RESOLUTION 16-16

TO VOTE IN FAVOR OF A MONROE COUNTY LOCAL INCOME TAX COUNCIL ORDINANCE IMPOSING A LOCAL INCOME TAX RATE FOR PUBLIC SAFETY AND CASTING THE CITY OF BLOOMINGTON'S 59 VOTES IN FAVOR OF THE ORDINANCE

WHEREAS, the Monroe County ("County") Income Tax Council has previously imposed the County Option Income Tax in the County; and

WHEREAS, pursuant to Indiana Code 6-3.6, effective July 1, 2016, the County Option Income Tax (governed by Indiana Code 6-3.5) was transformed into a Local Income Tax, governed by Indiana Code 6-3.6; and

WHEREAS, because the Monroe County Income Tax Council had previously adopted the County Option Income Tax in the County under Indiana Code 6-3.5-6, pursuant to Indiana Code § 6-3.6-3-1(a)(1)(A), the adopting body of the Local Income Tax in the County is the Monroe County Local Income Tax Council, whose membership is the same as the Monroe County Income Tax Council; and

WHEREAS, a need now exists to modify the Local Income Tax rates imposed within Monroe County to increase public safety for all County residents; and

WHEREAS, in recognition of this need, earlier this year the Monroe County Income Tax Council imposed a twenty-five hundredths percent (0.25%) income tax for public safety purposes under Indiana Code § 6-3.5-6-31(m), which will take effect on October 1, 2016 ("Public Safety COIT"); and

WHEREAS, the Indiana Department of Revenue ("DOR") and Indiana Department of Local Government Finance ("DLGF") have advised that the Public Safety COIT will expire on December 31, 2016, and that "if Monroe County desires to have a public safety income tax in effect for 2017" the Monroe County Local Income Tax Council must adopt a public safety income tax under Indiana Code 6-3.6 by October 31, 2016; and

WHEREAS, Indiana Code 6-3.6 permits a Local Income Tax to be imposed for, among other things, public safety purposes ("Public Safety Income Tax"); and

WHEREAS, a portion of the Public Safety Income Tax may be used to fund a public safety answering point ("PSAP"); and

WHEREAS, the Bloomington Common Council is a member of the Monroe County Local Income Tax Council and is adopting this resolution in order to propose the ordinance below to the other members of the Monroe County Local Income Tax Council; and

WHEREAS, pursuant to Indiana Code § 6-3.6-3-7, before a member of the Monroe County Local Income Tax Council may propose an ordinance or vote on a proposed ordinance, the member must hold a public hearing on the proposed ordinance and provide the public with the time and place where the public meeting will be held in accordance with Indiana Code 5-3-1; and

WHEREAS, the Bloomington Common Council has published notice in accordance with Indiana Code 5-3-1 and Indiana Code § 6-3.6-3-7.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF BLOOMINGTON, MONROE COUNTY, INDIANA, THAT:

SECTION 1: The City of Bloomington by its Common Council casts its 59 votes for the following ordinance of the Monroe County Local Income Tax Council:

AN ORDINANCE OF THE MONROE COUNTY LOCAL INCOME TAX COUNCIL IMPOSING AN EXPENDITURE RATE TO FUND PUBLIC SAFETY COSTS

BE IT ORDAINED BY THE MONROE COUNTY LOCAL INCOME TAX COUNCIL:

1. A need now exists to modify the local income tax rates imposed within Monroe County to increase public safety for all county residents.

2. For the avoidance of doubt, no change to: (1) the special purpose tax rate imposed by the Monroe County Council under Indiana Code § 6-3.6-7-16 ("Juvenile Local Income Tax") (which is currently ninety five thousandths percent (0.095%)) or (2) the property tax relief rate under Indiana Code 6-3.6-5 (which is currently five hundred eighteen ten thousandths percent (0.0518%)) is intended or authorized by this Ordinance.

3. In order to support public safety for all county residents, the Monroe County Local Income Tax Council hereby increases the local income tax expenditure rate by twenty five hundredths percent (0.25%) ("Increased Expenditure Rate"), from nine thousand four hundred eighty two ten-thousandths percent (0.9482%) ("Previous Expenditure Rate") to one and one thousand nine hundred eighty two ten-thousandths percent (1.1982%) pursuant to Indiana Code § 6-3.6-6-2.

4. Upon the passage of this Ordinance, the total Local Income Tax Rate will be one and three hundred forty five thousandths percent (1.345%).

5. The Increased Expenditure Rate shall be allocated to and used for public safety purposes pursuant to Indiana Code § 6-3.6-6-8 ("Public Safety Income Tax"). The Previous Expenditure Rate shall remain allocated to Certified Shares pursuant to Indiana Code § 6-3.6-6-10.

6. The Increased Expenditure Rate identified above includes a rate associated with revenue to be directed to the county's public safety answering point ("PSAP"). Twenty-nine percent (29%) of the Increased Expenditure Rate, which is an income tax rate of seven hundred twenty five ten-thousandths percent (0.0725%), is being directed to the PSAP after adoption of this Ordinance, leaving seventy one percent (71%) of the Increased Expenditure Rate, which is an income tax rate of one thousand seven hundred seventy five ten-thousandths percent (0.1775%), to be used for other public safety purposes under Indiana Code § 6-3.6-6-8.

7. As a result of the actions in this Ordinance, the Local Income Tax Rate will be divided as follows, beginning on January 1, 2017:

Local Income Tax Type		Existing Rate	Proposed Rate
Property Tax Relief Rate (Indiana Code 6-3.6-5)		0.0518%	0.0518%
Total Expenditure Rate (Indiana Code 6-3.6-6)		0.9482%	1.1982%
Components of Total Expenditure Rate	Public Safety	0.0000%	0.1775%
	Public Safety Answering Point	0.0000%	0.0725%
	Economic Development	0.0000%	0.0000%
	Certified Shares	0.9482%	0.9482%
Special Purpose Rate (Juvenile Local Income Tax) (Indiana Code 6-3.6-5)		0.095%	0.095%

8. The Monroe County Local Income Tax Council will, pursuant to Indiana Code § 6-3.6-6-8(d), consider applications submitted for a distribution of Public Safety Income Tax from fire departments, volunteer fire departments, and emergency medical services providers that: (1) provide fire protection or emergency medical services within Monroe County and (2) are operated by or serve a political subdivision that is not otherwise entitled to a distribution of Public Safety Income Tax.

9. Pursuant to Indiana Code § 6-3.6-6-4, the Monroe County Local Income Tax Council retains the right to change the allocation of the expenditure rate on an annual basis. This includes changing the expenditure rate that is provided to the PSAP. Any future change to the allocation of the local income tax must be done via an ordinance of the Monroe County Local Income Tax Council that is adopted before July 1. The ordinance will have the effective date set by state law. Currently, the effective date for an ordinance changing the allocation of the local income tax is January 1 of the following year.

10. This ordinance shall take effect upon passage.

11. The Monroe County Auditor shall record all votes taken on this ordinance and immediately send a certified copy of the results to the Indiana Department of Revenue, State Budget Agency, and Department of Local Government Finance by certified mail.

12. Any provision herein contained which is found by a court of competent jurisdiction to be unlawful or which by operation shall be inapplicable, shall be deemed omitted but the rest and remainder of this resolution, to the extent feasible, shall remain in full force and effect.

SECTION 2. This resolution shall be in full force and effect from and after its passage by the Common Council of the City of Bloomington and approval of the Mayor.

PASSED AND ADOPTED by the Common Council of the City of Bloomington, Monroe County, Indiana, upon this 27th day of September 2016.

ANDY RUFF, President
Bloomington Common Council

ATTEST:

NICOLE BOLDEN, Clerk
City of Bloomington

PRESENTED by me to the Mayor of the City of Bloomington, Monroe County, Indiana upon this 27th day of September 2016.

NICOLE BOLDEN, Clerk
City of Bloomington

SIGNED and APPROVED by me upon this 27th day of September 2016.

JOHN HAMILTON, Mayor
City of Bloomington

SYNOPSIS

Due to a change in state law, the 0.25% Public Safety County Option Income Tax, which was adopted by the Monroe County Income Tax Council earlier this year, is currently set to sunset on December 31, 2016. Resolution 16-16 proposes an ordinance to the Monroe County Local Income Tax Council that would enact a 0.25% Public Safety Local Income Tax, to take effect on January 1, 2017. Passage of Resolution 16-16 would continue to make funds available to support public safety for all county residents beyond December 31, 2016.