

# HOUSE BILL No. 1046

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-3.6; IC 6-3.7; IC 6-8.1-1-1; IC 8-25; IC 36-3-7-6; IC 36-8-15-19; IC 36-9-4-42.

**Synopsis:** Local income taxes. Expires the existing local income tax law on December 31, 2021, and adds a new local income tax law effective in 2022 and thereafter. Does the following under the new local income tax law: (1) Authorizes counties, municipalities, and school corporations to each enact a property tax relief tax rate of not more than 0.5% in the case of counties and municipalities and not more than 0.25% in the case of school corporations. Provides that in Marion County, municipalities may not enact a property tax relief rate, but the Marion County city-county council may adopt a 1% property tax relief rate. (2) Authorizes counties, municipalities (other than municipalities in Marion County), and school corporations to each enact an expenditure rate. (3) Provides that an expenditure rate may not exceed: (A) 1.25% in the case of counties other than Marion County or 2% in the case of Marion County; (B) 1% in the case of municipalities (other than municipalities in Marion County); and (C) 0.25% in the case of school corporations. (4) Provides that if an expenditure rate is imposed by a municipality, the municipality shall receive the revenue from the tax, and specifies that the revenue may be used for any legal purpose of the municipality (including providing additional property tax credits). (5) Specifies that a school corporation may not adopt an expenditure rate unless: (A) the expenditure rate is approved by the voters of the school corporation in a local public question; or (B) the revenue from the expenditure rate is used to provide additional property tax credits. Provides that if a school corporation's expenditure rate is approved by the voters, the revenue may be used for any legal purpose of the school corporation (including providing additional  
(Continued next page)

**Effective:** Upon passage; July 1, 2018.

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## Thompson

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January 3, 2018, read first time and referred to Committee on Ways and Means.

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property tax credits). Provides that the maximum period for an expenditure rate approved by the voters of a school corporation is eight years, but that the expenditure rate may be reimposed by the school corporation if approved by the voters. (6) Provides that if an expenditure rate is imposed by a county other than Marion County, the revenue shall be distributed as certified shares to civil taxing units in the county (other than municipalities and school corporations) on the basis of property tax levies. Specifies that in counties other than Marion County, the revenue from the county's expenditure rate may be allocated to a public safety answering point or used to provide additional property tax credits before the remaining revenue is distributed as certified shares. (7) Provides that the 2% maximum expenditure rate in Marion County consists of: (A) an expenditure rate of not more than 1%, to be distributed as certified shares to the county and to excluded cities in the county on the basis of property tax levies; and (B) an expenditure rate of not more than 1%, to be distributed as certified shares to the county and to townships in the county on the basis of property tax levies. (8) Specifies that in Marion County: (A) the revenue from the county's expenditure rate may be allocated to a public communications system and computer facilities district, a public library, or a public transportation corporation, or for additional property tax credits before the remaining revenue is distributed as certified shares; and (B) revenue distributed as certified shares may be used for any legal purpose of the unit receiving the certified shares. (9) Provides that, after May 31, 2018, a political subdivision may not pledge for the payment of bonds, leases, or other obligations any tax revenue received under the current local income tax law (other than a special purpose rate). (10) Maintains the existing special purpose rates. (11) Provides that after December 31, 2021, a local income tax rate imposed for transit purposes after approval in a local public question: (A) is a separate special purpose rate; and (B) is not part of the county's expenditure rate or considered in determining whether the county is imposing its maximum expenditure rate. (12) For property taxes due and payable in 2022 and thereafter, requires the department of local government finance to adjust each maximum property tax levy for which a levy freeze amount was applied under the existing local income tax law in 2021. (13) Authorizes a political subdivision to appeal to the department of local government finance for the authority to impose an additional local income tax rate if the political subdivision's expected local income tax distributions will be insufficient to pay obligations for which a pledge of revenue was made under the prior local income tax laws. (14) Specifies that the legislative council shall provide for the preparation and introduction of legislation in the 2019 session of the general assembly to correct cross references and make other changes to the Indiana Code, as necessary, to bring other provisions of the Indiana Code into conformity with this act.



Introduced

Second Regular Session of the 120th General Assembly (2018)

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 2017 Regular Session of the General Assembly.

## HOUSE BILL No. 1046

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

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

1 SECTION 1. IC 6-3.6-1-2, AS ADDED BY P.L.243-2015,  
2 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2018]: Sec. 2. This article applies to:  
4 (1) taxes and tax liability in effect after December 31, 2016, **and**  
5 **before January 1, 2022;**  
6 (2) homestead and property tax credits against property tax  
7 liability imposed for an assessment date after December 31, 2015,  
8 **and before January 1, 2021;** and  
9 (3) subject to subdivisions (1) and (2), administration of taxes  
10 described in section 3 of this chapter, after December 31, 2016,  
11 **and before January 1, 2022.**  
12 SECTION 2. IC 6-3.6-1-11 IS ADDED TO THE INDIANA CODE  
13 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
14 1, 2018]: **Sec. 11. This article expires December 31, 2021.**  
15 SECTION 3. IC 6-3.6-1-12 IS ADDED TO THE INDIANA CODE



1 AS A **NEW SECTION TO READ AS FOLLOWS** [EFFECTIVE  
 2 UPON PASSAGE]: **Sec. 12. After May 31, 2018, a political**  
 3 **subdivision may not pledge tax revenue received under IC 6-3.6-6**  
 4 **for the payment of any bonds, leases, or other obligations.**

5 SECTION 4. IC 6-3.6-6-18, AS ADDED BY P.L.243-2015,  
 6 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 7 UPON PASSAGE]: Sec. 18. A civil taxing unit may **before June 1,**  
 8 **2018,** pledge its certified shares to the payment of bonds or to lease  
 9 payments for:

- 10 (1) any purpose of the civil taxing unit;  
 11 (2) any purpose of another governmental entity located in any part  
 12 in the county, including a governmental entity organized on a  
 13 regional basis; or  
 14 (3) any purpose for which certified shares may be used under  
 15 IC 6-3.6-10.

16 The pledge must be approved in an ordinance adopted by the fiscal  
 17 body of the political subdivision.

18 SECTION 5. IC 6-3.6-10-3, AS ADDED BY P.L.243-2015,  
 19 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 20 UPON PASSAGE]: Sec. 3. (a) The fiscal body of a county, city, or  
 21 town may issue bonds payable from revenue under IC 6-3.6-6.  
 22 **However, after May 31, 2018, a political subdivision may not**  
 23 **pledge tax revenue received under IC 6-3.6 for the payment of any**  
 24 **bonds.** The bonds must be for economic development projects.

25 (b) The fiscal body of a county, city, or town may issue bonds  
 26 payable from revenue described in section 2 of this chapter for any  
 27 capital project for which the fiscal body is authorized to issue general  
 28 obligation bonds. The bonds issued under this section may be payable  
 29 from the tax if the county option income tax (IC 6-3.5-6 repealed), the  
 30 county adjusted gross income tax (IC 6-3.5-1.1 repealed), or a tax  
 31 under IC 6-3.6-6 is also in effect in the county at the time the bonds are  
 32 issued.

33 (c) If there are bonds outstanding that have been issued under this  
 34 section, or leases in effect under section 4 of this chapter, the adopting  
 35 body may not reduce the tax imposed under IC 6-3.6-6, or an allocation  
 36 under IC 6-3.6-6-9, or certified shares pledged to repay bonds, as  
 37 appropriate, below a rate that would produce one and twenty-five  
 38 hundredths (1.25) times the total of the highest annual debt service on  
 39 the bonds to their final maturity, plus the highest annual lease  
 40 payments, unless:

- 41 (1) the body that imposed a tax under IC 6-3.6-6; or  
 42 (2) any city, town, or county;



1 pledges all or a part of its certified shares for the life of the bonds or the  
 2 term of the lease, in an amount that is sufficient, when combined with  
 3 the amount pledged by the city, town, or county that issued the bonds,  
 4 to produce one and twenty-five hundredths (1.25) times the total of the  
 5 highest outstanding annual debt service plus the highest annual lease  
 6 payments.

7 (d) For purposes of subsection (c), the determination of a tax rate  
 8 sufficient to produce one and twenty-five hundredths (1.25) times the  
 9 total of the highest outstanding annual debt service plus the highest  
 10 annual lease payments must be based on an average of the immediately  
 11 preceding three (3) years tax collections, if the tax has been imposed  
 12 for the last preceding three (3) years. If the tax has not been imposed  
 13 for the last preceding three (3) years, the body that imposed the tax may  
 14 not reduce the rate below a rate that would produce one and twenty-five  
 15 hundredths (1.25) times the total of the highest annual debt service,  
 16 plus the highest annual lease payments, based upon a study by a  
 17 qualified public accountant or financial advisor.

18 (e) IC 6-1.1-20 does not apply to the issuance of bonds under this  
 19 section.

20 (f) Bonds issued under this section may be sold at a public sale in  
 21 accordance with IC 5-1-11 or may be sold at a negotiated sale.

22 (g) After a sale of bonds under this section, the county auditor shall  
 23 prepare a debt service schedule for the bonds.

24 (h) The general assembly covenants that it will not repeal or amend  
 25 this article in a manner that would adversely affect owners of  
 26 outstanding bonds issued, or payment of any lease rentals due, under  
 27 this section.

28 SECTION 6. IC 6-3.7 IS ADDED TO THE INDIANA CODE AS A  
 29 NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1,  
 30 2018]:

31 **ARTICLE 3.7. LOCAL INCOME TAX**

32 **Chapter 1. Application**

33 **Sec. 1. Notwithstanding the July 1, 2018, effective date of this**  
 34 **article and notwithstanding any other law:**

35 **(1) an adopting body may not take any action before May 1,**  
 36 **2021, to impose a tax under this article; and**

37 **(2) a tax rate imposed under this article may not take effect**  
 38 **before January 1, 2022.**

39 **Chapter 2. Definitions**

40 **Sec. 1. The definitions in this chapter apply throughout this**  
 41 **article.**

42 **Sec. 2. (a) Subject to subsections (b), (c), and (d), "adjusted**



1 **gross income" has the meaning set forth in IC 6-3-1-3.5.**

2 **(b) Except as provided in subsection (d), in the case of an**  
 3 **individual who is not a resident of Indiana, the term includes only**  
 4 **adjusted gross income derived from the individual's principal place**  
 5 **of business or employment within an eligible unit that imposes a**  
 6 **tax under this article.**

7 **(c) In the case of a resident local taxpayer of Perry County, the**  
 8 **term does not include adjusted gross income described in**  
 9 **IC 6-3.7-8-7.**

10 **(d) In the case of a local taxpayer described in section 14(3) of**  
 11 **this chapter, the term includes only that part of the individual's**  
 12 **total income that:**

13 **(1) is apportioned to Indiana under IC 6-3-2-2.7 or**  
 14 **IC 6-3-2-3.2; and**

15 **(2) is paid to the individual as compensation for services**  
 16 **rendered in the county as a team member or race team**  
 17 **member.**

18 **Sec. 3. "Adopting body" has the meaning set forth in**  
 19 **IC 6-3.7-3-1.**

20 **Sec. 4. "Allocation amount" refers to an amount that qualifies**  
 21 **as an allocation amount under IC 6-3.7-6-13.**

22 **Sec. 5. "Attributed allocation amount" equals the sum of:**

23 **(1) the allocation amount of a political subdivision for that**  
 24 **calendar year; plus**

25 **(2) in the case of a county taxing unit, the welfare allocation**  
 26 **amount.**

27 **Sec. 6. "Certified distribution" refers to the amount certified**  
 28 **under IC 6-3.7-9-3(b), as adjusted under IC 6-3.7-9.**

29 **Sec. 7. "Certified shares" refers to the amount distributed as**  
 30 **certified shares under IC 6-3.7-6 from revenue raised from a tax**  
 31 **imposed by a county under IC 6-3.7-6.**

32 **Sec. 8. "Eligible unit" means any of the following:**

33 **(1) A county.**

34 **(2) A municipality, other than an included town or an**  
 35 **excluded city.**

36 **(3) A school corporation.**

37 **Sec. 9. "Excluded city" has the meaning set forth in IC 36-3-1-7.**

38 **Sec. 10. "Executive" has the meaning set forth in IC 36-1-2-5.**

39 **Sec. 11. "Fiscal body" has the meaning set forth in IC 36-1-2-6.**

40 **Sec. 12. "Impose" includes adopt, amend, increase, decrease,**  
 41 **and rescind.**

42 **Sec. 13. "Included town" has the meaning set forth in**



1 IC 36-3-1-7.

2 Sec. 14. "Local taxpayer", as it relates to a particular eligible  
3 unit that may impose a tax under this article, means any of the  
4 following:

5 (1) An individual who resides in that eligible unit on the date  
6 specified in IC 6-3.7-8-3.

7 (2) An individual who is not a resident of Indiana and  
8 maintains the individual's principal place of business or  
9 employment in that eligible unit on the date specified in  
10 IC 6-3.7-8-3.

11 (3) An individual who:

12 (A) has income apportioned to Indiana as:

13 (i) a team member under IC 6-3-2-2.7; or

14 (ii) a race team member under IC 6-3-2-3.2;

15 for services rendered in the county; and

16 (B) is not described in subdivision (1) or (2).

17 Sec. 15. "PSAP" means a PSAP (as defined in IC 36-8-16.7-20)  
18 that is part of the statewide 911 system (as defined in  
19 IC 36-8-16.7-22).

20 Sec. 16. "Qualified civil taxing unit" means the following:

21 (1) For purposes of the distribution of certified shares in a  
22 county other than Marion County, the term means any entity  
23 having the power to impose ad valorem property taxes, other  
24 than a school corporation or a municipality. The term does  
25 not include a solid waste management district unless the  
26 county fiscal body has approved a distribution under  
27 IC 6-3.7-6-10(c).

28 (2) For purposes of the distribution of certified shares from  
29 revenue received from a tax imposed under IC 6-3.7-6-1(b)(1)  
30 in Marion County, the term includes only Marion County and  
31 the excluded cities.

32 (3) For purposes of the distribution of certified shares from  
33 revenue received from a tax imposed under IC 6-3.7-6-1(b)(2)  
34 in Marion County, the term includes only Marion County and  
35 the townships located in Marion County.

36 Sec. 17. "School corporation" has the meaning set forth in  
37 IC 6-1.1-1-16. The term does not include a charter school.

38 Sec. 18. "Tax" refers to a tax imposed under this article.

39 Sec. 19. "Welfare allocation amount" means the sum of the  
40 following:

41 (1) The amount of the property taxes imposed by the county  
42 in 1999 for the county's welfare fund and welfare



1 administration fund.

2 (2) If the county received a certified distribution in 2008  
3 under IC 6-3.5-1.1 (before its repeal on January 1, 2017),  
4 IC 6-3.5-6 (before its repeal on January 1, 2017), or IC 6-3.5-7  
5 (before its repeal on January 1, 2017), an amount equal to the  
6 sum of:

7 (A) the amount of property taxes imposed by the county in  
8 2008 for the county's county medical assistance to wards  
9 fund, family and children's fund, children's psychiatric  
10 residential treatment services fund, county hospital care  
11 for the indigent fund, and children with special health care  
12 needs county fund; plus

13 (B) in the case of Marion County, thirty-five million dollars  
14 (\$35,000,000).

15 **Chapter 3. Adopting Body; Adoption Procedures; Effective**  
16 **Date of Ordinances and Resolutions; Administration**

17 **Sec. 1. (a) The following are the adopting bodies for purposes of**  
18 **this article:**

19 (1) The fiscal body, in the case of an eligible unit that is a  
20 county or municipality.

21 (2) The governing body, in the case of an eligible unit that is  
22 a school corporation.

23 (b) In the case of Marion County and the city of Indianapolis,  
24 the county and the city are considered to be one (1) eligible unit for  
25 purposes of this article (referred to as Marion County in this  
26 article), whose adopting body is the Marion County city-county  
27 council.

28 **Sec. 2. (a) In the case of a county or municipality, the adopting**  
29 **body may take an action under this article only by ordinance.**

30 (b) In the case of a school corporation, the adopting body may  
31 take an action under this article only by resolution.

32 (c) The department of local government finance, in consultation  
33 with the department of state revenue, may make available  
34 electronically the uniform notices, ordinances, and resolutions that  
35 an adopting body may use to take an action under this article.

36 (d) An adopting body may submit a proposed notice, ordinance,  
37 or resolution to the department of local government finance for  
38 review. The department of local government finance shall provide  
39 to the submitting adopting body a determination of the  
40 appropriateness of the proposed notice, ordinance, or resolution,  
41 including recommended modifications, not later than thirty (30)  
42 days after receiving the proposed notice, ordinance, or resolution.





1 (e) An ordinance or resolution adopted under this article must  
 2 comply with the notice and hearing requirements set forth in  
 3 IC 5-3-1.

4 (f) The department of local government finance shall prescribe  
 5 the procedures to be used by the adopting body or governmental  
 6 entity for submitting to the department the notice, the adopting  
 7 ordinance or resolution, and the vote results on an ordinance or  
 8 resolution. The department of local government finance shall notify  
 9 the submitting entity within thirty (30) days after submission  
 10 whether the department has received the necessary information  
 11 required by the department. A final action taken by an adopting  
 12 body or governmental entity to impose a new tax or amend an  
 13 existing tax under this article is not effective until the department  
 14 of local government finance notifies the adopting body or  
 15 governmental entity that it has received the required information  
 16 from the submitting entity.

17 Sec. 3. (a) Subject to IC 6-3.7-1-1, an ordinance or resolution  
 18 adopted under this article takes effect as provided in this section.

19 (b) An ordinance or resolution that adopts, increases, decreases,  
 20 or rescinds a tax or a tax rate takes effect as follows:

21 (1) An ordinance or resolution adopted after December 31 of  
 22 the immediately preceding year and before September 1 of the  
 23 current year takes effect on October 1 of the current year.

24 (2) An ordinance or resolution adopted after August 31 and  
 25 before November 1 of the current year takes effect on  
 26 January 1 of the following year.

27 (3) An ordinance or resolution adopted after October 31 of  
 28 the current year and before January 1 of the following year  
 29 takes effect on October 1 of the following year.

30 (c) Subject to IC 6-3.7-1-1, an ordinance or resolution that  
 31 grants, increases, decreases, rescinds, or changes a credit against  
 32 the property tax liability of a taxpayer takes effect as follows:

33 (1) An ordinance or resolution adopted after December 31 of  
 34 the immediately preceding year and before November 2 of the  
 35 current year:

36 (A) takes effect on January 1 of; and

37 (B) applies to property taxes first due and payable in;  
 38 the year immediately following the year in which the  
 39 ordinance is adopted.

40 (2) An ordinance or resolution adopted after November 1 of  
 41 the current year and before January 1 of the immediately  
 42 succeeding year:



- 1           **(A) takes effect on January 1 of; and**  
 2           **(B) applies to property taxes first due and payable in;**  
 3           **the year that follows the current year by two (2) years.**  
 4           **(d) Subject to IC 6-3.7-1-1, an ordinance that grants, increases,**  
 5           **decreases, rescinds, or changes a distribution or allocation of taxes**  
 6           **takes effect as follows:**  
 7           **(1) An ordinance adopted after December 31 of the**  
 8           **immediately preceding year and before November 2 of the**  
 9           **current year takes effect January 1 of the year immediately**  
 10           **following the year in which the ordinance is adopted.**  
 11           **(2) An ordinance adopted after November 1 of the current**  
 12           **year and before January 1 of the immediately succeeding year**  
 13           **takes effect January 1 of the year that follows the current**  
 14           **year by two (2) years.**  
 15           **(e) Subject to IC 6-3.7-1-1, an ordinance or resolution not**  
 16           **described in subsection (b), (c), or (d) takes effect as provided**  
 17           **under IC 36 for other ordinances or resolutions of the**  
 18           **governmental entity adopting the ordinance or resolution.**  
 19           **Sec. 4. (a) Except for a tax rate that has an expiration date, a tax**  
 20           **rate remains in effect until the effective date of an ordinance or**  
 21           **resolution that increases, decreases, or rescinds that tax rate.**  
 22           **(b) A tax rate may not be changed more than once each year**  
 23           **under this article.**  
 24           **Sec. 5. An adopting body shall record all votes taken on**  
 25           **ordinances or resolutions presented for a vote under this article**  
 26           **and not more than ten (10) days after the vote, send a certified**  
 27           **copy of the results to:**  
 28           **(1) the commissioner of the department of state revenue; and**  
 29           **(2) the commissioner of the department of local government**  
 30           **finance;**  
 31           **in an electronic format approved by the commissioner of the**  
 32           **department of local government finance.**  
 33           **Sec. 6. (a) Before an adopting body may vote on a proposed**  
 34           **ordinance or resolution under this article, the adopting body must**  
 35           **hold a public hearing on the proposed ordinance or resolution and**  
 36           **provide the public with notice of the date, time, and place where**  
 37           **the public hearing will be held.**  
 38           **(b) The notice required by subsection (a) must be given in**  
 39           **accordance with IC 5-3-1 and include the proposed ordinance or**  
 40           **resolution.**  
 41           **(c) In addition to the notice required by subsection (a), the**  
 42           **adopting body shall also provide a copy of the notice to all taxing**



1 units in the county at least ten (10) days before the public hearing.

2 **Sec. 7. (a) A pledge of a tax under:**

3 (1) IC 6-3.5-1.1, IC 6-3.5-6, or IC 6-3.5-7 (before their repeal  
4 on January 1, 2017); or

5 (2) IC 6-3.6 (before its expiration on December 31, 2021);

6 for the payment of bonds, leases, or other expenditures shall be  
7 treated as a pledge of the tax under this article for the same  
8 purpose.

9 (b) Notwithstanding the repeal on January 1, 2017, of  
10 IC 6-3.5-1.1, IC 6-3.5-6, and IC 6-3.5-7, the expiration of IC 6-3.6  
11 on December 31, 2021, and the enactment of this article, any pledge  
12 of revenues received from a tax imposed under any of the  
13 provisions of IC 6-3.5-1.1, IC 6-3.5-6, and IC 6-3.5-7 (before their  
14 repeal) or IC 6-3.6 (before its expiration) to the payment, in whole  
15 or in part, of:

16 (1) the principal of and interest on bonds;

17 (2) lease rentals due under a lease; and

18 (3) the payment of any other obligation;

19 is binding and enforceable and remains in full force and effect as  
20 long as the principal of and interest on any bonds, the lease rentals  
21 due under any lease, or the payment of any obligation remains  
22 unpaid. The enactment of this article does not affect any rights,  
23 duties, obligations, proceedings, or liabilities accrued before  
24 January 1, 2022.

25 **Sec. 8. (a) A period that began with respect to a tax imposed**  
26 **under IC 6-3.5-1.1, IC 6-3.5-6, or IC 6-3.5-7 (before their repeal on**  
27 **January 1, 2017) or IC 6-3.6 (before its expiration on December 31,**  
28 **2021) that limits the period in which the tax may be imposed:**

29 (1) continues under this article from the starting date and  
30 time of the original action under IC 6-3.5-1.1, IC 6-3.5-6, or  
31 IC 6-3.5-7 (before their repeal) or IC 6-3.6 (before its  
32 expiration); and

33 (2) limits the period in which the related tax under this article  
34 may be imposed as if the period were initiated under this  
35 article.

36 (b) A period that began with respect to the issuance of bonds or  
37 leases payable from a tax imposed under IC 6-3.5-1.1, IC 6-3.5-6,  
38 or IC 6-3.5-7 (before their repeal on January 1, 2017) or IC 6-3.6  
39 (before its expiration on December 31, 2021) and that limits the  
40 period in which the bonds or leases may be in effect:

41 (1) continues under this article from the starting date and  
42 time of the original action under IC 6-3.5-1.1, IC 6-3.5-6, or



1           IC 6-3.5-7 (before their repeal) or IC 6-3.6 (before its  
2           expiration); and

3           (2) limits the period in which the bonds or leases may be in  
4           effect as if the period were initiated under this article.

5           Sec. 9. The department of local government finance and the  
6           department of state revenue shall assist adopting bodies and other  
7           local governmental entities as necessary to provide for a transition  
8           to the administration of taxes under this article.

9           Chapter 4. Imposition of Tax

10          Sec. 1. A tax is imposed on the adjusted gross income of an  
11          individual at a tax rate that is a sum of the tax rates imposed under  
12          this article by:

- 13           (1) the county;  
14           (2) the municipality (if any); and  
15           (3) the school corporation;

16          in which the individual is a local taxpayer.

17          Sec. 2. Subject to section 3 of this chapter, a tax rate authorized  
18          under IC 6-3.7-5, IC 6-3.7-6, or IC 6-3.7-7 may be adopted,  
19          increased, decreased, or rescinded without adopting, increasing,  
20          decreasing, or rescinding a tax rate authorized by either of the two  
21          (2) other chapters. However, an adopting body may:

- 22           (1) adopt, increase, decrease, or rescind a tax authorized  
23           under a particular chapter of this article; and  
24           (2) adopt, increase, decrease, or rescind a tax authorized  
25           under another chapter of this article;

26          in the same ordinance or resolution.

27          Sec. 3. (a) If a county, municipality, or school corporation has  
28          bonds or leases that are outstanding and are payable from a tax  
29          imposed by the municipality or school corporation under  
30          IC 6-3.7-6-1(a), the adopting body of the county, municipality, or  
31          school corporation may not reduce the tax rate below a rate that  
32          would produce one and twenty-five hundredths (1.25) times the  
33          total of the highest annual outstanding debt service plus the highest  
34          annual lease payments plus any amount required under the  
35          agreements for the bonds or leases to be deposited in a sinking fund  
36          or other reserve, unless:

- 37           (1) the adopting body; or  
38           (2) any city, town, or county;

39          pledges all or a part of its share of revenues from the tax imposed  
40          under IC 6-3.7-6 or IC 6-3.7-7 for the life of the bonds or the term  
41          of the lease, in an amount that is sufficient, when combined with  
42          the amount pledged by the municipality or school corporation that



1 issued the bonds, to produce one and twenty-five hundredths (1.25)  
2 times the total of the highest annual outstanding debt service plus  
3 the highest annual lease payments plus the amount required under  
4 the agreements for the bonds or leases to be deposited in a sinking  
5 fund or other reserve.

6 (b) If a county, excluded city, or township has bonds or leases  
7 that are outstanding and are payable from a tax imposed by the  
8 county under IC 6-3.7-6-1(b)(1) or IC 6-3.7-6-1(b)(2), the adopting  
9 body of the county may not reduce the tax rate below a rate that  
10 would produce one and twenty-five hundredths (1.25) times the  
11 total of the highest annual outstanding debt service plus the highest  
12 annual lease payments plus any amount required under the  
13 agreements for the bonds or leases to be deposited in a sinking fund  
14 or other reserve, unless:

15 (1) the adopting body; or  
16 (2) any city, town, or county;  
17 pledges all or a part of its share of revenues from the tax imposed  
18 under IC 6-3.7-6 or IC 6-3.7-7 for the life of the bonds or the term  
19 of the lease, in an amount that is sufficient, when combined with  
20 the amount pledged by the county, excluded city, or township that  
21 issued the bonds, to produce one and twenty-five hundredths (1.25)  
22 times the total of the highest annual outstanding debt service plus  
23 the highest annual lease payments plus the amount required under  
24 the agreements for the bonds or leases to be deposited in a sinking  
25 fund or other reserve.

26 (c) If there are bonds or leases outstanding that are payable  
27 from a tax imposed under IC 6-3.7-7, the adopting body of a county  
28 may not reduce the tax rate below a rate that would produce one  
29 and twenty-five hundredths (1.25) times the total of the highest  
30 annual outstanding debt service plus the highest annual lease  
31 payments plus any amount required under the agreements for the  
32 bonds or leases to be deposited in a sinking fund or other reserve,  
33 unless:

34 (1) the adopting body; or  
35 (2) any city, town, or county;  
36 pledges all or a part of its share of revenues from the tax imposed  
37 under IC 6-3.7-6 or IC 6-3.7-7 for the life of the bonds or the term  
38 of the lease, in an amount that is sufficient, when combined with  
39 the amount pledged by the county that issued the bonds, to produce  
40 one and twenty-five hundredths (1.25) times the total of the highest  
41 annual outstanding debt service plus the highest annual lease  
42 payments plus the amount required under the agreements for the



1 bonds or leases to be deposited in a sinking fund or other reserve.

2 (d) For purposes of this section, the determination of a tax rate  
3 sufficient to produce one and twenty-five hundredths (1.25) times  
4 the total of the highest outstanding annual debt service plus the  
5 highest annual lease payments must be based on an average of the  
6 immediately preceding three (3) years tax collections, if the tax has  
7 been imposed for the last preceding three (3) years. If the tax has  
8 not been imposed for the last preceding three (3) years, the body  
9 that imposed the tax may not reduce the rate below a rate that  
10 would produce one and twenty-five hundredths (1.25) times the  
11 total of the highest annual debt service, plus the highest annual  
12 lease payments, based upon a study by a qualified public  
13 accountant or financial adviser.

14 (e) To inform an adopting body concerning the payment of  
15 bonds, leases, or other obligations, a political subdivision may  
16 provide the adopting body with information regarding any  
17 outstanding bonds, leases, or other obligations that are secured by  
18 additional revenue.

19 **Chapter 5. Property Tax Relief Rates**

20 **Sec. 1. (a)** Except as provided in subsection (b), the adopting  
21 body of an eligible unit may impose a tax under section 6 of this  
22 chapter on the adjusted gross income of individuals who are local  
23 taxpayers of the eligible unit.

24 (b) Except as provided in subsection (c), an excluded city or an  
25 included town may not impose a tax under this chapter.

26 (c) An included town that has territory in Marion County and  
27 also has territory in a county other than Marion County may  
28 impose a tax under this chapter on the adjusted gross income of  
29 individuals who are local taxpayers of that part of the included  
30 town that is located in a county other than Marion County.

31 **Sec. 2.** A tax imposed under this chapter shall be treated as  
32 property taxes for all purposes. However, the department of local  
33 government finance may not reduce:

34 (1) a taxing unit's maximum permissible property tax levy  
35 limit under IC 6-1.1-18.5; or

36 (2) the approved property tax levy or rate for any fund of a  
37 taxing unit;

38 because of any credits granted under this chapter.

39 **Sec. 3.** To impose a tax under this chapter, the adopting body of  
40 an eligible unit must adopt an ordinance (in the case of a county or  
41 municipality) or a resolution (in the case of a school corporation)  
42 finding and determining that revenues from the tax are needed for



1 the purposes described in section 6 of this chapter.

2 **Sec. 4. A credit granted under this chapter shall be applied to**  
 3 **reduce the property tax liability of a taxpayer before the**  
 4 **application of a credit granted under IC 6-1.1-20.4 or**  
 5 **IC 6-1.1-20.6.**

6 **Sec. 5. The auditor of state shall assist adopting bodies and**  
 7 **county auditors in calculating credit percentages and amounts**  
 8 **under this article.**

9 **Sec. 6. (a) This subsection does not apply to the adopting body**  
 10 **of Marion County. Subject to section 1(b) of this chapter, the**  
 11 **adopting body of an eligible unit that is a county or municipality**  
 12 **may impose a tax rate under this chapter that does not exceed**  
 13 **five-tenths of one percent (0.5%) on the adjusted gross income of**  
 14 **individuals who are local taxpayers of the eligible unit.**

15 **(b) The adopting body of an eligible unit that is a school**  
 16 **corporation may impose a tax rate under this chapter that does not**  
 17 **exceed twenty-five hundredths of one percent (0.25%) on the**  
 18 **adjusted gross income of individuals who are local taxpayers of the**  
 19 **eligible unit.**

20 **(c) The adopting body of Marion County may impose a tax rate**  
 21 **under this chapter that does not exceed one percent (1%) on the**  
 22 **adjusted gross income of individuals who are local taxpayers of the**  
 23 **county.**

24 **(d) Revenues from a tax imposed by an eligible unit under this**  
 25 **section may be used only for the purpose of funding a property tax**  
 26 **credit as specified in the following:**

27 **(1) In the case of an eligible unit that is a municipality or**  
 28 **school corporation, the property tax credit shall be:**

29 **(A) provided against property taxes imposed by the eligible**  
 30 **unit; and**

31 **(B) applied on a percentage basis to reduce the property**  
 32 **tax liability of taxpayers with tangible property located in**  
 33 **the eligible unit.**

34 **(2) In the case of an eligible unit that is a county, the property**  
 35 **tax credit shall be:**

36 **(A) provided against property taxes imposed by the county**  
 37 **and by all other qualified civil taxing units in the county**  
 38 **(as defined in IC 6-3.7-2-16(1) for a county other than**  
 39 **Marion County and as defined in IC 6-3.7-2-16(2) and**  
 40 **IC 6-3.7-2-16(3) for Marion County); and**

41 **(B) applied on a percentage basis to reduce the property**  
 42 **tax liability of taxpayers with tangible property located in**



- 1           the county.
- 2       **However, property taxes imposed due to a referendum in which a**
- 3       **majority of voters have approved the property taxes are not**
- 4       **eligible for a credit under this section.**
- 5       **(e) The adopting body of an eligible unit shall specify by**
- 6       **ordinance (in the case of a county or municipality) or resolution (in**
- 7       **the case of a school corporation) how the revenue from the tax**
- 8       **shall be applied to all or any combination of the categories under**
- 9       **subdivisions (1) through (4) to provide property tax credits in**
- 10       **subsequent years. The allocation must be specified as a percentage**
- 11       **of property tax relief revenue for taxpayers within each property**
- 12       **category. The ordinance or resolution must be adopted as provided**
- 13       **in IC 6-3.7-3 and takes effect and applies to property taxes as**
- 14       **specified in IC 6-3.7-3-3. The ordinance or resolution continues to**
- 15       **apply thereafter until it is rescinded or modified. Subject to**
- 16       **subsection (h), the property tax credits may be allocated to all**
- 17       **property categories or among any combination of the following**
- 18       **categories:**
- 19           **(1) For homesteads eligible for a credit under**
- 20           **IC 6-1.1-20.6-7.5 that limits the taxpayer's property tax**
- 21           **liability for the property to one percent (1%).**
- 22           **(2) For residential property, long term care property,**
- 23           **agricultural land, and other tangible property (if any) eligible**
- 24           **for a credit under IC 6-1.1-20.6-7.5 that limits the taxpayer's**
- 25           **property tax liability for the property to two percent (2%).**
- 26           **(3) For residential property (as defined in IC 6-1.1-20.6-4).**
- 27           **(4) For nonresidential real property, personal property, and**
- 28           **other tangible property (if any) eligible for a credit under**
- 29           **IC 6-1.1-20.6-7.5 that limits the taxpayer's property tax**
- 30           **liability for the property to three percent (3%).**
- 31       **(f) Within a category described in subsection (e) for which an**
- 32       **ordinance or resolution adopted by an eligible unit grants property**
- 33       **tax credits, the property tax credit rate must be a uniform**
- 34       **percentage for all qualifying taxpayers with property in that**
- 35       **category in the eligible unit.**
- 36       **(g) An eligible unit shall allocate the amount of revenue applied**
- 37       **as tax credits under this section to each fund of the eligible unit in**
- 38       **the same proportion as the property tax rate for that fund bears to**
- 39       **the total property tax rate imposed by the eligible unit for all**
- 40       **funds.**
- 41       **(h) A taxpayer that owns an industrial plant located in Jasper**
- 42       **County is ineligible for a credit under this chapter against the**





1 property taxes due on the industrial plant if the assessed value of  
 2 the industrial plant as of March 1, 2006, exceeded twenty percent  
 3 (20%) of the total assessed value of all taxable property in the  
 4 county on that date. The general assembly finds that the provisions  
 5 of this subsection are necessary because the industrial plant  
 6 represents such a large percentage of Jasper County's assessed  
 7 valuation.

8 (i) If the adopting body of an eligible unit adopts an ordinance  
 9 (in the case of a county or municipality) or resolution (in the case  
 10 of a school corporation) to reduce or eliminate the property tax  
 11 relief credits that are in effect in the eligible unit under this  
 12 chapter, the adopting body shall give notice of the adoption of the  
 13 ordinance or resolution in accordance with IC 5-3-1 not later than  
 14 thirty (30) days after the date on which the ordinance or resolution  
 15 is adopted.

#### 16 Chapter 6. Expenditure Rates

17 Sec. 1. (a) This subsection does not apply to the adopting body  
 18 of Marion County. The adopting body of an eligible unit may adopt  
 19 an ordinance (in the case of a county or municipality) or a  
 20 resolution (in the case of a school corporation) to impose a tax rate  
 21 under this chapter that does not exceed the following:

22 (1) In the case of an eligible unit that is a county, one and  
 23 twenty-five hundredths percent (1.25%) on the adjusted gross  
 24 income of individuals who are local taxpayers of the eligible  
 25 unit.

26 (2) In the case of an eligible unit that is a municipality, one  
 27 percent (1%) on the adjusted gross income of individuals who  
 28 are local taxpayers of the eligible unit.

29 (3) In the case of an eligible unit that is a school corporation,  
 30 twenty-five hundredths percent (0.25%) on the adjusted gross  
 31 income of individuals who are local taxpayers of the eligible  
 32 unit. However, a school corporation may not impose a tax rate  
 33 under this chapter unless:

34 (A) the school corporation will use the entire amount of the  
 35 revenue from the tax rate to provide additional property  
 36 tax credits in the same manner as property tax credits are  
 37 provided under IC 6-3.7-5; or

38 (B) the tax rate is approved in a local public question  
 39 under IC 6-3.7-11, if the school corporation will not use the  
 40 entire amount of the revenue from the tax rate to provide  
 41 property tax credits in the same manner as property tax  
 42 credits are provided under IC 6-3.7-5.



1           **(b) This subsection applies only to the adopting body of Marion**  
 2 **County. The adopting body of Marion County may do one (1) or**  
 3 **both of the following:**

4           **(1) Adopt an ordinance to impose a tax rate under this**  
 5 **chapter that does not exceed one percent (1%) on the adjusted**  
 6 **gross income of individuals who are local taxpayers of the**  
 7 **county, for purposes of raising revenue that shall be**  
 8 **distributed as certified shares to the county and to excluded**  
 9 **cities as provided in section 11 of this chapter or used as**  
 10 **otherwise provided in this chapter.**

11           **(2) Adopt an ordinance to impose a tax rate under this**  
 12 **chapter that does not exceed one percent (1%) on the adjusted**  
 13 **gross income of individuals who are local taxpayers of the**  
 14 **county, for purposes of raising revenue that shall be**  
 15 **distributed as certified shares to the county and to townships**  
 16 **in the county as provided in section 12 of this chapter or used**  
 17 **as otherwise provided in this chapter.**

18           **(c) Notwithstanding IC 6-3.7-2-8, the adopting body of an**  
 19 **included town that has territory in Marion County and also has**  
 20 **territory in a county other than Marion County may impose a tax**  
 21 **rate under this chapter of not more than seventy-five hundredths**  
 22 **percent (0.75%) on the adjusted gross income of individuals who**  
 23 **are local taxpayers of that part of the included town that is located**  
 24 **in a county other than Marion County.**

25           **Sec. 2. (a) An eligible unit that is a school corporation may use**  
 26 **revenue that is raised by the school corporation from a tax imposed**  
 27 **under this chapter as follows:**

28           **(1) If the tax rate is approved in a local public question under**  
 29 **IC 6-3.7-11, the school corporation may use the revenue for**  
 30 **any legal purpose of the school corporation, including any**  
 31 **purpose authorized by IC 6-3.7-10, and may allocate the**  
 32 **revenue among any of its funds. An eligible unit that is a**  
 33 **school corporation may by resolution provide that all or part**  
 34 **of the revenue shall be used to provide additional property tax**  
 35 **credits in the same manner as property tax credits are**  
 36 **provided under IC 6-3.7-5. If the adopting body adopts a**  
 37 **resolution providing that all or part of the revenue shall be**  
 38 **used to provide additional property tax credits, the adopting**  
 39 **body shall specify in the resolution the amount or percentage**  
 40 **of the revenue that shall be used to provide additional**  
 41 **property tax credits.**

42           **(2) If the tax rate is not approved in a local public question**



1 under IC 6-3.7-11, the school corporation may use the revenue  
 2 only to provide additional property tax credits in the same  
 3 manner as property tax credits are provided under IC 6-3.7-5.

4 (b) This subsection does not apply to an eligible unit located in  
 5 Marion County. An eligible unit that is a municipality may use  
 6 revenue that is raised from a tax imposed by the municipality  
 7 under this chapter for any legal purpose of the municipality,  
 8 including any purpose authorized by IC 6-3.7-10, and may allocate  
 9 the revenue among any of its funds. An eligible unit that is a  
 10 municipality may by ordinance provide that all or part of the  
 11 revenue shall be used to provide additional property tax credits in  
 12 the same manner as property tax credits are provided under  
 13 IC 6-3.7-5. The adopting body shall specify by ordinance the  
 14 amount or percentage of the revenue that shall be used to provide  
 15 additional property tax credits.

16 (c) A qualified civil taxing unit may use certified shares received  
 17 from a tax imposed by a county under section 1 of this chapter for  
 18 any legal purpose of the qualified civil taxing unit, including any  
 19 purpose authorized by IC 6-3.7-10, and the certified shares may be  
 20 allocated by the qualified civil taxing unit among any of the  
 21 qualified civil taxing unit's funds.

22 Sec. 3. Subject to sections 4, 5, 6, 7, 8, and 9 of this chapter, an  
 23 eligible unit that is a county shall distribute revenue that is raised  
 24 from a tax imposed by the county under this chapter as follows:

25 (1) As certified shares to qualified civil taxing units in the  
 26 county as provided in section 10 of this chapter, in the case of  
 27 a tax imposed by a county other than Marion County.

28 (2) As certified shares to the county and excluded cities in the  
 29 county as provided in section 11 of this chapter, in the case of  
 30 a tax imposed by Marion County under section 1(b)(1) of this  
 31 chapter.

32 (3) As certified shares to the county and townships in the  
 33 county as provided in section 12 of this chapter, in the case of  
 34 a tax imposed by Marion County under section 1(b)(2) of this  
 35 chapter.

36 Sec. 4. (a) This section does not apply to Marion County.

37 (b) If a county has imposed a tax under this chapter, the county  
 38 fiscal body may adopt an ordinance to provide that a part of the  
 39 revenue that is raised from the tax shall be used for a PSAP in the  
 40 county. The county fiscal body shall specify by ordinance the  
 41 percentage of the revenue that shall be used for a PSAP in the  
 42 county. However, the part of the revenue that may be used under



1 this section for a PSAP in the county may not exceed the revenue  
 2 attributable to a tax rate of one-tenth of one percent (0.1%). An  
 3 ordinance providing that a part of the revenue that is raised from  
 4 the tax shall be used for a PSAP in the county applies until the  
 5 ordinance is rescinded or modified.

6 (c) The revenue to be used for a PSAP in the county under this  
 7 section must be distributed directly to the county before the  
 8 remainder of the revenue received by the county from a tax  
 9 imposed under this chapter is distributed as certified shares to  
 10 qualified civil taxing units. The revenue shall be maintained in a  
 11 separate dedicated county fund and used only for paying for a  
 12 PSAP in the county.

13 Sec. 5. (a) This section applies only to Marion County.

14 (b) The county fiscal body may adopt an ordinance to provide  
 15 that a part of the revenue that is raised from the tax imposed by  
 16 the county under section 1(b)(1) or 1(b)(2) of this chapter (or from  
 17 both the tax imposed under section 1(b)(1) of this chapter and the  
 18 tax imposed under section 1(b)(2) of this chapter) shall be used to  
 19 fund the operation of a public communications system and  
 20 computer facilities district as provided in an election, if any, made  
 21 by the county fiscal body under IC 36-8-15-19(b). The county fiscal  
 22 body shall specify by ordinance the percentage of the revenue that  
 23 shall be used to fund the operation of a public communications  
 24 system and computer facilities district. However, the part of the  
 25 revenue that may be used under this section for this purpose may  
 26 not exceed the revenue attributable to a tax rate of one-tenth of one  
 27 percent (0.1%). An ordinance providing that a part of the revenue  
 28 that is raised from the tax shall be used to fund the operation of a  
 29 public communications system and computer facilities district  
 30 applies until the ordinance is rescinded or modified.

31 (c) The revenue to be used to fund the operation of a public  
 32 communications system and computer facilities district under this  
 33 section must be distributed directly to the county before the  
 34 remainder of the revenue received by the county from a tax  
 35 imposed under this chapter is distributed as certified shares to  
 36 qualified civil taxing units.

37 Sec. 6. (a) This section applies only to Marion County.

38 (b) The county fiscal body may adopt an ordinance to provide  
 39 that a part of the revenue that is raised from a tax imposed by the  
 40 county under section 1(b)(1) or 1(b)(2) of this chapter (or from  
 41 both the tax imposed under section 1(b)(1) of this chapter and the  
 42 tax imposed under section 1(b)(2) of this chapter) shall be used to



1 fund the operation of a public library in the county, as provided in  
 2 an election, if any, made by the county fiscal body under  
 3 IC 36-3-7-6. The county fiscal body shall specify by ordinance the  
 4 percentage of the revenue that shall be used to fund the operation  
 5 of the public library.

6 (c) The revenue to be used to fund the operation of a public  
 7 library in the county under this section must be distributed directly  
 8 to the public library before the remainder of the revenue received  
 9 by the county from a tax imposed under this chapter is distributed  
 10 as certified shares to qualified civil taxing units.

11 Sec. 7. (a) This section applies only to Marion County.

12 (b) The county fiscal body may adopt an ordinance to provide  
 13 that a part of the revenue that is raised from a tax imposed by the  
 14 county under section 1(b)(1) or 1(b)(2) of this chapter (or from  
 15 both the tax imposed under section 1(b)(1) of this chapter and the  
 16 tax imposed under section 1(b)(2) of this chapter) shall be used to  
 17 fund the operation of a public transportation corporation as  
 18 provided in an election, if any, made by the county fiscal body  
 19 under IC 36-9-4-42. The county fiscal body shall specify by  
 20 ordinance the percentage of the revenue that shall be used to fund  
 21 the operation of a public transportation corporation.

22 (c) The revenue to be used to fund the operation of a public  
 23 transportation corporation under this section must be distributed  
 24 directly to the public transportation corporation before the  
 25 remainder of the revenue received by the county from a tax  
 26 imposed under this chapter is distributed as certified shares.

27 Sec. 8. (a) This section applies only to Porter County.

28 (b) Revenue received by the county as certified shares under this  
 29 chapter shall be allocated and used in the following order:

30 (1) The revenue received by the county as certified shares  
 31 under this chapter each year and attributable to an income  
 32 tax rate of twenty-five hundredths percent (0.25%) may be  
 33 used for any legal purpose of the county.

34 (2) The next three million five hundred thousand dollars  
 35 (\$3,500,000) of the revenue received by the county as certified  
 36 shares under this chapter each year shall be used to make  
 37 transfers as provided in and required under IC 36-7.5-4-2.  
 38 This amount shall be paid by the county treasurer to the  
 39 treasurer of the northwest Indiana regional development  
 40 authority under IC 36-7.5-4-2.

41 (3) After making the transfers required under subdivision (2),  
 42 any remaining revenue received by the county as certified



- 1            shares under this chapter each year may be used for any legal  
2            purpose of the county.
- 3            **Sec. 9. (a)** A county fiscal body may adopt an ordinance to  
4            provide that any part of the revenue that is raised from a tax  
5            imposed by the county under section 1 of this chapter (excluding  
6            any revenue that is used for purposes described in sections 4  
7            through 8 of this chapter) shall be used to provide additional  
8            property tax credits in the county in the same manner as property  
9            tax credits are provided under IC 6-3.7-5. The county fiscal body  
10           shall specify by ordinance the amount or percentage of the revenue  
11           that shall be used to provide additional property tax credits.
- 12           (b) The revenue to be used to provide additional property tax  
13           credits must be distributed to the county auditor for purposes of  
14           paying the property tax credits before the remainder of the  
15           revenue received by the county from a tax imposed under this  
16           chapter is distributed as certified shares.
- 17           **Sec. 10. (a)** This section applies to counties other than Marion  
18           County.
- 19           (b) The part of the certified distribution received by the county  
20           that is attributable to the tax imposed by a county under section  
21           1(a) of this chapter shall be distributed as provided in subsection  
22           (d) to qualified civil taxing units as certified shares, after deducting  
23           the amounts (if any) dedicated to a PSAP under section 4 of this  
24           chapter or for additional property tax credits under section 9 of  
25           this chapter.
- 26           (c) Any qualified civil taxing unit that imposed an ad valorem  
27           property tax levy in the county for the calendar year preceding the  
28           distribution year is eligible for an allocation for the distribution  
29           year under this chapter. However, a county solid waste  
30           management district (as defined in IC 13-11-2-47) or a joint solid  
31           waste management district (as defined in IC 13-11-2-113) is not a  
32           qualified civil taxing unit for the purpose of receiving a  
33           distribution of certified shares under this chapter unless a majority  
34           of the members of each of the county fiscal bodies of the counties  
35           within the district passes a resolution approving the distribution.  
36           A resolution passed by a county fiscal body approving a  
37           distribution of certified shares for a county solid waste  
38           management district or a joint solid waste management district  
39           may expire on a date specified in the resolution or remain in effect  
40           until the county fiscal body revokes or rescinds the resolution.
- 41           (d) Subject to the requirements of this chapter and subject to  
42           the limitations in section 17 of this chapter, certified shares shall be



1 distributed to the qualified civil taxing units based on the  
 2 attributed allocation amounts of the qualified civil taxing units in  
 3 the county. The amount of certified shares to be distributed to each  
 4 qualified civil taxing unit is equal to:

5 (1) the part of the certified distribution received by the county  
 6 that is attributable to the tax imposed by the county under  
 7 section 1(a) of this chapter, after deducting amounts (if any)  
 8 dedicated to a PSAP under section 4 of this chapter or for  
 9 additional property tax credits under section 9 of this chapter;  
 10 multiplied by

11 (2) the quotient of:

12 (A) the attributed allocation amount for the qualified civil  
 13 taxing unit in the county during the calendar year; divided  
 14 by

15 (B) the sum of the attributed allocation amounts for all  
 16 qualified civil taxing units in the county during the  
 17 calendar year.

18 (e) IC 36-8-19-7.5 applies to the adjustment of the amounts  
 19 distributed to a qualified civil taxing unit that participates in a fire  
 20 protection territory.

21 Sec. 11. (a) This section applies only to Marion County. Subject  
 22 to the requirements of this chapter and subject to the limitations in  
 23 section 17 of this chapter, the revenue that is raised from a tax  
 24 imposed by the county under section 1(b)(1) of this chapter shall be  
 25 distributed to the county and to each excluded city in the county in  
 26 an amount equal to the result determined in the following STEPS:

27 STEP ONE: Determine the part of the certified distribution  
 28 received by the county that is attributable to the tax imposed  
 29 by the county under section 1(b)(1) of this chapter.

30 STEP TWO: Determine the result of:

31 (A) the STEP ONE result; minus

32 (B) the sum of:

33 (i) the amounts (if any) of the tax imposed by the county  
 34 under section 1(b)(1) of this chapter that are used to  
 35 fund the operation of a public communications system  
 36 and computer facilities district under section 5 of this  
 37 chapter;

38 (ii) the amounts (if any) of the tax imposed by the county  
 39 under section 1(b)(1) of this chapter that are used to  
 40 fund the operation of a public library in the county  
 41 under section 6 of this chapter;

42 (iii) the amounts (if any) of the tax imposed by the county



1 under section 1(b)(1) of this chapter that are used to  
 2 fund the operation of a public transportation  
 3 corporation under section 7 of this chapter; and  
 4 (iv) the amounts (if any) of the tax imposed by the county  
 5 under section 1(b)(1) of this chapter that are used to  
 6 fund additional property tax credits under section 9 of  
 7 this chapter.

8 **STEP THREE:** For purposes of determining the distribution  
 9 to the county or to an excluded city, multiply the STEP TWO  
 10 result by the quotient of:

11 (A) the attributed allocation amount for the county or the  
 12 excluded city for the calendar year; divided by

13 (B) the sum of the attributed allocation amounts for the  
 14 county and all excluded cities for the calendar year.

15 (b) IC 36-8-19-7.5 applies to the adjustment of the amounts  
 16 distributed to a county or excluded city that participates in a fire  
 17 protection territory.

18 **Sec. 12. (a)** This section applies only to Marion County. Subject  
 19 to the requirements of this chapter and subject to the limitations in  
 20 section 17 of this chapter, the revenue that is raised from a tax  
 21 imposed by the county under section 1(b)(2) of this chapter shall be  
 22 distributed to the county and to each township in the county in an  
 23 amount equal to the result determined in the following STEPS:

24 **STEP ONE:** Determine the part of the certified distribution  
 25 received by the county that is attributable to the tax imposed  
 26 by the county under section 1(b)(2) of this chapter.

27 **STEP TWO:** Determine the result of:

28 (A) the STEP ONE result; minus

29 (B) the sum of:

30 (i) the amounts (if any) of the tax imposed by the county  
 31 under section 1(b)(2) of this chapter that are used to  
 32 fund the operation of a public communications system  
 33 and computer facilities district under section 5 of this  
 34 chapter;

35 (ii) the amounts (if any) of the tax imposed by the county  
 36 under section 1(b)(2) of this chapter that are used to  
 37 fund the operation of a public library in the county  
 38 under section 6 of this chapter;

39 (iii) the amounts (if any) of the tax imposed by the county  
 40 under section 1(b)(2) of this chapter that are used to  
 41 fund the operation of a public transportation  
 42 corporation under section 7 of this chapter; and





1 (iv) the amounts (if any) of the tax imposed by the county  
 2 under section 1(b)(2) of this chapter that are used to  
 3 fund additional property tax credits under section 9 of  
 4 this chapter.

5 **STEP THREE:** For purposes of determining the distribution  
 6 to the county or to a township in the county, multiply the  
 7 **STEP TWO** result by the quotient of:

8 (A) the attributed allocation amount for the county or the  
 9 township for the calendar year; divided by

10 (B) the sum of the attributed allocation amounts for the  
 11 county and all townships for the calendar year.

12 (b) IC 36-8-19-7.5 applies to the adjustment of the amounts  
 13 distributed to a county or township that participates in a fire  
 14 protection territory.

15 **Sec. 13. (a)** This subsection applies to the determination of the  
 16 allocation amount of a qualified civil taxing unit for purposes of the  
 17 distribution of certified shares under section 10 of this chapter. The  
 18 allocation amount of a qualified civil taxing unit for a calendar  
 19 year must be based on the amounts for the calendar year preceding  
 20 the distribution year and is equal to the amount determined using  
 21 the following formula:

22 **STEP ONE:** Determine the sum of the total property taxes  
 23 being imposed by the civil taxing unit.

24 **STEP TWO:** Determine the sum of the following:

25 (A) Amounts appropriated by the civil taxing unit from  
 26 property taxes to pay the principal of or interest on any  
 27 debenture or other debt obligation issued after June 30,  
 28 2005, other than an obligation described in subsection (d).

29 (B) Amounts appropriated by the civil taxing unit from  
 30 property taxes to make payments on any lease entered into  
 31 after June 30, 2005, other than a lease described in  
 32 subsection (e).

33 **STEP THREE:** Subtract the **STEP TWO** amount from the  
 34 **STEP ONE** amount.

35 **STEP FOUR:** Determine the sum of:

36 (A) the **STEP THREE** amount; plus

37 (B) the civil taxing unit's certified shares for the previous  
 38 calendar year.

39 The allocation amount is subject to adjustment as provided in  
 40 IC 36-8-19-7.5.

41 (b) This subsection applies to the determination of the allocation  
 42 amount of a county or excluded city for purposes of the



1 distribution of certified shares under section 11 of this chapter. The  
 2 allocation amount of a county or excluded city for a calendar year  
 3 must be based on the amounts for the calendar year preceding the  
 4 distribution year and is equal to the amount determined using the  
 5 following formula:

6 **STEP ONE:** Determine the sum of the total property taxes  
 7 being imposed by the county or excluded city.

8 **STEP TWO:** Determine the sum of the following:

9 (A) Amounts appropriated by the county or excluded city  
 10 from property taxes to pay the principal of or interest on  
 11 any debenture or other debt obligation issued after June  
 12 30, 2005, other than an obligation described in subsection  
 13 (d).

14 (B) Amounts appropriated by the county or excluded city  
 15 from property taxes to make payments on any lease  
 16 entered into after June 30, 2005, other than a lease  
 17 described in subsection (e).

18 **STEP THREE:** Subtract the STEP TWO amount from the  
 19 STEP ONE amount.

20 **STEP FOUR:** Determine the sum of:

21 (A) the STEP THREE amount; plus

22 (B) the county's or excluded city's certified shares for the  
 23 previous calendar year.

24 The allocation amount is subject to adjustment as provided in  
 25 IC 36-8-19-7.5.

26 (c) This subsection applies to the determination of the allocation  
 27 amount of a county or township for purposes of the distribution of  
 28 certified shares under section 12 of this chapter. The allocation  
 29 amount of a county or township for a calendar year must be based  
 30 on the amounts for the calendar year preceding the distribution  
 31 year and is equal to the amount determined using the following  
 32 formula:

33 **STEP ONE:** Determine the sum of the total property taxes  
 34 being imposed by the county or township.

35 **STEP TWO:** Determine the sum of the following:

36 (A) Amounts appropriated by the county or township from  
 37 property taxes to pay the principal of or interest on any  
 38 debenture or other debt obligation issued after June 30,  
 39 2005, other than an obligation described in subsection (d).

40 (B) Amounts appropriated by the county or township from  
 41 property taxes to make payments on any lease entered into  
 42 after June 30, 2005, other than a lease described in



- 1 subsection (e).  
 2 **STEP THREE: Subtract the STEP TWO amount from the**  
 3 **STEP ONE amount.**  
 4 **STEP FOUR: Determine the sum of:**  
 5 (A) the STEP THREE amount; plus  
 6 (B) the county's or township's certified shares for the  
 7 previous calendar year.  
 8 The allocation amount is subject to adjustment as provided in  
 9 IC 36-8-19-7.5.  
 10 (d) Except as provided in this subsection, an appropriation for  
 11 the calendar year preceding the distribution year from property  
 12 taxes to repay interest and principal of a debt obligation is not  
 13 deducted from the allocation amount for a civil taxing unit if:  
 14 (1) the debt obligation was issued; and  
 15 (2) the proceeds were appropriated from property taxes;  
 16 to refund or otherwise refinance a debt obligation or a lease issued  
 17 before July 1, 2005. However, an appropriation from property  
 18 taxes related to a debt obligation issued after June 30, 2005, is  
 19 deducted if the debt extends payments on a debt or lease beyond  
 20 the time in which the debt or lease would have been payable if the  
 21 debt or lease had not been refinanced or increases the total amount  
 22 that must be paid on a debt or lease in excess of the amount that  
 23 would have been paid if the debt or lease had not been refinanced.  
 24 The amount of the deduction is the annual amount for each year of  
 25 the extension period or the annual amount of the increase over the  
 26 amount that would have been paid.  
 27 (e) Except as provided in this subsection, an appropriation for  
 28 the calendar year preceding the distribution year from property  
 29 taxes to make payments on a lease is not deducted from the  
 30 allocation amount for a civil taxing unit if:  
 31 (1) the lease was issued; and  
 32 (2) the proceeds were appropriated from property taxes;  
 33 to refinance a debt obligation or lease issued before July 1, 2005.  
 34 However, an appropriation from property taxes related to a lease  
 35 entered into after June 30, 2005, is deducted if the lease extends  
 36 payments on a debt or lease beyond the time in which the debt or  
 37 lease would have been payable if the debt or lease had not been  
 38 refinanced or increases the total amount that must be paid on a  
 39 debt or lease in excess of the amount that would have been paid if  
 40 the debt or lease had not been refinanced. The amount of the  
 41 deduction is the annual amount for each year of the extension  
 42 period or the annual amount of the increase over the amount that



1 would have been paid.

2 **Sec. 14. Revenue received by a political subdivision from a tax**  
 3 **imposed under this chapter may not be considered by the**  
 4 **department of local government finance in determining:**

5 (1) any maximum permissible property tax levy limit that  
 6 applies to the political subdivision; or

7 (2) the approved property tax levy or rate for any fund of a  
 8 political subdivision.

9 **Sec. 15. (a) This section applies to any county that used revenue**  
 10 **under IC 6-3.6-6 (before its expiration) to provide for a levy freeze**  
 11 **as specified in IC 6-3.6-11-1 (before its expiration).**

12 (b) Beginning with property taxes first due and payable in 2022,  
 13 the department of local government finance shall adjust each  
 14 maximum permissible ad valorem property tax levy for which a  
 15 levy freeze amount was applied in 2021. The maximum permissible  
 16 ad valorem property tax levy for property taxes first due and  
 17 payable in 2022 shall be adjusted so that it is equal to:

18 (1) the sum of:

19 (A) the maximum permissible ad valorem property tax  
 20 levy for property taxes first due and payable in 2021; plus

21 (B) the levy freeze amount applied to that property tax levy  
 22 in 2021; multiplied by

23 (2) the assessed value growth quotient determined under  
 24 IC 6-1.1-18.5-2.

25 **Sec. 16. A qualified civil taxing unit may contribute any part of**  
 26 **its certified shares received under this chapter to the regional**  
 27 **development authority infrastructure fund established by**  
 28 **IC 36-9-43-9. The contribution must be approved in an ordinance**  
 29 **(in the case of a qualified civil taxing unit that is a county or**  
 30 **municipality) or a resolution (in the case of any other qualified civil**  
 31 **taxing unit) adopted by the fiscal body of the qualified civil taxing**  
 32 **unit.**

33 **Sec. 17. The maximum amount of certified shares that a**  
 34 **qualified civil taxing unit other than the county may receive under**  
 35 **this article in a year may not exceed the result of:**

36 (1) the amount of certified shares received by the qualified  
 37 taxing unit under this chapter in the preceding year (or, in the  
 38 case of determining the limitation that applies to distributions  
 39 in 2023, the amount of revenue distributed to the qualified  
 40 civil taxing unit under IC 6-3.6-6 in 2022); multiplied by

41 (2) one hundred two percent (102%).

42 To the extent that the amount of certified shares that would



1 otherwise be distributed to a qualified civil taxing unit other than  
 2 the county exceeds the limitation in this subsection, the excess  
 3 amount of certified shares shall instead be distributed to the county  
 4 and treated as certified shares of the county.

5 **Chapter 7. Special Purpose Rates**

6 **Sec. 1. (a)** Maintaining low property tax rates is essential to  
 7 economic development. The use of a tax imposed for the purposes  
 8 of this chapter, rather than the use of property taxes, promotes this  
 9 policy.

10 (b) A special purpose rate in effect under IC 6-3.6-7 on  
 11 December 31, 2021, for a particular county continues in effect  
 12 under this chapter after December 31, 2021, without any action  
 13 required by the county fiscal body to continue the tax. The tax  
 14 continues in effect until it is otherwise increased, decreased, or  
 15 rescinded as provided under this article. However, if there are  
 16 bonds or leases outstanding that are payable from a special  
 17 purpose tax imposed under IC 6-3.5-1.1 (before its repeal on  
 18 January 1, 2017), IC 6-3.5-6 (before its repeal on January 1, 2017),  
 19 IC 6-3.5-7 (before its repeal on January 1, 2017), or IC 6-3.6-7  
 20 (before its expiration on December 31, 2021), the county fiscal body  
 21 may not reduce the tax rate below a rate that would produce one  
 22 and twenty-five hundredths (1.25) times the total of the highest  
 23 annual outstanding debt service plus the highest annual lease  
 24 payments plus any amount required under the agreements for the  
 25 bonds or leases to be deposited in a sinking fund or other reserve.

26 **Sec. 2.** The fiscal body of a county may impose a tax on the  
 27 adjusted gross income of local taxpayers in the county that is a  
 28 combination of one (1) or more of the tax rates permitted in that  
 29 county under this chapter. The total of all tax rates under this  
 30 chapter in a county may not be greater than the sum of the tax  
 31 rates specified in this chapter for special purpose projects in the  
 32 county and may be imposed only for the length of time that rate is  
 33 permitted under this chapter, including any periods that occurred  
 34 before the expiration or repeal of similar provisions for that county  
 35 under IC 6-3.5-1.1, IC 6-3.5-6, IC 6-3.5-7, or IC 6-3.6.

36 **Sec. 3. (a)** A separate tax rate is permitted under this chapter  
 37 for each of the special purposes set forth in this chapter.

38 (b) A tax rate permitted under the section in this chapter  
 39 authorizing the special purpose tax rate may include a rate to  
 40 repay bonds issued or leases entered into for the special purpose.  
 41 However, for a bond or lease entered into after December 31, 2021,  
 42 the term of the bonds issued (including any refunding bonds) or a



1 lease entered into under this section may not exceed twenty (20)  
 2 years, unless the section in this chapter authorizing the tax rate  
 3 specifies a different term. The adopting body shall provide a notice  
 4 to the budget agency, the department of local government finance,  
 5 and the department of state revenue specifying that the date for the  
 6 termination of the tax rate has occurred.

7 (c) If the section in this chapter authorizing a tax rate does not  
 8 specify the permitted uses of the money accumulated from the tax  
 9 after:

10 (1) the redemption of bonds issued; or

11 (2) the final payment of lease rentals due under a lease  
 12 entered into under this section;

13 the money accumulated shall be transferred to the county highway  
 14 fund to be used for construction, resurfacing, restoration, and  
 15 rehabilitation of county highways, roads, and bridges.

16 Sec. 4. In order to impose a tax under this chapter, an adopting  
 17 body must adopt an ordinance finding and determining that  
 18 revenues from the tax are needed for the purposes described in the  
 19 section under which the tax is imposed.

20 Sec. 5. (a) Revenue raised from a tax imposed under this chapter  
 21 shall be treated as additional revenue and may not be considered  
 22 by the department of local government finance in determining:

23 (1) any taxing unit's maximum permissible property tax levy  
 24 limit under IC 6-1.1-18.5; or

25 (2) the approved property tax rate for any fund.

26 (b) Notwithstanding any other law, if a county desires to issue  
 27 obligations, or enter into leases, payable wholly or in part by the  
 28 taxes imposed under this chapter, the obligations of the county or  
 29 any lessor may be sold at public sale in accordance with IC 5-1-11  
 30 or at negotiated sale. With respect to obligations for which a pledge  
 31 has been made under this chapter:

32 (1) the general assembly covenants with the county and the  
 33 purchasers or owners of those obligations that this article will  
 34 not be repealed or amended in any manner that will adversely  
 35 affect the tax collected under this article as long as the  
 36 principal of or interest on those obligations is unpaid; and

37 (2) the pledge of revenues is enforceable in accordance with  
 38 IC 5-1-14.

39 Sec. 6. A governmental entity to which revenue raised from a  
 40 tax under this chapter is distributed must segregate the amount  
 41 raised from the tax in a separate account or fund and maintain  
 42 sufficient records, as required by the state board of accounts, to



1 demonstrate that the revenue is used only for the purposes for  
2 which the tax was imposed.

3 **Sec. 7. (a) This section applies to Daviess County.**

4 **(b) Daviess County possesses unique governmental and**  
5 **economic development challenges due to:**

6 **(1) underemployment in relation to similarly situated counties**  
7 **and the loss of a major manufacturing business;**

8 **(2) an increase in property taxes for taxable years after**  
9 **December 31, 2000, for the construction of a new elementary**  
10 **school; and**

11 **(3) overcrowding of the county jail, the costs associated with**  
12 **housing the county's inmates outside the county, and the**  
13 **potential unavailability of additional housing for inmates**  
14 **outside the county.**

15 **The use of a tax under this section is necessary for the county to**  
16 **provide adequate jail capacity in the county and to maintain low**  
17 **property tax rates essential to economic development. The use of**  
18 **a tax under this section for the purposes of this section, rather than**  
19 **the use of property taxes, promotes these purposes.**

20 **(c) The county fiscal body may impose a tax on the adjusted**  
21 **gross income of local taxpayers of the county at a tax rate that does**  
22 **not exceed the lesser of the following:**

23 **(1) Twenty-five hundredths percent (0.25%).**

24 **(2) The rate necessary to carry out the purposes described in**  
25 **this section.**

26 **(d) Revenue from the tax under this section may be used only**  
27 **for the following purposes:**

28 **(1) To finance, construct, acquire, improve, renovate,**  
29 **remodel, or equip the county jail and related buildings and**  
30 **parking facilities, including costs related to the demolition of**  
31 **existing buildings, the acquisition of land, and any other**  
32 **reasonably related costs.**

33 **(2) To repay bonds issued or leases entered into for**  
34 **constructing, acquiring, improving, renovating, remodeling,**  
35 **and equipping the county jail and related buildings and**  
36 **parking facilities, including costs related to the demolition of**  
37 **existing buildings, the acquisition of land, and any other**  
38 **reasonably related costs.**

39 **(e) The tax imposed under this section may be imposed only**  
40 **until the later of the following dates:**

41 **(1) The date on which the purposes described in subsection**  
42 **(d)(1) are completed.**



1           (2) The date on which the last of any bonds issued (including  
2           any refunding bonds) or leases described in subsection (d)(2)  
3           are fully paid.  
4           The term of the bonds issued (including any refunding bonds) or a  
5           lease entered into under subsection (d)(2) may not exceed  
6           twenty-five (25) years.  
7           (f) Money accumulated from the tax under this section after:  
8           (1) the redemption of bonds issued; or  
9           (2) the final payment of lease rentals due under a lease  
10          entered into under this section;  
11          shall be transferred to the county highway fund to be used for  
12          construction, resurfacing, restoration, and rehabilitation of county  
13          highways, roads, and bridges.  
14          Sec. 8. (a) This section applies to Decatur County.  
15          (b) The county council may, by ordinance, determine that  
16          additional local income tax revenue is needed in the county to do  
17          the following:  
18          (1) Finance, construct, acquire, improve, renovate, and equip  
19          the county jail and related buildings and parking facilities,  
20          including costs related to the demolition of existing buildings,  
21          the acquisition of land, and any other reasonably related  
22          costs.  
23          (2) Repay bonds issued or leases entered into for the purposes  
24          described in subdivision (1).  
25          (3) Operate and maintain the facilities described in  
26          subdivision (1).  
27          (c) If the county council makes the determination set forth in  
28          subsection (b), the county council may adopt an ordinance to  
29          impose a local income tax rate of:  
30          (1) fifteen-hundredths percent (0.15%);  
31          (2) two-tenths percent (0.2%);  
32          (3) twenty-five hundredths percent (0.25%);  
33          (4) three-tenths percent (0.3%);  
34          (5) thirty-five hundredths percent (0.35%);  
35          (6) four-tenths percent (0.4%);  
36          (7) forty-five hundredths percent (0.45%);  
37          (8) five-tenths percent (0.5%);  
38          (9) fifty-five hundredths percent (0.55%);  
39          (10) six-tenths percent (0.6%); or  
40          (11) sixty-five hundredths percent (0.65%).  
41          The tax rate may not be greater than the rate necessary to pay for  
42          the purposes described in subsection (b).





1           (d) The tax rate used to pay for the purposes described in  
2 subsection (b)(1) and (b)(2) may be imposed only until the latest of  
3 the following dates:

4           (1) The date on which the financing, construction, acquisition,  
5 improvement, and equipping of the facilities as described in  
6 subsection (b) are completed.

7           (2) The date on which the last of any bonds issued (including  
8 refunding bonds) or leases entered into to finance the  
9 construction, acquisition, improvement, renovation, and  
10 equipping of the facilities described in subsection (b) are fully  
11 paid.

12           (3) The date on which an ordinance adopted under subsection  
13 (c) is rescinded.

14           (e) The tax rate under this section may be imposed beginning in  
15 the year following the year the ordinance is adopted and until the  
16 date on which the ordinance adopted under this section is  
17 rescinded.

18           (f) The term of a bond issued (including any refunding bond) or  
19 a lease entered into under subsection (b) may not exceed  
20 twenty-five (25) years.

21           (g) The county treasurer shall establish a county jail revenue  
22 fund to be used only for the purposes described in this section.  
23 Local income tax revenues derived from the tax rate imposed  
24 under this section shall be deposited in the county jail revenue  
25 fund.

26           (h) Local income tax revenues derived from the tax rate  
27 imposed under this section:

28           (1) may be used only for the purposes described in this  
29 section;

30           (2) may not be considered by the department of local  
31 government finance in determining the county's maximum  
32 permissible property tax levy limit under IC 6-1.1-18.5; and

33           (3) may be pledged to the repayment of bonds issued or leases  
34 entered into for the purposes described in subsection (b).

35           (i) Decatur County possesses unique governmental and  
36 economic development challenges and opportunities due to the  
37 following:

38           (1) Deficiencies in the current county jail, including the  
39 following:

40           (A) Lack of facilities to adequately provide mental health  
41 services and substance abuse treatment.

42           (B) Lack of facilities space to allow for some inmates to



- 1            participate in work release and other community based  
 2            rehabilitation programs.  
 3            (C) Lack of facilities to adequately house and supervise  
 4            violent offenders.  
 5            (D) Lack of adequate facilities to accommodate an  
 6            increased volume of inmates involved in domestic violence  
 7            and crimes against children.  
 8            (E) Lack of adequate facilities to accommodate an  
 9            increased number of out-of-state offenders.  
 10           (F) Increasing maintenance demands and costs resulting  
 11           from having aging facilities.  
 12           (2) An agricultural based economy, with limited industrial  
 13           and commercial assessed valuation in the county.  
 14           The use of local income tax revenues as provided in this section is  
 15           necessary for the county to provide adequate jail capacity in the  
 16           county and to maintain low property tax rates essential to  
 17           economic development. The use of local income tax revenues as  
 18           provided in this section to pay any bonds issued or leases entered  
 19           into to finance the construction, acquisition, improvement,  
 20           renovation, and equipping of the facilities described in subsection  
 21           (b), rather than the use of property taxes, promotes those purposes.  
 22           (j) Money accumulated from the local income tax rate imposed  
 23           under this section after the termination of the tax under this  
 24           section shall be transferred to the county rainy day fund under  
 25           IC 36-1-8-5.1.  
 26           Sec. 9. (a) This section applies to Elkhart County.  
 27           (b) The county fiscal body may impose a tax on the adjusted  
 28           gross income of local taxpayers of the county at a tax rate that does  
 29           not exceed the lesser of the following:  
 30           (1) Twenty-five hundredths percent (0.25%).  
 31           (2) The rate necessary to carry out the purposes described in  
 32           subsection (c).  
 33           (c) Revenue raised from a tax under this section may be used  
 34           only for the following purposes:  
 35           (1) To finance, construct, acquire, improve, renovate, or  
 36           equip:  
 37           (A) jail facilities;  
 38           (B) juvenile court, detention, and probation facilities;  
 39           (C) other criminal justice facilities; and  
 40           (D) related buildings and parking facilities;  
 41           located in the county, including costs related to the demolition  
 42           of existing buildings and the acquisition of land.



1           **(2) To repay bonds issued or leases entered into for the**  
 2           **purposes described in subdivision (1).**

3           **(3) To operate and maintain jail facilities described in**  
 4           **subdivision (1)(A) after the purposes described in subdivision**  
 5           **(1) are completed and any bonds issued or leases entered into**  
 6           **under subdivision (2) are fully paid.**

7           **(d) The term of the bonds issued (including any refunding**  
 8           **bonds) or a lease entered into under this section may not exceed**  
 9           **twenty (20) years.**

10           **(e) Money accumulated from a tax under this section that**  
 11           **remains after the tax imposed by this section is terminated shall be**  
 12           **transferred to the county highway fund to be used for construction,**  
 13           **resurfacing, restoration, and rehabilitation of county highways,**  
 14           **roads, and bridges.**

15           **Sec. 10. (a) This section applies to Fountain County.**

16           **(b) The county council may, by ordinance, determine that**  
 17           **additional local income tax revenue is needed in the county to do**  
 18           **the following:**

19           **(1) Finance, construct, acquire, improve, renovate, and equip**  
 20           **the county jail and related buildings and parking facilities,**  
 21           **including costs related to the demolition of existing buildings,**  
 22           **the acquisition of land, and any other reasonably related**  
 23           **costs.**

24           **(2) Repay bonds issued or leases entered into for the purposes**  
 25           **described in subdivision (1).**

26           **(c) If the county council makes the determination set forth in**  
 27           **subsection (b), the county council may adopt an ordinance to**  
 28           **impose a local income tax rate of not more than fifty-five**  
 29           **hundredths percent (0.55%). However, the tax rate may not be**  
 30           **greater than the rate necessary to pay for the purposes described**  
 31           **in subsection (b).**

32           **(d) The tax rate may be imposed only until the later of the**  
 33           **following dates:**

34           **(1) The date on which the financing, construction, acquisition,**  
 35           **improvement, renovation, and equipping of the facilities as**  
 36           **described in subsection (b) are completed.**

37           **(2) The date on which the last of any bonds issued (including**  
 38           **refunding bonds) or leases entered into to finance the**  
 39           **construction, acquisition, improvement, renovation, and**  
 40           **equipping of the facilities described in subsection (b) are fully**  
 41           **paid.**

42           **(e) The term of a bond issued (including any refunding bond) or**



1 a lease entered into under subsection (b) may not exceed  
2 twenty-five (25) years.

3 (f) The county treasurer shall establish a county jail revenue  
4 fund to be used only for the purposes described in this section.  
5 Local income tax revenues derived from the tax rate imposed  
6 under this section shall be deposited in the county jail revenue  
7 fund.

8 (g) Local income tax revenues derived from the tax rate imposed  
9 under this section:

10 (1) may be used only for the purposes described in this  
11 section;

12 (2) may not be considered by the department of local  
13 government finance in determining the county's maximum  
14 permissible property tax levy limit under IC 6-1.1-18.5; and

15 (3) may be pledged to the repayment of bonds issued or leases  
16 entered into for the purposes described in subsection (b).

17 (h) Fountain County possesses unique governmental and  
18 economic development challenges and opportunities related to:

19 (1) the current county jail; and

20 (2) a limited industrial and commercial assessed valuation in  
21 the county.

22 The use of local income tax revenues as provided in this section is  
23 necessary for the county to provide adequate jail capacity in the  
24 county and to maintain low property tax rates essential to  
25 economic development. The use of local income tax revenues as  
26 provided in this section to pay any bonds issued or leases entered  
27 into to finance the construction, acquisition, improvement,  
28 renovation, and equipping of the facilities described in subsection  
29 (b), rather than the use of property taxes, promotes those purposes.

30 (i) Money accumulated from the local income tax rate imposed  
31 under this section after the termination of the tax under this  
32 section shall be transferred to the county rainy day fund under  
33 IC 36-1-8-5.1.

34 Sec. 11. (a) This section applies only to Hancock County.

35 (b) The county fiscal body may impose a tax on the adjusted  
36 gross income of local taxpayers of the county at a tax rate that does  
37 not exceed fifteen hundredths percent (0.15%), for the purpose of  
38 providing a property tax credit against the property tax liability  
39 imposed for public libraries in the county, if all territory in the  
40 county is included in a library district. The county treasurer shall  
41 establish a library property tax replacement fund to be used only  
42 for the purposes described in this section. Tax revenues derived



1 from the rate imposed under this section shall be deposited in the  
 2 library property tax replacement fund. Any interest earned on  
 3 money in the library property tax replacement fund shall be  
 4 credited to the library property tax replacement fund.

5 (c) The amount of property tax replacement credits that each  
 6 public library in the county is entitled to receive during a calendar  
 7 year under this section equals the lesser of:

8 (1) the product of:

9 (A) the amount of revenue deposited by the county auditor  
 10 in the library property tax replacement fund; multiplied  
 11 by

12 (B) a fraction described as follows:

13 (i) The numerator of the fraction equals the sum of the  
 14 total property taxes that would have been collected by  
 15 the public library during the previous calendar year  
 16 from taxpayers located within the library district if the  
 17 property tax replacement under this section had not been  
 18 in effect.

19 (ii) The denominator of the fraction equals the sum of  
 20 the total property taxes that would have been collected  
 21 during the previous year from taxpayers located within  
 22 the county by all public libraries that are eligible to  
 23 receive property tax replacement credits under this  
 24 section if the property tax replacement under this section  
 25 had not been in effect; or

26 (2) the total property taxes that would otherwise be collected  
 27 by the public library for the calendar year if the property tax  
 28 replacement credit under this section were not in effect.

29 The department of local government finance shall make any  
 30 adjustments necessary to account for the expansion of a library  
 31 district. However, a public library is eligible to receive property  
 32 tax replacement credits under this section only if it has entered into  
 33 reciprocal borrowing agreements with all other public libraries in  
 34 the county. If the total amount of tax revenue deposited by the  
 35 county auditor in the library property tax replacement fund for a  
 36 calendar year exceeds the total property tax liability that would  
 37 otherwise be imposed for public libraries in the county for the  
 38 year, the excess must remain in the library property tax  
 39 replacement fund and may be used for library property tax  
 40 replacement purposes in the following calendar year.

41 (d) A public library receiving property tax replacement credits  
 42 under this section shall allocate the credits among each fund for



1 which a distinct property tax levy is imposed in proportion to the  
 2 property taxes levied for each fund. However, if a public library  
 3 did not impose a property tax levy during the previous calendar  
 4 year or did not impose a property tax levy for a particular fund  
 5 during the previous calendar year, but the public library is  
 6 imposing a property tax levy in the current calendar year or is  
 7 imposing a property tax levy for the particular fund in the current  
 8 calendar year, the department of local government finance shall  
 9 adjust the amount of property tax replacement credits allocated  
 10 among the various funds of the public library and shall provide the  
 11 adjustment to the county auditor. If a public library receiving  
 12 property tax replacement credits under this section does not  
 13 impose a property tax levy for a particular fund that is first due  
 14 and payable in a calendar year in which the property tax  
 15 replacement credits are being distributed, the public library is not  
 16 required to allocate to that fund a part of the property tax  
 17 replacement credits to be distributed to the public library.  
 18 Notwithstanding IC 6-1.1-20-1.1(1), a public library that receives  
 19 property tax replacement credits under this section is subject to the  
 20 procedures for the issuance of bonds set forth in IC 6-1.1-20.

21 (e) A public library shall treat property tax replacement credits  
 22 received during a particular calendar year under this section as a  
 23 part of the public library's property tax levy for each fund for that  
 24 same calendar year for purposes of fixing the public library's  
 25 budget and for purposes of the property tax levy limits imposed by  
 26 IC 6-1.1-18.5.

27 (f) For the purpose of distributing tax revenue under IC 6-3.7-6  
 28 and computing and distributing tax revenue under IC 6-5.5 or  
 29 IC 6-6-5, the property tax replacement credits that are received  
 30 under this section shall be treated as though they were property  
 31 taxes that were due and payable during that same calendar year.

32 **Sec. 12. (a)** This section applies only to Howard County.

33 (b) Maintaining low property tax rates is essential to economic  
 34 development, and the use of a tax under this section, as needed in  
 35 the county, to carry out the purposes of this section, rather than  
 36 the use of property taxes, promotes these purposes.

37 (c) The county fiscal body may impose a tax rate on the adjusted  
 38 gross income of local taxpayers of the county that does not exceed  
 39 twenty-five hundredths percent (0.25%).

40 (d) Revenues raised from a tax imposed under this section may  
 41 be used only for the purposes of funding a property tax credit to  
 42 reduce the property tax liability imposed by a county to fund the



1 county's operation and maintenance of a jail or a juvenile  
2 detention center, or both.

3 (e) The total of all tax credits granted under this section for a  
4 year may not exceed the amount of revenue raised by the tax  
5 imposed under this section. If the amount available in a year for  
6 property tax credits under this section is less than the amount  
7 necessary to provide all the property tax credits authorized by the  
8 adopting body, the county auditor shall reduce the property tax  
9 credits granted to eliminate the excess. The county auditor shall  
10 reduce credits uniformly in proportion to the tax liability incurred  
11 by each taxpayer.

12 (f) The total of all tax credits granted under this section for a  
13 year may not exceed the amount necessary to offset the property  
14 tax liability imposed for the purposes of this section. If the amount  
15 available in a year for property tax credits under this section is  
16 greater than the amount necessary to provide property tax credits  
17 to offset the property tax liability imposed for the purposes of this  
18 section, the county auditor shall retain and apply the excess, as  
19 necessary, to provide the property tax credits for the purposes of  
20 this section for the following year.

21 (g) The county auditor shall allocate the amount of revenue  
22 applied as tax credits under this section to the county.

23 **Sec. 13. (a) This section applies only to Jackson County.**

24 (b) For calendar years ending before January 1, 2024, the  
25 county fiscal body may impose a tax on the adjusted gross income  
26 of local taxpayers of the county at a tax rate that does not exceed  
27 one-tenth percent (0.1%).

28 (c) Revenue raised from a tax under this section may be used  
29 only for the purposes of funding the operation and maintenance of  
30 a jail and juvenile detention center opened after July 1, 1998.

31 **Sec. 14. (a) This section applies only to Jasper County.**

32 (b) The county fiscal body may, by ordinance, determine that  
33 additional local income tax revenue is needed in the county to:

34 (1) finance, construct, acquire, improve, renovate, or equip:

35 (A) jail facilities;

36 (B) juvenile court, detention, and probation facilities;

37 (C) other criminal justice facilities; and

38 (D) related buildings and parking facilities;

39 located in the county, including costs related to the demolition  
40 of existing buildings and the acquisition of land; and

41 (2) repay bonds issued or leases entered into for the purposes  
42 described in subdivision (1).



1           (c) The county fiscal body may, by ordinance, determine that  
 2 additional local income tax revenue is also needed in the county to  
 3 operate or maintain any of the facilities described in subsection  
 4 (b)(1)(A) through (b)(1)(D) that are located in the county. The  
 5 county fiscal body may make a determination under both this  
 6 subsection and subsection (b).

7           (d) The county fiscal body may impose a tax rate of:

8               (1) fifteen-hundredths percent (0.15%);

9               (2) two-tenths percent (0.2%); or

10              (3) twenty-five hundredths percent (0.25%);

11 on the adjusted gross income of local taxpayers of the county if the  
 12 fiscal body makes a finding and determination set forth in  
 13 subsection (b) or (c).

14           (e) If the county fiscal body imposes the tax under this section  
 15 to pay for the purposes described in both subsections (b) and (c),  
 16 when:

17               (1) the financing, construction, acquisition, improvement,  
 18 renovation, and equipping described in subsection (b) are  
 19 completed; and

20               (2) all bonds issued or leases entered into to finance the  
 21 construction, acquisition, improvement, renovation, and  
 22 equipping described in subsection (b) are fully paid;

23 the county fiscal body shall, subject to subsection (d), establish a  
 24 tax rate under this section by ordinance such that the revenue from  
 25 the tax does not exceed the costs of operating and maintaining the  
 26 jail facilities described in subsection (b)(1)(A). The tax rate may  
 27 not be imposed at a rate greater than is necessary to carry out the  
 28 purposes described in subsections (b) and (c), as applicable.

29           (f) The tax imposed under this section may be imposed only  
 30 until the latest of the following:

31               (1) The date on which the financing, construction, acquisition,  
 32 improvement, renovation, and equipping described in  
 33 subsection (b) are completed.

34               (2) The date on which the last of any bonds issued or leases  
 35 entered into to finance the construction, acquisition,  
 36 improvement, renovation, and equipping described in  
 37 subsection (b) are fully paid.

38               (3) The date on which an ordinance adopted under subsection  
 39 (c) is rescinded.

40           (g) The term of the bonds issued (including any refunding  
 41 bonds) or a lease entered into under subsection (b)(2) may not  
 42 exceed twenty (20) years.





1           **(h) The county treasurer shall establish a criminal justice**  
 2 **facilities revenue fund to be used only for purposes described in**  
 3 **this section. Revenue derived from the tax imposed under this**  
 4 **section shall be deposited in the criminal justice facilities revenue**  
 5 **fund.**

6           **(i) Revenue derived from the tax imposed under this section:**

7               **(1) may be used only for the purposes described in this**  
 8 **section;**

9               **(2) may not be considered by the department of local**  
 10 **government finance in determining the county's maximum**  
 11 **permissible property tax levy limit under IC 6-1.1-18.5; and**

12               **(3) may be pledged to the repayment of bonds issued or leases**  
 13 **entered into for any or all of the purposes described in**  
 14 **subsection (b).**

15           **(j) Notwithstanding any other law, money remaining in the**  
 16 **criminal justice facilities revenue fund established under**  
 17 **subsection (h) after the tax imposed by this section is terminated**  
 18 **under subsection (f) shall be transferred to the county highway**  
 19 **fund to be used for construction, resurfacing, restoration, and**  
 20 **rehabilitation of county highways, roads, and bridges.**

21           **Sec. 15. (a) This section applies only to Knox County.**

22           **(b) The county fiscal body may impose a tax on the adjusted**  
 23 **gross income of local taxpayers of the county at a tax rate that does**  
 24 **not exceed the lesser of the following:**

25               **(1) Twenty-five hundredths percent (0.25%).**

26               **(2) The rate necessary to carry out the purposes described in**  
 27 **this section.**

28           **(c) Revenue from a tax under this section may be used only for**  
 29 **the following purposes:**

30               **(1) To finance, construct, acquire, and equip the county jail.**

31               **(2) To repay bonds issued or leases entered into for**  
 32 **constructing, acquiring, and equipping the county jail.**

33           **Sec. 16. (a) This section applies only to Marshall County.**

34           **(b) The county fiscal body may impose a tax on the adjusted**  
 35 **gross income of local taxpayers of the county at a tax rate that does**  
 36 **not exceed the lesser of the following:**

37               **(1) Twenty-five hundredths percent (0.25%).**

38               **(2) The rate necessary to carry out the purposes described in**  
 39 **subsection (c).**

40           **(c) Revenue raised from a tax under this section may be used**  
 41 **only for the following purposes:**

42               **(1) To finance, construct, acquire, improve, renovate, or**



- 1           **equip:**  
 2           **(A) jail facilities;**  
 3           **(B) juvenile court, detention, and probation facilities;**  
 4           **(C) other criminal justice facilities; and**  
 5           **(D) related buildings and parking facilities;**  
 6           **located in the county, including costs related to the demolition**  
 7           **of existing buildings and the acquisition of land.**  
 8           **(2) Repay bonds issued or leases entered into for the purposes**  
 9           **described in subdivision (1).**  
 10          **(d) The tax imposed under this section may be imposed only**  
 11          **until the later of the following dates:**  
 12           **(1) The date on which the purposes described in subsection**  
 13           **(c)(1) are completed.**  
 14           **(2) The date on which the last of any bonds issued (including**  
 15           **any refunding bonds) or leases described in subsection (c)(2)**  
 16           **are fully paid.**  
 17          **The term of the bonds issued (including any refunding bonds) or a**  
 18          **lease entered into under subsection (c)(2) may not exceed twenty**  
 19          **(20) years.**  
 20          **(e) Money accumulated from the tax under this section after the**  
 21          **tax imposed by this section is terminated shall be transferred to the**  
 22          **county highway fund to be used for construction, resurfacing,**  
 23          **restoration, and rehabilitation of county highways, roads, and**  
 24          **bridges.**  
 25          **Sec. 17. (a) This section applies only to Miami County.**  
 26          **(b) Miami County possesses unique economic development**  
 27          **challenges due to:**  
 28           **(1) underemployment in relation to similarly situated**  
 29           **counties; and**  
 30           **(2) the presence of a United States government military base**  
 31           **or other military installation that is completely or partially**  
 32           **inactive or closed.**  
 33          **Maintaining low property tax rates is essential to economic**  
 34          **development, and the use of a tax under this section to carry out**  
 35          **the purposes of this section rather than the use of property taxes**  
 36          **promotes these purposes.**  
 37          **(c) The county fiscal body may impose a tax rate on the adjusted**  
 38          **gross income of local taxpayers of the county that is the lesser of**  
 39          **the following:**  
 40           **(1) Twenty-five hundredths percent (0.25%).**  
 41           **(2) The rate necessary to pay the costs of financing,**  
 42           **constructing, acquiring, renovating, equipping, operating, and**



- 1           **maintaining a county jail.**
- 2           **(d) Revenue raised from a tax imposed under this section may**  
3 **be used only for the purposes of paying the costs of financing,**  
4 **constructing, acquiring, renovating, equipping, operating, and**  
5 **maintaining a county jail, including the repayment of bonds issued,**  
6 **or leases entered into, for financing, constructing, acquiring,**  
7 **renovating, equipping, operating, and maintaining a county jail.**
- 8           **Sec. 18. (a) This section applies only to Monroe County.**
- 9           **(b) Maintaining low property tax rates is essential to economic**  
10 **development, and the use of a tax under this section, as needed in**  
11 **the county, to carry out the purposes of this section, rather than**  
12 **the use of property taxes, promotes these purposes.**
- 13           **(c) The county fiscal body may impose a tax rate on the adjusted**  
14 **gross income of local taxpayers of the county that does not exceed**  
15 **twenty-five hundredths percent (0.25%).**
- 16           **(d) Revenues raised from a tax imposed under this section may**  
17 **be used only for the purposes of funding a property tax credit to**  
18 **reduce the property tax liability imposed by a county to fund the**  
19 **operation and maintenance of a juvenile detention center and other**  
20 **facilities to provide juvenile services.**
- 21           **(e) The total of all tax credits granted under this section for a**  
22 **year may not exceed the amount of revenue raised by the tax**  
23 **imposed under this section. If the amount available in a year for**  
24 **property tax credits under this section is less than the amount**  
25 **necessary to provide all the property tax credits authorized by the**  
26 **adopting body, the county auditor shall reduce the property tax**  
27 **credits granted to eliminate the excess. The county auditor shall**  
28 **reduce credits uniformly in proportion to the tax liability incurred**  
29 **by each taxpayer.**
- 30           **(f) The total of all tax credits granted under this section for a**  
31 **year may not exceed the amount necessary to offset the property**  
32 **tax liability imposed for the purposes of this section. If the amount**  
33 **available in a year for property tax credits under this section is**  
34 **greater than the amount necessary to provide property tax credits**  
35 **to offset the property tax liability imposed for the purposes of this**  
36 **section, the county auditor shall retain and apply the excess, as**  
37 **necessary, to provide the property tax credits for the purposes of**  
38 **this section for the following year.**
- 39           **(g) The county auditor shall allocate the amount of revenue**  
40 **applied as tax credits under this section to the county.**
- 41           **Sec. 19. (a) This section applies only to Perry County.**
- 42           **(b) Perry County possesses unique governmental and economic**



1 development challenges due to:

- 2 (1) underemployment in relation to similarly situated counties  
 3 and the loss of a major manufacturing business; and  
 4 (2) overcrowding of the county jail, the costs associated with  
 5 housing the county's inmates outside the county, and the  
 6 potential unavailability of additional housing for inmates  
 7 outside the county.

8 The use of a tax under this section is necessary for the county to  
 9 provide adequate jail capacity in the county and to maintain low  
 10 property tax rates essential to economic development. The use of  
 11 a tax under this section for the purposes described in this section  
 12 promotes these purposes.

13 (c) The county fiscal body may impose a tax on the adjusted  
 14 gross income of local taxpayers of the county at a tax rate that does  
 15 not exceed the lesser of the following:

- 16 (1) Five-tenths percent (0.5%).  
 17 (2) The rate necessary to carry out the purposes described in  
 18 this section.

19 (d) Revenue from a tax imposed under this section may be used  
 20 only for the following purposes:

- 21 (1) To finance, construct, acquire, improve, renovate,  
 22 remodel, or equip the county jail and related buildings and  
 23 parking facilities, including costs related to the demolition of  
 24 existing buildings, the acquisition of land, and any other  
 25 reasonably related costs.  
 26 (2) To repay bonds issued or leases entered into for  
 27 constructing, acquiring, improving, renovating, remodeling,  
 28 and equipping the county jail and related buildings and  
 29 parking facilities, including costs related to the demolition of  
 30 existing buildings, the acquisition of land, and any other  
 31 reasonably related costs.

32 (e) The tax imposed under this section may be imposed only  
 33 until the later of the following dates:

- 34 (1) The date on which the purposes described in subsection  
 35 (d)(1) are completed.  
 36 (2) The date on which the last of any bonds issued (including  
 37 any refunding bonds) or leases described in subsection (d)(2)  
 38 are fully paid.

39 The term of the bonds issued (including any refunding bonds) or a  
 40 lease entered into under subsection (d)(2) may not exceed  
 41 twenty-five (25) years.

42 (f) Funds accumulated from a tax under this section after:



1           (1) the redemption of the bonds issued; or  
 2           (2) the final payment of lease rentals due under a lease  
 3           entered into under this section;  
 4 shall be transferred to the county highway fund to be used for  
 5 construction, resurfacing, restoration, and rehabilitation of county  
 6 highways, roads, and bridges.

7           **Sec. 20. (a) This section applies only to Randolph County.**

8           **(b) Randolph County possesses:**

9           (1) unique fiscal challenges to finance the operations of county  
 10 government due to the county's ongoing obligation to repay  
 11 amounts received by the county due to an overpayment of the  
 12 county's certified distribution under IC 6-3.5-1.1-9 (before its  
 13 repeal on January 1, 2017) for a prior year; and

14           (2) unique capital financing needs related to the purposes  
 15 described in this section.

16           **(c) The county fiscal body may impose a tax on the adjusted  
 17 gross income of local taxpayers of the county at a tax rate that does  
 18 not exceed the lesser of the following:**

19           (1) Twenty-five hundredths percent (0.25%).

20           (2) The rate necessary to carry out the purposes described in  
 21 this section.

22           **(d) Revenues from a tax under this section may be used only for  
 23 the following purposes:**

24           (1) Financing, constructing, acquiring, renovating, and  
 25 equipping the county courthouse, and financing and  
 26 renovating the former county hospital for additional office  
 27 space, educational facilities, nonsecure juvenile facilities, and  
 28 other county functions, including the repayment of bonds  
 29 issued, or leases entered into, for constructing, acquiring,  
 30 renovating, and equipping the county courthouse and for  
 31 renovating the former county hospital for additional office  
 32 space, educational facilities, nonsecure juvenile facilities, and  
 33 other county functions.

34           (2) Financing, constructing, acquiring, renovating, and  
 35 equipping buildings for a volunteer fire department (as  
 36 defined in IC 36-8-12-2) that provides services in any part of  
 37 the county.

38           (3) Financing, constructing, acquiring, and renovating  
 39 firefighting apparatus or other related equipment for a  
 40 volunteer fire department (as defined in IC 36-8-12-2) that  
 41 provides services in any part of the county.

42           **Sec. 21. (a) This section applies to Rush County.**



1           **(b) The county fiscal body may, by ordinance, determine that**  
 2 **additional local income tax revenue is needed in the county to do**  
 3 **the following:**

4           **(1) Finance, construct, acquire, improve, renovate, and equip**  
 5 **the county jail and related buildings and parking facilities,**  
 6 **including costs related to the demolition of existing buildings,**  
 7 **the acquisition of land, and any other reasonably related**  
 8 **costs.**

9           **(2) Repay bonds issued or leases entered into for the purposes**  
 10 **described in subdivision (1).**

11           **(3) Operate and maintain the facilities described in**  
 12 **subdivision (1).**

13           **(c) If the county fiscal body makes the determination set forth**  
 14 **in subsection (b), the county council may adopt an ordinance to**  
 15 **impose a local income tax rate of:**

16           **(1) fifteen-hundredths percent (0.15%);**

17           **(2) two-tenths percent (0.2%);**

18           **(3) twenty-five hundredths percent (0.25%);**

19           **(4) three-tenths percent (0.3%);**

20           **(5) thirty-five hundredths percent (0.35%);**

21           **(6) four-tenths percent (0.4%);**

22           **(7) forty-five hundredths percent (0.45%);**

23           **(8) five-tenths percent (0.5%);**

24           **(9) fifty-five hundredths percent (0.55%); or**

25           **(10) six-tenths percent (0.6%);**

26 **on the adjusted gross income of local taxpayers of the county. The**  
 27 **tax rate may not be greater than the rate necessary to pay for the**  
 28 **purposes described in subsection (b).**

29           **(d) The tax rate used to pay for the purposes described in**  
 30 **subsection (b)(1) and (b)(2) may be imposed only until the latest of**  
 31 **the following dates:**

32           **(1) The date on which the financing, construction, acquisition,**  
 33 **improvement, renovating, and equipping of the facilities as**  
 34 **described in subsection (b) are completed.**

35           **(2) The date on which the last of any bonds issued (including**  
 36 **refunding bonds) or leases entered into to finance the**  
 37 **construction, acquisition, improvement, renovation, and**  
 38 **equipping of the facilities described in subsection (b) are fully**  
 39 **paid.**

40           **(3) The date on which an ordinance adopted under subsection**  
 41 **(c) is rescinded.**

42           **(e) If the county fiscal body imposes a tax under this section to**



1 pay for the purposes described in subsection (b)(1) and (b)(2), in  
 2 the year before the facilities are ready for occupancy, the county  
 3 council shall by ordinance establish a tax rate at a rate permitted  
 4 under subsection (c) so that the revenue from the tax rate  
 5 established under this subsection does not exceed the costs of  
 6 operating and maintaining the facilities described in subsection (b).  
 7 The tax rate under this subsection may be imposed beginning in the  
 8 year following the year the ordinance is adopted and until the date  
 9 on which the ordinance adopted under this subsection is rescinded.

10 (f) The term of a bond issued (including any refunding bond) or  
 11 a lease entered into under subsection (b) may not exceed  
 12 twenty-five (25) years.

13 (g) The county treasurer shall establish a county jail revenue  
 14 fund to be used only for the purposes described in this section.  
 15 Local income tax revenues derived from the tax rate imposed  
 16 under this section shall be deposited in the county jail revenue  
 17 fund.

18 (h) Local income tax revenues derived from the tax rate  
 19 imposed under this section:

20 (1) may be used only for the purposes described in this  
 21 section;

22 (2) may not be considered by the department of local  
 23 government finance in determining the county's maximum  
 24 permissible property tax levy limit under IC 6-1.1-18.5; and

25 (3) may be pledged to the repayment of bonds issued or leases  
 26 entered into for the purposes described in subsection (b).

27 (i) Rush County possesses unique governmental and economic  
 28 development challenges and opportunities due to the following:

29 (1) Deficiencies in the current county jail, including the  
 30 following:

31 (A) Aging facilities that have not been significantly  
 32 improved or renovated since the original construction.

33 (B) Lack of recreation and medical facilities.

34 (C) Inadequate line of sight supervision of inmates due to  
 35 the configuration of the aging jail.

36 (D) Lack of adequate housing for an increasing female  
 37 inmate population and for inmates with special needs.

38 (E) Lack of adequate administrative space.

39 (F) Increasing maintenance demands and costs resulting  
 40 from having aging facilities.

41 (2) A limited industrial and commercial assessed valuation in  
 42 the county.



1       **The use of local income tax revenues as provided in this section is**  
 2       **necessary for the county to provide adequate jail capacity in the**  
 3       **county and to maintain low property tax rates essential to**  
 4       **economic development. The use of local income tax revenues as**  
 5       **provided in this section to pay any bonds issued or leases entered**  
 6       **into to finance the construction, acquisition, improvement,**  
 7       **renovation, and equipping of the facilities described in subsection**  
 8       **(b), rather than the use of property taxes, promotes those purposes.**

9       **(j) Money accumulated from the local income tax rate imposed**  
 10       **under this section after the termination of the tax under this**  
 11       **section shall be transferred to the county rainy day fund under**  
 12       **IC 36-1-8-5.1.**

13       **Sec. 22. (a) This section applies only to Scott County.**

14       **(b) Scott County is a county in which:**

15           **(1) maintaining low property tax rates is essential to economic**  
 16           **development; and**

17           **(2) the use of additional tax revenues as provided in this**  
 18           **section, rather than the use of property taxes, to fund:**

19                   **(A) the financing, construction, acquisition, improvement,**  
 20                   **renovation, equipping, operation, or maintenance of jail**  
 21                   **facilities; and**

22                   **(B) the repayment of bonds issued or leases entered into**  
 23                   **for the purposes described in clause (A), except operation**  
 24                   **or maintenance;**

25           **promotes the purpose of maintaining low property tax rates.**

26       **(c) The county fiscal body may impose a tax rate on the adjusted**  
 27       **gross income of local taxpayers of the county that is the lesser of**  
 28       **the following:**

29           **(1) Twenty-five hundredths percent (0.25%).**

30           **(2) The rate necessary to pay the costs of financing,**  
 31           **constructing, acquiring, improving, renovating, and equipping**  
 32           **the facilities described in subsection (d).**

33       **(d) Revenues raised under this section may be used only for the**  
 34       **following purposes:**

35           **(1) The financing, construction, acquisition, improvement,**  
 36           **renovation, equipping, operation, or maintenance of jail**  
 37           **facilities.**

38           **(2) The repayment of bonds issued or leases entered into for**  
 39           **the purposes described in subdivision (1), except operation or**  
 40           **maintenance.**

41       **Sec. 23. (a) This section applies only to Starke County.**

42       **(b) Starke County possesses unique governmental and economic**





1 development challenges due to:

- 2 (1) the county's predominantly rural geography, demography,  
3 and economy;  
4 (2) the county's relatively low tax base and relatively high  
5 property tax rates;  
6 (3) the current maximum capacity of the county jail, which  
7 was constructed in 1976; and  
8 (4) pending federal class action litigation seeking a mandate  
9 to address capacity and living conditions in the county jail.

10 The use of a tax under this section is necessary for the county to  
11 address jail capacity and appropriate inmate living conditions and  
12 to maintain low property tax rates essential to economic  
13 development. The use of a tax under this section for the purposes  
14 described in this section promotes these purposes.

15 (c) The county fiscal body may impose a tax on the adjusted  
16 gross income of local taxpayers of the county at a tax rate that does  
17 not exceed the lesser of the following:

- 18 (1) Sixty-five hundredths percent (0.65%).  
19 (2) The rate necessary to carry out the purposes described in  
20 this section.

21 (d) Revenue from a tax under this section may be used only for  
22 the following purposes:

- 23 (1) To finance, construct, acquire, and equip the county jail  
24 and related buildings and parking facilities, including costs  
25 related to the demolition of existing buildings, the acquisition  
26 of land, and any other reasonably related costs.  
27 (2) To repay bonds issued or leases entered into for  
28 constructing, acquiring, and equipping the county jail and  
29 related buildings and parking facilities, including costs related  
30 to the demolition of existing buildings, the acquisition of land,  
31 and any other reasonably related costs.

32 (e) The tax imposed under this section may be imposed only  
33 until the later of the following dates:

- 34 (1) The date on which the purposes described in subsection  
35 (d)(1) are completed.  
36 (2) The date on which the last of any bonds issued (including  
37 any refunding bonds) or leases described in subsection (d)(2)  
38 are fully paid.

39 The term of the bonds issued (including any refunding bonds) or a  
40 lease entered into under subsection (d)(2) may not exceed  
41 twenty-five (25) years.

42 Sec. 24. (a) This section applies only to Tipton County.



1           **(b) The county council may, by ordinance, determine that**  
 2 **additional local income tax revenue is needed in the county to:**

3           **(1) finance the:**

4           **(A) construction, acquisition, and equipping of the county**  
 5 **jail and related buildings and parking facilities, including**  
 6 **costs related to the demolition of existing buildings, the**  
 7 **acquisition of land, and any other reasonably related costs;**  
 8 **and**

9           **(B) improvement, renovation, remodeling, repair, and**  
 10 **equipping of the courthouse to address security concerns**  
 11 **and mitigate excess moisture in the courthouse; and**

12           **(2) repay bonds issued or leases entered into for the purposes**  
 13 **described in subdivision (1).**

14           **(c) If the county council makes the determination set forth in**  
 15 **subsection (b), the county council may adopt an ordinance to**  
 16 **impose a local income tax rate of:**

17           **(1) fifteen-hundredths percent (0.15%);**

18           **(2) two-tenths percent (0.2%);**

19           **(3) twenty-five hundredths percent (0.25%);**

20           **(4) three-tenths percent (0.3%);**

21           **(5) thirty-five hundredths percent (0.35%); or**

22           **(6) four-tenths percent (0.4%);**

23 **on the adjusted gross income of local taxpayers of the county. The**  
 24 **tax rate may not be imposed at a rate greater than is necessary to**  
 25 **pay for the purposes described in subsection (b).**

26           **(d) The tax imposed under this section may be imposed only**  
 27 **until the later of the date on which:**

28           **(1) the financing for construction, acquisition, improvement,**  
 29 **renovation, remodeling, repair, and equipping described in**  
 30 **subsection (b) is completed; or**

31           **(2) the last of any bonds issued or leases entered into to**  
 32 **finance the construction, acquisition, improvement,**  
 33 **renovation, remodeling, repair, and equipping described in**  
 34 **subsection (b) are fully paid.**

35 **The term of the bonds issued (including any refunding bonds) or a**  
 36 **lease entered into under subsection (b)(2) may not exceed twenty**  
 37 **(20) years.**

38           **(e) The county treasurer shall establish a county facilities**  
 39 **revenue fund to be used only for the purposes described in this**  
 40 **section. Local income tax revenues derived from the tax rate**  
 41 **imposed under this section shall be deposited in the county facilities**  
 42 **revenue fund.**



1           **(f) Local income tax revenues derived from the tax rate imposed**  
 2 **under this section:**

3           **(1) may be used only for the purposes described in this**  
 4 **section;**

5           **(2) may not be considered by the department of local**  
 6 **government finance in determining the county's maximum**  
 7 **permissible ad valorem property tax levy limit under**  
 8 **IC 6-1.1-18.5; and**

9           **(3) may be pledged to the repayment of bonds issued or leases**  
 10 **entered into for the purposes described in subsection (b).**

11           **(g) Tipton County possesses unique governmental and economic**  
 12 **development challenges and opportunities due to:**

13           **(1) the county's heavy agricultural base;**

14           **(2) deficiencies in the current county jail, including:**

15           **(A) overcrowding;**

16           **(B) lack of program and support space for efficient jail**  
 17 **operations;**

18           **(C) inadequate line of sight supervision of inmates, due to**  
 19 **current jail configuration;**

20           **(D) lack of adequate housing for an increasing female**  
 21 **inmate population and inmates with special needs;**

22           **(E) lack of adequate administrative space; and**

23           **(F) increasing maintenance demands and costs resulting**  
 24 **from having aging facilities;**

25           **(3) the presence of a large industrial employer that offers the**  
 26 **opportunity to expand the income tax base; and**

27           **(4) the presence of the historic Tipton County jail and**  
 28 **sheriff's home, listed on the National Register of Historic**  
 29 **Places.**

30           **The use of local income tax revenue as provided in this section is**  
 31 **necessary for the county to provide adequate jail facilities in the**  
 32 **county and to maintain low property tax rates essential to**  
 33 **economic development. The use of local income tax revenues as**  
 34 **provided in this section to pay any bonds issued or leases entered**  
 35 **into to finance the construction, acquisition, improvement,**  
 36 **renovation, remodeling, repairing, and equipping described in**  
 37 **subsection (b), rather than the use of property taxes, promotes**  
 38 **those purposes.**

39           **(h) Money accumulated from the local income tax rate imposed**  
 40 **under this section after:**

41           **(1) the redemption of bonds issued; or**

42           **(2) the final payment of lease rentals due under a lease**



1 entered into under this section;  
 2 shall be transferred to the county rainy day fund under  
 3 IC 36-1-8-5.1.

4 Sec. 25. (a) This section applies only to Union County.

5 (b) Union County possesses unique economic development  
 6 challenges due to:

- 7 (1) the county's heavy agricultural base;  
 8 (2) the presence of a large amount of state owned property in  
 9 the county that is exempt from property taxation; and  
 10 (3) recent obligations of the school corporation in the county  
 11 that have already increased property taxes in the county and  
 12 imposed additional property tax burdens on the county's  
 13 agricultural base.

14 Maintaining low property tax rates is essential to economic  
 15 development. The use of a tax under this section for the purposes  
 16 described in this section, rather than the use of property taxes,  
 17 promotes these purposes.

18 (c) The county fiscal body may impose a tax on the adjusted  
 19 gross income of local taxpayers of the county at a tax rate that does  
 20 not exceed the lesser of the following:

- 21 (1) Twenty-five hundredths percent (0.25%).  
 22 (2) The rate necessary to carry out the purposes described in  
 23 this section.

24 (d) Revenue raised from a tax under this section may be used  
 25 only for the following purposes:

- 26 (1) To finance, construct, acquire, improve, renovate, or equip  
 27 the county courthouse.  
 28 (2) To repay bonds issued, or leases entered into, for  
 29 constructing, acquiring, improving, renovating, and equipping  
 30 the county courthouse.

31 (e) The tax imposed under this section may be imposed only  
 32 until the later of the following dates:

- 33 (1) The date on which the purposes described in subsection  
 34 (d)(1) are completed.  
 35 (2) The date on which the last of any bonds issued (including  
 36 any refunding bonds) or leases described in subsection (d)(2)  
 37 are fully paid.

38 The term of the bonds issued (including any refunding bonds) or a  
 39 lease entered into under subsection (d)(2) may not exceed  
 40 twenty-two (22) years.

41 (f) Funds accumulated from a tax under this section after:

- 42 (1) the redemption of the bonds issued; or



1           (2) the final payment of lease rentals due under a lease  
2           entered into under this section;  
3           shall be transferred to the county highway fund to be used for  
4           construction, resurfacing, restoration, and rehabilitation of county  
5           highways, roads, and bridges.

6           Sec. 26. (a) This section applies only to Wayne County.

7           (b) Wayne County possesses unique economic development  
8           challenges due to underemployment in relation to similarly  
9           situated counties. Maintaining low property tax rates is essential  
10          to economic development, and the use of a tax under this section to  
11          pay any bonds issued or leases entered into to carry out the  
12          purposes of this section, rather than the use of property taxes,  
13          promotes these purposes.

14          (c) The county fiscal body may impose a tax on the adjusted  
15          gross income of local taxpayers of the county at a tax rate that does  
16          not exceed twenty-five hundredths percent (0.25%).

17          (d) Revenue raised from a tax under this section may be used  
18          only for the following purposes:

19               (1) To finance, construct, acquire, improve, renovate, or equip  
20               the county jail and related buildings and parking facilities,  
21               including costs related to the demolition of existing buildings  
22               and the acquisition of land.

23               (2) To repay bonds issued, or leases entered into, for  
24               constructing, acquiring, improving, renovating, and equipping  
25               the county jail and related buildings and parking facilities,  
26               including costs related to the demolition of existing buildings  
27               and the acquisition of land.

28          (e) The tax imposed under this section may be imposed only  
29          until the later of the date on which the financing, acquisition,  
30          improvement, renovation, and equipping described in this section  
31          are completed or the date on which the last of any bonds issued or  
32          leases entered into to finance the construction, acquisition,  
33          improvement, renovation, and equipping described in this section  
34          are fully paid. The term of the bonds issued (including any  
35          refunding bonds) or a lease entered into under this section may not  
36          exceed twenty (20) years.

37          (f) Notwithstanding any other law, funds accumulated from the  
38          tax imposed under this section after:

39               (1) the redemption of bonds issued; or

40               (2) the final payment of lease rentals due under a lease  
41               entered into under this section;

42          shall be transferred to the county highway fund to be used for



1 construction, resurfacing, restoration, and rehabilitation of county  
2 highways, roads, and bridges.

3 Sec. 27. (a) This section applies only to a county that is a  
4 member of a regional development authority under IC 36-7.6.

5 (b) The county fiscal body may impose a tax rate on the  
6 adjusted gross income tax of local taxpayers of the county that is  
7 not greater than:

8 (1) in the case of a county described in IC 36-7.6-4-2(c)(2),  
9 twenty-five thousandths of one percent (0.025%); or

10 (2) in the case of any other county to which this section  
11 applies, five-hundredths of one percent (0.05%).

12 (c) The revenue from a tax under this section may be used only  
13 for the purpose of transferring the revenue in the regional  
14 development authority under IC 36-7.6.

15 Sec. 28. (a) This section applies only to a county that:

16 (1) operates a county jail that is subject to an order that:

17 (A) was issued by a federal district court before January 1,  
18 2003; and

19 (B) has not been terminated;

20 (2) operates a county jail that fails to meet:

21 (A) American Correctional Association Jail Construction  
22 Standards; and

23 (B) Indiana jail operation standards adopted by the  
24 department of correction; and

25 (3) has insufficient revenue to finance the construction,  
26 acquisition, improvement, renovation, and equipping of a  
27 county jail and related buildings and parking facilities.

28 (b) A county described in subsection (a) possesses unique  
29 economic development challenges due to underemployment in  
30 relation to similarly situated counties. Maintaining low property  
31 tax rates is essential to economic development. The use of a tax  
32 under this section for the purposes of this section, rather than the  
33 use of property taxes, promotes these purposes.

34 (c) For purposes of this section, "county jail" includes any other  
35 penal facility that is:

36 (1) located in; and

37 (2) operated by;

38 the county.

39 (d) The county fiscal body may impose a tax on the adjusted  
40 gross income of local taxpayers of the county at a tax rate that does  
41 not exceed the lesser of the following:

42 (1) Twenty-five hundredths percent (0.25%).



- 1           **(2) The rate necessary to carry out the purposes described in**  
 2           **this section.**
- 3           **(e) Revenue from a tax under this section may be used only for**  
 4           **the following purposes:**
- 5               **(1) To finance, construct, acquire, improve, renovate, or equip**  
 6               **a county jail and related buildings and parking facilities,**  
 7               **including costs related to the demolition of existing buildings**  
 8               **and the acquisition of land.**
- 9               **(2) To repay bonds issued or leases entered into for**  
 10              **constructing, acquiring, improving, renovating, and equipping**  
 11              **a county jail and related buildings and parking facilities,**  
 12              **including costs related to the demolition of existing buildings**  
 13              **and the acquisition of land.**
- 14           **(f) The tax imposed under this section may be imposed only**  
 15           **until the later of the following dates:**
- 16               **(1) The date on which the purposes described in subsection**  
 17               **(e)(1) are completed.**
- 18               **(2) The date on which the last of any bonds issued (including**  
 19               **any refunding bonds) or leases described in subsection (e)(2)**  
 20               **are fully paid.**
- 21           **The term of the bonds issued (including any refunding bonds) or a**  
 22           **lease entered into under subsection (e)(2) may not exceed thirty**  
 23           **(30) years.**
- 24           **(g) Funds accumulated from the tax under this section after:**
- 25               **(1) the redemption of bonds issued; or**  
 26               **(2) the final payment of lease rentals due under a lease**  
 27               **entered into under this section;**
- 28           **shall be transferred to the county general fund.**
- 29           **Sec. 29. (a) This section applies to a county that:**
- 30               **(1) operates a courthouse that is subject to an order that:**
- 31                   **(A) is issued by a federal district court;**  
 32                   **(B) applies to an action commenced before January 1,**  
 33                   **2003; and**  
 34                   **(C) requires the county to comply with the federal**  
 35                   **Americans with Disabilities Act; and**
- 36               **(2) has insufficient revenues to finance the construction,**  
 37               **acquisition, improvement, renovation, equipping, and**  
 38               **operation of the courthouse facilities and related facilities.**
- 39           **(b) A county described in this section possesses unique fiscal**  
 40           **challenges in financing, renovating, equipping, and operating the**  
 41           **county courthouse facilities and related facilities because the**  
 42           **county consistently has one (1) of the highest unemployment rates**



1 in Indiana. Maintaining low property tax rates is essential to  
 2 economic development in the county. The use of a tax under this  
 3 section for the purposes of this section promotes these purposes.

4 (c) The county fiscal body may impose a tax on the adjusted  
 5 gross income of local taxpayers of the county at a tax rate that does  
 6 not exceed the lesser of the following:

7 (1) Twenty-five hundredths percent (0.25%).

8 (2) The rate necessary to carry out the purposes described in  
 9 this section.

10 (d) Revenue from a tax under this section may be used only for  
 11 the following purposes:

12 (1) To finance, construct, acquire, improve, renovate, equip,  
 13 or operate the county courthouse or related facilities.

14 (2) To repay bonds issued or leases entered into for  
 15 constructing, acquiring, improving, renovating, equipping, or  
 16 operating the county courthouse or related facilities.

17 (3) To pay for economic development projects described in the  
 18 county's capital improvement plan.

19 (e) Funds accumulated from a tax under this section or any  
 20 other revenues of the county may be deposited into a nonreverting  
 21 fund of the county to be used for operating costs of the courthouse  
 22 facilities, juvenile detention facilities, or related facilities.

23 Sec. 30. (a) This section applies only to an eligible county (as  
 24 defined in IC 8-25-1-4).

25 (b) If the voters of the county approve a local public question  
 26 under IC 8-25-2, the fiscal body of the county may adopt an  
 27 ordinance to impose an additional tax rate in the county of at least  
 28 one-tenth percent (0.1%), but not more than twenty-five  
 29 hundredths percent (0.25%) to fund a public transportation  
 30 project under IC 8-25. However, a county fiscal body shall adopt  
 31 an ordinance under this subsection if required by IC 8-25-6-10 to  
 32 impose an additional tax rate on the local taxpayers who reside in  
 33 a township in which the voters approve a public transportation  
 34 project in a local public question held under IC 8-25-6.

35 (c) If an ordinance is adopted under this section, the amount of  
 36 the certified distribution attributable to the additional tax rate  
 37 imposed under this section must be:

38 (1) retained by the county auditor;

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

41 (3) used for the purpose provided in this section.

42 (d) If an additional local income tax rate as allowed by





1 IC 6-3.6-7-27 (before its expiration) for public transportation  
 2 projects is in effect on December 31, 2021, the tax rate continues in  
 3 effect under this section until it is reduced or rescinded.

4 (e) For purposes of determining the maximum tax rates that  
 5 may be imposed under this article after December 31, 2021, a tax  
 6 rate imposed under this section (or continued as provided in  
 7 subsection (d)):

- 8 (1) is a separate special purpose tax rate;
- 9 (2) is not part of a tax rate imposed under IC 6-3.7-6; and
- 10 (3) shall not be considered when determining whether a  
 11 county has imposed the maximum property tax relief rate  
 12 under IC 6-3.7-5 or the maximum expenditure rate permitted  
 13 under IC 6-3.7-6.

14 Sec. 31. (a) As used in this section, "obligation" means an  
 15 obligation to repay:

- 16 (1) the principal and interest on bonds;
- 17 (2) lease rentals on leases; or
- 18 (3) any other contractual obligation;

19 payable from a tax imposed under IC 6-3.5-1.1, IC 6-3.5-6, or  
 20 IC 6-3.5-7 (before their repeal on January 1, 2017) or IC 6-3.6  
 21 (before its expiration on December 31, 2021). The term includes a  
 22 guarantee of repayment from such taxes if other revenues are  
 23 insufficient to make a payment.

24 (b) The fiscal body of a political subdivision, with the approval  
 25 of the executive of the political subdivision, may submit an appeal  
 26 to the department of local government finance requesting the  
 27 authority to impose a special purpose tax rate under this section.

28 (c) If the department of local government finance determines  
 29 that the amount of local income tax that is expected to be  
 30 distributed to the political subdivision under IC 6-3.7-6 will not be  
 31 sufficient to allow the political subdivision to make required debt  
 32 service payments on the political subdivision's obligations,  
 33 including any debt service reserves to secure the payment of the  
 34 obligations, the department of local government finance may  
 35 authorize the fiscal body of the political subdivision to impose a  
 36 special purpose tax rate under this section.

37 (d) The following apply if the department of local government  
 38 finance authorizes a political subdivision to impose a special  
 39 purpose tax rate under this section:

- 40 (1) The department of local government finance shall:
  - 41 (A) specify the period in which the special purpose tax rate  
 42 may be imposed; and



- 1           **(B) subject to subsection (e), specify the maximum special**  
 2           **purpose tax rate that the political subdivision may impose.**  
 3           **(2) The fiscal body of the political subdivision may adopt an**  
 4           **ordinance (in the case of a county or municipality) or a**  
 5           **resolution (in the case of any other political subdivision) to**  
 6           **impose the special purpose tax rate on the adjusted gross**  
 7           **income of local taxpayers of the political subdivision.**  
 8           **(3) The provisions in IC 6-3.7-3 concerning when an**  
 9           **ordinance or resolution adopted under this article takes effect**  
 10           **apply to the ordinance or resolution adopted by the fiscal**  
 11           **body of the political subdivision.**  
 12           **(e) The maximum special purpose tax rate that the department**  
 13           **of local government finance may authorize a political subdivision**  
 14           **to impose under this section for a particular year may not exceed**  
 15           **the rate necessary to generate revenue equal to:**  
 16           **(1) the political subdivision's debt service payments on the**  
 17           **obligations for the year, including any debt service reserves to**  
 18           **secure the payment of the obligations; minus**  
 19           **(2) the amount of local income tax revenue that is expected to**  
 20           **be distributed to the political subdivision under IC 6-3.7-6 (as**  
 21           **determined by the department of local government finance).**  
 22           **(f) The revenue from a special purpose tax rate imposed by a**  
 23           **political subdivision under this section may be used only for the**  
 24           **purpose of paying the political subdivision's obligations.**  
 25           **Chapter 8. Administration of Tax**  
 26           **Sec. 1. If for any taxable year a local taxpayer is subject to**  
 27           **different tax rates for the tax imposed by a particular eligible unit,**  
 28           **the taxpayer's tax rate for that eligible unit and that taxable year**  
 29           **is the rate determined in the last STEP of the following STEPS:**  
 30           **STEP ONE: For each tax rate in effect in a year, multiply:**  
 31           **(A) the number of months in the taxpayer's taxable year in**  
 32           **which the rate is in effect; by**  
 33           **(B) the rate.**  
 34           **STEP TWO: Divide:**  
 35           **(A) the sum of the amounts determined under STEP ONE;**  
 36           **by**  
 37           **(B) twelve (12).**  
 38           **Sec. 2. If the tax imposed by an eligible unit under this article is**  
 39           **not in effect during a local taxpayer's entire taxable year, the**  
 40           **amount of tax that the local taxpayer owes for that taxable year**  
 41           **equals the product of:**  
 42           **(1) the amount of tax the local taxpayer would owe if the tax**



1 had been imposed by the eligible unit during the local  
2 taxpayer's entire taxable year; multiplied by

3 (2) a fraction equal to:

4 (A) the number of days in the local taxpayer's taxable year  
5 during which the tax was in effect; divided by

6 (B) the total number of days in the local taxpayer's taxable  
7 year.

8 However, if the taxpayer files state income tax returns on a  
9 calendar year basis, the fraction to be applied under this section is  
10 one-half (1/2).

11 Sec. 3. (a) For purposes of this article, an individual shall be  
12 treated as a resident of an eligible unit in which the individual:

13 (1) maintains a home, if the individual maintains only one (1)  
14 home in Indiana;

15 (2) if subdivision (1) does not apply, is registered to vote;

16 (3) if subdivision (1) or (2) does not apply, registers the  
17 individual's personal automobile; or

18 (4) spent the majority of the individual's time in Indiana  
19 during the taxable year in question, if subdivision (1), (2), or

20 (3) does not apply.

21 (b) The residence or principal place of business or employment  
22 of an individual is to be determined on January 1 of the calendar  
23 year in which the individual's taxable year commences. If an  
24 individual changes the location of the individual's residence or  
25 principal place of employment or business to another county in  
26 Indiana during a calendar year, the individual's liability for tax is  
27 not affected.

28 (c) Notwithstanding subsection (b), if an individual becomes a  
29 local taxpayer for purposes of IC 36-7-27 during a calendar year  
30 because the individual:

31 (1) changes the location of the individual's residence to an  
32 eligible unit in which the individual begins employment or  
33 business at a qualified economic development tax project (as  
34 defined in IC 36-7-27-9); or

35 (2) changes the location of the individual's principal place of  
36 employment or business to a qualified economic development  
37 tax project and does not reside in another county in which a  
38 tax is in effect under this article;

39 the individual's adjusted gross income attributable to employment  
40 or business at the qualified economic development tax project is  
41 taxable only by the eligible unit containing the qualified economic  
42 development tax project.



1       **Sec. 4. (a) Using procedures provided under this chapter, the**  
 2 **adopting body of an eligible unit may pass an ordinance (in the**  
 3 **case of a county) or a resolution (in the case of a school**  
 4 **corporation) to enter into reciprocity agreements with the taxing**  
 5 **authority of any city, town, municipality, county, or other similar**  
 6 **local governmental entity of any other state. The reciprocity**  
 7 **agreements must provide that the income of resident local**  
 8 **taxpayers is exempt from income taxation by the other local**  
 9 **governmental entity to the extent income of the residents of the**  
 10 **other local governmental entity is exempt from the tax imposed by**  
 11 **the eligible unit.**

12       **(b) A reciprocity agreement adopted under this section may not**  
 13 **become effective until it is also made effective in the other local**  
 14 **governmental entity that is a party to the agreement.**

15       **(c) The form and effective date of any reciprocity agreement**  
 16 **described in this section must be approved by the department.**

17       **Sec. 5. (a) Except as otherwise provided in subsection (b) and**  
 18 **the other provisions of this article, all provisions of the adjusted**  
 19 **gross income tax law (IC 6-3) concerning:**

20           **(1) definitions;**

21           **(2) declarations of estimated tax;**

22           **(3) filing of returns;**

23           **(4) deductions or exemptions from adjusted gross income;**

24           **(5) remittances;**

25           **(6) incorporation of the provisions of the Internal Revenue**  
 26 **Code;**

27           **(7) penalties and interest; and**

28           **(8) exclusion of military pay credits for withholding;**

29 **apply to the imposition, collection, and administration of the tax**  
 30 **imposed by this article.**

31       **(b) Notwithstanding subsection (a), each employer shall report**  
 32 **to the department of state revenue the amount of withholdings**  
 33 **attributable to each eligible unit. This report shall be submitted to**  
 34 **the department of state revenue:**

35           **(1) each time the employer remits to the department of state**  
 36 **revenue the tax that is withheld; and**

37           **(2) annually along with the employer's annual withholding**  
 38 **report.**

39       **Sec. 6. (a) Except as provided in subsection (b), if for a**  
 40 **particular taxable year a local taxpayer is liable for an income tax**  
 41 **imposed by a county, city, town, or other local governmental entity**  
 42 **located outside Indiana, that local taxpayer is entitled to a credit**



1 against the tax liability imposed under this article for that same  
 2 taxable year. The amount of the credit equals the amount of tax  
 3 imposed by the other governmental entity on income derived from  
 4 sources outside Indiana and subject to the tax imposed under this  
 5 article. However, the credit provided by this section may not  
 6 reduce a local taxpayer's tax liability to an amount less than what  
 7 would have been owed if the income subject to taxation by the  
 8 other governmental entity had been ignored. If the local taxpayer  
 9 has a tax liability to more than one (1) eligible unit, the credit shall  
 10 be applied proportionally to the tax liabilities owed by the taxpayer  
 11 to those eligible units for the taxable year.

12 (b) The credit provided by this section does not apply to a local  
 13 taxpayer to the extent that the other governmental entity provides  
 14 for a credit to the taxpayer for the amount of taxes owed under this  
 15 article.

16 (c) To claim the credit provided by this section, a local taxpayer  
 17 must provide the department of state revenue with satisfactory  
 18 evidence that the taxpayer is entitled to the credit.

19 Sec. 7. In the case of a local taxpayer who is a resident of Perry  
 20 County, the term "adjusted gross income" does not include  
 21 adjusted gross income that is:

22 (1) earned in a county that is:

23 (A) located in another state; and

24 (B) adjacent to the county in which the taxpayer resides;  
 25 and

26 (2) subject to an income tax imposed by a county, city, town,  
 27 or other local governmental entity in the other state.

## 28 Chapter 9. Distribution of Revenue

29 Sec. 1. (a) A trust account within the state general fund shall be  
 30 established for each eligible unit that imposes a tax. Any revenue  
 31 derived from the imposition of the tax by an eligible unit shall be  
 32 deposited in that eligible unit's trust account in the state general  
 33 fund. The eligible unit's trust account shall be maintained by the  
 34 budget agency.

35 (b) Any income earned on money held in a trust account under  
 36 subsection (a) becomes a part of that trust account.

37 (c) Any revenue remaining in a trust account established under  
 38 subsection (a) at the end of a fiscal year does not revert to the state  
 39 general fund.

40 Sec. 2. Revenue derived from the imposition of a tax under this  
 41 article shall, in the manner prescribed by this chapter, be  
 42 distributed to the eligible unit that imposed the tax. The amount



1 that is to be distributed to an eligible unit during an ensuing  
 2 calendar year equals the amount of tax revenue that the budget  
 3 agency determines has been:

4 (1) received from local taxpayers of that eligible unit for a  
 5 taxable year ending in a calendar year preceding the calendar  
 6 year in which the determination is made; and

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

11 as adjusted for refunds of tax made in the state fiscal year.

12 Sec. 3. (a) Before June 1 of each year, the budget agency shall  
 13 provide to the department of local government finance and the  
 14 fiscal officer of each adopting eligible unit an estimate of the  
 15 amount that will be distributed to the eligible unit, based on known  
 16 tax rates. Not later than July 1 of each year, the department of  
 17 local government finance shall determine for each taxing unit and  
 18 notify the county auditor of the estimated amount of property tax  
 19 credits, certified shares, and special purpose revenue that will be  
 20 distributed to the taxing unit under this article during the ensuing  
 21 calendar year. Not later than thirty (30) days after receiving the  
 22 department's estimate, the county auditor shall notify each taxing  
 23 unit of the amounts estimated for the taxing unit.

24 (b) Before October 1 of each calendar year, the budget agency  
 25 shall certify to the department of local government finance and the  
 26 county auditor:

27 (1) the amount determined under section 2 of this chapter for  
 28 each adopting eligible unit; and

29 (2) the amount of interest in the eligible unit's account that  
 30 has accrued and has not been included in a certification made  
 31 in a preceding year.

32 The amount certified is the eligible unit's certified distribution for  
 33 the immediately succeeding calendar year. The amount certified  
 34 shall be adjusted, as necessary, under sections 4, 5, and 6 of this  
 35 chapter. Not later than fifteen (15) days after receiving the amount  
 36 of the certified distribution, the department of local government  
 37 finance shall determine for each taxing unit and notify the county  
 38 auditor of the certified amount of property tax credits, certified  
 39 shares, and special purpose revenue that will be distributed to the  
 40 taxing unit under this article during the ensuing calendar year. Not  
 41 later than thirty (30) days after receiving the department's  
 42 estimate, the county auditor shall notify each taxing unit of the



1 certified amounts for the taxing unit.

2       **Sec. 4.** The budget agency shall certify an amount less than the  
3 amount determined under section 3(b) of this chapter if the budget  
4 agency determines that the reduced distribution is necessary to  
5 offset overpayments made in a calendar year before the calendar  
6 year of the distribution. The budget agency may reduce the amount  
7 of the certified distribution over several calendar years so that any  
8 overpayments are offset over several years rather than in one (1)  
9 lump sum.

10       **Sec. 5.** The budget agency shall adjust the certified distribution  
11 for an eligible unit to correct for any clerical or mathematical  
12 errors made in any previous certification under this chapter. The  
13 budget agency may reduce the amount of the certified distribution  
14 over several calendar years so that any adjustment under this  
15 section is offset over several years rather than in one (1) lump sum.

16       **Sec. 6.** This section applies to an eligible unit that imposes,  
17 increases, decreases, or rescinds a tax or tax rate under this article  
18 before November 1 in the same calendar year in which the budget  
19 agency makes a certification under this section. The budget agency  
20 shall adjust the certified distribution of a county to provide for a  
21 distribution in the immediately following calendar year and in each  
22 calendar year thereafter. The budget agency shall provide for a full  
23 transition to certification of distributions as provided in section  
24 2(1) and 2(2) of this chapter in the manner provided in section 4 of  
25 this chapter. If the eligible unit imposes, increases, decreases, or  
26 rescinds a tax or tax rate under this article after the date for which  
27 a certification under section 3(b) of this chapter is based, the  
28 budget agency shall adjust the certified distribution of the eligible  
29 unit after October 1 and before December 1 of the calendar year.  
30 The adjustment must reflect any other adjustment required under  
31 sections 4 and 5 of this chapter. The adjusted certification shall be  
32 treated as the eligible unit's certified distribution for the  
33 immediately succeeding calendar year. The budget agency shall  
34 certify the adjusted certified distribution to the fiscal officer for the  
35 eligible unit and provide the adopting body of the eligible unit with  
36 an informative summary of the calculations that revises the  
37 informative summary provided in section 7 of this chapter and  
38 reflects the changes made in the adjustment.

39       **Sec. 7.** The budget agency shall provide the adopting body with  
40 an informative summary of the calculations used to determine the  
41 certified distribution. The summary of calculations must include:

42       (1) the amount reported on individual income tax returns



1 processed by the department during the previous fiscal year;  
 2 (2) adjustments for over distributions in prior years;  
 3 (3) adjustments for clerical or mathematical errors in prior  
 4 years;  
 5 (4) adjustments for tax rate changes; and  
 6 (5) the amount of excess account balances to be distributed  
 7 under section 13 of this chapter.

8 **Sec. 8.** The budget agency shall also certify information  
 9 concerning the part of the certified distribution to each eligible unit  
 10 that is attributable to each of the following:

- 11 (1) The tax rate imposed under IC 6-3.7-5.  
 12 (2) The tax rate imposed under IC 6-3.7-6, separately stating  
 13 the part of the distribution dedicated to a PSAP under  
 14 IC 6-3.7-6-4 and that part of the distribution dedicated to a  
 15 public communications system and computer facilities district  
 16 under IC 6-3.7-6-5.  
 17 (3) Each tax rate imposed under IC 6-3.7-7.  
 18 (4) In the case of Marion County, the local income taxes paid  
 19 by local taxpayers described in IC 6-3.7-2-14(3).

20 The amount certified shall be adjusted to reflect any adjustment in  
 21 the certified distribution under this chapter.

22 **Sec. 9.** The information described in sections 7 and 8 of this  
 23 chapter must be certified to the county auditor, to the fiscal officer  
 24 of each taxing unit in the county, and to the department of local  
 25 government finance not later than the later of the following:

- 26 (1) October 1 of each calendar year.  
 27 (2) Thirty (30) days after the adopting body certifies a new  
 28 rate to the budget agency.

29 **Sec. 10.** One-twelfth (1/12) of an eligible unit's certified  
 30 distribution for a calendar year shall be distributed from its trust  
 31 account established under this chapter to the fiscal officer of the  
 32 eligible unit on the first regular business day of each month of that  
 33 calendar year.

34 **Sec. 11.** All distributions from a trust account established under  
 35 this chapter shall be made by warrants issued by the auditor of  
 36 state to the treasurer of state ordering the appropriate payments.

37 **Sec. 12.** Before November 2 of each year, the budget agency  
 38 shall submit a report to the fiscal officer of each eligible unit that  
 39 has adopted a tax under this chapter. The report must indicate the  
 40 balance in the eligible unit's trust account as of the cutoff date set  
 41 by the budget agency.

42 **Sec. 13. (a)** If the budget agency determines that the balance in





1 an eligible unit's trust account exceeds fifteen percent (15%) of the  
 2 certified distributions to be made to the eligible unit in the  
 3 determination year, the budget agency shall make a supplemental  
 4 distribution to the eligible unit from the eligible unit's trust  
 5 account. The budget agency shall use the trust account balance as  
 6 of December 31 of the year that precedes the determination year  
 7 by two (2) years (referred to as the "trust account balance year"  
 8 in this section).

9 (b) A supplemental distribution described in subsection (a) must  
 10 be:

11 (1) made at the same time as the determinations are provided  
 12 to the fiscal officer of the eligible unit under subsection (d)(2);  
 13 and

14 (2) allocated in the same manner as certified distributions for  
 15 the purposes described in this article.

16 (c) The amount of a supplemental distribution described in  
 17 subsection (a) is equal to the amount by which:

18 (1) the balance in the eligible unit's trust account; minus

19 (2) the amount of any supplemental or special distribution  
 20 that has not yet been accounted for in the last known balance  
 21 of the eligible unit's trust account;

22 exceeds fifteen percent (15%) of the certified distributions to be  
 23 made to the eligible unit in the determination year.

24 (d) For an eligible unit that qualifies for a supplemental  
 25 distribution under this section in a year, the following apply:

26 (1) Before May 2, the budget agency shall provide the amount  
 27 of the supplemental distribution for the eligible unit to the  
 28 department of local government finance and to the fiscal  
 29 officer of the eligible unit.

30 (2) The department of local government finance shall  
 31 determine for the eligible unit the amount and allocation of  
 32 the supplemental distribution attributable to the taxes that  
 33 were imposed as of December 31 of the trust account balance  
 34 year, including any specific distributions for that year. In the  
 35 case of a county that receives a supplemental distribution, the  
 36 department of local government finance shall determine the  
 37 part of the supplemental distribution that shall be distributed  
 38 to each qualified civil taxing unit in the county as certified  
 39 shares and the amount (if any) to be distributed for a PSAP  
 40 under IC 6-3.7-6-4, the amount (if any) to be distributed  
 41 under IC 6-3.7-6-5 to a public communications system and  
 42 computer facilities district, the amount (if any) to be



1 distributed under IC 6-3.7-6-6 to a public library, the amount  
 2 (if any) to be distributed under IC 6-3.7-6-7 to fund the  
 3 operation of a public transportation corporation, and the  
 4 amount (if any) to be distributed under IC 6-3.7-6-8. The  
 5 department of local government finance shall provide these  
 6 determinations to the fiscal officer of the eligible unit before  
 7 May 16 of the determination year.

8 (3) In the case of a county that receives a supplemental  
 9 distribution, the county auditor shall before June 1 of the year  
 10 distribute to each qualified civil taxing unit the amount of the  
 11 supplemental distribution that is allocated to the qualified  
 12 civil taxing unit as certified shares under subdivision (2).

13 (e) To the extent that the balance in a county's trust account was  
 14 insufficient for the budget agency to make the entire amount of the  
 15 transfer required under IC 6-3.6-9-8.5(a) (before the expiration of  
 16 IC 6-3.6), the budget agency shall make any remaining part of the  
 17 required transfer from the county's trust account under this  
 18 chapter in subsequent years on a schedule determined by the  
 19 budget agency until the entire amount of the required transfer has  
 20 been made.

21 (f) Any income earned on money held in a trust account  
 22 established for an eligible unit under this chapter shall be deposited  
 23 in that trust account.

24 Sec. 14. (a) Money distributed to a county, city, or town under  
 25 IC 6-3.6-9-17 (before its expiration) may be expended only upon an  
 26 appropriation by the county's, city's, or town's fiscal body as  
 27 follows:

28 (1) At least seventy-five percent (75%) of the special  
 29 distribution must be:

30 (A) used exclusively by the county, city, or town for:

31 (i) engineering, land acquisition, construction,  
 32 resurfacing, maintenance, restoration, or rehabilitation  
 33 of both local and arterial road and street systems;

34 (ii) the payment of principal and interest on bonds sold  
 35 primarily to finance road, street, or thoroughfare  
 36 projects;

37 (iii) any local costs required to undertake a recreational  
 38 or reservoir road project under IC 8-23-5;

39 (iv) the purchase, rental, or repair of highway  
 40 equipment;

41 (v) providing a match for a grant from the local road  
 42 and bridge matching grant fund under IC 8-23-30; or



1 (vi) capital projects for aviation related property or  
 2 facilities, including capital projects of a board of aviation  
 3 commissioners established under IC 8-22-2 or an airport  
 4 authority established under IC 8-22-3-1; or

5 (B) deposited in the county's, city's, or town's rainy day  
 6 fund established under IC 36-1-8-5.1. The money deposited  
 7 in a rainy day fund under this clause may not be  
 8 appropriated from the rainy day fund or transferred to  
 9 another fund under IC 36-1-8-5.1(g), unless the money will  
 10 be used exclusively for purposes set forth in clause (A).

11 (2) The remaining part of the special distribution may be used  
 12 by the county, city, or town for any of the purposes of the  
 13 county, city, or town.

14 (b) The amount received under IC 6-3.6-9-17 (before its  
 15 expiration) by a taxing unit that is not a county, city, or town shall  
 16 be deposited in the taxing unit's rainy day fund established under  
 17 IC 36-1-8-5.1. However, in the case of a school corporation, the  
 18 school corporation may deposit the amount received in any of its  
 19 funds.

20 **Chapter 10. Use of Expenditure Rate Revenue**

21 **Sec. 1.** A school corporation may use revenue that is raised by  
 22 the school corporation from a tax imposed under IC 6-3.7-6 as  
 23 follows:

24 (1) If the tax rate under IC 6-3.7-6 has not been approved in  
 25 a local public question under IC 6-3.7-11, the revenue may be  
 26 used only to provide additional property tax credits in the  
 27 same manner as property tax credits are provided under  
 28 IC 6-3.7-5.

29 (2) If the tax rate under IC 6-3.7-6 has been approved in a  
 30 local public question under IC 6-3.7-11, the revenue may be  
 31 used for any legal purpose of the school corporation,  
 32 including any purpose authorized by this chapter and  
 33 including the providing of additional property tax credits in  
 34 the same manner as property tax credits are provided under  
 35 IC 6-3.7-5.

36 **Sec. 2.** A municipality may use revenue that is raised from a tax  
 37 imposed by the municipality under IC 6-3.7-6 for any legal purpose  
 38 of the municipality, including any purpose authorized by this  
 39 chapter and including the providing of additional property tax  
 40 credits in the same manner as property tax credits are provided  
 41 under IC 6-3.7-5.

42 **Sec. 3.** A qualified civil taxing unit may use revenue received as



1 certified shares under IC 6-3.7-6 for any legal purpose of the  
2 qualified civil taxing unit.

3 **Sec. 4.** The permissible uses described in sections 5 through 16  
4 of this chapter are not an exhaustive list of the purposes for which  
5 revenue raised under IC 6-3.7-6 may be expended.

6 **Sec. 5. (a)** The fiscal body of a school corporation, municipality,  
7 or qualified civil taxing unit may issue bonds payable from revenue  
8 received under IC 6-3.7-6.

9 (b) IC 6-1.1-20 does not apply to the issuance of bonds under  
10 this section.

11 (c) Bonds issued under this section may be sold at a public sale  
12 in accordance with IC 5-1-11 or may be sold at a negotiated sale.

13 (d) After a sale of bonds under this section, the fiscal officer of  
14 the school corporation, municipality, or qualified civil taxing unit  
15 shall prepare a debt service schedule for the bonds.

16 (e) The general assembly covenants that it will not repeal or  
17 amend this article in a manner that would adversely affect owners  
18 of outstanding bonds issued, or payment of any lease rentals due,  
19 under this section.

20 **Sec. 6. (a)** A school corporation, municipality, or qualified civil  
21 taxing unit may enter into a lease with a leasing body (as defined  
22 in IC 5-1-1-1) of any property that could be financed with the  
23 proceeds of bonds issued under this chapter with a lessor for a  
24 term not to exceed fifty (50) years, and the lease may provide for  
25 payments from revenue received under IC 6-3.7-6, any other  
26 revenue available to the school corporation, municipality, or  
27 qualified civil taxing unit, or any combination of these sources.

28 (b) A lease may provide that payments by the school  
29 corporation, municipality, or qualified civil taxing unit to the lessor  
30 are required only to the extent and only for the period that the  
31 lessor is able to provide the leased facilities in accordance with the  
32 lease. The terms of each lease must be based upon the value of the  
33 facilities leased and may not create a debt of the school  
34 corporation, municipality, or qualified civil taxing unit for  
35 purposes of the Constitution of the State of Indiana.

36 (c) A lease may be entered into by the executive of the school  
37 corporation, municipality, or qualified civil taxing unit only after  
38 a public hearing at which all interested parties are provided the  
39 opportunity to be heard. After the public hearing, the executive  
40 may approve the execution of the lease on behalf of the school  
41 corporation, municipality, or qualified civil taxing unit if the  
42 executive finds that the service to be provided throughout the term



1 of the lease will serve the public purpose of the school corporation,  
 2 municipality, or qualified civil taxing unit and is in the best  
 3 interests of its residents. Any lease approved by the executive must  
 4 also be approved by an ordinance of the fiscal body of the school  
 5 corporation, municipality, or qualified civil taxing unit.

6 (d) Upon execution of a lease providing for payments by the  
 7 school corporation, municipality, or qualified civil taxing unit in  
 8 whole or in part from revenues described in section 1, 2, or 3 of this  
 9 chapter and upon approval of the lease by the fiscal body of the  
 10 school corporation, municipality, or qualified civil taxing unit, the  
 11 executive of the school corporation, municipality, or qualified civil  
 12 taxing unit shall publish notice of the execution of the lease and its  
 13 approval in accordance with IC 5-3-1.

14 (e) Except as provided in this section, no approvals of any  
 15 governmental body or agency are required before the school  
 16 corporation, municipality, or qualified civil taxing unit enters into  
 17 a lease under this section.

18 (f) An action to contest the validity of the lease under this  
 19 section or to enjoin the performance of any of its terms and  
 20 conditions must be brought within thirty (30) days after the  
 21 publication of the notice of the execution and approval of the lease.

22 (g) If a school corporation, municipality, or qualified civil taxing  
 23 unit exercises an option to buy a leased facility from a lessor, the  
 24 unit may subsequently sell the leased facility, without regard to any  
 25 other statute, to the lessor at the end of the lease term at a price set  
 26 forth in the lease or at fair market value established at the time of  
 27 the sale by the executive of the school corporation, municipality, or  
 28 qualified civil taxing unit through auction, appraisal, or arms  
 29 length negotiation. If the facility is sold at auction, after appraisal,  
 30 or through negotiation, the school corporation, municipality, or  
 31 qualified civil taxing unit shall conduct a hearing after public  
 32 notice in accordance with IC 5-3-1 before the sale. Any action to  
 33 contest the sale must be brought within fifteen (15) days of the  
 34 hearing.

35 **Sec. 7.** Notwithstanding any other law, if a school corporation,  
 36 municipality, or qualified civil taxing unit desires to issue  
 37 obligations, or enter into leases, payable wholly or in part by the  
 38 taxes imposed under IC 6-3.7-6 or IC 6-3.7-7, the obligations of the  
 39 school corporation, municipality, or qualified civil taxing unit or  
 40 any lessor may be sold at public sale in accordance with IC 5-1-11  
 41 or at negotiated sale.

42 **Sec. 8.** A political subdivision may pledge the revenue it receives



1 from a tax imposed under IC 6-3.7-6 to the payment of bonds or to  
2 lease payments for:

- 3 (1) any purpose of the political subdivision;  
4 (2) any purpose of another governmental entity located in any  
5 part in the county, including a governmental entity organized  
6 on a regional basis; or  
7 (3) any purpose for which revenue may be used under this  
8 chapter.

9 The pledge must be approved in an ordinance (in the case of a  
10 county or municipality) or resolution (in the case of any other  
11 political subdivision) adopted by the fiscal body of the political  
12 subdivision.

13 Sec. 9. (a) A pledge of revenues from a tax imposed under  
14 IC 6-3.7-6 is enforceable in accordance with IC 5-1-14.

15 (b) With respect to obligations for which a pledge has been  
16 made under IC 6-3.7-6, the general assembly covenants with the  
17 school corporation, municipality, or qualified civil taxing unit and  
18 the purchasers or owners of those obligations that this article will  
19 not be repealed or amended in any manner that will adversely  
20 affect the tax collected under this article as long as the principal of  
21 or interest on those obligations is unpaid.

22 Sec. 10. (a) A political subdivision may distribute any part of the  
23 revenue it receives from a tax imposed under IC 6-3.7-6 to any  
24 governmental entity (including a governmental entity organized on  
25 a regional basis to serve an area in more than one (1) county) to  
26 carry out a joint purpose or fund the purposes of the other  
27 governmental entity.

28 (b) The distribution must be authorized by ordinance (in the  
29 case of a county or municipality) or resolution (in the case of a  
30 political subdivision other than a county or municipality) of the  
31 fiscal body of the political subdivision to which the revenue is  
32 distributed under IC 6-3.7-6. An ordinance or resolution must  
33 specify the purpose of the designation and its duration.

34 (c) The fiscal body of the political subdivision may direct the  
35 county auditor in the ordinance to withhold from the political  
36 subdivision's distribution of revenue under IC 6-3.7-6 the amount  
37 that is the subject of the ordinance and distribute the amount  
38 directly to the other governmental entity authorized to receive the  
39 money.

40 Sec. 11. A county or municipality may use the revenue it  
41 receives from a tax imposed under IC 6-3.7-6 for any combination  
42 of the following purposes:



- 1           **(1) To pay all or a part of the interest owed by a private**
- 2           **developer or user on a loan extended by a financial institution**
- 3           **or other lender to the developer or user if the proceeds of the**
- 4           **loan are or are to be used to finance an economic development**
- 5           **project.**
- 6           **(2) For the retirement of bonds for economic development**
- 7           **projects.**
- 8           **(3) For leases or for leases or bonds entered into or issued**
- 9           **before the date the county economic development income tax**
- 10           **(IC 6-3.5-7 repealed) was imposed if the purpose of the lease**
- 11           **or bonds would have qualified as a purpose under this article**
- 12           **at the time the lease was entered into or the bonds were**
- 13           **issued.**
- 14           **(4) The construction or acquisition of, or remedial action with**
- 15           **respect to, a capital project for which the county or**
- 16           **municipality is empowered to issue general obligation bonds**
- 17           **or establish a fund under any statute listed in**
- 18           **IC 6-1.1-18.5-9.8.**
- 19           **(5) The retirement of bonds issued under any provision of**
- 20           **Indiana law for a capital project.**
- 21           **(6) The payment of lease rentals under any statute for a**
- 22           **capital project.**
- 23           **(7) Contract payments to a nonprofit corporation whose**
- 24           **primary corporate purpose is to assist government in**
- 25           **planning and implementing economic development projects.**
- 26           **(8) Operating expenses of a governmental entity that plans or**
- 27           **implements economic development projects.**
- 28           **(9) Funding of a revolving fund established under**
- 29           **IC 5-1-14-14.**
- 30           **(10) For a regional venture capital fund or a local venture**
- 31           **capital fund.**

32           **Sec. 12. An eligible unit may use the revenue the eligible unit**  
 33           **receives from a tax imposed under IC 6-3.7-6 to provide property**  
 34           **tax credits in the same manner that the eligible unit may provide**  
 35           **property tax credits under IC 6-3.7-5.**

36           **Sec. 13. (a) The general assembly finds that counties and**  
 37           **municipalities in Indiana have a need to foster economic**  
 38           **development, the development of new technology, and industrial**  
 39           **and commercial growth. The general assembly finds that it is**  
 40           **necessary and proper to provide an alternative method for counties**  
 41           **and municipalities to foster the following:**

- 42           **(1) Economic development.**



- 1           (2) The development of new technology.  
 2           (3) Industrial and commercial growth.  
 3           (4) Employment opportunities.  
 4           (5) The diversification of industry and commerce.  
 5   The fostering of economic development and the development of  
 6   new technology under this section or section 14 of this chapter for  
 7   the benefit of the general public, including industrial and  
 8   commercial enterprises, is a public purpose.  
 9           (b) The fiscal bodies of two (2) or more counties or  
 10   municipalities may, by resolution, do the following:  
 11           (1) Determine that part or all of the revenue received under  
 12   IC 6-3.7-6 should be combined to foster:  
 13           (A) economic development;  
 14           (B) the development of new technology; and  
 15           (C) industrial and commercial growth.  
 16           (2) Establish a regional venture capital fund.  
 17           (c) Each unit participating in a regional venture capital fund  
 18   established under subsection (b) may deposit the following in the  
 19   fund:  
 20           (1) Revenues received under IC 6-3.7-6.  
 21           (2) The proceeds of public or private grants.  
 22           (d) A regional venture capital fund shall be administered by a  
 23   governing board. The expenses of administering the fund shall be  
 24   paid from money in the fund. The governing board shall invest the  
 25   money in the fund not currently needed to meet the obligations of  
 26   the fund in the same manner as other public money may be  
 27   invested. Interest that accrues from these investments shall be  
 28   deposited into the fund. The fund is subject to audit by the state  
 29   board of accounts under IC 5-11-1. The fund must bear the full  
 30   costs of the audit.  
 31           (e) The fiscal body of each participating unit shall approve an  
 32   interlocal agreement created under IC 36-1-7 establishing the  
 33   terms for the administration of the regional venture capital fund.  
 34   The terms must include the following:  
 35           (1) The membership of the governing board.  
 36           (2) The amount of each unit's contribution to the fund.  
 37           (3) The procedures and criteria under which the governing  
 38   board may loan or grant money from the fund.  
 39           (4) The procedures for the dissolution of the fund and for the  
 40   distribution of money remaining in the fund at the time of the  
 41   dissolution.  
 42           (f) An interlocal agreement made by the participating units





- 1 under subsection (e) must provide that:
- 2 (1) each of the participating units is represented by at least
- 3 one (1) member of the governing board; and
- 4 (2) the membership of the governing board is established on
- 5 a bipartisan basis so that the number of the members of the
- 6 governing board who are members of one (1) political party
- 7 may not exceed the number of members of the governing
- 8 board required to establish a quorum.
- 9 (g) A majority of the governing board constitutes a quorum, and
- 10 the concurrence of a majority of the governing board is necessary
- 11 to authorize any action.
- 12 (h) An interlocal agreement made by the participating units
- 13 under subsection (e) must be submitted to the Indiana economic
- 14 development corporation for approval before the participating
- 15 units may contribute to the fund.
- 16 (i) A majority of members of a governing board of a regional
- 17 venture capital fund established under this section must have at
- 18 least five (5) years of experience in business, finance, or venture
- 19 capital.
- 20 (j) The governing board of the fund may loan or grant money
- 21 from the fund to a private or public entity if the governing board
- 22 finds that the loan or grant will be used by the borrower or grantee
- 23 for at least one (1) of the following economic development
- 24 purposes:
- 25 (1) To promote significant employment opportunities for the
- 26 residents of the units participating in the regional venture
- 27 capital fund.
- 28 (2) To attract a major new business enterprise to a
- 29 participating unit.
- 30 (3) To develop, retain, or expand a significant business
- 31 enterprise in a participating unit.
- 32 (k) The expenditures of a borrower or grantee of money from
- 33 a regional venture capital fund that are considered to be for an
- 34 economic development purpose include expenditures for any of the
- 35 following:
- 36 (1) Research and development of technology.
- 37 (2) Job training and education.
- 38 (3) Acquisition of property interests.
- 39 (4) Infrastructure improvements.
- 40 (5) New buildings or structures.
- 41 (6) Rehabilitation, renovation, or enlargement of buildings or
- 42 structures.



1           **(7) Machinery, equipment, and furnishings.**

2           **(8) Funding small business development with respect to:**

3               **(A) prototype products or processes;**

4               **(B) marketing studies to determine the feasibility of new**  
 5               **products or processes; or**

6               **(C) business plans for the development and production of**  
 7               **new products or processes.**

8           **Sec. 14. (a) The fiscal body of a county or municipality may, by**  
 9           **resolution, establish a local venture capital fund.**

10           **(b) A unit establishing a local venture capital fund under**  
 11           **subsection (a) may deposit the following in the fund:**

12               **(1) Revenues received under IC 6-3.7-6.**

13               **(2) The proceeds of public or private grants.**

14           **(c) A local venture capital fund shall be administered by a**  
 15           **governing board. The expenses of administering the fund shall be**  
 16           **paid from money in the fund. The governing board shall invest the**  
 17           **money in the fund not currently needed to meet the obligations of**  
 18           **the fund in the same manner as other public money may be**  
 19           **invested. Interest that accrues from these investments shall be**  
 20           **deposited into the fund. The fund is subject to audit by the state**  
 21           **board of accounts under IC 5-11-1. The fund must bear the full**  
 22           **costs of the audit.**

23           **(d) The fiscal body of a unit establishing a local venture capital**  
 24           **fund under subsection (a) shall establish the terms for the**  
 25           **administration of the local venture capital fund. The terms must**  
 26           **include the following:**

27               **(1) The membership of the governing board.**

28               **(2) The amount of the unit's contribution to the fund.**

29               **(3) The procedures and criteria under which the governing**  
 30               **board may loan or grant money from the fund.**

31               **(4) The procedures for the dissolution of the fund and for the**  
 32               **distribution of money remaining in the fund at the time of the**  
 33               **dissolution.**

34           **(e) A unit establishing a local venture capital fund under**  
 35           **subsection (a) must be represented by at least one (1) member of**  
 36           **the governing board.**

37           **(f) The membership of the governing board must be established**  
 38           **on a bipartisan basis so that the number of the members of the**  
 39           **governing board who are members of one (1) political party may**  
 40           **not exceed the number of members of the governing board**  
 41           **required to establish a quorum.**

42           **(g) A majority of the governing board constitutes a quorum, and**



1 the concurrence of a majority of the governing board is necessary  
2 to authorize any action.

3 (h) The terms established under subsection (d) for the  
4 administration of the local venture capital fund must be submitted  
5 to the Indiana economic development corporation for approval  
6 before a unit may contribute to the fund.

7 (i) A majority of members of a governing board of a local  
8 venture capital fund established under this section must have at  
9 least five (5) years of experience in business, finance, or venture  
10 capital.

11 (j) The governing board of the fund may loan or grant money  
12 from the fund to a private or public entity if the governing board  
13 finds that the loan or grant will be used by the borrower or grantee  
14 for at least one (1) of the following economic development  
15 purposes:

16 (1) To promote significant employment opportunities for the  
17 residents of the unit establishing the local venture capital  
18 fund.

19 (2) To attract a major new business enterprise to the unit.

20 (3) To develop, retain, or expand a significant business  
21 enterprise in the unit.

22 (k) The expenditures of a borrower or grantee of money from  
23 a local venture capital fund that are considered to be for an  
24 economic development purpose include expenditures for any of the  
25 following:

26 (1) Research and development of technology.

27 (2) Job training and education.

28 (3) Acquisition of property interests.

29 (4) Infrastructure improvements.

30 (5) New buildings or structures.

31 (6) Rehabilitation, renovation, or enlargement of buildings or  
32 structures.

33 (7) Machinery, equipment, and furnishings.

34 (8) Funding small business development with respect to:

35 (A) prototype products or processes;

36 (B) marketing studies to determine the feasibility of new  
37 products or processes; or

38 (C) business plans for the development and production of  
39 new products or processes.

40 Sec. 15. This section applies only to Lake County. The county or  
41 a city described in IC 36-7.5-2-3(b) may use additional revenue  
42 from a tax imposed under IC 6-3.7-6 for making transfers required



1 by IC 36-7.5-4-2 or to provide rail project funding under  
2 IC 36-7.5-4.5.

3 **Sec. 16. A qualified civil taxing unit may contribute any part of**  
4 **its certified shares to the regional development authority**  
5 **infrastructure fund established under IC 36-9-43-9. The**  
6 **contribution must be approved in an ordinance adopted by the**  
7 **fiscal body of the qualified civil taxing unit.**

8 **Chapter 11. Local Public Question for Approval of School**  
9 **Corporation Expenditure Rate**

10 **Sec. 1. As used in this chapter, "expenditure tax rate" refers to**  
11 **a tax rate imposed under IC 6-3.7-6.**

12 **Sec. 2. As used in this chapter, "resolution to extend an**  
13 **expenditure tax rate" refers to a resolution adopted by a school**  
14 **corporation under this chapter to place a local public question on**  
15 **the ballot requesting authority to continue imposing an**  
16 **expenditure tax rate that is the same as or lower than the**  
17 **expenditure tax rate previously approved by the voters of the**  
18 **school corporation and currently in effect in the school**  
19 **corporation.**

20 **Sec. 3. (a) Except as provided in subsection (b), a school**  
21 **corporation may not impose an expenditure tax rate unless the**  
22 **expenditure tax rate is approved in a local public question as**  
23 **provided in this chapter. Sections 4 through 9 of this chapter apply**  
24 **to an expenditure rate unless the resolution imposing the**  
25 **expenditure tax rate specifies that the entire amount of the revenue**  
26 **from the expenditure tax rate will be used to provide additional**  
27 **property tax credits.**

28 **(b) A school corporation may impose an expenditure tax rate**  
29 **without holding a local public question under this chapter only if**  
30 **the resolution imposing the expenditure tax rate specifies that the**  
31 **entire amount of the revenue from the expenditure tax rate will be**  
32 **used to provide additional property tax credits in the same manner**  
33 **as property tax credits are provided under IC 6-3.7-5. Sections 4**  
34 **through 9 of this chapter do not apply to an expenditure rate if the**  
35 **resolution imposing the expenditure tax rate specifies that the**  
36 **entire amount of the revenue from the expenditure tax rate will be**  
37 **used to provide additional property tax credits. If a school**  
38 **corporation imposes an expenditure tax rate without holding a**  
39 **local public question under this chapter for the approval of the**  
40 **expenditure tax rate, the entire amount of the revenue from the**  
41 **expenditure tax rate must be used to provide additional property**  
42 **tax credits in the same manner as property tax credits are provided**



1 under IC 6-3.7-5.

2 **Sec. 4. (a) Subject to the requirements of this chapter, the**  
 3 **adopting body of a school corporation may do the following:**

4 **(1) If an expenditure tax rate is not currently in effect in a**  
 5 **school corporation, adopt a resolution to place a local public**  
 6 **question on the ballot under section 7 of this chapter to**  
 7 **approve the imposing of an expenditure tax rate.**

8 **(2) If an expenditure tax rate is currently in effect in a school**  
 9 **corporation, either:**

10 **(A) adopt a resolution to place a local public question on**  
 11 **the ballot under section 7 of this chapter to approve the**  
 12 **imposing of an expenditure tax rate; or**

13 **(B) adopt a resolution to extend an expenditure tax rate**  
 14 **and to place a local public question on the ballot under**  
 15 **section 8 of this chapter to approve the extension of the**  
 16 **expenditure tax rate.**

17 **(b) The adopting body of the school corporation shall certify a**  
 18 **copy of the resolution to the following:**

19 **(1) The department of local government finance and the**  
 20 **department of state revenue.**

21 **(2) The county fiscal body of each county in which the school**  
 22 **corporation is located (for informational purposes only).**

23 **(3) The circuit court clerk of each county in which the school**  
 24 **corporation is located.**

25 **Sec. 5. A local public question under this chapter is approved**  
 26 **only if a majority of the individuals who vote in the local public**  
 27 **question vote in favor of authorizing the expenditure tax rate.**

28 **Sec. 6. A resolution to extend an expenditure tax rate must be:**

29 **(1) adopted by the adopting body of a school corporation; and**

30 **(2) approved in a local public question under this chapter;**

31 **before December 31 of the final calendar year in which the school**  
 32 **corporation's previously approved expenditure tax rate is eligible**  
 33 **to be imposed under IC 6-3.7-6.**

34 **Sec. 7. (a) This section does not apply to a local public question**  
 35 **on a resolution to extend an expenditure tax rate.**

36 **(b) The question to be submitted to the voters in a local public**  
 37 **question under this section must read as follows:**

38 **"For \_\_ (insert number) calendar year or years, shall the**  
 39 **school corporation be authorized to impose an expenditure**  
 40 **tax rate on local taxpayers of the school corporation that does**  
 41 **not exceed \_\_ (insert the percentage of the proposed**  
 42 **expenditure tax rate, but not more than twenty-five**



- 1           hundredths percent (0.25%))?".
- 2           **Sec. 8. (a)** This section applies only to a local public question on  
3 a resolution to allow a school corporation to extend an expenditure  
4 tax rate.
- 5           **(b)** The expenditure rate that may be extended if the local public  
6 question under this section is approved may not exceed the  
7 expiring expenditure tax rate currently in effect in the school  
8 corporation.
- 9           **(c)** Notwithstanding section 9 of this chapter, the number of  
10 years for which an expenditure tax rate may be extended if the  
11 local public question under this section is approved may not exceed  
12 the number of years for which the expiring expenditure rate was  
13 imposed.
- 14           **(d)** The question to be submitted to the voters in a local public  
15 question under this section must read as follows:
- 16           "For \_\_ (insert number) calendar year or years, shall the  
17 school corporation be authorized to impose an expenditure  
18 tax rate on local taxpayers of the school corporation that does  
19 not exceed \_\_ (insert the lower of the percentage of the  
20 expenditure tax rate currently in effect in the school  
21 corporation or the percentage that the school corporation  
22 wishes to impose)? The expenditure tax rate requested in this  
23 local public question was originally approved by the voters in  
24 the \_\_\_\_\_ (insert name of the school corporation) in \_\_\_\_\_  
25 (insert the year in which the expenditure tax rate was  
26 approved by the voters of the school corporation).".
- 27           **Sec. 9.** Subject to section 8(c) of this chapter, the voters in a local  
28 public question under this chapter may not approve an expenditure  
29 rate that is imposed for more than eight (8) years. However, an  
30 expenditure rate may be reimposed under section 7 of this chapter  
31 or extended under section 8 of this chapter if approved in a local  
32 public question.
- 33           **Sec. 10. (a)** Each circuit court clerk shall, upon receiving the  
34 question certified by the adopting body of a school corporation  
35 under this chapter, call a meeting of the county election board to  
36 make arrangements for the local public question.
- 37           **(b)** The local public question shall be held in the next primary  
38 election, general election, or municipal election in which all the  
39 registered voters who are residents of the school corporation are  
40 entitled to vote after certification of the question under  
41 IC 3-10-9-3. The certification of the local public question must  
42 occur not later than noon:



- 1           (1) sixty (60) days before a primary election if the question is  
2           to be placed on the primary or municipal primary election  
3           ballot; or  
4           (2) August 1 if the question is to be placed on the general or  
5           municipal election ballot.
- 6           (c) However, if a primary election, general election, or  
7           municipal election will not be held during the first year in which  
8           the local public question is eligible to be placed on the ballot under  
9           this chapter and if the adopting body of the school corporation  
10          requests the local public question to be placed on the ballot at a  
11          special election, the local public question shall be placed on the  
12          ballot at a special election to be held on the first Tuesday after the  
13          first Monday in May or November of the year. The certification  
14          must occur not later than noon:
- 15           (1) sixty (60) days before a special election to be held in May  
16           (if the special election is to be held in May); or  
17           (2) on August 1 (if the special election is to be held in  
18           November).
- 19          (d) If the local public question is not conducted at a primary  
20          election, general election, or municipal election, the school  
21          corporation requesting the local public question shall pay all the  
22          costs of holding the local public question.
- 23          Sec. 11. Each county election board shall cause:
- 24           (1) the local public question certified to the circuit court clerk  
25           by the adopting body of a school corporation to be placed on  
26           the ballot in the form prescribed by IC 3-10-9-4; and  
27           (2) an adequate supply of ballots and voting equipment to be  
28           delivered to the precinct election board of each precinct in  
29           which the local public question is to be held.
- 30          Sec. 12. The individuals entitled to vote in a local public question  
31          are all of the registered voters who are residents of the school  
32          corporation.
- 33          Sec. 13. Each precinct election board shall count the affirmative  
34          votes and the negative votes cast in a local public question under  
35          this chapter and shall certify those two (2) totals to the county  
36          election board of each county in which the local public question is  
37          held. The circuit court clerk of each county shall, immediately after  
38          the votes cast in the local public question have been counted,  
39          certify the results of the local public question to the department of  
40          local government finance, the department of state revenue, and the  
41          county fiscal body and county auditor of each county in which the  
42          school corporation is located.



1           **Sec. 14. If a majority of the individuals who voted in a local**  
 2 **public question under this chapter voted "yes" on the local public**  
 3 **question, the school corporation is authorized to impose the**  
 4 **expenditure rate requested in the local public question for the**  
 5 **number of calendar years requested in the local public question.**

6           **Sec. 15. (a) If a majority of the individuals who voted in a local**  
 7 **public question under this chapter did not vote "yes" on the local**  
 8 **public question:**

9               **(1) the school corporation may not impose the proposed**  
 10 **expenditure rate; and**

11               **(2) the school corporation may not hold another local public**  
 12 **question under this chapter earlier than:**

13                   **(A) except as provided in clause (B), seven hundred (700)**  
 14 **days after the date of the local public question; or**

15                   **(B) three hundred fifty (350) days after the date of the local**  
 16 **public question, if a petition that meets the requirements**  
 17 **of subsection (b) is submitted to the county auditor.**

18           **(b) If a majority of the individuals who voted in a local public**  
 19 **question under this chapter did not vote "yes" on the local public**  
 20 **question, a petition may be submitted to the county auditor to**  
 21 **request that the limit under subsection (a)(2)(B) apply to the**  
 22 **holding of a subsequent local public question under this chapter by**  
 23 **the school corporation. If such a petition is submitted to the county**  
 24 **auditor and is signed by the lesser of:**

25               **(1) five hundred (500) persons who are either owners of**  
 26 **property within the school corporation or registered voters**  
 27 **residing within the school corporation; or**

28               **(2) five percent (5%) of the registered voters residing within**  
 29 **the school corporation;**

30 **the limit under subsection (a)(2)(B) applies to the holding of a**  
 31 **second local public question by the school corporation, and the**  
 32 **limit under subsection (a)(2)(A) does not apply to the holding of a**  
 33 **second local public question by the school corporation.**

34           **Sec. 16. The restrictions in IC 20-46-1-20 that apply to a**  
 35 **referendum under IC 20-46-1 also apply to a local public question**  
 36 **under this chapter.**

37           SECTION 7. IC 6-8.1-1-1, AS AMENDED BY P.L.256-2017,  
 38 SECTION 84, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 39 JULY 1, 2018]: Sec. 1. "Listed taxes" or "taxes" includes only the  
 40 pari-mutuel taxes (IC 4-31-9-3 through IC 4-31-9-5); the riverboat  
 41 admissions tax (IC 4-33-12); the riverboat wagering tax (IC 4-33-13);  
 42 the slot machine wagering tax (IC 4-35-8); the type II gambling game





1 excise tax (IC 4-36-9); the gross income tax (IC 6-2.1) (repealed); the  
 2 utility receipts and utility services use taxes (IC 6-2.3); the state gross  
 3 retail and use taxes (IC 6-2.5); the adjusted gross income tax (IC 6-3);  
 4 the supplemental net income tax (IC 6-3-8) (repealed); the county  
 5 adjusted gross income tax (IC 6-3.5-1.1) (repealed); the county option  
 6 income tax (IC 6-3.5-6) (repealed); the county economic development  
 7 income tax (IC 6-3.5-7) (repealed); the local income tax (IC 6-3.6  
 8 **before its expiration on December 31, 2021, and IC 6-3.7, after**  
 9 **December 31, 2021**); the auto rental excise tax (IC 6-6-9); the  
 10 financial institutions tax (IC 6-5.5); the gasoline tax (IC 6-6-1.1); the  
 11 special fuel tax (IC 6-6-2.5); the motor carrier fuel tax (IC 6-6-4.1); a  
 12 motor fuel tax collected under a reciprocal agreement under IC 6-8.1-3;  
 13 the vehicle excise tax (IC 6-6-5); the aviation fuel excise tax  
 14 (IC 6-6-13); the commercial vehicle excise tax (IC 6-6-5.5); the excise  
 15 tax imposed on recreational vehicles and truck campers (IC 6-6-5.1);  
 16 the hazardous waste disposal tax (IC 6-6-6.6) (repealed); the  
 17 cigarette tax (IC 6-7-1); the beer excise tax (IC 7.1-4-2); the liquor  
 18 excise tax (IC 7.1-4-3); the wine excise tax (IC 7.1-4-4); the hard cider  
 19 excise tax (IC 7.1-4-4.5); the malt excise tax (IC 7.1-4-5); the  
 20 petroleum severance tax (IC 6-8-1); the various innkeeper's taxes  
 21 (IC 6-9); the various food and beverage taxes (IC 6-9); the county  
 22 admissions tax (IC 6-9-13 and IC 6-9-28); the oil inspection fee  
 23 (IC 16-44-2); the penalties assessed for oversize vehicles (IC 9-20-3  
 24 and IC 9-20-18); the fees and penalties assessed for overweight  
 25 vehicles (IC 9-20-4 and IC 9-20-18); and any other tax or fee that the  
 26 department is required to collect or administer.

27 SECTION 8. IC 8-25-3-1, AS AMENDED BY P.L.197-2016,  
 28 SECTION 90, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 29 JULY 1, 2018]: Sec. 1. (a) This section applies to Delaware County,  
 30 Hamilton County, Hancock County, Johnson County, Madison County,  
 31 and Marion County.

32 (b) If the voters of an eligible county approve a local public question  
 33 under IC 8-25-2, the fiscal body of the eligible county may, subject to  
 34 section 4 of this chapter, **do the following:**

35 (1) Adopt an ordinance under IC 6-3.6-6 to impose an additional  
 36 local income tax rate as allowed by IC 6-3.6-7-27 for the public  
 37 transportation project, **if the voters approve the local public**  
 38 **question before July 1, 2021.**

39 (2) Adopt an ordinance under IC 6-3.7-7-30 to impose an  
 40 additional local income tax rate for the public transportation  
 41 project, **if the voters approve the local public question after**  
 42 **June 30, 2021.**



1 SECTION 9. IC 8-25-6-10, AS AMENDED BY P.L.247-2017,  
 2 SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 3 JULY 1, 2018]: Sec. 10. (a) If the voters of a township described in  
 4 section 2(a)(2)(A)(i) or 2(a)(2)(B)(i) of this chapter approve a local  
 5 public question under this chapter, the fiscal body of the eligible county  
 6 in which the township is located shall **do the following:**

7 **(1) If the voters approve the local public question before July**  
 8 **1, 2021,** adopt an ordinance under IC 6-3.6-6 to impose a  
 9 additional local income tax rate, as permitted by IC 6-3.6-7-27,  
 10 upon the local taxpayers residing in the township for the public  
 11 transportation project in the township.

12 **(2) If the voters approve the local public question after June**  
 13 **30, 2021, adopt an ordinance under IC 6-3.7-7-30 to impose an**  
 14 **additional local income tax rate upon the local taxpayers**  
 15 **residing in the township for the public transportation project**  
 16 **in the township.**

17 (b) This subsection applies if the voters of a township described in  
 18 section 2(a)(2)(A)(ii) or 2(a)(2)(B)(ii) of this chapter approve a local  
 19 public question under this chapter and the voters in:

20 (1) the eligible county described in section 2(a)(2)(A) of this  
 21 chapter approve a local public question under IC 8-25-2; or

22 (2) the township described in section 2(a)(2)(B) of this chapter  
 23 approve a local public question under this chapter.

24 **If the voters approve the local public question before July 1, 2021,**  
 25 the fiscal body of the eligible county in which the township is located  
 26 shall adopt an ordinance under IC 6-3.6-6 to impose an additional local  
 27 income tax rate, as permitted by IC 6-3.6-7-27, upon the local  
 28 taxpayers residing in the township for the public transportation project  
 29 in the township. **If the voters approve the local public question after**  
 30 **June 30, 2021, the fiscal body of the eligible county in which the**  
 31 **township is located shall adopt an ordinance under IC 6-3.7-7-30**  
 32 **to impose an additional local income tax rate upon the local**  
 33 **taxpayers residing in the township for the public transportation**  
 34 **project in the township.**

35 (c) This subsection applies to Guilford Township in Hendricks  
 36 County. If the voters of the township approve a local public question  
 37 under this chapter, the township fiscal body shall adopt a resolution to  
 38 impose an additional local income tax rate **as described in this**  
 39 **subsection (if the voters approve the local public question before**  
 40 **July 1, 2021) or an additional local income tax as described in**  
 41 **IC 6-3.7-7-30 (if the voters approve the local public question after**  
 42 **June 30, 2021) upon the local taxpayers residing in the township for**



1 the public transportation project in the township. A resolution adopted  
 2 under this subsection **to impose an additional local income tax rate**  
 3 **as described in this section or to impose an additional local income**  
 4 **tax rate as described in IC 6-3.7-7-30** must comply with the  
 5 requirements of the department of local government finance and  
 6 specify an additional tax rate to be imposed in the township of at least  
 7 one-tenth percent (0.1%), but not more than twenty-five hundredths  
 8 percent (0.25%). If a resolution is adopted under this subsection, the  
 9 amount of the certified distribution attributable to the additional tax  
 10 rate imposed under this subsection must be:

- 11 (1) retained by the county auditor;
- 12 (2) deposited in the county public transportation project fund  
 13 established under IC 8-25-3-7; and
- 14 (3) used for the purpose provided in this subsection instead of as  
 15 a property tax replacement distribution.

16 **Before January 1, 2021**, the tax rate under this subsection plus the tax  
 17 rate under IC 6-3.6-6 may not exceed the tax rate specified in  
 18 IC 6-3.6-6-2. **After December 31, 2021, the tax rate under this**  
 19 **subsection is a separate special purpose tax rate, is not part of a tax**  
 20 **rate imposed under IC 6-3.7-6, and is not considered for purposes**  
 21 **of determining whether a county has exceeded the tax rate**  
 22 **specified in IC 6-3.7-6-1.** Notwithstanding IC 6-3.6-7-27, the  
 23 Hendricks County fiscal body is not required under this section to  
 24 adopt an ordinance under IC 6-3.6-7-27 **(before its expiration) or**  
 25 **IC 6-3.7-7-30.**

26 SECTION 10. IC 36-3-7-6, AS AMENDED BY P.L.197-2016,  
 27 SECTION 121, IS AMENDED TO READ AS FOLLOWS  
 28 [EFFECTIVE JULY 1, 2018]: Sec. 6. The governing body of a public  
 29 library located in the county may recommend and the county fiscal  
 30 body may elect to provide revenue to the public library from **the**  
 31 **following:**

- 32 **(1) For years beginning before 2022, from** part of the certified  
 33 distribution, if any, that the county is to receive during that same  
 34 year under IC 6-3.6-9.
- 35 **(2) For years beginning after 2021, from the revenue that the**  
 36 **county will receive under IC 6-3.7-6, as provided in**  
 37 **IC 6-3.7-6-6.**

38 To make the election, the county fiscal body must adopt an ordinance  
 39 before November 1 of the preceding year. The county fiscal body must  
 40 specify in the ordinance the amount of the certified distribution that is  
 41 to be used to provide revenue to the public library. If such an ordinance  
 42 is adopted, the county fiscal body shall immediately send a copy of the



1 ordinance to the county auditor.

2 SECTION 11. IC 36-8-15-19, AS AMENDED BY P.L.197-2016,  
 3 SECTION 146, IS AMENDED TO READ AS FOLLOWS  
 4 [EFFECTIVE JULY 1, 2018]: Sec. 19. (a) This subsection applies to  
 5 a county that has a population of more than one hundred eighty-five  
 6 thousand (185,000) but less than two hundred fifty thousand (250,000).  
 7 For the purpose of raising money to fund the operation of the district,  
 8 the county fiscal body may impose, for property taxes first due and  
 9 payable during each year after the adoption of an ordinance  
 10 establishing the district, an ad valorem property tax levy on property  
 11 within the district. The property tax rate for that levy may not exceed  
 12 five cents (\$0.05) on each one hundred dollars (\$100) of assessed  
 13 valuation.

14 (b) This subsection applies to a county having a consolidated city.  
 15 The county fiscal body may elect to fund the operation of the district  
 16 from **the following:**

17 **(1) For years beginning before 2022, from** part of the certified  
 18 distribution, if any, that the county is to receive during a particular  
 19 calendar year under IC 6-3.6-9.

20 **(2) For years beginning after 2021, from the revenue that the**  
 21 **county will receive under IC 6-3.7-6, as provided in**  
 22 **IC 6-3.7-6-5.**

23 To make such an election, the county fiscal body must adopt an  
 24 ordinance before November 1 of the immediately preceding calendar  
 25 year. The county fiscal body must specify in the ordinance the amount  
 26 of the certified distribution that is to be used to fund the operation of  
 27 the district. If the county fiscal body adopts such an ordinance, it shall  
 28 immediately send a copy of the ordinance to the county auditor.

29 (c) Subject to subsections (d), (e), and (f), if an ordinance or  
 30 resolution is adopted changing the territory covered by the district or  
 31 the number of public agencies served by the district, the department of  
 32 local government finance shall, for property taxes first due and payable  
 33 during the year after the adoption of the ordinance, adjust the  
 34 maximum permissible ad valorem property tax levy limits of the  
 35 district and the units participating in the district.

36 (d) If a unit by ordinance or resolution joins the district or elects to  
 37 have its public safety agencies served by the district, the department of  
 38 local government finance shall reduce the maximum permissible ad  
 39 valorem property tax levy of the unit for property taxes first due and  
 40 payable during the year after the adoption of the ordinance or  
 41 resolution. The reduction shall be based on the amount budgeted by the  
 42 unit for public safety communication services in the year in which the



1 ordinance was adopted. If such an ordinance or resolution is adopted,  
 2 the district shall refer its proposed budget, ad valorem property tax  
 3 levy, and property tax rate for the following year to the department of  
 4 local government finance, which shall review and set the budget, levy,  
 5 and rate as though the district were covered by IC 6-1.1-18.5-7.

6 (e) If a unit by ordinance or resolution withdraws from the district  
 7 or rescinds its election to have its public safety agencies served by the  
 8 district, the department of local government finance shall reduce the  
 9 maximum permissible ad valorem property tax levy of the district for  
 10 property taxes first due and payable during the year after the adoption  
 11 of the ordinance or resolution. The reduction shall be based on the  
 12 amounts being levied by the district within that unit. If such an  
 13 ordinance or resolution is adopted, the unit shall refer its proposed  
 14 budget, ad valorem property tax levy, and property tax rate for public  
 15 safety communication services to the department of local government  
 16 finance, which shall review and set the budget, levy, and rate as though  
 17 the unit were covered by IC 6-1.1-18.5-7.

18 (f) The adjustments provided for in subsections (c), (d), and (e) do  
 19 not apply to a district or unit located in a particular county if the county  
 20 fiscal body of that county does not impose an ad valorem property tax  
 21 levy under subsection (a) to fund the operation of the district.

22 (g) A county that has adopted an ordinance under section 1(3) of  
 23 this chapter may not impose an ad valorem property tax levy on  
 24 property within the district to fund the operation or implementation of  
 25 the district.

26 SECTION 12. IC 36-9-4-42, AS AMENDED BY P.L.197-2016,  
 27 SECTION 148, IS AMENDED TO READ AS FOLLOWS  
 28 [EFFECTIVE JULY 1, 2018]: Sec. 42. (a) A municipality or a public  
 29 transportation corporation that expends money for the establishment or  
 30 maintenance of an urban mass transportation system under this chapter  
 31 may acquire the money for these expenditures:

- 32 (1) by issuing bonds under section 43 or 44 of this chapter;  
 33 (2) by borrowing money made available for such purposes by any  
 34 source;  
 35 (3) by accepting grants or contributions made available for such  
 36 purposes by any source;  
 37 (4) in the case of a municipality, by appropriation from the  
 38 general fund of the municipality, or from a special fund that the  
 39 municipal legislative body includes in the municipality's budget;  
 40 or  
 41 (5) in the case of a public transportation corporation, by levying  
 42 a tax under section 49 of this chapter or by recommending an



- 1 election to use revenue from the local income tax, as provided in  
 2 subsection (c).
- 3 (b) Money may be acquired under this section for the purpose of  
 4 exercising any of the powers granted by or incidental to this chapter,  
 5 including:
- 6 (1) studies under section 4, 9, or 11 of this chapter;
  - 7 (2) grants in aid;
  - 8 (3) the purchase of buses or real property by a municipality for  
 9 lease to an urban mass transportation system, including the  
 10 payment of any amount outstanding under a mortgage, contract of  
 11 sale, or other security device that may attach to the buses or real  
 12 property;
  - 13 (4) the acquisition by a public transportation corporation of  
 14 property of an urban mass transportation system, including the  
 15 payment of any amount outstanding under a mortgage, contract of  
 16 sale, or other security device that may attach to the property;
  - 17 (5) the operation of an urban mass transportation system by a  
 18 public transportation corporation, including the acquisition of  
 19 additional property for such a system; and
  - 20 (6) the retirement of bonds issued and outstanding under this  
 21 chapter.
- 22 (c) This subsection applies only to a public transportation  
 23 corporation located in a county having a consolidated city. In order to  
 24 provide revenue to a public transportation corporation during a year,  
 25 the public transportation corporation board may recommend and the  
 26 county fiscal body may elect to provide revenue to the corporation from  
 27 part of the certified distribution, if any, that the county is to receive  
 28 during that same year under IC 6-3.6-9 **(before January 1, 2022) or**  
 29 **(after December 31, 2021) from revenue described in**  
 30 **IC 6-3.7-6-7(c) before the county distributes certified shares from**  
 31 **the revenue received by the county under IC 6-3.7-6.** To make the  
 32 election, the county fiscal body must adopt an ordinance before  
 33 November 1 of the preceding year. The county fiscal body must specify  
 34 in the ordinance the amount of the certified distribution that is to be  
 35 used to provide revenue to the corporation. If such an ordinance is  
 36 adopted, the county fiscal body shall immediately send a copy of the  
 37 ordinance to the county auditor.
- 38 **SECTION 13. [EFFECTIVE UPON PASSAGE] (a) The legislative**  
 39 **council shall provide for the preparation and introduction of**  
 40 **legislation in the 2019 session of the general assembly to correct**  
 41 **cross references and make other changes to the Indiana Code, as**  
 42 **necessary, to bring provisions into conformity with this act,**



1 including provisions enacted in the 2018 regular session of the  
2 general assembly that are amendatory or added to IC 6-3.6.  
3 (b) The general assembly recognizes that this act expires  
4 IC 6-3.6 effective December 31, 2021, and that various other  
5 enactments may amend or add provisions to IC 6-3.6 before  
6 December 31, 2021. The general assembly intends to expire  
7 IC 6-3.6 effective December 31, 2021, including any amendments  
8 or additions to IC 6-3.6 made after December 31, 2017.  
9 (c) This SECTION expires July 1, 2023.  
10 SECTION 14. An emergency is declared for this act.

