RESOLUTION 17-37

RESOLUTION PROPOSING AN ORDINANCE MODIFYING LOCAL INCOME TAX ALLOCATIONS IN MONROE COUNTY AND CASTING FIFTY-EIGHT VOTES IN FAVOR OF THE ORDINANCE

- Re: Adjusting the Allocations between the Public Safety Answering Point (PSAP) and General Public Safety Purposes Tax Rates Without Changing Other Allocations or the Total Expenditure Tax Rate

WHEREAS, the Monroe County ("County") Local Income Tax Council previously imposed a County Option Income Tax in the County (under Indiana Code 6-3.5) which, pursuant to Indiana Code 6-3.6, was transformed into a Local Income Tax; and

WHEREAS, pursuant to Indiana Code § 6-3.6-3-1(a), having previously adopted the County Option Income Tax in the County under Indiana Code 6-3.5-6, the County Local Income Tax Council continues to serve as the adopting body for the Local Income Tax with, pursuant to Indiana Code 6-3.6-3-1(b), the same membership; 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, pursuant to Indiana Code § 6-3.6-6-8, a portion of the Public Safety Income Tax may be used to fund a public safety answering point ("PSAP") and, pursuant to Indiana Code § 6-3.6-11-4, the tax revenues for this purpose shall be allocated and distributed to the PSAP before allocation and distribution to any taxing units; and

WHEREAS, in September 2016, after notice and a hearing and in support of public safety for all county residents, the Monroe County Local Income Tax Council adopted an ordinance that increased the local income tax expenditure rate by twenty five hundredths percent (0.25%) ("2016 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; and

WHEREAS, upon the passage of that ordinance, the total Local Income Tax Rate rose to one and three hundred forty five thousandths percent (1.345%), with the Increased Expenditure Rate allocated to and used for public safety purposes pursuant to Indiana Code § 6-3.6-6-8 ("Public Safety Income Tax"), and the Previous Expenditure Rate remaining allocated to Certified Shares pursuant to Indiana Code § 6-3.6-6-10;

WHEREAS, the aforementioned 2016 Increased Expenditure Rate is composed of two component rates, which direct tax revenue to public safety purposes in the following manner: (1) an income tax rate of seven hundred twenty five ten-thousandths percent (0.0725%) is directed to the PSAP and comprises about 29% of the revenue; and (2) an income tax rate of one thousand seven hundred seventy five ten-thousandths percent (0.1775%) is directed for other public safety purposes and comprises about 71% of the revenue; and

WHEREAS, the allocations made by ordinance in September 2016 are depicted in the following table and, pursuant to Indiana Code § 6-3.6-6-4, continue in effect until rescinded or modified:

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

Special Purpose Rate (Juvenile Local Income Tax) (Indiana Code 6-3.6-5)	0.095%
Total:	1.345%

WHEREAS, Indiana Code § 6-3.6-6-8(c) requires the Monroe County Local Income Tax Council to review, but not necessarily fund, timely applications submitted for a distribution of Public Safety Income Tax revenues 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 ("Qualified Providers"); and

WHEREAS, pursuant to Indiana Code § 6-3.6-6-8(c), any specified amounts of Public Safety Income Tax revenues directed by resolution of the Monroe County Local Income Tax Council to the aforementioned Qualified Providers shall be distributed before the remainder of public safety revenue is directed by certified distribution to the jurisdictions represented on the Monroe County Local Income Tax Council; and

WHEREAS, over the course of June, July and August of this year, representatives from the members of the County Local Income Tax Council convened as the Public Safety Local Income Tax (PS LIT) Committee (of the County Local Income Tax Council) to review applications for funding under the above statutory provision and consider a recommendation from the Policy Board for the Unified Central Dispatch (i.e. the local PSAP) to increase funding in 2018 to pay for six more dispatchers and acquire uniform communication equipment for providers of emergency services; and

WHEREAS, on August 10, 2017, after four meetings, the PS LIT Committee voted to recommend that the County Local Income Tax Council accept the recommendation of the Policy Board and also not to fund any of the applications submitted under Indiana Code § 6-3.6-6-8(c); and

WHEREAS, the Bloomington Common Council is a member of the County Local Income Tax Council, was represented on the PS LIT Committee, and is adopting this resolution in order to propose to the other members of the County Local Income Tax Council the following ordinance that reflects the recommendations of the PS LIT Committee; 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 include the proposed ordinance or resolution to propose an ordinance in that notice; 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. A need now exists in Monroe County, Indiana, to modify the allocation of the previously imposed expenditure rate under Indiana Code 6-3.6-6. As a member of the Monroe County Local Income Tax Council, the Common Council of the City of Bloomington is adopting this resolution in order to propose the ordinance below to the other members of the Monroe County Local Income Tax Council.

ORDINANCE OF THE MONROE COUNTY LOCAL INCOME TAX COUNCIL MODIFYING LOCAL INCOME TAX ALLOCATIONS IN MONROE COUNTY

- **Re: Adjusting the Allocations between the Public Safety Answering Point (PSAP) and General Public Safety Purpose Tax Rates without Changing Other Allocations or the Total Expenditure Tax Rate**

BE IT ORDAINED BY THE LOCAL INCOME TAX COUNCIL OF MONROE COUNTY, INDIANA, THAT:

1. A need now exists to modify the allocation of the portion of the Local Income Tax used for public safety purposes ("Public Safety Income Tax"). At present, the Public Safety Income Tax (0.25%) is divided between the Public Safety Answering Point (0.0725%) and General Public Safety (0.1775%).

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%]); (2) the property tax rate under Indiana Code 6-3.6-5 ("Property Tax Relief Rate") (which is currently five hundred eighteen ten thousandths percent [0.0518%]); (3) the tax rate under Indiana Code § 6-3.6-6-10 (Certified Shares) (which is currently nine thousand four hundred and eighty two ten thousandths percent [0.9482%]) or (4) the total tax rate under Indiana Code 6-3.6-6 ("Expenditure Tax Rate") (which is currently one and nineteen hundred and eighty-two ten thousandths percent [1.1982%]) 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 reallocates the Public Safety Income Tax as follows: The Public Safety Answering Point Rate, which is directed to the public safety answering point, shall be increased from 0.0725% to 0.0916% and the General Public Safety Rate, which shall be used for other public safety purposes under Indiana Code § 6-3.6-6-8, shall be decreased from 0.1775% to 0.1584%. The total Public Safety Income Tax shall remain at 0.25% and the total Local Income Tax Rate shall remain at 1.345%.

4. As a result of the actions in this Ordinance, the Public Safety Income Tax will be divided as follows, beginning on January 1, 2018:

Local Income Tax Type	Existing Rate	Proposed Rate
Public Safety Answering Point Rate	0.0725 %	0.0916%
Public Safety Rate	0.1775 %	0.1584%

Further, pursuant to Indiana Code § 6-3.6-6-8, the revenue associated with these rates shall be directed in the following manner. First, these revenues will be directed to the PSAP. Second, any amounts specified by resolution of the Monroe County Local Income Tax Council under Indiana Code § 6-3.6-6-8(c) shall be directed to Qualified Providers. Third, the remainder of these revenues shall be directed via the certified distribution to taxing units who are members of the Monroe County Local Income Tax Council as set forth under Indiana Code § 6-3.6-6-8(b).

5. For further avoidance of doubt, no other change in the ordinance adopted in September 2016 is intended or authorized. In that regard, the ordinance affirms and clarifies that, pursuant to Indiana Code § 6-3.6-6-4, the Monroe County Local Income Tax Council continues to retain the right to change the allocation of taxes comprised within the expenditure rate on an annual basis. At this time in Monroe County, the components of the expenditure rate that may be affected by this allocation include the PSAP rate, Public Safety rate and Certified Shares rate. Any future change to the allocation of these local income taxes must be done via an ordinance of the Monroe County Local Income Tax Council in a manner and with an effective date as set forth Indiana Code § 6-3.6-3-3, as may be amended by the Indiana General Assembly from time to time. Currently, the effective date for an ordinance changing the allocation of the local income tax adopted after December 31st of the immediately preceding year and before November 2nd of the current year is January 1st of the following year.

6. This ordinance shall take effect upon passage and in accordance with Indiana Code 6-3.6-3.

7. 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 and Department of Local Government Finance by certified mail.

8. 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. BE IT FURTHER RESOLVED that by adopting this resolution, the City of Bloomington Common Council is casting all of its fifty-eight (58) votes as a member of the Monroe County Local Income Tax Council in favor of the proposed ordinance.

SECTION 3. BE IT FURTHER RESOLVED that a public hearing was held on this resolution and the proposed ordinance at a Special Session on Wednesday, October 11, 2017. Proper notice of the public hearing was provided pursuant to IC 5-3-1 and IC 6-3.6-3-7.

SECTION 4. 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 11th day of October, 2017.

SUSAN SANDBERG, 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 13th day of October, 2017.

NICOLE BOLDEN, Clerk
City of Bloomington

SIGNED and APPROVED by me upon this 12th day of October, 2017.

JOHN HAMILTON, Mayor
City of Bloomington

SYNOPSIS

Resolution 17-37 proposes an ordinance to the Monroe County Local Income Tax Council that would modify the allocation of tax revenues between two components of the Local Income Tax Expenditure tax rate. This reallocation will affect the public safety answering point (PSAP) and general public safety (Public Safety) rates authorized under Indiana Code § 6-3.6-6-8, without changing other components of the Expenditure Rate or the Expenditure Rate overall. With adoption of the ordinance, the tax rate for the PSAP would increase to 0.0916% (representing 36.63% of the total), and the tax rate for Public Safety would decrease to 0.1584% (representing 63.37% of the total). The reallocation follows the recommendation of the Public Safety Local Income Tax Committee of the County Income Tax Council and would go into effect on January 1, 2018.

Distributed to: Mayor, Clerk, Council Administrator, Legal, Controller