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# SENATE BILL No. 462

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-9-26.

**Synopsis:** Madison County food and beverage tax. Permits the Madison County council to increase the Madison County food and beverage tax from 1% to 2% for two years from July 1, 2011, through June 30, 2013. Provides that 50% of the additional tax revenue amount shall be distributed to the cities and towns and the county based on population. Provides that the remaining 50% of the additional revenue shall be distributed to the county for preserving, improving, equipping, operating, maintaining, promoting, and retiring debt on the Paramount Theater. Permits the county to make grants to a foundation that will carry out these purposes.

**Effective:** Upon passage.

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January 12, 2011, read first time and referred to Committee on Tax and Fiscal Policy.

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First Regular Session 117th General Assembly (2011)

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 2010 Regular Session of the General Assembly.

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## SENATE BILL No. 462

A BILL FOR AN ACT to amend the Indiana Code concerning local government.

*Be it enacted by the General Assembly of the State of Indiana:*

1 SECTION 1. IC 6-9-26-3 IS AMENDED TO READ AS FOLLOWS  
2 [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) The fiscal body of the  
3 county may adopt an ordinance ~~no later than December 31, 1988~~, to  
4 impose an excise tax, known as the county food and beverage tax, on  
5 those transactions described in sections 6 and 7 of this chapter.

6 (b) The rate of the tax equals one percent (1%) of the gross retail  
7 income on the transaction. For the purposes of this chapter, the gross  
8 retail income received by the retail merchant from such a transaction  
9 does not include the amount of tax imposed on the transaction under  
10 IC 6-2.5. **In addition, the fiscal body of the county may adopt an  
11 ordinance not later than May 31, 2011, to increase the rate of the  
12 tax from one percent (1%) to two percent (2%) for the period  
13 beginning July 1, 2011, through June 30, 2013.**

14 SECTION 2. IC 6-9-26-11 IS AMENDED TO READ AS  
15 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11. (a) If a tax is  
16 imposed under section 3 of this chapter, the county fiscal officer shall  
17 establish an economic development project fund. **If the tax rate is two**



1 **percent (2%), the county fiscal officer shall establish a Paramount**  
2 **Theater fund.**

3 (b) The county fiscal officer shall deposit in the fund all amounts  
4 **the revenue** received under this chapter as follows:

5 **(1) If the tax rate is one percent (1%), all the revenue shall be**  
6 **deposited in the economic development project fund.**

7 **(2) If the tax rate is two percent (2%), the revenue for a year**  
8 **shall be allocated as follows:**

9 **(A) Fifty percent (50%) of the revenue shall be deposited**  
10 **in the economic development project fund.**

11 **(B) Twenty-five percent (25%) of the revenue shall be**  
12 **allocated to the cities, towns, and the county based on**  
13 **population. For purposes of this allocation, the county's**  
14 **population is the population within the unincorporated**  
15 **part of the county. The city, town, or county may use this**  
16 **money as general fund operating revenues.**

17 **(C) The remaining twenty-five percent (25%) shall be**  
18 **deposited in the Paramount Theater fund.**

19 (c) Any money earned from the investment of money in ~~the a~~ fund  
20 becomes a part of ~~the that~~ fund.

21 SECTION 3. IC 6-9-26-12 IS AMENDED TO READ AS  
22 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12. (a) Except as  
23 provided in section 12.5 of this chapter, money in the county economic  
24 development project fund shall be used by the county solely to:

25 (1) finance, construct, improve, equip, operate, maintain, and  
26 promote first, a civic center, and then an economic development  
27 project, if there is money not needed for a civic center, approved  
28 under section 13 of this chapter; and

29 (2) retire bonds issued, loans obtained, or lease payments incurred  
30 under IC 36-1-10 (referred to in this chapter as "obligations") to  
31 finance, construct, improve, equip, operate, maintain, or promote  
32 first, a civic center, and then an economic development project  
33 approved under section 13 of this chapter.

34 (b) Obligations entered into for the purposes described in subsection  
35 (a) shall be retired by using money collected from a tax imposed under  
36 this chapter.

37 **(c) Money in the Paramount Theater fund shall be used by the**  
38 **county solely for preserving, improving, equipping, operating,**  
39 **maintaining, and promoting the Paramount Theater and to retire**  
40 **the debt outstanding as of July 1, 2011, that is secured by a**  
41 **mortgage on the Paramount Theater. The county fiscal body may**  
42 **appropriate the money in the fund to make grants to a nonprofit**

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1 **foundation dedicated to these purposes.**

2 SECTION 4. IC 6-9-26-13 IS AMENDED TO READ AS  
3 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 13. (a) Before  
4 disbursing money from the **county economic development project**  
5 fund established under section 11 of this chapter for an economic  
6 development project under section 12.5(b)(2)(A), 12.5(c)(3), or  
7 12.5(d)(2) of this chapter, the county fiscal body must adopt a  
8 resolution that contains the following:

- 9 (1) A written finding that the project will do all of the following:
  - 10 (A) Attract new business enterprises to the county or retain or
  - 11 expand existing business enterprises in the county.
  - 12 (B) Benefit the public health and welfare and be of public
  - 13 utility and benefit.
  - 14 (C) Protect and increase state and local tax bases or revenues.
  - 15 (D) Result in a substantial increase in temporary and
  - 16 permanent employment opportunities and private sector
  - 17 investment within the county.
- 18 (2) The amounts to be disbursed from the **county economic**
- 19 **development project** fund for each economic development
- 20 project.
- 21 (3) The date of the disbursement.

22 (b) The county fiscal body may impose restrictions on the use of the  
23 funds as a condition of the disbursement by including the restrictions  
24 in the resolution adopted under subsection (a).

25 SECTION 5. IC 6-9-26-15 IS AMENDED TO READ AS  
26 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 15. (a) The county  
27 may enter into an agreement under which amounts deposited in, or to  
28 be deposited in, the **county economic development project** fund are  
29 pledged to payment of obligations issued to finance the uses for the  
30 money authorized under section 12 or 12.5 of this chapter.

31 (b) With respect to obligations for which a pledge has been made  
32 under subsection (a), the general assembly covenants with the holders  
33 of these obligations that:

- 34 (1) this chapter will not be repealed or amended in any manner
- 35 that will adversely affect the imposition or collection of the tax
- 36 imposed under this chapter; and
- 37 (2) this chapter will not be amended in any manner that will
- 38 change the purpose for which revenues from the tax imposed
- 39 under this chapter may be used;
- 40 as long as the payment of any of those obligations is outstanding.

41 SECTION 6. **An emergency is declared for this act.**

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