SENATE BILL No. 183

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DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-9-26.

Synopsis: Madison County food and beverage tax. Requires the revenue from the Madison County food and beverage tax to be deposited in a township development account (account) established within the current economic development project fund (fund) for each township in the county. Requires the tax revenue to be allocated and transferred to each account in proportion to the population of the township compared to the population of the county. Provides that the county council shall administer the fund and each account within the fund. Provides that the county council may adopt a resolution to disburse money from an account to be used for projects that are either: (1) located within the township for which the account was established; or (2) located outside the township for which the account was established; if: (A) the county council determines that the project will directly benefit the residents of the township for which the account was established; and (B) the county council holds a public hearing on the adoption of the resolution. Provides that the county commissioners, or a city, town, or school corporation that is located in the township for which the account was established, may apply to the county council for a disbursement of money from an account. Specifies the types of projects for which money in an account may be used. Removes obsolete provisions that apply to use of the tax revenue to fund a civic center, economic development projects, or a secure detention facility (there are no outstanding obligations for these projects). Makes conforming changes.

Effective: July 1, 2020.

Gaskill

January 6, 2020, read first time and referred to Committee on Tax and Fiscal Policy.

Second Regular Session of the 121st General Assembly (2020)

SENATE BILL No. 183

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 6-9-26-11 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 2020]: Sec. 11. (a) If a tax is
3 imposed under section 3 of this chapter, the county fiscal officer shall
4 establish an economic development project fund **and a township**
5 **development account within that fund for each township in the**
6 **county.**
7   (b) The county fiscal officer shall deposit in the fund all amounts
8 received under this chapter.
9   **(c) Money deposited in the fund shall be allocated and**
10 **transferred to each township development account within the fund**
11 **proportionally using the following STEPS:**
12   **STEP ONE: Determine the quotient of:**
13   **(A) the population of the township for which the account**
14   **was created; divided by**
15   **(B) the population of the county;**
16   **as determined by the most recent federal decennial census.**
17   **STEP TWO: Multiply the quotient determined under STEP**

1   **ONE by the amount deposited in the fund.**
2   **STEP THREE: Round the STEP TWO product to the nearest**
3   **one-hundredth (0.01).**
4   **(d) The county council shall administer the fund and each**
5 **township development account within the fund.**
6   **(e) Except as provided in subsection (f), money in a township**
7 **development account may be used only for one (1) or more of the**
8 **following purposes:**
9   **(1) Construction, renovation, improvement, equipping, or**
10   **maintenance of infrastructure and capital improvements,**
11   **including the acquisition of real property.**
12   **(2) Public safety.**
13   **(3) Economic development projects.**
14   **(f) In the case of school corporation projects, money in a**
15 **township development account may be used only for capital**
16 **expenditures or equipment expenditures that:**
17   **(1) improve school safety; or**
18   **(2) increase vocational educational opportunities.**
19   **(g) Money in the fund does not revert to the county general fund**
20 **at the end of the county fiscal year.**
21   (e) **(h)** Any money earned from the investment of money in the fund
22 becomes a part of the fund.
23   SECTION 2. IC 6-9-26-12 IS REPEALED [EFFECTIVE JULY 1,
24 2020]. Sec. 12. (a) Except as provided in section 12.5 of this chapter,
25 money in the county economic development project fund shall be used
26 by the county solely to:
27   (1) finance, construct, improve, equip, operate, maintain, and
28   promote first, a civic center, and then an economic development
29   project, if there is money not needed for a civic center, approved
30   under section 13 of this chapter; and
31   (2) retire bonds issued, loans obtained, or lease payments incurred
32   under IC 36-1-10 (referred to in this chapter as "obligations") to
33   finance, construct, improve, equip, operate, maintain, or promote
34   first, a civic center, and then an economic development project
35   approved under section 13 of this chapter.
36   (b) Obligations entered into for the purposes described in subsection
37 (a) shall be retired by using money collected from a tax imposed under
38 this chapter.
39   SECTION 3. IC 6-9-26-12.5 IS REPEALED [EFFECTIVE JULY
40 1, 2020]. Sec. 12.5. (a) This section applies if there are no outstanding
41 obligations for which a pledge has been made under section 15(a) of
42 this chapter concerning uses authorized under section 12 of this

1   chapter.
2   (b) Money deposited in the county economic development project
3   fund shall be transferred to the following:
4   (1) Forty percent (40%) of the money deposited shall be
5   transferred to the fiscal officer of a city having a population of
6   more than fifty-five thousand (55,000) but less than sixty
7   thousand (60,000).
8   (2) Forty percent (40%) of the money deposited shall be
9   transferred to the county general fund. Money transferred under
10   this subdivision shall be used for the following purposes:
11   (A) The financing, construction, or equipping of a secure
12   detention facility under IC 31-31-8 or IC 31-6-9-5 (repealed).
13   (B) All reasonable and necessary architectural, engineering,
14   legal, financing, accounting, advertising, and supervisory
15   expenses related to the financing, construction, or equipping
16   of a facility described in clause (A).
17   (C) The retiring of any bonds issued, loans obtained, or lease
18   payments incurred under IC 36-1-10 to finance, construct, or
19   equip a facility described in clause (A).
20   (3) Twenty percent (20%) of the money deposited shall be
21   transferred to the county general fund. Money transferred under
22   this subdivision shall be used for economic development projects
23   in locations other than a city described in subdivision (1).
24   (c) After the retiring of any bonds issued, loans obtained, or lease
25 payments incurred under IC 36-1-10 to finance, construct, or equip a
26 secure detention facility under subsection (b)(2), money deposited in
27 the county economic development project fund shall be transferred to
28 the following:
29   (1) Seventy percent (70%) of the money deposited shall be
30   transferred to the fiscal officer of a city described in subsection
31   (b)(1).
32   (2) Thirty percent (30%) of the money deposited shall be
33   transferred to the county general fund. Money transferred under
34   this subdivision shall be used for economic development projects
35   in locations other than a city described in subsection (b)(1).
36   (d) Money transferred to a city fiscal officer under subsection (b)(1)
37 or (c)(1) shall be credited to a special account to be known as the city
38 economic development account. Money credited to the account shall
39 be used only for those purposes described in IC 6-3.6-10-2 (local
40 income tax for economic development purposes).
41   SECTION 4. IC 6-9-26-13 IS REPEALED [EFFECTIVE JULY 1,
42 2020]. Sec. 13. (a) Before disbursing money from the fund established

1 ~~under section 11 of this chapter for an economic development project~~
2 ~~under section 12.5(b)(2)(A), 12.5(c)(3), or 12.5(d)(2) of this chapter,~~
3 ~~the county fiscal body must adopt a resolution that contains the~~
4 ~~following:~~
5 ~~(1) A written finding that the project will do all of the following:~~
6 ~~(A) Attract new business enterprises to the county or retain or~~
7 ~~expand existing business enterprises in the county.~~
8 ~~(B) Benefit the public health and welfare and be of public~~
9 ~~utility and benefit.~~
10 ~~(C) Protect and increase state and local tax bases or revenues.~~
11 ~~(D) Result in a substantial increase in temporary and~~
12 ~~permanent employment opportunities and private sector~~
13 ~~investment within the county.~~
14 ~~(2) The amounts to be disbursed from the fund for each economic~~
15 ~~development project.~~
16 ~~(3) The date of the disbursement.~~
17 ~~(b) The county fiscal body may impose restrictions on the use of the~~
18 ~~funds as a condition of the disbursement by including the restrictions~~
19 ~~in the resolution adopted under subsection (a).~~
20 SECTION 5. IC 6-9-26-13.1 IS ADDED TO THE INDIANA CODE
21 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
22 1, 2020]: **Sec. 13.1. (a) The county council may adopt a resolution**
23 **to disburse money from a township development account under**
24 **section 11 of this chapter for projects that are located within the**
25 **township for which the account was established.**
26 **(b) Notwithstanding subsection (a), the county council may**
27 **adopt a resolution to allow money in a township development**
28 **account to be used for projects located outside the township for**
29 **which the account was established if:**
30 **(1) the county council determines that the project will directly**
31 **benefit the residents of the township for which the account**
32 **was established; and**
33 **(2) the county council holds a public hearing on the adoption**
34 **of the resolution.**
35 **(c) A resolution adopted by a county council under this section**
36 **must contain the following:**
37 **(1) Identification of the township development account to**
38 **which the resolution applies.**
39 **(2) The amounts to be disbursed from the township**
40 **development account identified in subdivision (1).**
41 **(3) The date of the disbursement.**
42 **(d) The following local units may apply to the county council for**

1 **a disbursement of money from a township development account:**
2   **(1) The board of the county commissioners.**
3   **(2) A city or town located in the township for which the**
4   **township development account was established.**
5   **(3) A school corporation located in the township for which the**
6   **township development account was established.**
7   SECTION 6. IC 6-9-26-15 IS AMENDED TO READ AS
8 FOLLOWS [EFFECTIVE JULY 1, 2020]: Sec. 15. (a) The county may
9 enter into an agreement under which amounts deposited in, or to be
10 deposited in, the fund are pledged to payment of obligations issued to
11 finance the uses for the money authorized under section ~~12 or 12.5~~
12 **11(e) and 11(f)** of this chapter.
13   (b) With respect to obligations for which a pledge has been made
14 under subsection (a), the general assembly covenants with the holders
15 of these obligations that:
16   (1) this chapter will not be repealed or amended in any manner
17   that will adversely affect the imposition or collection of the tax
18   imposed under this chapter; and
19   (2) this chapter will not be amended in any manner that will
20   change the purpose for which revenues from the tax imposed
21   under this chapter may be used;
22 as long as the payment of any of those obligations is outstanding.
23   **(c) Obligations entered into for the purposes of this chapter**
24 **shall be retired by using money collected from a tax imposed under**
25 **this chapter.**