



January 29, 2020

SENATE BILL No. 369

DIGEST OF SB 369 (Updated January 28, 2020 3:17 pm - DI 125)

Citations Affected: IC 6-3.6.

Synopsis: Regional transit expansion. Allows counties to impose an additional local income tax rate to fund the operations of a public transportation corporation and the operations of a rural transportation assistance program if the: (1) voters of the county approve a local public question; and (2) fiscal body of the county adopts an ordinance to impose the additional tax rate. Provides that the rate must be at least 0.1% but not more than 0.25%. Excludes from this provision any county that is eligible to hold a referendum on funding transportation projects under the central Indiana public transportation projects statute.

Effective: July 1, 2020.

**Alting, Holdman, Stoops, Becker,
Lanane, Grooms**

January 13, 2020, read first time and referred to Committee on Tax and Fiscal Policy.
January 28, 2020, amended, reported favorably — Do Pass.

SB 369—LS 6646/DI 134



January 29, 2020

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

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 2019 Regular Session of the General Assembly.

SENATE BILL No. 369

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 6-3.6-7-16.5 IS ADDED TO THE INDIANA
2 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
3 [EFFECTIVE JULY 1, 2020]: **Sec. 16.5. (a) This section applies to**
4 **counties other than an eligible county (as defined in IC 8-25-1-4).**

5 **(b) As used in this section, "county transit project" refers to any**
6 **of the following:**

7 **(1) The operations within the county of a public**
8 **transportation corporation, including operations within**
9 **territory added to the taxing district of the public**
10 **transportation corporation under IC 36-9-4-13.**

11 **(2) The operations within the county of a rural transportation**
12 **assistance program described in 49 U.S.C. 5311.**

13 **(c) The fiscal body of a county may adopt an ordinance to place**
14 **on the ballot a local public question granting the fiscal body of the**
15 **county the authority to impose an additional tax rate on the**
16 **adjusted gross income of local taxpayers in the county of at least**
17 **one-tenth percent (0.1%), but not more than twenty-five**

SB 369—LS 6646/DI 134



1 hundredths percent (0.25%), to raise revenue for a county transit
 2 project or projects. The fiscal body shall include in the ordinance:

- 3 (1) a description of the county transit project or projects; and
 4 (2) an estimate of the tax increase necessary to raise revenue
 5 for the county transit project or projects.

6 (d) If the fiscal body of a county adopts an ordinance under
 7 subsection (c), the county auditor shall certify a copy of the
 8 ordinance to the department of local government finance, including
 9 the language for the question required by subsection (e). The
 10 department shall review the language for compliance with
 11 subsection (e). The department of local government finance may
 12 approve or reject the language. The department shall send its
 13 decision to the county auditor and the fiscal body of the county not
 14 more than ten (10) days after the ordinance is submitted to the
 15 department. If the language is approved, the county auditor shall
 16 certify a copy of the ordinance, including the language for the
 17 question and the department's approval, to the county election
 18 board of the county.

19 (e) If the county auditor certifies an ordinance to the county
 20 election board under subsection (d), the county election board shall
 21 place the following question on the election ballot in accordance
 22 with IC 3-10-9:

23 "Shall _____ County have the ability to impose a local
 24 income tax rate, not to exceed a rate of _____ (insert
 25 recommended rate included in the ordinance authorizing the
 26 local public question), to pay for improving or establishing a
 27 county transit project or projects _____ (insert the
 28 description of the county transit project or projects set forth
 29 in the ordinance authorizing the local public question)?"

30 (f) The county election board shall place the local public
 31 question described in subsection (e) on the ballot at the next
 32 general election for which the question may be certified under
 33 IC 3-10-9-3 and for which all voters of the county are entitled to
 34 vote.

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

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

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



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

5 (i) If the voters of the county approve a local public question
 6 under this section, the fiscal body of the county may adopt an
 7 ordinance to impose a tax on the adjusted gross income of local
 8 taxpayers to raise revenue for one (1) or more county transit
 9 projects. An ordinance adopted under this subsection must do the
 10 following:

11 (1) Specify the tax rate to be imposed in the county under this
 12 section, which must be at least one-tenth percent (0.1%) but
 13 not more than twenty-five hundredths percent (0.25%).

14 (2) Allocate the local income tax revenues attributable to the
 15 tax rate imposed under this section by percentage among one
 16 (1) or both of the following county transit projects:

17 (A) The operations within the county of a public
 18 transportation corporation, including operations within
 19 territory added to the taxing district of the public
 20 transportation corporation under IC 36-9-4-13.

21 (B) The operations within the county of a rural
 22 transportation assistance program described in 49 U.S.C.
 23 5311.

24 (j) If an ordinance is adopted under subsection (i), the amount
 25 of the local income tax revenues attributable to the tax rate
 26 imposed under this section must be:

27 (1) transferred by the county auditor to:

28 (A) a public transportation corporation operating within
 29 the county under IC 36-9-4-13; and

30 (B) the rural transportation assistance program providing
 31 transportation services within the county;

32 in accordance with the allocation percentages specified by the
 33 ordinance; and

34 (2) used for the purposes described in subsection (i).

35 (k) A tax rate imposed under this section is in addition to any
 36 other tax rates that may be imposed in the county under any other
 37 law.



COMMITTEE REPORT

Madam President: The Senate Committee on Tax and Fiscal Policy, to which was referred Senate Bill No. 369, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 1, delete lines 13 through 17, begin a new paragraph and insert:

"(c) The fiscal body of a county may adopt an ordinance to place on the ballot a local public question granting the fiscal body of the county the authority to impose an additional tax rate on the adjusted gross income of local taxpayers in the county of at least one-tenth percent (0.1%), but not more than twenty-five hundredths percent (0.25%), to raise revenue for a county transit project or projects. The fiscal body shall include in the ordinance:

- (1) a description of the county transit project or projects; and**
- (2) an estimate of the tax increase necessary to raise revenue for the county transit project or projects.**

(d) If the fiscal body of a county adopts an ordinance under subsection (c), the county auditor shall certify a copy of the ordinance to the department of local government finance, including the language for the question required by subsection (e). The department shall review the language for compliance with subsection (e). The department of local government finance may approve or reject the language. The department shall send its decision to the county auditor and the fiscal body of the county not more than ten (10) days after the ordinance is submitted to the department. If the language is approved, the county auditor shall certify a copy of the ordinance, including the language for the question and the department's approval, to the county election board of the county.

(e) If the county auditor certifies an ordinance to the county election board under subsection (d), the county election board shall place the following question on the election ballot in accordance with IC 3-10-9:

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

(f) The county election board shall place the local public



question described in subsection (e) on the ballot at the next general election for which the question may be certified under IC 3-10-9-3 and for which all voters of the county are entitled to vote.

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

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

(h) The local public question is approved by a county if a majority of the county voters voting on the local public question vote "yes". The local public question is defeated by a county if a majority of the county voters voting on the local public question vote "no".

(i) If the voters of the county approve a local public question under this section, the fiscal body of the county may adopt an ordinance to impose a tax on the adjusted gross income of local taxpayers to raise revenue for one (1) or more county transit projects. An ordinance adopted under this subsection must do the following:

- (1) Specify the tax rate to be imposed in the county under this section, which must be at least one-tenth percent (0.1%) but not more than twenty-five hundredths percent (0.25%).
- (2) Allocate the local income tax revenues attributable to the tax rate imposed under this section by percentage among one (1) or both of the following county transit projects:
 - (A) The operations within the county of a public transportation corporation, including operations within territory added to the taxing district of the public transportation corporation under IC 36-9-4-13.
 - (B) The operations within the county of a rural transportation assistance program described in 49 U.S.C. 5311."

Page 2, delete lines 1 through 12.

Page 2, line 13, delete "(d)" and insert "(j)".

Page 2, line 13, delete "(c)" and insert "(i)".

Page 2, line 23, delete "(c)" and insert "(i)".

Page 2, line 24, delete "(e)" and insert "(k)".

and when so amended that said bill do pass.



(Reference is to SB 369 as introduced.)

HOLDMAN, Chairperson

Committee Vote: Yeas 12, Nays 0.

