible ad valorem property tax levy among the counties in which the civil taxing unit is located.

STEP TWO: This STEP applies only to property taxes first due and payable before January 1, 2009. Determine the greater of zero (0) or the result of:

- (1) the department of local government finance's estimate of the family and children property tax levy that will be imposed by the county under IC 12-19-7-4 (before its repeal) for the ensuing calendar year (before any adjustment under IC 12-19-7-4(b) (before its repeal) for the ensuing calendar year); minus
- (2) the county's family and children property tax levy imposed by the county under IC 12-19-7-4 (before its repeal) for the current calendar year.

STEP THREE: This STEP applies only to property taxes first due and payable before January 1, 2009. Determine the greater of zero (0) or the result of:



1 (1) the department of local government finance's estimate of
 2 the children's psychiatric residential treatment services
 3 property tax levy that will be imposed by the county under
 4 IC 12-19-7.5-6 ~~for~~ (before its repeal) **for** the ensuing calendar
 5 year (before any adjustment under IC 12-19-7.5-6(b) (before
 6 its repeal) for the ensuing calendar year); minus
 7 (2) the children's psychiatric residential treatment services
 8 property tax imposed by the county under IC 12-19-7.5-6
 9 (before its repeal) for the current calendar year.

10 **STEP FOUR:** Determine the greater of zero (0) or the result of:
 11 (1) the department of local government finance's estimate of
 12 the county's maximum community mental health centers
 13 property tax levy under IC 12-29-2-2 for the ensuing calendar
 14 year (before any adjustment under IC 12-29-2-2(c) for the
 15 ensuing calendar year); minus
 16 (2) the county's maximum community mental health centers
 17 property tax levy under IC 12-29-2-2 for the current calendar
 18 year.

19 ~~(b)~~ **(c)** In the case of a county that wishes to impose a tax rate under
 20 IC 6-3.5-1.1-24 or IC 6-3.5-6-30 (as applicable) for the first time, the
 21 department of local government finance and the budget agency shall
 22 jointly estimate the amount that will be calculated under subsection (a)
 23 in the second year after the tax rate is first imposed. The department of
 24 local government finance and the budget agency shall calculate the tax
 25 rate under IC 6-3.5-1.1-24 or IC 6-3.5-6-30 (as applicable) that must be
 26 imposed in the county in the second year after the tax rate is first
 27 imposed to raise income tax revenue equal to the estimate under this
 28 subsection.

29 ~~(e)~~ **(d)** The budget agency and the department of local government
 30 finance shall make the calculations under subsections ~~(a)~~ **(b)** and ~~(b)~~
 31 **(c)** based on the best information available at the time the calculation
 32 is made.

33 ~~(d)~~ **(e)** Notwithstanding IC 6-3.5-1.1-24(h) and IC 6-3.5-6-30(h), if
 34 a county has adopted an income tax rate under IC 6-3.5-1.1-24 or
 35 IC 6-3.5-6-30 to replace property tax levy growth, the part of the tax
 36 rate under IC 6-3.5-1.1-24 or IC 6-3.5-6-30 that was used before
 37 January 1, 2009, to reduce levy growth in the county family and
 38 children's fund property tax levy and the children's psychiatric
 39 residential treatment services property tax levy shall instead be used for
 40 property tax relief in the same manner that a tax rate under
 41 IC 6-3.5-1.1-26 or IC 6-3.5-6-32 is used for property tax relief.

42 **SECTION 6.** IC 6-3.5-6-17, AS AMENDED BY P.L.261-2013,



1 SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 2 JULY 1, 2014]: Sec. 17. (a) Revenue derived from the imposition of
 3 the county option income tax shall, in the manner prescribed by this
 4 section, be distributed to the county that imposed it. The amount that
 5 is to be distributed to a county during an ensuing calendar year equals
 6 the amount of county option income tax revenue that the budget agency
 7 determines has been:

8 (1) received from that county for a taxable year ending in a
 9 calendar year preceding the calendar year in which the
 10 determination is made; and

11 (2) reported on an annual return or amended return processed by
 12 the department in the state fiscal year ending before July 1 of the
 13 calendar year in which the determination is made;

14 as adjusted (as determined after review of the recommendation of the
 15 budget agency) for refunds of county option income tax made in the
 16 state fiscal year.

17 (b) Before August 2 of each calendar year, the budget agency shall
 18 provide to the county auditor of each adopting county an estimate of
 19 the amount determined under subsection (a) that will be distributed to
 20 the county, based on known tax rates. Not later than thirty (30) days
 21 after receiving the estimate of the certified distribution, the county
 22 auditor shall notify each taxing unit of the estimated amount of
 23 distributive shares and other revenue that will be distributed to the
 24 taxing unit under this chapter during the ensuing calendar year. Before
 25 October 1 of each calendar year, the budget agency shall certify to the
 26 county auditor of each adopting county the amount determined under
 27 subsection (a) plus the amount of interest in the county's account that
 28 has accrued and has not been included in a certification made in a
 29 preceding year. The amount certified is the county's "certified
 30 distribution" for the immediately succeeding calendar year. The amount
 31 certified shall be adjusted, as necessary, under subsections (c), (d), (e),
 32 and (f). Not later than thirty (30) days after receiving the notice of the
 33 amount of the certified distribution, the county auditor shall notify each
 34 taxing unit of the amount of distributive shares and other revenue that
 35 will be distributed to the taxing unit under this chapter during the
 36 ensuing calendar year. The budget agency shall provide the county
 37 council with an informative summary of the calculations used to
 38 determine the certified distribution. The summary of calculations must
 39 include:

40 (1) the amount reported on individual income tax returns
 41 processed by the department during the previous fiscal year;

42 (2) adjustments for over distributions in prior years;

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- 1 (3) adjustments for clerical or mathematical errors in prior years;
2 (4) adjustments for tax rate changes; and
3 (5) the amount of excess account balances to be distributed under
4 IC 6-3.5-6-17.3.

5 The budget agency shall also certify information concerning the part of
6 the certified distribution that is attributable to a tax rate under section
7 30, 31, or 32 of this chapter. This information must be certified to the
8 county auditor and to the department of local government finance
9 before October 1 of each calendar year. The part of the certified
10 distribution that is attributable to a tax rate under section 30, 31, or 32
11 of this chapter may be used only as specified in those provisions.

12 (c) The budget agency shall certify an amount less than the amount
13 determined under subsection (b) if the budget agency determines that
14 the reduced distribution is necessary to offset overpayments made in a
15 calendar year before the calendar year of the distribution. The budget
16 agency may reduce the amount of the certified distribution over several
17 calendar years so that any overpayments are offset over several years
18 rather than in one (1) lump sum.

19 (d) The budget agency shall adjust the certified distribution of a
20 county to correct for any clerical or mathematical errors made in any
21 previous certification under this section. The budget agency may
22 reduce the amount of the certified distribution over several calendar
23 years so that any adjustment under this subsection is offset over several
24 years rather than in one (1) lump sum.

25 (e) This subsection applies to a county that imposes, increases,
26 decreases, or rescinds a tax or tax rate under this chapter before
27 November 1 in the same calendar year in which the budget agency
28 makes a certification under this section. The budget agency shall adjust
29 the certified distribution of a county to provide for a distribution in the
30 immediately following calendar year and in each calendar year
31 thereafter. The budget agency shall provide for a full transition to
32 certification of distributions as provided in subsection (a)(1) through
33 (a)(2) in the manner provided in subsection (c). If the county imposes,
34 increases, decreases, or rescinds a tax or tax rate under this chapter
35 after the date for which a certification under subsection (b) is based, the
36 budget agency shall adjust the certified distribution of the county after
37 September 30 of the calendar year. The adjustment shall reflect any
38 other adjustment required under subsections (c), (d), and (f). The
39 adjusted certification shall be treated as the county's "certified
40 distribution" for the immediately succeeding calendar year. The budget
41 agency shall certify the adjusted certified distribution to the county
42 auditor for the county and provide the county council with an



1 informative summary of the calculations that revises the informative
 2 summary provided in subsection (b) and reflects the changes made in
 3 the adjustment.

4 (f) This subsection applies in the year a county initially imposes a
 5 tax rate under section 30 of this chapter. Notwithstanding any other
 6 provision, the budget agency shall adjust the part of the county's
 7 certified distribution that is attributable to the tax rate under section 30
 8 of this chapter to provide for a distribution in the immediately
 9 following calendar year equal to the result of:

10 (1) the sum of the amounts determined under STEP ONE through
 11 STEP FOUR of ~~IC 6-3.5-1.5-1(a)~~ **IC 6-3.5-1.5-1(b)** in the year in
 12 which the county initially imposes a tax rate under section 30 of
 13 this chapter; multiplied by

14 (2) the following:

15 (A) In a county containing a consolidated city, one and
 16 five-tenths (1.5).

17 (B) In a county other than a county containing a consolidated
 18 city, two (2).

19 (g) One-twelfth (1/12) of each adopting county's certified
 20 distribution for a calendar year shall be distributed from its account
 21 established under section 16 of this chapter to the appropriate county
 22 treasurer on the first regular business day of each month of that
 23 calendar year.

24 (h) Upon receipt, each monthly payment of a county's certified
 25 distribution shall be allocated among, distributed to, and used by the
 26 civil taxing units of the county as provided in sections 18 and 19 of this
 27 chapter.

28 (i) All distributions from an account established under section 16 of
 29 this chapter shall be made by warrants issued by the auditor of state to
 30 the treasurer of state ordering the appropriate payments.

31 (j) The budget agency shall before May 1 of every odd-numbered
 32 year publish an estimate of the statewide total amount of certified
 33 distributions to be made under this chapter during the following two (2)
 34 calendar years.

35 (k) The budget agency shall before May 1 of every even-numbered
 36 year publish an estimate of the statewide total amount of certified
 37 distributions to be made under this chapter during the following
 38 calendar year.

39 (l) The estimates under subsections (j) and (k) must specify the
 40 amount of the estimated certified distributions that are attributable to
 41 the additional rate authorized under section 30 of this chapter, the
 42 additional rate authorized under section 31 of this chapter, the



1 additional rate authorized under section 32 of this chapter, and any
2 other additional rates authorized under this chapter.

3 SECTION 7. IC 6-3.5-6-18, AS AMENDED BY P.L.135-2011,
4 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
5 JULY 1, 2014]: Sec. 18. (a) The revenue a county auditor receives
6 under this chapter shall be used to:

7 (1) replace the amount, if any, of property tax revenue lost due to
8 the allowance of an increased homestead credit within the county;

9 (2) fund the operation of a public communications system and
10 computer facilities district as provided in an election, if any, made
11 by the county fiscal body under IC 36-8-15-19(b);

12 (3) fund the operation of a public transportation corporation as
13 provided in an election, if any, made by the county fiscal body
14 under IC 36-9-4-42;

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

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

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

21 (7) make distributions of distributive shares to the civil taxing
22 units of a county; ~~and~~

23 (8) make the distributions permitted under sections 27, 28, 29, 30,
24 31, 32, and 33 of this chapter; **and**

25 **(9) fund a public transportation project approved under**
26 **IC 8-25-2, if any.**

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

34 (c) The county auditor shall retain:

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

40 (2) the amount of an additional tax rate imposed under section 27,
41 28, 29, 30, 31, 32, or 33 of this chapter.

42 The county auditor shall distribute amounts retained under this



1 subsection to the county.

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

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

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

10 (2) A fraction. The numerator of the fraction equals the allocation
11 amount for the civil taxing unit for the calendar year in which the
12 month falls. The denominator of the fraction equals the sum of the
13 allocation amounts of all the civil taxing units of the county for
14 the calendar year in which the month falls.

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

19 (g) Notwithstanding subsection (e), if a civil taxing unit of an
20 adopting county does not impose a property tax levy that is first due
21 and payable in a calendar year in which distributive shares are being
22 distributed under this section, that civil taxing unit is entitled to receive
23 a part of the revenue to be distributed as distributive shares under this
24 section within the county. The fractional amount such a civil taxing
25 unit is entitled to receive each month during that calendar year equals
26 the product of the following:

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

29 (2) A fraction. The numerator of the fraction equals the budget of
30 that civil taxing unit for that calendar year. The denominator of
31 the fraction equals the aggregate budgets of all civil taxing units
32 of that county for that calendar year.

33 (h) If for a calendar year a civil taxing unit is allocated a part of a
34 county's distributive shares by subsection (g), then the formula used in
35 subsection (e) to determine all other civil taxing units' distributive
36 shares shall be changed each month for that same year by reducing the
37 amount to be distributed as distributive shares under subsection (e) by
38 the amount of distributive shares allocated under subsection (g) for that
39 same month. The department of local government finance shall make
40 any adjustments required by this subsection and provide them to the
41 appropriate county auditors.

42 (i) Notwithstanding any other law, a county fiscal body may pledge



1 revenues received under this chapter (other than revenues attributable
 2 to a tax rate imposed under section 30, 31, or 32 of this chapter **for**
 3 **property tax relief or public safety**) to the payment of bonds or lease
 4 rentals to finance a qualified economic development tax project under
 5 IC 36-7-27 in that county or in any other county if the county fiscal
 6 body determines that the project will promote significant opportunities
 7 for the gainful employment or retention of employment of the county's
 8 residents.

9 SECTION 8. IC 6-3.5-6-26, AS AMENDED BY P.L.224-2007,
 10 SECTION 82, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 11 JULY 1, 2014]: Sec. 26. (a) A pledge of county option income tax
 12 revenues **received** under this chapter (other than revenues attributable
 13 to a tax rate imposed under section 30, 31, or 32 of this chapter **for**
 14 **property tax relief or public safety**) is enforceable in accordance with
 15 IC 5-1-14.

16 (b) With respect to obligations for which a pledge has been made
 17 under this chapter, the general assembly covenants with the county and
 18 the purchasers or owners of those obligations that this chapter will not
 19 be repealed or amended in any manner that will adversely affect the tax
 20 collected under this chapter as long as the principal of or interest on
 21 those obligations is unpaid.

22 SECTION 9. IC 6-3.5-6-30, AS AMENDED BY P.L.261-2013,
 23 SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 24 JULY 1, 2014]: Sec. 30. (a) In a county in which the county option
 25 income tax is in effect, the county income tax council may adopt an
 26 ordinance to impose or increase (as applicable) a tax rate under this
 27 section.

28 (b) In a county in which neither the county option adjusted gross
 29 income tax nor the county option income tax is in effect, the county
 30 income tax council may adopt an ordinance to impose a tax rate under
 31 this section.

32 (c) If a county income tax council adopts an ordinance to impose or
 33 increase a tax rate under this section, not more than ten (10) days after
 34 the vote, the county auditor shall send a certified copy of the ordinance
 35 to the commissioner of the department, the director of the budget
 36 agency, and the commissioner of the department of local government
 37 finance in an electronic format approved by the director of the budget
 38 agency.

39 (d) A tax rate under this section is in addition to any other tax rates
 40 imposed under this chapter and does not affect the purposes for which
 41 other tax revenue under this chapter may be used.

42 (e) **Except as provided in subsection (u)**, the following apply only



- 1 in the year in which a county income tax council first imposes a tax rate
 2 under this section:
- 3 (1) The county income tax council shall, in the ordinance
 4 imposing the tax rate, specify the tax rate for each of the
 5 following two (2) years.
- 6 (2) The tax rate that must be imposed in the county in the first
 7 year is equal to the result of:
- 8 (A) the tax rate determined for the county under
 9 ~~IC 6-3.5-1.5-1(a)~~ **IC 6-3.5-1.5-1(b)** in that year; multiplied by
- 10 (B) the following:
- 11 (i) In a county containing a consolidated city, one and
 12 five-tenths (1.5).
- 13 (ii) In a county other than a county containing a consolidated
 14 city, two (2).
- 15 (3) The tax rate that must be imposed in the county in the second
 16 year is the tax rate determined for the county under
 17 ~~IC 6-3.5-1.5-1(b)~~; **IC 6-3.5-1.5-1(c)**. The tax rate under this
 18 subdivision continues in effect in later years unless the tax rate is
 19 increased under this section.
- 20 (4) The levy limitations in IC 6-1.1-18.5-3(b), IC 6-1.1-18.5-3(c),
 21 IC 12-19-7-4(b) (before its repeal), IC 12-19-7.5-6(b) (before its
 22 repeal), and IC 12-29-2-2(c) apply to property taxes first due and
 23 payable in the ensuing calendar year and to property taxes first
 24 due and payable in the calendar year after the ensuing calendar
 25 year.
- 26 (f) **Except as provided in subsection (u)**, the following apply only
 27 in a year in which a county income tax council increases a tax rate
 28 under this section:
- 29 (1) The county income tax council shall, in the ordinance
 30 increasing the tax rate, specify the tax rate for the following year.
- 31 (2) The tax rate that must be imposed in the county is equal to the
 32 result of:
- 33 (A) the tax rate determined for the county under
 34 ~~IC 6-3.5-1.5-1(a)~~ **IC 6-3.5-1.5-1(b)** in the year the tax rate is
 35 increased; plus
- 36 (B) the tax rate currently in effect in the county under this
 37 section.
- 38 The tax rate under this subdivision continues in effect in later
 39 years unless the tax rate is increased under this section.
- 40 (3) The levy limitations in IC 6-1.1-18.5-3(b), IC 6-1.1-18.5-3(c),
 41 IC 12-19-7-4(b) (before its repeal), IC 12-19-7.5-6(b) (before its
 42 repeal), and IC 12-29-2-2(c) apply to property taxes first due and



- 1 payable in the ensuing calendar year.
- 2 (g) **Except as provided in subsection (u)**, the department of local
 3 government finance shall determine the following property tax
 4 replacement distribution amounts:
- 5 STEP ONE: Determine the sum of the amounts determined under
 6 STEP ONE through STEP FOUR of ~~IC 6-3.5-1.5-1(a)~~
 7 **IC 6-3.5-1.5-1(b)** for the county in the preceding year.
- 8 STEP TWO: For distribution to each civil taxing unit that in the
 9 year had a maximum permissible property tax levy limited under
 10 IC 6-1.1-18.5-3(b), determine the result of:
- 11 (1) the quotient of:
- 12 (A) the part of the amount determined under STEP ONE of
 13 ~~IC 6-3.5-1.5-1(a)~~ **IC 6-3.5-1.5-1(b)** in the preceding year
 14 that was attributable to the civil taxing unit; divided by
 15 (B) the STEP ONE amount; multiplied by
- 16 (2) the tax revenue received by the county treasurer under this
 17 section.
- 18 STEP THREE: For distributions in 2009 and thereafter, the result
 19 of this STEP is zero (0). For distribution to the county for deposit
 20 in the county family and children's fund before 2009, determine
 21 the result of:
- 22 (1) the quotient of:
- 23 (A) the amount determined under STEP TWO of
 24 ~~IC 6-3.5-1.5-1(a)~~ **IC 6-3.5-1.5-1(b)** in the preceding year;
 25 divided by
 26 (B) the STEP ONE amount; multiplied by
- 27 (2) the tax revenue received by the county treasurer under this
 28 section.
- 29 STEP FOUR: For distributions in 2009 and thereafter, the result
 30 of this STEP is zero (0). For distribution to the county for deposit
 31 in the county children's psychiatric residential treatment services
 32 fund before 2009, determine the result of:
- 33 (1) the quotient of:
- 34 (A) the amount determined under STEP THREE of
 35 ~~IC 6-3.5-1.5-1(a)~~ **IC 6-3.5-1.5-1(b)** in the preceding year;
 36 divided by
 37 (B) the STEP ONE amount; multiplied by
- 38 (2) the tax revenue received by the county treasurer under this
 39 section.
- 40 STEP FIVE: For distribution to the county for community mental
 41 health center purposes, determine the result of:
- 42 (1) the quotient of:



- 1 (A) the amount determined under STEP FOUR of
 2 ~~IC 6-3.5-1.5-1(a)~~ **IC 6-3.5-1.5-1(b)** in the preceding year;
 3 divided by
 4 (B) the STEP ONE amount; multiplied by
 5 (2) the tax revenue received by the county treasurer under this
 6 section.
- 7 Except as provided in subsection (m), the county treasurer shall
 8 distribute the portion of the certified distribution that is attributable to
 9 a tax rate under this section as specified in this section. The county
 10 treasurer shall make the distributions under this subsection at the same
 11 time that distributions are made to civil taxing units under section 18
 12 of this chapter.
- 13 (h) Notwithstanding sections 12 and 12.5 of this chapter, a county
 14 income tax council may not decrease or rescind a tax rate imposed
 15 under this section.
- 16 (i) The tax rate under this section shall not be considered for
 17 purposes of computing:
 18 (1) the maximum income tax rate that may be imposed in a county
 19 under section 8 or 9 of this chapter or any other provision of this
 20 chapter; or
 21 (2) the maximum permissible property tax levy under
 22 IC 6-1.1-18.5-3.
- 23 (j) The tax levy under this section shall not be considered for
 24 purposes of the credit under IC 6-1.1-20.6.
- 25 (k) **Except as provided in subsections (t) and (u)**, a distribution
 26 under this section shall be treated as a part of the receiving civil taxing
 27 unit's property tax levy for that year for purposes of fixing its budget
 28 and for determining the distribution of taxes that are distributed on the
 29 basis of property tax levies.
- 30 (l) If a county income tax council imposes a tax rate under this
 31 section (**other than a tax rate imposed under subsection (t)**), the
 32 county option income tax rate dedicated to locally funded homestead
 33 credits in the county may not be decreased.
- 34 (m) In the year following the year in which a county first imposes
 35 a tax rate under this section:
 36 (1) one-third (1/3) of the tax revenue that is attributable to the tax
 37 rate under this section must be deposited in the county
 38 stabilization fund established under subsection (o), in the case of
 39 a county containing a consolidated city; and
 40 (2) one-half (1/2) of the tax revenue that is attributable to the tax
 41 rate under this section (**other than a tax rate imposed under**
 42 **subsection (t)**) must be deposited in the county stabilization fund



1 established under subsection (o), in the case of a county not
2 containing a consolidated city.

3 (n) **Except as provided in subsection (t) and IC 8-25**, a pledge of
4 county option income taxes does not apply to revenue attributable to a
5 tax rate under this section.

6 (o) **Except as provided in subsections (t) and (u)**, a county
7 stabilization fund is established in each county that imposes a tax rate
8 under this section. The county stabilization fund shall be administered
9 by the county auditor. If for a year the certified distributions
10 attributable to a tax rate under this section exceed the amount
11 calculated under STEP ONE through STEP FOUR of ~~IC 6-3.5-1.5-1(a)~~
12 **IC 6-3.5-1.5-1(b)** that is used by the department of local government
13 finance and the department of state revenue to determine the tax rate
14 under this section, the excess shall be deposited in the county
15 stabilization fund. Money shall be distributed from the county
16 stabilization fund in a year by the county auditor to political
17 subdivisions entitled to a distribution of tax revenue attributable to the
18 tax rate under this section if:

19 (1) the certified distributions attributable to a tax rate under this
20 section are less than the amount calculated under STEP ONE
21 through STEP FOUR of ~~IC 6-3.5-1.5-1(a)~~ **IC 6-3.5-1.5-1(b)** that
22 is used by the department of local government finance and the
23 department of state revenue to determine the tax rate under this
24 section for a year; or

25 (2) the certified distributions attributable to a tax rate under this
26 section in a year are less than the certified distributions
27 attributable to a tax rate under this section in the preceding year.

28 However, subdivision (2) does not apply to the year following the first
29 year in which certified distributions of revenue attributable to the tax
30 rate under this section are distributed to the county.

31 (p) Notwithstanding any other provision, a tax rate imposed under
32 this section may not exceed one percent (1%).

33 (q) **Except as provided in subsection (u)**, a county income tax
34 council must each year hold at least one (1) public meeting at which
35 the county council discusses whether the tax rate under this section
36 should be imposed or increased.

37 (r) The department of local government finance and the department
38 of state revenue may take any actions necessary to carry out the
39 purposes of this section.

40 (s) Notwithstanding any other provision, in:

41 (1) Lake County;

42 (2) Delaware County; and



1 **(3) Madison County;**

2 the county council (and not the county income tax council) is the entity
3 authorized to take actions concerning the additional tax rate under this
4 section.

5 **(t) This subsection applies only to Delaware County and**
6 **Madison County. If the voters of a county approve a local public**
7 **question under IC 8-25-2, the fiscal body of the county may, after**
8 **at least one (1) public meeting, adopt an ordinance to provide for**
9 **the use of county option income tax revenue attributable to an**
10 **additional tax rate imposed under this subsection to fund a public**
11 **transportation project under IC 8-25. An ordinance adopted under**
12 **this subsection must specify an additional tax rate to be imposed in**
13 **the county of at least one-tenth percent (0.1%), but not more than**
14 **twenty-five hundredths percent (0.25%). If an ordinance is**
15 **adopted under this subsection, the amount of the certified**
16 **distribution attributable to the additional tax rate imposed under**
17 **this subsection must be:**

18 **(1) retained by the county auditor;**

19 **(2) deposited in the county public transportation project fund**
20 **established under IC 8-25-3-7; and**

21 **(3) used for the purpose provided in this subsection instead of**
22 **as a property tax replacement distribution.**

23 **(u) The following do not apply to an additional tax rate imposed**
24 **under subsection (t):**

25 **(1) Subsection (e).**

26 **(2) Subsection (f).**

27 **(3) Subsection (g).**

28 **(4) Subsection (k).**

29 **(5) Subsection (n).**

30 **(6) Subsection (o).**

31 **(7) Subsection (q).**

32 SECTION 10. IC 6-3.5-7-5, AS AMENDED BY P.L.261-2013,
33 SECTION 27, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
34 JULY 1, 2014]: Sec. 5. (a) Except as provided in subsection (c), the
35 county economic development income tax may be imposed on the
36 adjusted gross income of county taxpayers. **Except as provided in**
37 **section 26(m) of this chapter,** the entity that may impose the tax is:

38 (1) the county income tax council (as defined in IC 6-3.5-6-1) if
39 the county option income tax is in effect on October 1 of the year
40 the county economic development income tax is imposed;

41 (2) the county council if the county adjusted gross income tax is
42 in effect on October 1 of the year the county economic



- 1 development tax is imposed; or
 2 (3) the county income tax council or the county council,
 3 whichever acts first, for a county not covered by subdivision (1)
 4 or (2).
- 5 To impose the county economic development income tax, a county
 6 income tax council shall use the procedures set forth in IC 6-3.5-6
 7 concerning the imposition of the county option income tax.
- 8 (b) Except as provided in this section and section 28 of this chapter,
 9 the county economic development income tax may be imposed at a rate
 10 of:
- 11 (1) one-tenth percent (0.1%);
 - 12 (2) two-tenths percent (0.2%);
 - 13 (3) twenty-five hundredths percent (0.25%);
 - 14 (4) three-tenths percent (0.3%);
 - 15 (5) thirty-five hundredths percent (0.35%);
 - 16 (6) four-tenths percent (0.4%);
 - 17 (7) forty-five hundredths percent (0.45%); or
 - 18 (8) five-tenths percent (0.5%);
- 19 on the adjusted gross income of county taxpayers.
- 20 (c) Except as provided in this section, the county economic
 21 development income tax rate plus the county adjusted gross income tax
 22 rate, if any, that are in effect on January 1 of a year may not exceed one
 23 and twenty-five hundredths percent (1.25%). Except as provided in this
 24 section, the county economic development tax rate plus the county
 25 option income tax rate, if any, that are in effect on January 1 of a year
 26 may not exceed one percent (1%).
- 27 (d) To impose, increase, decrease, or rescind the county economic
 28 development income tax, the appropriate body must adopt an
 29 ordinance.
- 30 (e) The ordinance to impose the tax must substantially state the
 31 following:
- 32 "The _____ County _____ imposes the county economic
 33 development income tax on the county taxpayers of _____
 34 County. The county economic development income tax is imposed at
 35 a rate of _____ percent (____%) on the county taxpayers of the
 36 county."
- 37 (f) The auditor of a county shall record all votes taken on ordinances
 38 presented for a vote under the authority of this chapter and shall, not
 39 more than ten (10) days after the vote, send a certified copy of the
 40 results to the commissioner of the department, the director of the
 41 budget agency, and the commissioner of the department of local
 42 government finance in an electronic format approved by the director of



1 the budget agency.

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

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

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

16 (j) This subsection applies to Randolph County. Except as provided
17 in subsection (o), in addition to the rates permitted under subsection
18 (b):

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

21 (2) the sum of the county economic development income tax rate
22 and the county adjusted gross income tax rate that are in effect on
23 January 1 of a year may not exceed one and five-tenths percent
24 (1.5%);

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

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

31 (l) For:

32 (1) Elkhart County; or

33 (2) Marshall County;

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

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

42 (n) This subsection applies to Knox County. Except as provided in



1 subsection (o), in addition to the rates permitted under subsection (b):

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

4 (2) the sum of the county economic development income tax rate
5 and:

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

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

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

14 (o) **This subsection applies to a county in which an adopting
15 entity approves the use of the certified distribution for property tax
16 relief under section 26(c) and 26(e) of this chapter or to a county in
17 which the county fiscal body approves the use of the certified
18 distribution to fund a public transportation project under section
19 26(m) of this chapter.** In addition:

20 (1) the county economic development income tax may be imposed
21 at a rate that exceeds by not more than twenty-five hundredths
22 percent (0.25%) the maximum rate that would otherwise apply
23 under this section; and

24 (2) the:

25 (A) county economic development income tax; and

26 (B) county option income tax or county adjusted gross income
27 tax;

28 may be imposed at combined rates that exceed by not more than
29 twenty-five hundredths percent (0.25%) the maximum combined
30 rates that would otherwise apply under this section.

31 ~~However,~~ **Except as provided in section 5.5 of this chapter,** the
32 additional rate imposed under this subsection may not exceed the
33 amount necessary to mitigate the increased ad valorem property taxes
34 on homesteads (as defined in IC 6-1.1-20.9-1 (repealed) before January
35 1, 2009, or IC 6-1.1-12-37 after December 31, 2008) or residential
36 property (as defined in section 26 of this chapter), as appropriate under
37 the ordinance adopted by the adopting body in the county, resulting
38 from the deduction of the assessed value of inventory in the county
39 under IC 6-1.1-12-41 or IC 6-1.1-12-42 or from the exclusion in 2008
40 of inventory from the definition of personal property in IC 6-1.1-1-11.

41 (p) If the county economic development income tax is imposed as
42 authorized under subsection (o) at a rate that exceeds the maximum



1 rate that would otherwise apply under this section, the certified
 2 distribution must be used for ~~the~~ a purpose provided in section 26 of
 3 this chapter to the extent that the certified distribution results from the
 4 difference between:

- 5 (1) the actual county economic development tax rate; and
- 6 (2) the maximum rate that would otherwise apply under this
 7 section.

8 (q) This subsection applies only to a county described in section 27
 9 of this chapter. Except as provided in subsection (o), in addition to the
 10 rates permitted by subsection (b), the:

- 11 (1) county economic development income tax may be imposed at
 12 a rate of twenty-five hundredths percent (0.25%); and
- 13 (2) county economic development income tax rate plus the county
 14 option income tax rate that are in effect on January 1 of a year
 15 may equal up to one and twenty-five hundredths percent (1.25%);
 16 if the county council makes a determination to impose rates under this
 17 subsection and section 27 of this chapter.

18 (r) Except as provided in subsection (o), the county economic
 19 development income tax rate plus the county adjusted gross income tax
 20 rate that are in effect on January 1 of a year may not exceed one and
 21 five-tenths percent (1.5%) if the county has imposed the county
 22 adjusted gross income tax under IC 6-3.5-1.1-3.3.

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

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

33 (u) This subsection applies to Jasper County. Except as provided in
 34 subsection (o), the sum of the county economic development income
 35 tax rate and 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 percent
 37 (1.5%).

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

- 41 (1) the county economic development income tax rate plus the
 42 county adjusted gross income tax rate; or



1 (2) the county economic development tax rate plus the county
2 option income tax rate.

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

5 (1) a county adjusted gross income tax rate imposed under
6 IC 6-3.5-1.1-24, IC 6-3.5-1.1-25, or IC 6-3.5-1.1-26; or

7 (2) a county option income tax rate imposed under IC 6-3.5-6-30,
8 IC 6-3.5-6-31, or IC 6-3.5-6-32.

9 For purposes of computing the maximum combined income tax rate
10 under subsection (c) or (x) or any other provision of this chapter that
11 may be imposed in a county under IC 6-3.5-1.1, IC 6-3.5-6, and this
12 chapter, a county's county adjusted gross income tax rate or county
13 option income tax rate for a particular year does not include the county
14 adjusted gross income tax rate imposed under IC 6-3.5-1.1-24,
15 IC 6-3.5-1.1-25, or IC 6-3.5-1.1-26 or the county option income tax rate
16 imposed under IC 6-3.5-6-30, IC 6-3.5-6-31, or IC 6-3.5-6-32.

17 (x) This subsection applies to Monroe County. Except as provided
18 in subsection (o), if an ordinance is adopted under IC 6-3.5-6-33, the
19 sum of the county economic development income tax rate and the
20 county option income tax rate that are in effect on January 1 of a year
21 may not exceed one and twenty-five hundredths percent (1.25%).

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

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

32 SECTION 11. IC 6-3.5-7-5.5 IS ADDED TO THE INDIANA
33 CODE AS A NEW SECTION TO READ AS FOLLOWS
34 [EFFECTIVE JULY 1, 2014]: **Sec. 5.5. (a) This section applies to
35 Hamilton County and Marion County.**

36 **(b) If an additional tax rate is imposed under section 5(o) of this
37 chapter:**

38 **(1) by a county subject to this section; and**

39 **(2) for the purpose described in section 26(m) of this chapter;**
40 **the additional tax rate is not subject to the limitations set forth in**
41 **section 5(o) of this chapter that relate to increased ad valorem**
42 **property taxes on homesteads or residential property resulting**



1 **from the exclusion of inventory from the definition of personal**
 2 **property in IC 6-1.1-1-11.**

3 SECTION 12. IC 6-3.5-7-26, AS AMENDED BY P.L.137-2012,
 4 SECTION 105, IS AMENDED TO READ AS FOLLOWS
 5 [EFFECTIVE JULY 1, 2014]: Sec. 26. (a) This section applies only to
 6 **the following:**

7 **(1) Taxes imposed under this chapter to provide** homestead
 8 and property tax replacement credits for property taxes first due
 9 and payable after calendar year 2006.

10 **(2) Taxes imposed under this chapter to fund a public**
 11 **transportation project under subsection (m).**

12 (b) The following definitions apply throughout this section:

13 (1) "Adopt" includes amend.

14 (2) "Adopting entity" means:

15 (A) the entity that adopts an ordinance under
 16 IC 6-1.1-12-41(f); or

17 (B) any other entity that may impose a county economic
 18 development income tax under section 5 of this chapter.

19 (3) "Homestead" refers to tangible property that is eligible for a
 20 homestead credit under IC 6-1.1-20.9 (repealed) or the standard
 21 deduction under IC 6-1.1-12-37.

22 (4) "Residential" refers to the following:

23 (A) Real property, a mobile home, and industrialized housing
 24 that would qualify as a homestead if the taxpayer had filed for
 25 a homestead credit under IC 6-1.1-20.9 (repealed) or the
 26 standard deduction under IC 6-1.1-12-37.

27 (B) Real property not described in clause (A) designed to
 28 provide units that are regularly used to rent or otherwise
 29 furnish residential accommodations for periods of thirty (30)
 30 days or more, regardless of whether the tangible property is
 31 subject to assessment under rules of the department of local
 32 government finance that apply to:

33 (i) residential property; or

34 (ii) commercial property.

35 **(c) This subsection does not apply to a county in which the**
 36 **county fiscal body adopts an ordinance to provide for the use of the**
 37 **certified distribution described in section 16 of this chapter to fund**
 38 **a public transportation project under IC 8-25.** An adopting entity
 39 may adopt an ordinance to provide for the use of the certified
 40 distribution described in section 16 of this chapter for the purpose
 41 provided in subsection (e). An adopting entity that adopts an ordinance
 42 under this subsection shall use the procedures set forth in IC 6-3.5-6



1 concerning the adoption of an ordinance for the imposition of the
 2 county option income tax. The ordinance may provide for an additional
 3 rate under section 5(o) of this chapter. An ordinance adopted under this
 4 subsection:

5 (1) first applies to the certified distribution described in section 16
 6 of this chapter made in the later of the calendar year that
 7 immediately succeeds the calendar year in which the ordinance is
 8 adopted or calendar year 2007; and

9 (2) must specify that the certified distribution must be used to
 10 provide for one (1) of the following, as determined by the
 11 adopting entity:

12 (A) Uniformly applied homestead credits as provided in
 13 subsection (f).

14 (B) Uniformly applied residential credits as provided in
 15 subsection (g).

16 (C) Allocated homestead credits as provided in subsection (i).

17 (D) Allocated residential credits as provided in subsection (j).

18 An ordinance adopted under this subsection may be combined with an
 19 ordinance adopted under section 25 of this chapter (before its repeal).

20 (d) If an ordinance is adopted under subsection (c), the percentage
 21 of the certified distribution specified in the ordinance for use for the
 22 purpose provided in subsection (e) shall be:

23 (1) retained by the county auditor under subsection (k); and

24 (2) used for the purpose provided in subsection (e) instead of the
 25 purposes specified in the capital improvement plans adopted
 26 under section 15 of this chapter.

27 (e) If an ordinance is adopted under subsection (c), the adopting
 28 entity shall use the certified distribution described in section 16 of this
 29 chapter to provide:

30 (1) if the ordinance grants a credit described in subsection
 31 (c)(2)(A) or (c)(2)(C), a homestead credit for homesteads; or

32 (2) if the ordinance grants a credit described in subsection
 33 (c)(2)(B) or (c)(2)(D), a property tax replacement credit for
 34 residential property;

35 for property taxes to offset the effect on homesteads or residential
 36 property, as applicable, in the county resulting from the statewide
 37 deduction for inventory under IC 6-1.1-12-42 or from the exclusion in
 38 2008 of inventory from the definition of personal property in
 39 IC 6-1.1-1-11. The amount of a residential property tax replacement
 40 credit granted under this section may not be considered in computing
 41 the amount of any homestead credit to which the residential property
 42 may be entitled under IC 6-1.1-20.9 (before its repeal) or another law



1 other than IC 6-1.1-20.6.

2 (f) If the imposing entity specifies the application of uniform
3 homestead credits under subsection (c)(2)(A), the county auditor shall,
4 for each calendar year in which a homestead credit percentage is
5 authorized under this section, determine:

6 (1) the amount of the certified distribution that is available to
7 provide a homestead credit percentage under this section for the
8 year;

9 (2) the amount of uniformly applied homestead credits for the
10 year in the county that equals the amount determined under
11 subdivision (1); and

12 (3) the percentage of homestead credit under this section that
13 equates to the amount of homestead credits determined under
14 subdivision (2).

15 (g) If the imposing entity specifies the application of uniform
16 residential credits under subsection (c)(2)(B), the county auditor shall
17 determine for each calendar year in which a homestead credit
18 percentage is authorized under this section:

19 (1) the amount of the certified distribution that is available to
20 provide a residential property tax replacement credit percentage
21 for the year;

22 (2) the amount of uniformly applied residential property tax
23 replacement credits for the year in the county that equals the
24 amount determined under subdivision (1); and

25 (3) the percentage of residential property tax replacement credit
26 under this section that equates to the amount of residential
27 property tax replacement credits determined under subdivision
28 (2).

29 (h) The percentage of homestead credit determined by the county
30 auditor under subsection (f) or the percentage of residential property
31 tax replacement credit determined by the county auditor under
32 subsection (g) applies uniformly in the county in the calendar year for
33 which the percentage is determined.

34 (i) If the imposing entity specifies the application of allocated
35 homestead credits under subsection (c)(2)(C), the county auditor shall,
36 for each calendar year in which a homestead credit is authorized under
37 this section, determine:

38 (1) the amount of the certified distribution that is available to
39 provide a homestead credit under this section for the year; and

40 (2) except as provided in subsection (1), a percentage of
41 homestead credit for each taxing district in the county that
42 allocates to the taxing district an amount of homestead credits that



1 bears the same proportion to the amount determined under
 2 subdivision (1) that the amount of inventory assessed value
 3 deducted under IC 6-1.1-12-42 in the taxing district for the
 4 assessment date in 2006 bears to the total inventory assessed
 5 value deducted under IC 6-1.1-12-42 in the county for the
 6 assessment date in 2006.

7 (j) If the imposing entity specifies the application of allocated
 8 residential property tax replacement credits under subsection (c)(2)(D),
 9 the county auditor shall determine for each calendar year in which a
 10 residential property tax replacement credit is authorized under this
 11 section:

12 (1) the amount of the certified distribution that is available to
 13 provide a residential property tax replacement credit under this
 14 section for the year; and

15 (2) except as provided in subsection (1), a percentage of
 16 residential property tax replacement credit for each taxing district
 17 in the county that allocates to the taxing district an amount of
 18 residential property tax replacement credits that bears the same
 19 proportion to the amount determined under subdivision (1) that
 20 the amount of inventory assessed value deducted under
 21 IC 6-1.1-12-42 in the taxing district for the assessment date in
 22 2006 bears to the total inventory assessed value deducted under
 23 IC 6-1.1-12-42 in the county for the assessment date in 2006.

24 (k) **This subsection does not apply to a county in which the**
 25 **county fiscal body adopts an ordinance to provide for the use of the**
 26 **certified distribution described in section 16 of this chapter to fund**
 27 **a public transportation project under IC 8-25.** The county auditor
 28 shall retain from the payments of the county's certified distribution an
 29 amount equal to the revenue lost, if any, due to the homestead credit or
 30 residential property tax replacement credit provided under this section
 31 within the county. The money shall be distributed to the civil taxing
 32 units and school corporations of the county:

33 (1) as if the money were from property tax collections; and

34 (2) in such a manner that no civil taxing unit or school
 35 corporation will suffer a net revenue loss because of the
 36 allowance of a homestead credit or residential property tax
 37 replacement credit under this section.

38 (l) **This subsection does not apply to a county in which the**
 39 **county fiscal body adopts an ordinance to provide for the use of the**
 40 **certified distribution described in section 16 of this chapter to fund**
 41 **a public transportation project under IC 8-25.** Subject to the
 42 approval of the imposing entity, the county auditor may adjust the



1 increased percentage of:

- 2 (1) homestead credit determined under subsection (i)(2) if the
 3 county auditor determines that the adjustment is necessary to
 4 achieve an equitable reduction of property taxes among the
 5 homesteads in the county; or
 6 (2) residential property tax replacement credit determined under
 7 subsection (j)(2) if the county auditor determines that the
 8 adjustment is necessary to achieve an equitable reduction of
 9 property taxes among the residential property in the county.

10 **(m) This section applies to Hamilton County and Marion**
 11 **County. If the voters of a county approve a local public question**
 12 **under IC 8-25-2, the fiscal body of the county may adopt an**
 13 **ordinance to provide for the use of the certified distribution**
 14 **described in section 16 of this chapter to fund a public**
 15 **transportation project under IC 8-25. An ordinance adopted under**
 16 **this subsection must specify an additional tax rate to be imposed in**
 17 **the county of at least one-tenth percent (0.1%), but not more than**
 18 **twenty-five hundredths percent (0.25%). If an ordinance is**
 19 **adopted under this subsection, the amount of the certified**
 20 **distribution attributable to the additional tax rate specified in the**
 21 **ordinance and authorized by section 5(o) of this chapter to fund a**
 22 **public transportation project under IC 8-25 must be:**

- 23 (1) retained by the county auditor; and
 24 (2) used for the purpose provided in this subsection instead of
 25 the purposes specified in the capital improvement plan
 26 adopted under section 15 of this chapter.

27 SECTION 13. IC 8-25 IS ADDED TO THE INDIANA CODE AS
 28 A NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1,
 29 2014]:

30 **ARTICLE 25. CENTRAL INDIANA PUBLIC**
 31 **TRANSPORTATION PROJECTS**

32 **Chapter 1. General Provisions**

33 **Sec. 1. The purpose of this article is to provide a flexible means**
 34 **of planning, designing, acquiring, constructing, enlarging,**
 35 **improving, renovating, maintaining, equipping, financing,**
 36 **operating, and supporting public transportation systems that can**
 37 **be adapted to the unique circumstances existing in central Indiana.**

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

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



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defined in IC 8-9.5-9-4).

Sec. 4. "Eligible county" means one (1) or more of the following counties:

- (1) Delaware County.
- (2) Hamilton County.
- (3) Hancock County.
- (4) Hendricks County.
- (5) Johnson County.
- (6) Madison County.
- (7) Marion County.

Sec. 5. "Light rail" means a streetcar type vehicle railway operated on city streets, semi-private rights-of-way, or exclusive private rights-of-way using step-entry vehicles or level boarding.

Sec. 6. "Public transportation project" refers to an action taken to:

- (1) plan;
- (2) design;
- (3) acquire;
- (4) construct;
- (5) enlarge;
- (6) improve;
- (7) renovate;
- (8) maintain;
- (9) equip; or
- (10) operate;

a public transportation system in an eligible county.

Sec. 7. "Public transportation agency" has the meaning set forth in IC 36-9-1-5.5.

Sec. 8. "Public transportation system" means any common carrier of passengers for hire.

Chapter 2. Local Public Questions on Central Indiana Public Transportation Projects

Sec. 1. Except as provided in IC 8-25-4-6, the fiscal body of an eligible county may adopt an ordinance to place on the ballot a local public question granting the fiscal body of the eligible county the authority to fund and carry out a public transportation project.

The fiscal body shall include in the ordinance:

- (1) a description of the public transportation services that will be provided through the proposed public transportation project; and
- (2) an estimate of each tax necessary to annually fund the public transportation project.



1 **Sec. 2. (a) This section applies to Hamilton County and Marion**
 2 **County.**

3 **(b) If a fiscal body of an eligible county adopts an ordinance**
 4 **under section 1 of this chapter, the county auditor shall certify the**
 5 **ordinance to the county election board, and the county election**
 6 **board shall place the following question on the election ballot in**
 7 **accordance with IC 3-10-9:**

8 **"Shall _____ County have the ability to impose a county**
 9 **economic development income tax rate, not to exceed a rate of**
 10 **_____ (insert recommended rate included in the**
 11 **ordinance authorizing the local public question), to pay for**
 12 **improving or establishing public transportation service in the**
 13 **county through a public transportation project that**
 14 **_____ (insert the description of the public**
 15 **transportation project set forth in the ordinance authorizing**
 16 **the local public question)?"**.

17 **Sec. 3. (a) This section applies to Delaware County and Madison**
 18 **County.**

19 **(b) If a fiscal body of an eligible county adopts an ordinance**
 20 **under section 1 of this chapter, the county auditor shall certify the**
 21 **ordinance to the county election board, and the county election**
 22 **board shall place the following question on the election ballot in**
 23 **accordance with IC 3-10-9:**

24 **"Shall _____ County have the ability to impose a county**
 25 **option income tax rate, not to exceed a rate of _____**
 26 **(insert recommended rate included in the ordinance**
 27 **authorizing the local public question), to pay for improving or**
 28 **establishing public transportation service in the county**
 29 **through a public transportation project that _____**
 30 **(insert the description of the public transportation project set**
 31 **forth in the ordinance authorizing the local public**
 32 **question)?"**.

33 **Sec. 4. (a) This section applies to Hancock County, Hendricks**
 34 **County, and Johnson County.**

35 **(b) If a fiscal body of an eligible county adopts an ordinance**
 36 **under section 1 of this chapter, the county auditor shall certify the**
 37 **ordinance to the county election board, and the county election**
 38 **board shall place the following question on the election ballot in**
 39 **accordance with IC 3-10-9:**

40 **"Shall _____ County have the ability to impose a county**
 41 **adjusted gross income tax rate, not to exceed a rate of**
 42 **_____ (insert recommended rate included in the**



1 ordinance authorizing the local public question), to pay for
 2 improving or establishing public transportation service in the
 3 county through a public transportation project that
 4 _____ (insert the description of the public
 5 transportation project set forth in the ordinance authorizing
 6 the local public question)?".

7 Sec. 5. Except as provided in section 8 of this chapter, if a
 8 county auditor certifies an ordinance under section 2, 3, or 4 of this
 9 chapter, the county election board shall place the local public
 10 question on the ballot at the next general election for which the
 11 question may be certified under IC 3-10-9-3 and for which all
 12 voters of the county are entitled to vote.

13 Sec. 6. After an election on the local public question, the circuit
 14 court clerk of the county shall:

- 15 (1) make a certified copy of the election returns; and
 16 (2) not later than five (5) days after the election, file the copy
 17 with:
 18 (A) the department of state revenue; and
 19 (B) the fiscal body of the county.

20 Sec. 7. The local public question is approved by a county if a
 21 majority of the county voters voting on the local public question
 22 vote "yes". The local public question is defeated by a county if a
 23 majority of the county voters voting on the local public question
 24 vote "no".

25 Sec. 8. If the local public question is defeated in a county, the
 26 fiscal body may adopt an ordinance under this section to place
 27 another local public question on the ballot as provided in this
 28 section at a subsequent general election in the county. However, a
 29 local public question under this section may not be placed on the
 30 ballot more than two (2) times in any seven (7) year period.

31 Sec. 9. Nothing in this article creates a moral obligation of the
 32 state:

- 33 (1) to pay for any transportation project or service or other
 34 amounts under this article;
 35 or
 36 (2) to pay any bonds issued under this article.

37 Sec. 10. No general tax revenues of the state may be used to pay
 38 for a transportation project or service under this article. However,
 39 this section does not apply to distributions from the public mass
 40 transportation fund.

41 Sec. 11. (a) Except as otherwise provided in this section, during
 42 the period beginning with the date on which an ordinance is



1 adopted under this chapter to place a local public question on the
 2 ballot and continuing through the day on which the public question
 3 is submitted to the voters under this chapter, a political subdivision
 4 may not promote a position on the local public question by doing
 5 any of the following:

6 (1) Using facilities or equipment, including mail and
 7 messaging systems, owned by the political subdivision to
 8 promote a position on the local public question, unless equal
 9 access to the facilities or equipment is given to persons with a
 10 position opposite to that of the political subdivision.

11 (2) Making an expenditure of money from a fund controlled
 12 by the political subdivision to promote a position on the local
 13 public question.

14 (3) Using an employee to promote a position on the local
 15 public question during the employee's normal working hours
 16 or paid overtime, or otherwise compelling an employee to
 17 promote a position on the local public question at any time.
 18 However, if a person described in subsection (b) is advocating
 19 for or against a position on the local public question or
 20 discussing the local public question as authorized under
 21 subsection (b), an employee of the political subdivision may
 22 assist the person in presenting information on the public
 23 question if requested to do so by the person described in
 24 subsection (b).

25 However, this section does not prohibit an official or employee of
 26 the political subdivision from carrying out duties with respect to a
 27 local public question that are part of the normal and regular
 28 conduct of the official's or employee's office or agency, including
 29 the furnishing of factual information regarding the local public
 30 question in response to inquiries from any person.

31 (b) Notwithstanding any other law, an elected or appointed
 32 official of a political subdivision may:

33 (1) personally advocate for or against a position on a local
 34 public question; or

35 (2) discuss the public question with any individual, group, or
 36 organization or personally advocate for or against a position
 37 on a local public question before any individual, group, or
 38 organization;

39 so long as it is not done by using public funds. Advocacy or
 40 discussion allowed under this subsection is not considered a use of
 41 public funds.

42 Chapter 3. Funding for Central Indiana Public Transportation



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Projects

Sec. 1. (a) This section applies to Hamilton County and Marion County.

(b) If the voters of an eligible county approve a local public question under IC 8-25-2, the fiscal body of the eligible county may, subject to section 4 of this chapter, adopt an ordinance under IC 6-3.5-7-26(m) to impose an additional county economic development income tax rate as allowed by IC 6-3.5-7-5(o) for the public transportation project.

Sec. 2. (a) This section applies to Delaware County and Madison County.

(b) If the voters of an eligible county approve a local public question under IC 8-25-2, the fiscal body of the eligible county may, subject to section 4 of this chapter, adopt an ordinance under IC 6-3.5-6-30(t) to impose an additional county option income tax rate for the public transportation project.

Sec. 3. (a) This section applies to Hancock County, Hendricks County, and Johnson County.

(b) If the voters of an eligible county approve a local public question under IC 8-25-2, the fiscal body of the eligible county may, subject to section 4 of this chapter, adopt an ordinance under IC 6-3.5-1.1-24(s) to impose an additional county adjusted gross income tax rate for the public transportation project.

Sec. 4. The fiscal body of an eligible county may not adopt an ordinance imposing a tax rate or a tax for a public transportation project unless the tax rate or tax was described in an ordinance adopted under IC 8-25-2-1 and in the local public question on the approval of the public transportation project.

Sec. 5. (a) The minimum tax rate for a county adjusted gross income tax, county option income tax, or county economic development income tax that may be imposed to fund a public transportation project is one-tenth percent (0.1%).

(b) The maximum tax rate for a county adjusted gross income tax, county option income tax, or county economic development income tax that may be imposed to fund a public transportation project is twenty-five hundredths percent (0.25%).

Sec. 6. (a) If the fiscal body of an eligible county imposes taxes to fund a public transportation project, the county treasurer of the eligible county shall establish a county public transportation project fund to receive tax revenues collected for the public transportation project.

(b) Money in a fund established under subsection (a) at the end



1 of the eligible county's fiscal year remains in the fund. Interest
2 earned by the fund must be deposited in the fund.

3 (c) Money deposited in an eligible county's public transportation
4 project fund may be used only to purchase, establish, operate,
5 repair, or maintain a public transportation project authorized
6 under this article. Money in the fund may be pledged by the fiscal
7 body of the eligible county to the repayment of bonds issued for
8 purposes of a public transportation project authorized under this
9 article.

10 (d) The fiscal body of an eligible county may, in the manner
11 provided by law, appropriate money from the fund to a public
12 transportation corporation that is authorized to purchase,
13 establish, operate, repair, or maintain the public transportation
14 project if the public transportation project is located, either
15 entirely or partially, within the eligible county.

16 Sec. 7. For purposes of this chapter, IC 36-9-2-2(b), and
17 IC 36-9-4-58(b), the purchase of equipment or other personal
18 property is considered an operating expense if the equipment or
19 other personal property has a useful life of less than three (3)
20 years.

21 **Chapter 4. Carrying Out Central Indiana Public Transportation**
22 **Projects**

23 **Sec. 1. An eligible county may carry out a public transportation**
24 **project in accordance with the powers granted to the county by**
25 **IC 36-9-2 and this article.**

26 **Sec. 2. The fiscal body of an eligible county may adopt an**
27 **ordinance authorizing a public transportation corporation to carry**
28 **out a public transportation project in accordance with the powers**
29 **granted to the public transportation corporation under IC 36-9-4**
30 **and subject to the appropriating power of the fiscal body and any**
31 **other powers reserved for the fiscal body by this article.**

32 **Sec. 3. The fiscal body of an eligible county may adopt an**
33 **ordinance authorizing the executive of the county to enter into an**
34 **interlocal agreement with the executive of another eligible county**
35 **to carry out jointly a public transportation project approved by the**
36 **voters of both counties in local public questions held under this**
37 **article.**

38 **Sec. 4. The fiscal body of an eligible county may adopt an**
39 **ordinance authorizing the executive of the county to enter into one**
40 **(1) or more public-private partnership contracts under which a**
41 **public transportation project is carried out, in whole or in part, by**
42 **one (1) or more nongovernmental entities.**



1 **Sec. 5. If an ordinance authorizing public-private partnership**
 2 **contracts is adopted under section 4 of this chapter, the executive**
 3 **of the eligible county shall issue a request for proposals with**
 4 **respect to each proposed public-private partnership contract and**
 5 **award each contract under IC 5-22-9.**

6 **Sec. 6. An eligible county may carry out only one (1) public**
 7 **transportation project under this article. The fiscal body of an**
 8 **eligible county may not adopt a subsequent ordinance under**
 9 **IC 8-25-2-1 after a public transportation project is approved by the**
 10 **voters of the county under IC 8-25-2.**

11 **Sec. 7. An eligible county may not:**

- 12 (1) purchase, lease, or otherwise acquire;
 13 (2) construct;
 14 (3) operate;
 15 (4) cause any person to purchase, lease, acquire, construct, or
 16 operate; or
 17 (5) expend tax revenues deposited in the county public
 18 transportation project fund established under IC 8-25-3-7 on;
 19 **a light rail project.**

20 **Sec. 8. (a) As used in this section, "minority business enterprise"**
 21 **has the meaning set forth in IC 4-13-16.5-1.**

22 **(b) As used in this section, "veteran business enterprise" means**
 23 **a business enterprise that has a current verification as a veteran**
 24 **owned small business concern under 38 CFR 74 et seq. by the**
 25 **Center of Veterans Enterprise of the United States Department of**
 26 **Veterans Affairs.**

27 **(c) As used in this section, "women's business enterprise" has**
 28 **the meaning set forth in IC 4-13-16.5-1.3.**

29 **(d) Except where 49 CFR 26 applies, the fiscal body of an**
 30 **eligible county or another person authorized to carry out a public**
 31 **transportation project under this chapter shall set a goal for**
 32 **participation by minority business enterprises, veteran business**
 33 **enterprises, and women's business enterprises in conformity with**
 34 **the goals established by the department of minority and women's**
 35 **business development of a consolidated city and the goals of the**
 36 **department of administration established under IC 5-22-14-11 for**
 37 **veteran business enterprises. The goals must be consistent with the**
 38 **goals of delivering the project on time and within the budgeted**
 39 **amount and, insofar as possible, using Indiana businesses for**
 40 **employees, goods, and services.**

41 **Chapter 5. Bonding for Central Indiana Public Transportation**
 42 **Projects**



1 **Sec. 1.** This chapter applies to the issuance of bonds by an
 2 eligible county for purposes of a public transportation project
 3 authorized under this article.

4 **Sec. 2.** As used in this chapter, "bonds" has the meaning set
 5 forth in IC 36-1-2-2.

6 **Sec. 3. (a)** Upon request of the county executive, the county
 7 fiscal body may borrow money and issue bonds in the name of the
 8 county in principal amounts and maturities as the fiscal body
 9 determines necessary to provide sufficient funds for the purposes
 10 specified in this article, including:

- 11 (1) the payment of costs of the public transportation project
 12 for which bonds are authorized, costs of issuance, or related
 13 costs of financing;
- 14 (2) the payment of interest on the bonds;
- 15 (3) the establishment of reserves to secure the bonds; and
- 16 (4) all other expenditures of the county incident to, necessary,
 17 and convenient to carry out this chapter.

18 **(b)** Before bonds may be issued under this chapter, the county
 19 fiscal body shall give notice of a public hearing to disclose the
 20 purpose for which the bond issue is proposed, the amount of the
 21 proposed issue, and other pertinent data. The county fiscal body
 22 shall publish in accordance with IC 5-3-1 a notice of the time,
 23 place, and general purpose of the hearing.

24 **Sec. 4. (a)** The bonds must be authorized by ordinance of the
 25 fiscal body. The ordinance must provide the following with respect
 26 to the bonds:

- 27 (1) The original date of the bonds.
- 28 (2) The time or times that the bonds mature. However, a bond
 29 may not mature more than twenty (20) years after the date it
 30 is issued.
- 31 (3) The maximum interest rate or rates, including variations
 32 of the rates.
- 33 (4) The denominations.
- 34 (5) The form, either coupon or registered.
- 35 (6) The registration privileges.
- 36 (7) The medium of payment and the place or places of
 37 payment.
- 38 (8) The terms of redemption, including redemption before
 39 maturity.

40 **(b)** Bonds issued under this chapter must be sold under
 41 IC 5-1-11, and at a price or prices determined by the county fiscal
 42 body in the ordinance.



1 **Sec. 5. An ordinance authorizing the issuance of bonds under**
 2 **this chapter or trust indenture under which the bonds are issued**
 3 **may contain the following provisions:**

4 **(1) Pledging revenues of the county to secure the payment of**
 5 **the bonds, subject to section 6 of this chapter and existing**
 6 **agreements with bondholders.**

7 **(2) Setting aside reserves or sinking funds and the regulation**
 8 **and disposition of these funds.**

9 **(3) Limitations on the purposes to which the proceeds from**
 10 **the sale of bonds may be applied.**

11 **(4) Limitations on the issuance of additional bonds, the terms**
 12 **upon which additional bonds may be issued and secured, and**
 13 **the refunding of outstanding or other bonds.**

14 **(5) The procedure, if any, by which the terms of a contract**
 15 **with bondholders may be amended or abrogated and the**
 16 **manner in which the consent to the amendment or abrogation**
 17 **may be given.**

18 **(6) Vesting in a trustee property, rights, powers, and trust as**
 19 **the county fiscal body determines, and limiting or abrogating**
 20 **the right of the bondholders to appoint a trustee or to limit the**
 21 **rights, powers, and duties of the trustee.**

22 **(7) Defining acts or omissions that will constitute a default**
 23 **and the obligations or duties of the county fiscal body to the**
 24 **bondholders and providing for the rights and remedies of the**
 25 **bondholders in the event of default. However, the rights and**
 26 **remedies must not be inconsistent with this chapter or other**
 27 **laws of this state.**

28 **(8) A covenant that the fiscal body will not repeal or adversely**
 29 **modify the taxes or sources of revenue that are pledged to**
 30 **secure the payment of the bonds.**

31 **(9) Any other matter that affects the security or protection of**
 32 **the bondholders.**

33 **Sec. 6. (a) Except as provided in subsection (b), the county fiscal**
 34 **body may pledge revenues for the payment of principal and**
 35 **interest on the bonds and for other purposes under the ordinance**
 36 **as provided by IC 5-1-14-4, including revenues from the following**
 37 **sources:**

38 **(1) The county adjusted gross income tax in Hancock County,**
 39 **Hendricks County, or Johnson County.**

40 **(2) The county option income tax in Delaware County or**
 41 **Madison County.**

42 **(3) The county economic development income tax in Hamilton**



- 1 **County or Marion County.**
 2 **(b) The county fiscal body may not pledge to levy ad valorem**
 3 **property taxes for these purposes.**
 4 **(c) If the county fiscal body has pledged revenues from the**
 5 **county economic development income tax as set forth in subsection**
 6 **(a), the county fiscal body may covenant that the county fiscal body**
 7 **will not repeal or modify the tax in a manner that would adversely**
 8 **affect owners of outstanding bonds issued under this chapter. The**
 9 **county fiscal body may make the covenant by adopting an**
 10 **ordinance.**
 11 **Sec. 7. (a) The bonds may be secured by a trust indenture**
 12 **between the county and a bank having the power of a trust**
 13 **company or any trust company.**
 14 **(b) The trust indenture may provide for:**
 15 **(1) protecting and enforcing the rights and remedies of the**
 16 **bondholders as are reasonable and proper and not in violation**
 17 **of law;**
 18 **(2) covenants setting forth the duties of the county fiscal body**
 19 **in relation to the exercise of its powers and the custody,**
 20 **safekeeping, and application of money related to the bond**
 21 **financing for which the trust indenture exists;**
 22 **(3) the payment of the proceeds of the bonds and the revenue**
 23 **of the trustee under the trust indenture; and**
 24 **(4) the method of disbursement of the proceeds of the bonds**
 25 **and the revenue to the trustee, with safeguards and**
 26 **restrictions as the county fiscal body may determine.**
 27 **Sec. 8. Bonds issued by the county under this chapter must be**
 28 **executed by the manual or facsimile signatures of the executive and**
 29 **attested to by the county auditor.**
 30 **Sec. 9. Money received from the bonds issued under this chapter**
 31 **shall be applied solely to the purposes for which the bonds were**
 32 **issued, except as provided in IC 5-1-13 and IC 5-1-14.**
 33 **Sec. 10. The bonds are negotiable instruments, subject only to**
 34 **the provisions of the bonds relating to registration.**
 35 **Sec. 11. Bonds issued under this chapter are exempt from**
 36 **taxation in Indiana under IC 6-8-5.**
 37 **Sec. 12. Bonds issued by the county under this chapter are**
 38 **exempt from registration and other requirements of IC 23 and any**
 39 **other securities registration laws.**
 40 **Sec. 13. The general assembly pledges to and covenants with the**
 41 **owner of any bonds issued under this chapter that the general**
 42 **assembly will not limit or alter the ability of the county to fulfill the**



1 **terms of the agreements or pledges made with bondholders or in**
 2 **any way impair the rights or remedies of the bondholders until the**
 3 **bonds and related obligations are fully met and discharged.**

4 **Sec. 14. IC 6-1.1-20 does not apply to the issuance of bonds**
 5 **under this chapter.**

6 **Sec. 15. Bonds issued under this chapter do not create a moral**
 7 **obligation of the state to pay all or part of the debt.**

8 SECTION 14. IC 12-29-2-2, AS AMENDED BY P.L.123-2008,
 9 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 10 JULY 1, 2014]: Sec. 2. (a) A county shall fund the operation of
 11 community mental health centers in the amount determined under
 12 subsection (b), unless a lower tax levy amount will be adequate to
 13 fulfill the county's financial obligations under this chapter in any of the
 14 following situations:

15 (1) If the total population of the county is served by one (1)
 16 center.

17 (2) If the total population of the county is served by more than one
 18 (1) center.

19 (3) If the partial population of the county is served by one (1)
 20 center.

21 (4) If the partial population of the county is served by more than
 22 one (1) center.

23 (b) The amount of funding under subsection (a) for taxes first due
 24 and payable in a calendar year is the following:

25 (1) For 2004, the amount is the amount determined under STEP
 26 THREE of the following formula:

27 STEP ONE: Determine the amount that was levied within the
 28 county to comply with this section from property taxes first
 29 due and payable in 2002.

30 STEP TWO: Multiply the STEP ONE result by the county's
 31 assessed value growth quotient for the ensuing year 2003, as
 32 determined under IC 6-1.1-18.5-2.

33 STEP THREE: Multiply the STEP TWO result by the county's
 34 assessed value growth quotient for the ensuing year 2004, as
 35 determined under IC 6-1.1-18.5-2.

36 (2) Except as provided in subsection (c), for 2005 and each year
 37 thereafter, the result equal to:

38 (A) the amount that was levied in the county to comply with
 39 this section from property taxes first due and payable in the
 40 calendar year immediately preceding the ensuing calendar
 41 year; multiplied by

42 (B) the county's assessed value growth quotient for the ensuing



1 calendar year, as determined under IC 6-1.1-18.5-2.
 2 (c) This subsection applies only to property taxes first due and
 3 payable after December 31, 2007. This subsection applies only to a
 4 county for which:

- 5 (1) a county adjusted gross income tax rate is first imposed or is
 6 increased in a particular year under IC 6-3.5-1.1-24; or
 7 (2) a county option income tax rate is first imposed or is increased
 8 in a particular year under IC 6-3.5-6-30;

9 **to provide property tax relief in the county.** Notwithstanding any
 10 provision in this section or any other section of this chapter, for a
 11 county subject to this subsection, the county's maximum property tax
 12 levy under this section to fund the operation of community mental
 13 health centers for the ensuing calendar year is equal to the county's
 14 maximum property tax levy to fund the operation of community mental
 15 health centers for the current calendar year.

16 (d) Except as provided in subsection (h), the county shall pay to the
 17 division of mental health and addiction the part of the funding
 18 determined under subsection (b) that is appropriated solely for funding
 19 the operations of a community health center. The funding required
 20 under this section for operations of a community health center shall be
 21 paid by the county to the division of mental health and addiction. These
 22 funds shall be used solely for satisfying the non-federal share of
 23 medical assistance payments to community mental health centers
 24 serving the county for:

- 25 (1) allowable administrative services; and
 26 (2) community mental health rehabilitation services.

27 All other funding appropriated for the purposes allowed under section
 28 1.2(b)(1) of this chapter shall be paid by the county directly to the
 29 community mental health center semiannually at the times that the
 30 payments are made under subsection (e).

31 (e) The county shall appropriate and disburse the funds for
 32 operations semiannually not later than December 1 and June 1 in an
 33 amount equal to the amount determined under subsection (b) and
 34 requested in writing by the division of mental health and addiction. The
 35 total funding amount paid to the division of mental health and
 36 addiction for a county for each calendar year may not exceed the
 37 amount that is calculated in subsection (b) and set forth in writing by
 38 the division of mental health and addiction for the county. Funds paid
 39 to the division of mental health and addiction by the county shall be
 40 submitted by the county in a timely manner after receiving the written
 41 request from the division of mental health and addiction, to ensure
 42 current year compliance with the community mental health



1 rehabilitation program and any administrative requirements of the
2 program.

3 (f) The division of mental health and addiction shall ensure that the
4 non-federal share of funding received from a county under this program
5 is applied only for matching federal funds for the designated
6 community mental health centers to the extent a center is eligible to
7 receive county funding under ~~IC 12-21-2-3(a)(5)(E)~~.
8 **IC 12-21-2-3(5)(D)**.

9 (g) The division of mental health and addiction:

10 (1) shall first apply state funding to a community mental health
11 center's non-federal share of funding under this program; and

12 (2) may next apply county funding received under ~~IC 12-29-2-2~~
13 **this section** to any remaining non-federal share of funding for the
14 community mental health center.

15 The division shall distribute any excess state funds that exceed the
16 community mental health rehabilitation services non-federal share
17 applied to a community mental health center that is entitled to the
18 excess state funds.

19 (h) The health and hospital corporation of Marion County created
20 by IC 16-22-8-6 may make payments to the division for the operation
21 of a community mental health center as described in this chapter.

22 SECTION 15. IC 36-9-2-2 IS AMENDED TO READ AS
23 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 2. (a) A unit may
24 establish, aid, maintain, and operate transportation systems.

25 (b) **This subsection applies to an eligible county (as defined by**
26 **IC 8-25-1-4) that establishes a public transportation system**
27 **through a public transportation project authorized and funded**
28 **under IC 8-25. The unit must establish fares and charges that cover**
29 **at least twenty-five percent (25%) of the operating expenses of the**
30 **public transportation system. For purposes of this subsection,**
31 **operating expenses include only those expenses incurred in the**
32 **operation of fixed route services that are established or expanded**
33 **as a result of a public transportation project authorized and**
34 **funded under IC 8-25. The unit annually shall report on the unit's**
35 **compliance with this subsection not later than sixty (60) days after**
36 **the close of the unit's fiscal year. The report must include**
37 **information on any fare increases necessary to achieve compliance.**
38 **The unit shall submit the report to the department of local**
39 **government finance and make the report available electronically**
40 **through the Indiana transparency Internet web site established**
41 **under IC 5-14-3.8.**

42 (c) If a unit fails to prepare and disclose the annual report in the



1 manner required by subsection (b), any person subject to a tax
2 described in IC 8-25 may initiate a cause of action in the circuit
3 court of the eligible county to compel the appropriate officials of
4 the unit to prepare and disclose the annual report not later than
5 thirty (30) days after a court order mandating the unit to comply
6 with subsection (b) is issued by the circuit court.

7 SECTION 16. IC 36-9-4-58 IS AMENDED TO READ AS
8 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 58. (a) An urban mass
9 transportation system operating under this chapter is considered a
10 common carrier not operating under a franchise or contract granted by
11 a municipality and not regulated by ordinance, and is subject to the
12 authority of the department of state revenue under IC 8-2.1 to the same
13 extent as any other common carrier. However, in determining the
14 reasonableness of the fares and charges of such a system, the
15 department of state revenue shall consider, among other factors, the
16 policy of this chapter to foster and assure the development and
17 maintenance of urban mass transportation systems, and it is not
18 necessary that the operating revenues of the system be sufficient to
19 cover the cost to the system of providing adequate service.

20 (b) If a public transportation corporation providing public
21 transportation services in Marion County expands its service
22 through a public transportation project authorized and funded
23 under IC 8-25, the public transportation corporation shall establish
24 fares and charges that cover at least twenty-five percent (25%) of
25 the operating expenses of the urban mass transportation system
26 operated by the public transportation corporation. For purposes
27 of this subsection, operating expenses include only those expenses
28 incurred in the operation of fixed route services that are
29 established or expanded as a result of a public transportation
30 project authorized and funded under IC 8-25. The public
31 transportation corporation annually shall report on the
32 corporation's compliance with this subsection not later than sixty
33 (60) days after the close of the corporation's fiscal year. The report
34 must include information on any fare increases necessary to
35 achieve compliance. The public transportation corporation shall
36 submit the report to the department of local government finance
37 and make the report available electronically through the Indiana
38 transparency Internet web site established under IC 5-14-3.8.

39 (c) If a public transportation corporation fails to prepare and
40 disclose the annual report in the manner required by subsection
41 (b), any person subject to a tax described in IC 8-25 may initiate a
42 cause of action in the circuit court of the eligible county to compel



1 **the appropriate officials of the public transportation corporation**
2 **to prepare and disclose the annual report not later than thirty (30)**
3 **days after a court order mandating the public transportation**
4 **corporation to comply with subsection (b) is issued by the circuit**
5 **court.**



COMMITTEE REPORT

Madam President: The Senate Committee on Tax and Fiscal Policy, to which was referred Senate Bill No. 176, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 4-4-11-15.6, AS AMENDED BY P.L.233-2013, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 15.6. In addition to the powers listed in section 15 of this chapter, the authority may:

- (1) issue bonds under terms and conditions determined by the authority and use the proceeds of the bonds to acquire obligations issued by any entity authorized to acquire, finance, construct, or lease capital improvements under IC 5-1-17;
- (2) issue bonds under terms and conditions determined by the authority and use the proceeds of the bonds to acquire any obligations issued by the northwest Indiana regional development authority established by IC 36-7.5-2-1;
- (3) after December 31, 2009, issue bonds under terms and conditions determined by the authority and use the proceeds of the bonds to acquire any obligations issued by either the commuter rail service board established under IC 8-24-5 or the regional demand and scheduled bus service board established under IC 8-24-6;
- (4) enter into leases and issue bonds under terms and conditions determined by the authority and use the proceeds of the bonds to carry out the purposes of IC 5-1-17.5 within a motorsports investment district; ~~and~~
- (5) perform any other functions determined by the authority to be necessary or appropriate to carry out the purposes of IC 5-1-17.5 within a motorsports investment district; ~~and~~
- (6) issue bonds under terms and conditions determined by the authority and use the proceeds of the bonds to make grants for infrastructure and local public improvements as provided in IC 4-4-11.7.**

SECTION 2. IC 4-4-11.7 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

Chapter 11.7. Additional Authority: Infrastructure Grants

Sec. 1. As used in this chapter, "authority" refers to the Indiana finance authority.

ES 176—LS 6404/DI 92



Sec. 2. As used in this chapter, "bonds" means any bonds, notes, debentures, interim certificates, revenue anticipation notes, warrants, or any other evidences of indebtedness of the authority.

Sec. 3. (a) The authority may issue its bonds in principal amounts that the authority considers necessary to provide funds for the purposes under this chapter, including making grants under section 5 of this chapter.

(b) Every issue of bonds shall be obligations of the authority payable solely out of the revenues or funds of the authority, including any excise surtax revenue and wheel tax revenue transferred to the authority as provided in section 4 of this chapter.

Sec. 4. (a) Upon approval of the executive of a county containing a consolidated city, the authority may pledge for the payment of bonds issued under this chapter an amount not to exceed a total of seven million five hundred thousand dollars (\$7,500,000) each year from excise surtax revenue and wheel tax revenue to be transferred to the authority from a county containing a consolidated city, as provided in this section.

(b) If excise surtax revenue and wheel tax revenues are pledged by the authority as provided in subsection (a), the fiscal officer of the county containing a consolidated city shall each year without appropriation transfer to the authority the amount of excise surtax revenue and wheel tax revenue pledged under subsection (a).

(c) Excise surtax revenue and wheel tax revenue may not be transferred under this section for more than twenty-five (25) years.

Sec. 5. The proceeds of bonds issued under this chapter may be used for any of the following purposes:

(1) Making grants to a county containing a consolidated city to be used for the improving, constructing, reconstructing, renovating, or acquiring of any infrastructure or other local public improvements within the county containing a consolidated city (including but not limited to any sewer lines, waterlines, streets, sidewalks, curbs, bridges, roads, streets, parking facilities, lighting, electric signals, or information and high technology infrastructure (as defined in IC 5-28-9-4)).

(2) Any necessary reserves to secure the payment of the principal and interest on the bonds issued under this chapter.

(3) Bond insurance, debt service reserve insurance, letters of credit, or other credit enhancement related to the bonds issued under this chapter.

Sec. 6. (a) A bond of the authority under this chapter:

(1) is not a debt, liability, loan of the credit, or pledge of the



faith and credit of the state or of any political subdivision;
 (2) is payable solely from the money pledged or available for its payment under this chapter, unless funded or refunded by bonds of the authority; and
 (3) must contain on its face a statement that the authority is obligated to pay principal and interest, and redemption premiums, if any, and that the faith, credit, and taxing power of the state are not pledged to the payment of the bond.

(b) The state pledges to and agrees with the holders of the bonds issued under this chapter that the state will not:

(1) limit or restrict the rights vested in the authority to fulfill the terms of any agreement made with the holders of its bonds; or
 (2) in any way impair the rights or remedies of the holders of the bonds;

until the bonds, together with the interest on the bonds, and interest on unpaid installments of interest, and all costs and expenses in connection with an action or proceeding by or on behalf of the holders, are fully met, paid, and discharged.

Sec. 7. The bonds of the authority are negotiable instruments for all purposes of the Uniform Commercial Code (IC 26), subject only to the provisions of the bonds for registration.

Sec. 8. Except as otherwise provided in this chapter, the authority may issue bonds under this chapter in the same manner and using the same procedures as the authority may issue bonds under IC 4-4-11.4.

Sec. 9. (a) An action to contest the validity of any bonds of the authority to be sold at public sale may not be brought after the fifteenth day following the first publication of notice of the sale of the bonds. An action to contest the validity of any bond sale under this chapter may not be brought after the fifth day following the bond sale.

(b) If bonds are sold at private sale, an action to contest the validity of such bonds may not be brought after the fifteenth day following the adoption of the resolution authorizing the issuance of the bonds.

(c) If an action challenging the bonds of the authority is not brought within the time prescribed by subsection (a) or (b), whichever is applicable, all bonds of the authority are conclusively presumed to be fully authorized and issued under the laws of the state, and a person or a qualified entity is estopped from questioning their authorization, sale, issuance, execution, or



delivery by the authority.

(d) If this chapter is inconsistent with any other law (general, special, or local), this chapter controls.

Sec. 10. Notwithstanding the restrictions of any other law, all financial institutions, investment companies, insurance companies, insurance associations, executors, administrators, guardians, trustees, and other fiduciaries may legally invest sinking funds, money, or other funds belonging to them or within their control in bonds issued under this chapter.

Sec. 11. All property of the authority is public property devoted to an essential public and governmental function and purpose and is exempt from all taxes and special assessments, direct or indirect, of the state or a political subdivision of the state. All bonds issued under this chapter are issued by a body corporate and public of the state, but not a state agency, and for an essential public and governmental purpose and the bonds, the interest thereon, the proceeds received by a holder from the sale of the bonds to the extent of the holder's cost of acquisition, proceeds received upon redemption before maturity, and proceeds received at maturity and the receipt of the interest and proceeds are exempt from taxation in the state for all purposes except a state inheritance tax imposed under IC 6-4.1.

Sec. 12. Any bonds issued by the authority under this chapter are exempt from the registration and other requirements of IC 23-19 and any other securities registration laws.

Sec. 13. This chapter is supplemental to all other statutes governing the authority."

Page 10, line 17, after "to" insert "**Hancock County and**".

Page 12, between lines 39 and 40, begin a new paragraph and insert:

"SECTION 8. IC 6-3.5-4-4, AS AMENDED BY P.L.205-2013, SECTION 89, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) After January 1 but before July 1 of any year, the adopting entity may, subject to the limitations imposed by subsection (b), adopt an ordinance to rescind the surtax. If the adopting entity adopts such an ordinance, the surtax does not apply to a motor vehicle registered after December 31 of the year the ordinance is adopted.

(b) The adopting entity may not adopt an ordinance to rescind the surtax unless it concurrently adopts an ordinance under IC 6-3.5-5 to rescind the wheel tax. In addition, the adopting entity may not adopt an ordinance to rescind the surtax if:

(1) any portion of a loan obtained by the county under IC 8-14-8



is unpaid; ~~or~~

(2) any bonds issued by the county under IC 8-14-9 are outstanding; ~~or~~

(3) any bonds issued under IC 4-4-11.7 are outstanding.

SECTION 9. IC 6-3.5-4-5, AS AMENDED BY P.L.205-2013, SECTION 90, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) The adopting entity may, subject to the limitations imposed by subsection (b), adopt an ordinance to increase or decrease the surtax rate or amount. The new surtax rate or amount must be within the range of rates or amounts prescribed by section 2 of this chapter. A new rate or amount that is established by an ordinance that is adopted after December 31 but before July 1 of the following year applies to motor vehicles registered after December 31 of the year in which the ordinance to change the rate or amount is adopted. A new rate or amount that is established by an ordinance that is adopted after June 30 but before January 1 of the following year applies to motor vehicles registered after December 31 of the year following the year in which the ordinance is adopted.

(b) The adopting entity may not adopt an ordinance to decrease the surtax rate or amount under this section if:

(1) any portion of a loan obtained by the county under IC 8-14-8 is unpaid; ~~or~~

(2) any bonds issued by the county under IC 8-14-9 are outstanding; ~~or~~

(3) any bonds issued under IC 4-4-11.7 are outstanding.

SECTION 10. IC 6-3.5-4-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12. (a) In the case of a county that contains a consolidated city, the city-county council may appropriate money derived from the surtax to the department of transportation established by IC 36-3-5-4 for use by the department under law. The city-county council may not appropriate money derived from the surtax for any other purpose.

(b) Money derived from the surtax may also be used and transferred as provided in IC 4-4-11.7 without appropriation.

SECTION 11. IC 6-3.5-5-6, AS AMENDED BY P.L.205-2013, SECTION 96, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) After January 1 but before July 1 of any year, the adopting entity may, subject to the limitations imposed by subsection (b), adopt an ordinance to rescind the wheel tax. If the adopting entity adopts such an ordinance, the wheel tax does not apply to a vehicle registered after December 31 of the year the ordinance is adopted.



(b) The adopting entity may not adopt an ordinance to rescind the wheel tax unless it concurrently adopts an ordinance under IC 6-3.5-4 to rescind the annual license excise surtax. In addition, the adopting entity may not adopt an ordinance to rescind the wheel tax if:

(1) any portion of a loan obtained by the county under IC 8-14-8 is unpaid; ~~or~~

(2) any bonds issued by the county under IC 8-14-9 are outstanding; **or**

(3) any bonds issued under IC 4-4-11.7 are outstanding.

SECTION 12. IC 6-3.5-5-7, AS AMENDED BY P.L.205-2013, SECTION 97, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. (a) The adopting entity may, subject to the limitations imposed by subsection (b), adopt an ordinance to increase or decrease the wheel tax rates. The new wheel tax rates must be within the range of rates prescribed by section 2 of this chapter. New rates that are established by an ordinance that is adopted after December 31 but before July 1 of the following year apply to vehicles registered after December 31 of the year in which the ordinance to change the rates is adopted. New rates that are established by an ordinance that is adopted after June 30 but before July 1 of the following year apply to motor vehicles registered after December 31 of the year following the year in which the ordinance is adopted.

(b) The adopting entity may not adopt an ordinance to decrease the wheel tax rate under this section if:

(1) any portion of a loan obtained by the county under IC 8-14-8 is unpaid; ~~or~~

(2) any bonds issued by the county under IC 8-14-9 are outstanding; **or**

(3) any bonds issued under IC 4-4-11.7 are outstanding.

SECTION 13. IC 6-3.5-5-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 14. (a) In the case of a county that contains a consolidated city, the city-county council may appropriate money derived from the wheel tax to:

(1) the department of transportation established by IC 36-3-5-4 for use by the department under law; or

(2) an authority established under IC 36-7-23.

(b) The city-county council may not appropriate money derived from the wheel tax for any other purpose.

(c) Money derived from the wheel tax may also be used and transferred as provided in IC 4-4-11.7 without appropriation."

Page 34, between lines 14 and 15, begin a new line block indented and insert:



"(3) Hancock County."

Page 34, line 15, delete "(3)" and insert "(4)".

Page 34, line 16, delete "(4)" and insert "(5)".

Page 34, line 17, delete "(5)" and insert "(6)".

Page 34, line 24, delete "IC 8-25-1-6." and insert **"IC 8-25-1-7."**

Page 38, between lines 27 and 28, begin a new line block indented and insert:

"(3) Hancock County."

Page 38, line 28, delete "(3)" and insert "(4)".

Page 38, line 29, delete "(4)" and insert "(5)".

Page 38, line 30, delete "(5)" and insert "(6)".

Page 39, line 9, delete "IC 8-25-1-6." and insert **"IC 8-25-1-7."**

Page 41, between lines 21 and 22, begin a new line block indented and insert:

"(3) Hancock County."

Page 41, line 22, delete "(3)" and insert "(4)".

Page 41, line 23, delete "(4)" and insert "(5)".

Page 41, line 24, delete "(5)" and insert "(6)".

Page 41, between lines 24 and 25, begin a new paragraph and insert:

"Sec. 6. "Light rail" means a streetcar type vehicle railway operated on city streets, semi-private rights-of-way, or exclusive private rights-of-way using step-entry vehicles or level boarding."

Page 41, line 25, delete "6." and insert "7."

Page 41, line 38, delete "7." and insert "8."

Page 41, line 40, delete "8." and insert "9."

Page 43, line 15, after "to" insert **"Hancock County and"**.

Page 44, between lines 17 and 18, begin a new paragraph and insert:

"Sec. 9. Nothing in this article creates a moral obligation of the state:

(1) to pay for any transportation project or service or other amounts under this article;

or

(2) to pay any bonds issued under this article.

Sec. 10. No general tax revenues of the state may be used to pay for a transportation project or service under this article. However, this section does not apply to distributions from the public mass transportation fund."

Page 45, line 5, after "to" insert **"Hancock County and"**.

Page 47, between lines 7 and 8, begin a new paragraph and insert:

"Sec. 7. An eligible county may not:

(1) purchase, lease, or otherwise acquire;

(2) construct;



- (3) operate;
- (4) cause any person to purchase, lease, acquire, construct, or operate; or
- (5) expend tax revenues deposited in the county public transportation project fund established under IC 8-25-3-7 on; a light rail project.

Sec. 8. If a transportation project is approved in an eligible county, transportation services must be provided through the transportation project throughout the eligible county and must be made available under this article to all citizens of the county."

Page 49, line 5, after "in" insert "**Hancock County or**".

Page 53, between lines 12 and 13, begin a new paragraph and insert:

"SECTION 19. IC 36-9-4-37 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 37. (a) The board of directors of a public transportation corporation may appoint or employ a general manager, accountants, attorneys, traffic engineers, drivers, clerks, secretaries, guards, laborers, and other employees, and may prescribe and define their duties, regulate their compensation, discharge them, and appoint or employ their successors. Employees shall be selected without regard to race, religion, or any personal affiliation. The board shall select the general manager on the basis of his fitness for the position, taking into account his executive ability and his knowledge of and experience in the field of mass public transportation.

(b) **This subsection does not apply to a public transportation corporation in an eligible county that approves a local public question under IC 8-25.** The board shall bargain collectively and enter into written contracts with authorized labor organizations representing employees other than executive, administrative, or professional personnel. These contracts may provide for the binding arbitration of disputes, wages, salaries, hours, working conditions, health and welfare, insurance, vacations, holidays, sick leave, seniority, pensions, retirement, and other benefits.

(c) **This subsection applies only to a public transportation corporation in an eligible county that approves a local public question under IC 8-25.** The board shall bargain collectively and enter into written contracts with authorized labor organizations representing employees other than executive, administrative, or professional personnel. These contracts may provide for the nonbinding mediation of salaries, wages, and salary and wage related fringe benefits, including accident, sickness, health, dental, vision, life, disability, retirement benefits, and paid time off.



Page 54, after line 7, begin a new paragraph and insert:
"SECTION 28. **An emergency is declared for this act.**".
Re-number all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 176 as introduced.)

HERSHMAN, Chairperson

Committee Vote: Yeas 8, Nays 4.

SENATE MOTION

MADAM PRESIDENT: I move that Senate Bill 176 be amended to read as follows:

Page 1, delete lines 1 through 16.
Delete pages 2 through 4.
Page 5, delete lines 1 through 4.
Page 16, delete lines 18 through 42.
Delete page 17.
Page 18, delete lines 1 through 28.
Page 61, delete line 17.
Re-number all SECTIONS consecutively.
(Reference is to SB 176 as printed January 29, 2014.)

KENLEY

SENATE MOTION

Madam President: I move that Senate Bill 176 be amended to read as follows:

Page 50, between lines 23 and 24, begin a new paragraph and insert:
"Sec. 11. (a) Except as otherwise provided in this section, during the period beginning with the date on which an ordinance is adopted under this chapter to place a local public question on the ballot and continuing through the day on which the public question is submitted to the voters under this chapter, a political subdivision may not promote a position on the local public question by doing

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any of the following:

- (1) Using facilities or equipment, including mail and messaging systems, owned by the political subdivision to promote a position on the local public question, unless equal access to the facilities or equipment is given to persons with a position opposite to that of the political subdivision.
- (2) Making an expenditure of money from a fund controlled by the political subdivision to promote a position on the local public question.
- (3) Using an employee to promote a position on the local public question during the employee's normal working hours or paid overtime, or otherwise compelling an employee to promote a position on the local public question at any time. However, if a person described in subsection (b) is advocating for or against a position on the local public question or discussing the local public question as authorized under subsection (b), an employee of the political subdivision may assist the person in presenting information on the public question if requested to do so by the person described in subsection (b).

However, this section does not prohibit an official or employee of the political subdivision from carrying out duties with respect to a local public question that are part of the normal and regular conduct of the official's or employee's office or agency, including the furnishing of factual information regarding the local public question in response to inquiries from any person.

(b) Notwithstanding any other law, an elected or appointed official of a political subdivision may:

- (1) personally advocate for or against a position on a local public question; or
- (2) discuss the public question with any individual, group, or organization or personally advocate for or against a position on a local public question before any individual, group, or organization;

so long as it is not done by using public funds. Advocacy or discussion allowed under this subsection is not considered a use of public funds."

(Reference is to SB 176 as printed January 29, 2014.)

MILLER PATRICIA



COMMITTEE REPORT

Mr. Speaker: Your Committee on Roads and Transportation, to which was referred Senate Bill 176, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 10, line 18, after "County" insert ", **Hendricks County**".

Page 33, delete lines 26 through 42.

Delete pages 34 through 39.

Page 40, delete lines 1 through 39.

Page 41, delete lines 15 through 20.

Page 41, line 21, delete "5." and insert "4."

Page 41, between lines 25 and 26, begin a new line block indented and insert:

"(4) Hendricks County."

Page 41, line 26, delete "(4)" and insert "(5)".

Page 41, line 27, delete "(5)" and insert "(6)".

Page 41, line 28, delete "(6)" and insert "(7)".

Page 41, line 29, delete "6." and insert "5."

Page 41, line 32, delete "7." and insert "6."

Page 42, line 3, delete "8." and insert "7."

Page 42, line 5, delete "9." and insert "8."

Page 42, delete lines 26 through 41, begin a new line block indented and insert:

""Shall _____ County have the ability to impose a county economic development income tax rate, not to exceed a rate of _____ (insert recommended rate included in the ordinance authorizing the local public question), to pay for improving or establishing public transportation service in the county through a public transportation project that _____ (insert the description of the public transportation project set forth in the ordinance authorizing the local public question)?"".

Page 43, delete lines 7 through 21, begin a new line block indented and insert:

""Shall _____ County have the ability to impose a county option income tax rate, not to exceed a rate of _____ (insert recommended rate included in the ordinance authorizing the local public question), to pay for improving or establishing public transportation service in the county through a public transportation project that _____ (insert the description of the public transportation project set



forth in the ordinance authorizing the local public question)?".

Page 43, line 22, after "County" insert "**Hendricks County**".

Page 43, delete lines 29 through 42, begin a new line block indented and insert:

""Shall _____ County have the ability to impose a county adjusted gross income tax rate, not to exceed a rate of _____ (insert recommended rate included in the ordinance authorizing the local public question), to pay for improving or establishing public transportation service in the county through a public transportation project that _____ (insert the description of the public transportation project set forth in the ordinance authorizing the local public question)?".

Page 44, delete line 1.

Page 46, line 1, delete "ordinances as" and insert "**an ordinance under**".

Page 46, delete line 2.

Page 46, line 3, delete "(1) Under".

Page 46, run in lines 1 through 3.

Page 46, delete lines 6 through 10.

Page 46, line 15, delete "ordinances as" and insert "**an ordinance under**".

Page 46, delete line 16.

Page 46, line 17, delete "(1) Under".

Page 46, run in lines 15 through 17.

Page 46, delete lines 19 through 23.

Page 46, line 24, after "County" insert "**Hendricks County**".

Page 46, line 28, delete "ordinances as" and insert "**an ordinance under**".

Page 46, delete line 29.

Page 46, line 30, delete "(1) Under".

Page 46, run in lines 28 through 30.

Page 46, delete lines 33 through 37.

Page 47, delete lines 9 through 11.

Page 47, line 12, delete "7." and insert "**6**".

Page 47, line 33, delete "8." and insert "**7**".

Page 48, delete lines 37 through 40, begin a new paragraph and insert:

"Sec. 8. (a) As used in this section, "minority business enterprise" has the meaning set forth in IC 4-13-16.5-1.

(b) As used in this section, "veteran business enterprise" means



a business enterprise that has a current verification as a veteran owned small business concern under 38 CFR 74 et seq. by the Center of Veterans Enterprise of the United States Department of Veterans Affairs.

(c) As used in this section, "women's business enterprise" has the meaning set forth in IC 4-13-16.5-1.3.

(d) Except where 49 CFR 26 applies, the fiscal body of an eligible county or another person authorized to carry out a public transportation project under this chapter shall set a goal for participation by minority business enterprises, veteran business enterprises, and women's business enterprises in conformity with the goals established by the department of minority and women's business development of a consolidated city and the goals of the department of administration established under IC 5-22-14-11 for veteran business enterprises. The goals must be consistent with the goals of delivering the project on time and within the budgeted amount and, insofar as possible, using Indiana businesses for employees, goods, and services."

Page 50, line 38, after "County" insert ", Hendricks County,".

Page 51, delete lines 2 through 3.

Page 54, line 28, delete "IC 8-25-1-5)" and insert "IC 8-25-1-4)".

Page 54, line 32, after "system." insert "**For purposes of this subsection, operating expenses include only those expenses incurred in the operation of fixed route services that are established or expanded as a result of a public transportation project authorized and funded under IC 8-25."**

Page 55, delete lines 5 through 34.

Page 56, line 12, after "corporation." insert "**For purposes of this subsection, operating expenses include only those expenses incurred in the operation of fixed route services that are established or expanded as a result of a public transportation project authorized and funded under IC 8-25."**

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 176 Printer's Error as reprinted February 4, 2014.)

SOLIDAY, Chair

Committee Vote: yeas 11, nays 1.

