



February 6, 2015

SENATE BILL No. 379

DIGEST OF SB 379 (Updated February 3, 2015 11:54 am - DI 120)

Citations Affected: IC 6-3.5; IC 36-9.

Synopsis: Public transportation corporations. Allows the legislative body of Monroe County and the Bloomington public transportation corporation (corporation) to expand the corporation's service area to include the entire county by adopting substantially identical ordinances. Allows the fiscal body of Monroe County to adopt an ordinance to impose a county economic development income tax rate to fund the expansion. Provides that the rate must be at least 0.1% but not more than 0.25%.

Effective: July 1, 2015.

Stoops, Hershman, Broden

January 12, 2015, read first time and referred to Committee on Tax & Fiscal Policy.
February 5, 2015, reported favorably — Do Pass.

SB 379—LS 7159/DI 92



February 6, 2015

First Regular Session 119th General Assembly (2015)

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 2014 Regular Session and 2014 Second Regular Technical Session of the General Assembly.

SENATE BILL No. 379

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

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

1 SECTION 1. IC 6-3.5-7-5, AS AMENDED BY P.L.153-2014,
2 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2015]: Sec. 5. (a) Except as provided in subsection (c), the
4 county economic development income tax may be imposed on the
5 adjusted gross income of county taxpayers. Except as provided in
6 section 26(m) or 26(n) of this chapter, the entity that may impose the
7 tax is:
8 (1) the county income tax council (as defined in IC 6-3.5-6-1) if
9 the county option income tax is in effect on October 1 of the year
10 the county economic development income tax is imposed;
11 (2) the county council if the county adjusted gross income tax is
12 in effect on October 1 of the year the county economic
13 development tax is imposed; or
14 (3) the county income tax council or the county council,
15 whichever acts first, for a county not covered by subdivision (1)
16 or (2).

SB 379—LS 7159/DI 92



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

4 (b) Except as provided in this section and section 28 of this chapter,
5 the county economic development income tax may be imposed at a rate
6 of:

- 7 (1) one-tenth percent (0.1%);
- 8 (2) two-tenths percent (0.2%);
- 9 (3) twenty-five hundredths percent (0.25%);
- 10 (4) three-tenths percent (0.3%);
- 11 (5) thirty-five hundredths percent (0.35%);
- 12 (6) four-tenths percent (0.4%);
- 13 (7) forty-five hundredths percent (0.45%); or
- 14 (8) five-tenths percent (0.5%);

15 on the adjusted gross income of county taxpayers.

16 (c) Except as provided in this section, the county economic
17 development income tax rate plus the county adjusted gross income tax
18 rate, if any, that are in effect on January 1 of a year may not exceed one
19 and twenty-five hundredths percent (1.25%). Except as provided in this
20 section, the county economic development tax rate plus the county
21 option income tax rate, if any, that are in effect on January 1 of a year
22 may not exceed one percent (1%).

23 (d) To impose, increase, decrease, or rescind the county economic
24 development income tax, the appropriate body must adopt an
25 ordinance.

26 (e) The ordinance to impose the tax must substantially state the
27 following:

28 "The _____ County _____ imposes the county economic
29 development income tax on the county taxpayers of _____
30 County. The county economic development income tax is imposed at
31 a rate of _____ percent (____%) on the county taxpayers of the
32 county."

33 (f) The auditor of a county shall record all votes taken on ordinances
34 presented for a vote under the authority of this chapter and shall, not
35 more than ten (10) days after the vote, send a certified copy of the
36 results to the commissioner of the department, the director of the
37 budget agency, and the commissioner of the department of local
38 government finance in an electronic format approved by the director of
39 the budget agency.

40 (g) For Jackson County, except as provided in subsection (o), the
41 county economic development income tax rate plus the county adjusted
42 gross income tax rate that are in effect on January 1 of a year may not



1 exceed one and thirty-five hundredths percent (1.35%) if the county has
 2 imposed the county adjusted gross income tax at a rate of one and
 3 one-tenth percent (1.1%) under IC 6-3.5-1.1-2.5.

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

8 (i) For Wayne 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 five-tenths percent (1.5%).

12 (j) This subsection applies to Randolph County. Except as provided
 13 in subsection (o), in addition to the rates permitted under subsection
 14 (b):

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

17 (2) the sum of the county economic development income tax rate
 18 and the county adjusted gross income tax rate that are in effect on
 19 January 1 of a year may not exceed one and five-tenths percent
 20 (1.5%);

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

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

27 (l) For:

28 (1) Elkhart County; or

29 (2) Marshall County;

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

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

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

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

42 (2) the sum of the county economic development income tax rate



1 and:

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

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

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

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

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

23 (2) the:

24 (A) county economic development income tax; and

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

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

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

40 (p) If the county economic development income tax is imposed as
41 authorized under subsection (o) at a rate that exceeds the maximum
42 rate that would otherwise apply under this section, the certified



1 distribution must be used for a purpose provided in section 26 of this
2 chapter to the extent that the certified distribution results from the
3 difference between:

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

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

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

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

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

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

32 (u) This subsection applies to Jasper County. Except as provided in
33 subsection (o), the sum of the county economic development income
34 tax rate and the county adjusted gross income tax rate that are in effect
35 on January 1 of a year may not exceed one and five-tenths percent
36 (1.5%).

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

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



- 1 option income tax rate.
- 2 (w) The income tax rate limits imposed by subsection (c) or (x) or
3 any other provision of this chapter do not apply to:
- 4 (1) a county adjusted gross income tax rate imposed under
5 IC 6-3.5-1.1-24, IC 6-3.5-1.1-25, or IC 6-3.5-1.1-26; or
6 (2) a county option income tax rate imposed under IC 6-3.5-6-30,
7 IC 6-3.5-6-31, or IC 6-3.5-6-32.
- 8 For purposes of computing the maximum combined income tax rate
9 under subsection (c) or (x) or any other provision of this chapter that
10 may be imposed in a county under IC 6-3.5-1.1, IC 6-3.5-6, and this
11 chapter, a county's county adjusted gross income tax rate or county
12 option income tax rate for a particular year does not include the county
13 adjusted gross income tax rate imposed under IC 6-3.5-1.1-24,
14 IC 6-3.5-1.1-25, or IC 6-3.5-1.1-26 or the county option income tax rate
15 imposed under IC 6-3.5-6-30, IC 6-3.5-6-31, or IC 6-3.5-6-32.
- 16 (x) This subsection applies to Monroe County. Except as provided
17 in subsection (o), if an ordinance is adopted under IC 6-3.5-6-33, the
18 sum of the county economic development income tax rate and the
19 county option income tax rate that are in effect on January 1 of a year
20 may not exceed one and twenty-five hundredths percent (1.25%).
- 21 (y) This subsection applies to Perry County. Except as provided in
22 subsection (o), if an ordinance is adopted under section 27.5 of this
23 chapter, the county economic development income tax rate plus the
24 county option income tax rate that is in effect on January 1 of a year
25 may not exceed one and seventy-five hundredths percent (1.75%).
- 26 (z) This subsection applies to Starke County. Except as provided in
27 subsection (o), if an ordinance is adopted under section 27.6 of this
28 chapter, the county economic development income tax rate plus the
29 county adjusted gross income tax rate that is in effect on January 1 of
30 a year may not exceed two percent (2%).
- 31 SECTION 2. IC 6-3.5-7-5.5, AS ADDED BY P.L.153-2014,
32 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
33 JULY 1, 2015]: Sec. 5.5. (a) This section applies to Hamilton County,
34 **and Marion County, and Monroe County.**
- 35 (b) If an additional tax rate is imposed under section 5(o) of this
36 chapter:
- 37 (1) by a county subject to this section; and
38 (2) for ~~the~~ a purpose described in section 26(m) **or 26(n)** of this
39 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 property
42 taxes on homesteads or residential property resulting from the



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

3 SECTION 3. IC 6-3.5-7-26, AS AMENDED BY P.L.153-2014,
4 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
5 JULY 1, 2015]: Sec. 26. (a) This section applies only to the following:

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

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

11 **(3) Taxes imposed under this chapter to fund the expansion of**
12 **a public transportation corporation's service area as provided**
13 **by an ordinance adopted under subsection (n).**

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

15 (1) "Adopt" includes amend.

16 (2) "Adopting entity" means:

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

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

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

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

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

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

35 (i) residential property; or

36 (ii) commercial property.

37 (c) This subsection does not apply to a county in which the county
38 fiscal body adopts an ordinance to provide for the use of the certified
39 distribution described in section 16 of this chapter to fund a public
40 transportation project under IC 8-25 **or to a county in which the**
41 **county fiscal body adopts an ordinance under subsection (n) to**
42 **provide for the use of the certified distribution described in section**



1 **16 of this chapter to fund the expansion of the service area of a**
 2 **public transportation corporation.** An adopting entity may adopt an
 3 ordinance to provide for the use of the certified distribution described
 4 in section 16 of this chapter for the purpose provided in subsection (e).
 5 An adopting entity that adopts an ordinance under this subsection shall
 6 use the procedures set forth in IC 6-3.5-6 concerning the adoption of an
 7 ordinance for the imposition of the county option income tax. The
 8 ordinance may provide for an additional rate under section 5(o) of this
 9 chapter. An ordinance adopted under this subsection:

10 (1) first applies to the certified distribution described in section 16
 11 of this chapter made in the later of the calendar year that
 12 immediately succeeds the calendar year in which the ordinance is
 13 adopted or calendar year 2007; and

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

17 (A) Uniformly applied homestead credits as provided in
 18 subsection (f).

19 (B) Uniformly applied residential credits as provided in
 20 subsection (g).

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

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

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

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

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

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

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

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

37 (2) if the ordinance grants a credit described in subsection
 38 (c)(2)(B) or (c)(2)(D), a property tax replacement credit for
 39 residential property;

40 for property taxes to offset the effect on homesteads or residential
 41 property, as applicable, in the county resulting from the statewide
 42 deduction for inventory under IC 6-1.1-12-42 or from the exclusion in



1 2008 of inventory from the definition of personal property in
 2 IC 6-1.1-1-11. The amount of a residential property tax replacement
 3 credit granted under this section may not be considered in computing
 4 the amount of any homestead credit to which the residential property
 5 may be entitled under IC 6-1.1-20.9 (before its repeal) or another law
 6 other than IC 6-1.1-20.6.

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

11 (1) the amount of the certified distribution that is available to
 12 provide a homestead credit percentage under this section for the
 13 year;

14 (2) the amount of uniformly applied homestead credits for the
 15 year in the county that equals the amount determined under
 16 subdivision (1); and

17 (3) the percentage of homestead credit under this section that
 18 equates to the amount of homestead credits determined under
 19 subdivision (2).

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

24 (1) the amount of the certified distribution that is available to
 25 provide a residential property tax replacement credit percentage
 26 for the year;

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

30 (3) the percentage of residential property tax replacement credit
 31 under this section that equates to the amount of residential
 32 property tax replacement credits determined under subdivision
 33 (2).

34 (h) The percentage of homestead credit determined by the county
 35 auditor under subsection (f) or the percentage of residential property
 36 tax replacement credit determined by the county auditor under
 37 subsection (g) applies uniformly in the county in the calendar year for
 38 which the percentage is determined.

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



1 (1) the amount of the certified distribution that is available to
 2 provide a homestead credit under this section for the year; and
 3 (2) except as provided in subsection (1), a percentage of
 4 homestead credit for each taxing district in the county that
 5 allocates to the taxing district an amount of homestead credits that
 6 bears the same proportion to the amount determined under
 7 subdivision (1) that the amount of inventory assessed value
 8 deducted under IC 6-1.1-12-42 in the taxing district for the
 9 assessment date in 2006 bears to the total inventory assessed
 10 value deducted under IC 6-1.1-12-42 in the county for the
 11 assessment date in 2006.

12 (j) If the imposing entity specifies the application of allocated
 13 residential property tax replacement credits under subsection (c)(2)(D),
 14 the county auditor shall determine for each calendar year in which a
 15 residential property tax replacement credit is authorized under this
 16 section:

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

20 (2) except as provided in subsection (1), a percentage of
 21 residential property tax replacement credit for each taxing district
 22 in the county that allocates to the taxing district an amount of
 23 residential property tax replacement credits that bears the same
 24 proportion to the amount determined under subdivision (1) that
 25 the amount of inventory assessed value deducted under
 26 IC 6-1.1-12-42 in the taxing district for the assessment date in
 27 2006 bears to the total inventory assessed value deducted under
 28 IC 6-1.1-12-42 in the county for the assessment date in 2006.

29 (k) This subsection does not apply to a county in which the county
 30 fiscal body adopts an ordinance to provide for the use of the certified
 31 distribution described in section 16 of this chapter to fund a public
 32 transportation project under IC 8-25 **or to a county in which the**
 33 **county fiscal body adopts an ordinance under subsection (n) to**
 34 **provide for the use of the certified distribution described in section**
 35 **16 of this chapter to fund the expansion of the service area of a**
 36 **public transportation corporation.** The county auditor shall retain
 37 from the payments of the county's certified distribution an amount
 38 equal to the revenue lost, if any, due to the homestead credit or
 39 residential property tax replacement credit provided under this section
 40 within the county. The money shall be distributed to the civil taxing
 41 units and school corporations of the county:

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



- 1 (2) in such a manner that no civil taxing unit or school
- 2 corporation will suffer a net revenue loss because of the
- 3 allowance of a homestead credit or residential property tax
- 4 replacement credit under this section.
- 5 (l) This subsection does not apply to a county in which the county
- 6 fiscal body adopts an ordinance to provide for the use of the certified
- 7 distribution described in section 16 of this chapter to fund a public
- 8 transportation project under IC 8-25 **or to a county in which the**
- 9 **county fiscal body adopts an ordinance under subsection (n) to**
- 10 **provide for the use of the certified distribution described in section**
- 11 **16 of this chapter to fund the expansion of the service area of a**
- 12 **public transportation corporation.** Subject to the approval of the
- 13 imposing entity, the county auditor may adjust the increased percentage
- 14 of:
- 15 (1) homestead credit determined under subsection (i)(2) if the
- 16 county auditor determines that the adjustment is necessary to
- 17 achieve an equitable reduction of property taxes among the
- 18 homesteads in the county; or
- 19 (2) residential property tax replacement credit determined under
- 20 subsection (j)(2) if the county auditor determines that the
- 21 adjustment is necessary to achieve an equitable reduction of
- 22 property taxes among the residential property in the county.
- 23 (m) This section applies to Hamilton County and Marion County. If
- 24 the voters of a county approve a local public question under IC 8-25-2,
- 25 the fiscal body of the county may adopt an ordinance to provide for the
- 26 use of the certified distribution described in section 16 of this chapter
- 27 to fund a public transportation project under IC 8-25. However, a
- 28 county fiscal body shall adopt an ordinance under this subsection if
- 29 required by IC 8-25-6-10 to impose an additional tax rate on the county
- 30 taxpayers who reside in a township in which the voters approve a
- 31 public transportation project in a local public question held under
- 32 IC 8-25-6. An ordinance adopted under this subsection must specify an
- 33 additional tax rate to be imposed in the county (or township in the case
- 34 of an additional rate required by IC 8-25-6-10) of at least one-tenth
- 35 percent (0.1%), but not more than twenty-five hundredths percent
- 36 (0.25%). If an ordinance is adopted under this subsection, the amount
- 37 of the certified distribution attributable to the additional tax rate
- 38 specified in the ordinance and authorized by section 5(o) of this chapter
- 39 to fund a public transportation project under IC 8-25 must be:
- 40 (1) retained by the county auditor;
- 41 (2) deposited in the public transportation project fund established
- 42 under IC 8-25-3-7; and



1 (3) used for the purpose provided in this subsection instead of the
 2 purposes specified in the capital improvement plan adopted under
 3 section 15 of this chapter.

4 **(n) This section applies to Monroe County. If the Bloomington**
 5 **public transportation corporation and the legislative body of the**
 6 **county adopt substantially identical ordinances under**
 7 **IC 36-9-4-13.7 to expand the service area of the Bloomington**
 8 **public transportation corporation, the fiscal body of the county**
 9 **may adopt an ordinance to provide for the use of the certified**
 10 **distribution described in section 16 of this chapter to fund the**
 11 **service area expansion. An ordinance adopted under this**
 12 **subsection must specify an additional tax rate to be imposed in the**
 13 **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 specified in the**
 17 **ordinance and authorized by section 5(o) of this chapter to fund the**
 18 **expansion of the service area of the public transportation**
 19 **corporation must be:**

20 (1) transferred by the county auditor to the public
 21 transportation corporation; and

22 (2) used for the purpose provided in this subsection instead of
 23 the purposes specified in the capital improvement plan
 24 adopted under section 15 of this chapter.

25 SECTION 4. IC 36-9-4-13 IS AMENDED TO READ AS
 26 FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 13. (a) ~~After the~~
 27 ~~creation of a public transportation corporation;~~ **Except as provided in**
 28 **section 13.5 or 13.7 of this chapter,** territory may be added to the
 29 taxing district ~~or service area of the a public transportation~~
 30 corporation only in accordance with this section.

31 (b) If the municipality finalizes an annexation or disannexation of
 32 territory, the boundaries of the taxing district of the corporation change
 33 so as to remain coterminous with the new boundaries of the
 34 municipality. Such a change takes effect when the annexation or
 35 disannexation takes effect.

36 (c) Upon written request by a majority of:

37 (1) the resident freeholders in a platted subdivision; or

38 (2) the owners of any unplatted lands;

39 in the same county as a public transportation corporation but not within
 40 a municipality, the board of directors of the corporation may, by
 41 resolution, incorporate all or part of the platted subdivision or unplatted
 42 lands into the taxing district. Such a request must be signed and



1 certified as correct by the resident freeholders or landowners making
 2 the request, and the original must be preserved in the records of the
 3 board. The resolution of the board incorporating an area into the taxing
 4 district must be in writing and must include an accurate description of
 5 that area. A certified copy of the resolution, signed by the chairman and
 6 secretary of the board, together with a map showing the boundaries of
 7 the taxing district and the location of the additional areas, shall be
 8 delivered to the auditor of the county within which the corporation is
 9 located and shall be properly indexed and kept in the permanent
 10 records of the offices of the auditor.

11 (d) Upon written request by ten (10) or more resident freeholders of
 12 a platted subdivision or unplatted territory in the same county as a
 13 public transportation corporation but not within a municipality, the
 14 board of directors of the corporation may define the limits of an area
 15 that:

- 16 (1) is within the county;
- 17 (2) includes the property of the freeholders; and
- 18 (3) is to be considered for incorporation into the taxing district.

19 Notice of the defining of the area by the board, and notice of the
 20 location and limits of the area, must be given by publication in
 21 accordance with IC 5-3-1. The area may then be incorporated into the
 22 taxing district upon request, in the manner prescribed by subsection (c).

23 (e) Property in territory added to the taxing district under subsection
 24 (c) or (d) is, as a condition of the special benefits it subsequently
 25 receives, liable for its proportion of all taxes subsequently levied by the
 26 public transportation corporation. The proportion of taxation shall be
 27 determined in the same manner as when territory is annexed by a
 28 municipality.

29 SECTION 5. IC 36-9-4-13.7 IS ADDED TO THE INDIANA CODE
 30 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 31 1, 2015]: **Sec. 13.7. (a) This section applies only to Monroe County.**

32 **The general assembly finds the following:**

- 33 **(1) That Monroe County faces unique and distinct challenges**
 34 **and opportunities related to providing public transportation**
 35 **services in the county.**
- 36 **(2) That a campus of a state educational institution,**
 37 **significant employment opportunities, and cultural and**
 38 **recreational amenities important to the residents of Monroe**
 39 **County are located outside the service area of the**
 40 **Bloomington public transportation corporation.**
- 41 **(3) That the Bloomington public transportation corporation**
 42 **is a nationally awarded transit provider capable of efficiently**



1 expanding its service area to meet the challenges and
2 opportunities facing Monroe County.

3 (4) That both economic development in Monroe County and
4 the quality of life for the county's residents would be
5 enhanced by extending public transportation services through
6 the Bloomington public transportation corporation to all the
7 territory of Monroe County.

8 (b) The service area of a public transportation corporation may
9 be expanded under this section to include all the territory inside
10 the boundaries of the county through the adoption of substantially
11 identical ordinances approving the expansion of the service area:

12 (1) before June 1 of the calendar year in which the expansion
13 becomes effective under subsection (c); and

14 (2) by both:

15 (A) the Bloomington public transportation corporation;
16 and

17 (B) the legislative body of the county.

18 (c) If the service area of the public transportation corporation
19 is expanded under subsection (b), two (2) additional directors
20 representing the county must be appointed to the board of
21 directors of the corporation. The two (2) additional directors must
22 be residents of Monroe County and have the same duties of, and
23 are entitled to all the rights, privileges, and powers of, directors
24 under this chapter. The executive and the fiscal body of Monroe
25 County shall each appoint one (1) director. The two (2) additional
26 directors may not be of the same political party. The director
27 appointed by the fiscal body shall serve for an initial term of one
28 (1) year, and the director appointed by the executive shall serve for
29 an initial term of two (2) years. Upon the expiration of the
30 respective initial terms, successors must be appointed in
31 accordance with section 18 of this chapter.

32 (d) The expansion of the service area of a public transportation
33 corporation under subsection (b) is effective July 1 of the calendar
34 year in which the ordinances required by subsection (b) are
35 adopted.

36 (e) The fiscal body of Monroe County may enable the public
37 transportation corporation to fund the expansion of the service
38 area under subsection (b) by imposing an additional county
39 economic development income tax rate under IC 6-3.5-7-26(n).

40 (f) An expansion of the service area of the Bloomington public
41 transportation corporation under this section may not be
42 construed as an expansion of the taxing district of the Bloomington



1 **public transportation corporation. Fares, advertising revenue, and**
2 **other revenues realized from providing public transportation**
3 **services may be used for funding the expansion of the service area.**
4 **However, imposing an additional county economic development**
5 **income tax rate under IC 6-3.5-7-26(n) is the only permissible**
6 **method of taxation for funding an expansion of the service area.**



COMMITTEE REPORT

Madam President: The Senate Committee on Tax & Fiscal Policy, to which was referred Senate Bill No. 379, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill DO PASS.

(Reference is to SB 379 as introduced.)

HERSHMAN, Chairperson

Committee Vote: Yeas 10, Nays 0

