

RESOLUTION 21-35

**RESOLUTION PROPOSING AN ORDINANCE MODIFYING
LOCAL INCOME TAX ALLOCATIONS IN MONROE COUNTY AND
CASTING 58.28 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, 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 and with the same membership; and

WHEREAS, Indiana Code 6-3.6 permits Local Income Taxes to be imposed for various specified purposes, including one for public safety ("Public Safety Income Tax") and, 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 the remainder may be used for other public safety (General Public Safety) purposes as defined in Indiana Code §6-3.6-2-14; and

WHEREAS, pursuant to Indiana Code § 6-3.6-11-4, the tax revenues for PSAP 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 adoption of that ordinance, the total Local Income Tax Rate rose to one and three hundred forty five thousandths percent (1.345%), with the 2016 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; and

WHEREAS, the Public Safety Income Tax generated by the aforementioned 2016 Increased Expenditure Rate is composed of two tax rates, one of which directs tax revenues to PSAP and the other of which directs tax revenues to General Public Safety purposes; and

WHEREAS, along with authorizing the 2016 Increased Expenditure rate, the September 2016 ordinance also divided this rate and associated revenue between these two purposes for the fiscal year 2017, and, these rates were subsequently modified by the County Local Income Tax Council for fiscal year 2018, 2019, 2020, and 2021 with the adoption of ordinances in October 2017, October 2018, September 2019, and October 2020; and

WHEREAS, the allocations made by ordinance in September 2016, as modified by the ordinances in October 2017, October 2018, September 2019, and October 2020 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%	
<i>Components of Total Expenditure Rate</i>	Public Safety		0.1906%
	Public Safety Answering Point		0.0594%
	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, in 2018, with enactment of P.L. 184-2018, a Correctional Facility Rate as set forth in IC § 6-3.6-6-2.7, was added as another component of the Total Expenditure Rate, but is not included in the above table because the Monroe County Council, as fiscal body for Monroe County, serves as the adopting body per IC § 6-3.6-3-1 and, it should be noted, has not adopted this rate; and

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 (“Qualifying Service 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 Qualifying Service 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, in June and in 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 PS LIT expenditures and estimated revenues, review any applications for funding by Qualifying Service Providers under the above statutory provision, and consider recommendations from the Dispatch Policy Board regarding the 2022 Budget for Unified Central Dispatch (which is primarily funded by the local PSAP); and

WHEREAS, no applications for funding were submitted from Qualifying Service Providers under IC 6-3.6-6-8(c); and

WHEREAS, at its meeting on August 13, 2021, the PS LIT Committee made the following recommendations to the County Local Income Tax Council regarding PS LIT rates and revenues in 2022: 1) accept the recommendation of the Policy Board regarding the PSAP tax rate for the operation of the Unified Central Dispatch; and, 2) acknowledge the allocation of the remaining tax rate and revenues by operation of law in accordance with the aforementioned statute; 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, in so doing, also to cast its fifty-eight and twenty-eight hundredths (58.28) votes as a member of the Monroe County Local Income Tax Council in favor of this proposed ordinance; 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: 1) provide notice to 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 2) provide a copy of that notice to all the taxing units in the county at least ten days in advance of the hearing; and

WHEREAS, the Bloomington Common Council has provided 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 (0.0594%) and General Public Safety (0.1906%).

2. For the avoidance of doubt, no change to the other existing tax rates is intended or authorized by this Ordinance. Those other existing tax rates include: (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 one 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%]); and, (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%]).

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 0.0594% to 0.0807% 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 0.1906% to 0.1693%. 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, 2021:

Allocation Rate Category	Existing Rate	Proposed Rate
Public Safety Rate (IC 6-3.6-6)	0.1906%	0.1693%
Local Income Tax Type	Existing Rate	Proposed Rate
Public Safety Answering Point Rate	0.0594%	0.0807%

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, 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 the existing 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 the three applicable local income taxes mentioned above 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 August 31st and before November 1st 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, pursuant to Indiana Code § 6-3.6-3-5, record all votes taken on this ordinance and not more than ten (10) days after the vote, send a certified copy of the results to the commissioners of the department of state revenue and department of local government finance in an electronic format approved by the commissioner of the department of local government finance.

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 legislation, 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 and twenty-eight hundredths (58.28) 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 Regular Session on Wednesday, October 6, 2021. Proper notice of the public hearing was provided in accordance with 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.

Duly adopted by the following vote of the members of said Common Council of the City of Bloomington, Monroe County, on this 6th day of October, 2021.

<u>Name</u>	<u>(circle one)</u>			<u>Signature</u>
Jim Sims, President	<u>Aye</u>	Nay	Abstain	<u>Jim Sims</u>
Sue Sgambelluri, Vice President	<u>Aye</u>	Nay	Abstain	<u>Sue Sgambelluri</u>
Matt Flaherty, Parliamentarian	<u>Aye</u>	Nay	Abstain	<u>Matt Flaherty</u>
Isabel Piedmont-Smith	<u>Aye</u>	Nay	Abstain	<u>Isabel Piedmont-Smith</u>
Dave Rollo	<u>Aye</u>	Nay	Abstain	<u>Dave Rollo</u>
Kate Rosenbarger	<u>Aye</u>	Nay	Abstain	<u>Kate Rosenbarger</u>
Susan Sandberg	<u>Aye</u>	Nay	Abstain	<u>Susan Sandberg</u>
Stephen Volan	<u>Aye</u>	Nay	Abstain	<u>Stephen Volan</u>
Ron Smith	<u>Aye</u>	Nay	Abstain	<u>Ron Smith</u>

ATTEST:

<u>Name/Office</u>	<u>Date</u>	<u>Signature</u>
NICOLE BOLDEN, CLERK, City of Bloomington	<u>Oct 13, 2021</u>	<u>N Bolden</u>

PRESENTED by me to the Mayor of the City of Bloomington, Monroe County, Indiana upon this 13 day of Oct, 2021.

N Bolden
NICOLE BOLDEN, Clerk
City of Bloomington

SIGNED and APPROVED by me upon this 14th day of October, 2021.

John Hamilton
JOHN HAMILTON, Mayor
City of Bloomington

Attest: Jeffrey Underwood, Fiscal Officer

SYNOPSIS

Resolution 21-35 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 0.0807% (representing 32.285% of the total), and the tax rate for Public Safety would decreased to 0.1693% (representing 67.715% of the total). The reallocation follows the recommendation of the Public Safety Local Income Tax Committee of the County Local Income Tax Council and would go into effect on January 1, 2022.

Distributed to: Clerk, Council Attorney, Legal, Mayor, Controller, County Auditor, County Legal

Clerk's note: This Resolution was distributed before CM. Rollo's signature was affixed, due to conflicts with his schedule.