
HOUSE BILL No. 1087

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1-17-22; IC 6-3.5; IC 36-8-16.

Synopsis: Local income tax for public safety. Authorizes counties in which two public safety answering points (PSAPs) are located to adopt an additional local option income tax rate under the county adjusted gross income tax laws or the county option income tax laws without adopting additional tax rates for property tax relief first if the revenue is for the sole purpose of funding the operations of the PSAPs in the county. Provides that the additional rate is subject to the maximum rate of 0.25% that current law imposes on additional rates for public safety and is subject to the approval of the department of local government finance. Provides for the distribution of the revenue from the additional rate to the PSAPs located in the county in amounts determined by the county fiscal body or county income tax council. Requires a political subdivision that operates a PSAP receiving the income tax revenue to reduce the enhanced emergency telephone system fee imposed by the unit and its property tax levy for funding a PSAP.

Effective: Upon passage.

Thompson

January 9, 2012, read first time and referred to Committee on Ways and Means.

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Second Regular Session 117th General Assembly (2012)

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 2011 Regular Session of the General Assembly.

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HOUSE BILL No. 1087



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 6-1.1-17-22 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE
3 UPON PASSAGE]: **Sec. 22. (a) This section applies only to a
4 political subdivision that operates a PSAP that receives local option
5 income taxes under IC 6-3.5-1.1-25(m) or IC 6-3.5-6-31(o).**
6 **(b) As used in this section, "PSAP" has the meaning set forth in
7 IC 36-8-16.5-13.**
8 **(c) The department of local government finance shall require a
9 political subdivision to reduce its property tax levy to pay for the
10 operations of the PSAP in an ensuing calendar year by an amount
11 equal to the difference between:**
12 **(1) the estimated amount of local option income taxes that the
13 PSAP operated by the political subdivision will receive under
14 IC 6-3.5-1.1-25(m) or IC 6-3.5-6-31(o) in the ensuing calendar
15 year; minus**
16 **(2) the estimated amount of local option income taxes that the
17 PSAP operated by the political subdivision will use to replace**



1 **enhanced emergency telephone system fees in the ensuing**
 2 **calendar year under IC 36-8-16-6(b)(3) and IC 36-8-16-7.7.**

3 SECTION 2. IC 6-3.5-0.8-1, AS ADDED BY P.L.220-2011,
 4 SECTION 145, IS AMENDED TO READ AS FOLLOWS
 5 [EFFECTIVE UPON PASSAGE]: Sec. 1. Notwithstanding any
 6 provision in IC 6-3.5-1.1 (including the August 1 deadlines applicable
 7 under IC 6-3.5-1.1-24(a), IC 6-3.5-1.1-24(b), ~~IC 6-3.5-1.1-25(i)~~;
 8 **IC 6-3.5-1.1-25(j)**, and IC 6-3.5-1.1-26(e)), a county council may in
 9 2009 adopt an additional county adjusted gross income tax rate under
 10 IC 6-3.5-1.1-24, IC 6-3.5-1.1-25, or IC 6-3.5-1.1-26 at any time before
 11 November 1, 2009.

12 SECTION 3. IC 6-3.5-1.1-9, AS AMENDED BY P.L.229-2011,
 13 SECTION 88, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 14 UPON PASSAGE]: Sec. 9. (a) Revenue derived from the imposition of
 15 the county adjusted gross income tax shall, in the manner prescribed by
 16 this section, be distributed to the county that imposed it. The amount
 17 to be distributed to a county during an ensuing calendar year equals the
 18 amount of county adjusted gross income tax revenue that the budget
 19 agency determines has been:

- 20 (1) received from that county for a taxable year ending before the
 21 calendar year in which the determination is made; and
 22 (2) reported on an annual return or amended return processed by
 23 the department in the state fiscal year ending before July 1 of the
 24 calendar year in which the determination is made;

25 as adjusted for refunds of county adjusted gross income tax made in the
 26 state fiscal year.

27 (b) Before August 2 of each calendar year, the budget agency shall
 28 certify to the county auditor of each adopting county the amount
 29 determined under subsection (a) plus the amount of interest in the
 30 county's account that has accrued and has not been included in a
 31 certification made in a preceding year. The amount certified is the
 32 county's "certified distribution" for the immediately succeeding
 33 calendar year. The amount certified shall be adjusted under subsections
 34 (c), (d), (e), (f), (g), and (h). The budget agency shall provide the
 35 county council with an informative summary of the calculations used
 36 to determine the certified distribution. The summary of calculations
 37 must include:

- 38 (1) the amount reported on individual income tax returns
 39 processed by the department during the previous fiscal year;
 40 (2) adjustments for over distributions in prior years;
 41 (3) adjustments for clerical or mathematical errors in prior years;
 42 (4) adjustments for tax rate changes; and

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1 (5) the amount of excess account balances to be distributed under
 2 IC 6-3.5-1.1-21.1.
 3 The budget agency shall also certify information concerning the part of
 4 the certified distribution that is attributable to a tax rate under section
 5 24, 25, or 26 of this chapter. This information must be certified to the
 6 county auditor, the department, and the department of local government
 7 finance not later than September 1 of each calendar year. The part of
 8 the certified distribution that is attributable to a tax rate under section
 9 24, 25, or 26 of this chapter may be used only as specified in those
 10 provisions.
 11 (c) The budget agency shall certify an amount less than the amount
 12 determined under subsection (b) if the budget agency determines that
 13 the reduced distribution is necessary to offset overpayments made in a
 14 calendar year before the calendar year of the distribution. The budget
 15 agency may reduce the amount of the certified distribution over several
 16 calendar years so that any overpayments are offset over several years
 17 rather than in one (1) lump sum.
 18 (d) The budget agency shall adjust the certified distribution of a
 19 county to correct for any clerical or mathematical errors made in any
 20 previous certification under this section. The budget agency may
 21 reduce the amount of the certified distribution over several calendar
 22 years so that any adjustment under this subsection is offset over several
 23 years rather than in one (1) lump sum.
 24 (e) The budget agency shall adjust the certified distribution of a
 25 county to provide the county with the distribution required under
 26 section 10(b) of this chapter.
 27 (f) This subsection applies to a county that initially imposes,
 28 increases, decreases, or rescinds a tax or tax rate under this chapter
 29 before November 1 in the same calendar year in which the budget
 30 agency makes a certification under this section. The budget agency
 31 shall adjust the certified distribution of a county to provide for a
 32 distribution in the immediately following calendar year and in each
 33 calendar year thereafter. The budget agency shall provide for a full
 34 transition to certification of distributions as provided in subsection
 35 (a)(1) through (a)(2) in the manner provided in subsection (c). If the
 36 county imposes, increases, decreases, or rescinds a tax or tax rate under
 37 this chapter after the date for which a certification under subsection (b)
 38 is based, the budget agency shall adjust the certified distribution of the
 39 county after August 1 of the calendar year. The adjustment shall reflect
 40 any other adjustment required under subsections (c), (d), (e), (g), and
 41 (h). The adjusted certification shall be treated as the county's "certified
 42 distribution" for the immediately succeeding calendar year. The budget

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1 agency shall certify the adjusted certified distribution to the county
2 auditor for the county and provide the county council with an
3 informative summary of the calculations that revises the informative
4 summary provided in subsection (b) and reflects the changes made in
5 the adjustment.

6 (g) The budget agency shall adjust the certified distribution of a
7 county to provide the county with the distribution required under
8 section 3.3 of this chapter beginning not later than the tenth month after
9 the month in which additional revenue from the tax authorized under
10 section 3.3 of this chapter is initially collected.

11 (h) This subsection applies in the year in which a county initially
12 imposes a tax rate under section 24 of this chapter. Notwithstanding
13 any other provision, the budget agency shall adjust the part of the
14 county's certified distribution that is attributable to the tax rate under
15 section 24 of this chapter to provide for a distribution in the
16 immediately following calendar year equal to the result of:

17 (1) the sum of the amounts determined under STEP ONE through
18 STEP FOUR of IC 6-3.5-1.5-1(a) in the year in which the county
19 initially imposes a tax rate under section 24 of this chapter;
20 multiplied by

21 (2) two (2).

22 (i) The budget agency shall before May 1 of every odd-numbered
23 year publish an estimate of the statewide total amount of certified
24 distributions to be made under this chapter during the following two (2)
25 calendar years.

26 (j) The budget agency shall before May 1 of every even-numbered
27 year publish an estimate of the statewide total amount of certified
28 distributions to be made under this chapter during the following
29 calendar year.

30 (k) The estimates under subsections (i) and (j) must specify the
31 amount of the estimated certified distributions that are attributable to
32 the additional rate authorized under section 24 of this chapter, ~~the an~~
33 additional rate authorized under section 25 of this chapter, the
34 additional rate authorized under section 26 of this chapter, and any
35 other additional rates authorized under this chapter.

36 SECTION 4. IC 6-3.5-1.1-25, AS AMENDED BY P.L.172-2011,
37 SECTION 74, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
38 UPON PASSAGE]: Sec. 25. (a) As used in this section, "public safety"
39 refers to the following:

40 (1) A police and law enforcement system to preserve public peace
41 and order.

42 (2) A firefighting and fire prevention system.

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- 1 (3) Emergency ambulance services (as defined in
- 2 IC 16-18-2-107).
- 3 (4) Emergency medical services (as defined in IC 16-18-2-110).
- 4 (5) Emergency action (as defined in IC 13-11-2-65).
- 5 (6) A probation department of a court.
- 6 (7) Confinement, supervision, services under a community
- 7 corrections program (as defined in IC 35-38-2.6-2), or other
- 8 correctional services for a person who has been:
- 9 (A) diverted before a final hearing or trial under an agreement
- 10 that is between the county prosecuting attorney and the person
- 11 or the person's custodian, guardian, or parent and that provides
- 12 for confinement, supervision, community corrections services,
- 13 or other correctional services instead of a final action
- 14 described in clause (B) or (C);
- 15 (B) convicted of a crime; or
- 16 (C) adjudicated as a delinquent child or a child in need of
- 17 services.
- 18 (8) A juvenile detention facility under IC 31-31-8.
- 19 (9) A juvenile detention center under IC 31-31-9.
- 20 (10) A county jail.
- 21 (11) A communications system (as defined in IC 36-8-15-3) or an
- 22 enhanced emergency telephone system (as defined in
- 23 IC 36-8-16-2).
- 24 (12) Medical and health expenses for jail inmates and other
- 25 confined persons.
- 26 (13) Pension payments for any of the following:
- 27 (A) A member of the fire department (as defined in
- 28 IC 36-8-1-8) or any other employee of a fire department.
- 29 (B) A member of the police department (as defined in
- 30 IC 36-8-1-9), a police chief hired under a waiver under
- 31 IC 36-8-4-6.5, or any other employee hired by a police
- 32 department.
- 33 (C) A county sheriff or any other member of the office of the
- 34 county sheriff.
- 35 (D) Other personnel employed to provide a service described
- 36 in this section.
- 37 (b) If a county council has imposed a tax rate of at least twenty-five
- 38 hundredths of one percent (0.25%) under section 24 of this chapter, a
- 39 tax rate of at least twenty-five hundredths of one percent (0.25%) under
- 40 section 26 of this chapter, or a total combined tax rate of at least
- 41 twenty-five hundredths of one percent (0.25%) under sections 24 and
- 42 26 of this chapter, the county council may also adopt an ordinance to

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1 impose an additional tax rate under this section to provide funding for
2 public safety.

3 **(c) However, the imposition of a tax rate under section 24 or 26**
4 **of this chapter, or a combination of tax rates under sections 24 and**
5 **26 of this chapter, is not required for imposing a tax rate under this**
6 **section if the following apply to the imposing county:**

7 **(1) Two (2) public safety answering points are located in the**
8 **county.**

9 **(2) The part of the certified distribution attributable to the**
10 **additional tax rate is spent for the sole purpose of funding the**
11 **operations of the public safety answering points located in the**
12 **county.**

13 **(3) The department of local government finance approves the**
14 **proposed additional tax rate under section 25.5(c) of this**
15 **chapter.**

16 ~~(c)~~ **(d) The sum of the tax rates**
17 **imposed under subsections (b) and (c) may not exceed twenty-five**
18 **hundredths of one percent (0.25%).**

19 ~~(d)~~ **(e) If a county council adopts an ordinance to impose a tax rate**
20 **under this section, the county auditor shall send a certified copy of the**
21 **ordinance to the department and the department of local government**
22 **finance by certified mail.**

23 ~~(e)~~ **(f) A tax rate under this section is in addition to any other tax**
24 **rates imposed under this chapter and does not affect the purposes for**
25 **which other tax revenue under this chapter may be used.**

26 ~~(f)~~ **(g) Except as provided in subsection ~~(k)~~, or (l), (m), or (n), the**
27 **county auditor shall distribute the portion of the certified distribution**
28 **that is attributable to a tax rate under this section to the county and to**
29 **each municipality in the county that is carrying out or providing at least**
30 **one (1) of the public safety purposes described in subsection (a). The**
31 **amount that shall be distributed to the county or municipality is equal**
32 **to the result of:**

33 **(1) the portion of the certified distribution that is attributable to a**
34 **tax rate under this section; multiplied by**

35 **(2) a fraction equal to:**

36 **(A) the attributed allocation amount (as defined in**
37 **IC 6-3.5-1.1-15) of the county or municipality for the calendar**
38 **year; divided by**

39 **(B) the sum of the attributed allocation amounts of the county**
40 **and each municipality in the county that is entitled to a**
41 **distribution under this section for the calendar year.**

42 The county auditor shall make the distributions required by this

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1 subsection not more than thirty (30) days after receiving the portion of
 2 the certified distribution that is attributable to a tax rate under this
 3 section. Tax revenue distributed to a county or municipality under this
 4 subsection must be deposited into a separate account or fund and may
 5 be appropriated by the county or municipality only for public safety
 6 purposes.

7 ~~(g)~~ **(h) Except as provided in IC 6-1.1-17-22**, the department of
 8 local government finance may not require a county or municipality
 9 receiving tax revenue under this section to reduce the county's or
 10 municipality's property tax levy for a particular year on account of the
 11 county's or municipality's receipt of the tax revenue.

12 ~~(h)~~ **(i) Except as provided in IC 6-1.1-17-22**, a tax rate under
 13 this section and the tax revenue attributable to ~~the~~ a tax rate under this
 14 section shall not be considered for purposes of computing:

- 15 (1) the maximum income tax rate that may be imposed in a county
 16 under section 2 of this chapter or any other provision of this
 17 chapter;
- 18 (2) the maximum permissible property tax levy under
 19 IC 6-1.1-18.5-3; or
- 20 (3) the credit under IC 6-1.1-20.6.

21 ~~(i)~~ **(j) Except as provided in section 25.5 of this chapter**, a
 22 tax rate under this section may be imposed or rescinded at the same
 23 time and in the same manner that the county may impose or increase a
 24 tax rate under section 24 of this chapter.

25 ~~(j)~~ **(k)** The department of local government finance and the
 26 department of state revenue may take any actions necessary to carry out
 27 the purposes of this section.

28 ~~(k)~~ **(l)** Two (2) or more political subdivisions that are entitled to
 29 receive a distribution under this section may adopt resolutions
 30 providing that some part or all of those distributions shall instead be
 31 paid to one (1) political subdivision in the county to carry out specific
 32 public safety purposes specified in the resolutions.

33 ~~(l)~~ **(m)** A fire department, volunteer fire department, or emergency
 34 medical services provider that:

- 35 (1) provides fire protection or emergency medical services within
 36 the county; and
- 37 (2) is operated by or serves a political subdivision that is not
 38 otherwise entitled to receive a distribution of tax revenue under
 39 this section;

40 may before July 1 of a year apply to the county council for a
 41 distribution of tax revenue under this section during the following
 42 calendar year. The county council shall review an application

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1 submitted under this subsection and may before September 1 of a year
 2 adopt a resolution requiring that one (1) or more of the applicants shall
 3 receive a specified amount of the tax revenue to be distributed under
 4 this section during the following calendar year. A resolution approved
 5 under this subsection providing for a distribution to one (1) or more fire
 6 departments, volunteer fire departments, or emergency medical
 7 services providers applies only to distributions in the following
 8 calendar year. Any amount of tax revenue distributed under this
 9 subsection to a fire department, volunteer fire department, or
 10 emergency medical services provider shall be distributed before the
 11 remainder of the tax revenue is distributed under subsection ~~(f)~~: (g).

12 **(n) This subsection applies to a county described in subsection**
 13 **(c)(1) that imposes an additional tax rate under this section without**
 14 **first imposing a tax rate under section 24 or 26 of this chapter. The**
 15 **county auditor shall distribute the part of the certified distribution**
 16 **that is attributable to the additional tax rate under this section to**
 17 **each public safety answering point located in the county in**
 18 **amounts determined by the county fiscal body. The county auditor**
 19 **shall make the distributions required by this subsection not more**
 20 **than thirty (30) days after receiving the part of the certified**
 21 **distribution that is attributable to a tax rate under this section. Tax**
 22 **revenue distributed to a public safety answering point under this**
 23 **subsection must be deposited into a separate account or fund and**
 24 **may be spent only for the operation of the public safety answering**
 25 **point.**

26 **(o) Any part of a distribution under this section that:**

27 **(1) is to a public service answering point operated by a civil**
 28 **taxing unit; and**

29 **(2) exceeds the amount necessary to replace enhanced**
 30 **emergency telephone system fees under IC 36-8-16-6(b)(3)**
 31 **and IC 36-8-16-7.7;**

32 **shall be treated as a part of the civil taxing unit's property tax levy**
 33 **for that year for purposes of fixing the budget of the civil taxing**
 34 **unit and for determining the distribution of taxes that are**
 35 **distributed on the basis of property tax levies.**

36 SECTION 5. IC 6-3.5-1.1-25.5 IS ADDED TO THE INDIANA
 37 CODE AS A NEW SECTION TO READ AS FOLLOWS
 38 [EFFECTIVE UPON PASSAGE]: **Sec. 25.5. (a) This section applies**
 39 **to a county described in section 25(c)(1) of this chapter.**

40 **(b) Before adopting an ordinance to impose an additional tax**
 41 **rate under section 25(c) of this chapter, a county must petition the**
 42 **department of local government finance for the department's**

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approval of the proposed additional tax rate.

(c) Subject to the maximum tax rate permitted by section 25(d) of this chapter, the department of local government finance may approve the county's proposed additional tax rate if the department finds that the estimated amount of revenue attributable to the additional tax rate does not exceed the amount necessary to operate the two (2) public safety answering points located in the county.

(d) Before adopting an ordinance to increase a tax rate approved under subsection (c), a county must petition the department of local government finance for the department's approval of the proposed rate increase. The department of local government finance may approve the county's proposed rate increase if the department finds that the estimated amount of revenue attributable to the proposed rate does not exceed the amount necessary to operate the two (2) public safety answering points located in the county.

(e) Before adopting an ordinance to reduce or rescind an additional tax rate approved under this section, a county must petition the department of local government finance for the department's approval of the proposed reduced rate or of the proposed ordinance rescinding the additional tax rate. The department of local government finance may approve rescinding or reducing the additional tax rate if the department finds that the two (2) recipient public safety answering points can be operated without a political subdivision increasing its property tax levy to offset any reduced income tax collections.

SECTION 6. IC 6-3.5-6-17, AS AMENDED BY P.L.229-2011, SECTION 90, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 17. (a) Revenue derived from the imposition of the county option income tax shall, in the manner prescribed by this section, be distributed to the county that imposed it. The amount that is to be distributed to a county during an ensuing calendar year equals the amount of county option income tax revenue that the budget agency determines has been:

- (1) received from that county for a taxable year ending in a calendar year preceding the calendar year in which the determination is made; and
 - (2) reported on an annual return or amended return processed by the department in the state fiscal year ending before July 1 of the calendar year in which the determination is made;
- as adjusted (as determined after review of the recommendation of the

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1 budget agency) for refunds of county option income tax made in the
2 state fiscal year.

3 (b) Before August 2 of each calendar year, the budget agency shall
4 certify to the county auditor of each adopting county the amount
5 determined under subsection (a) plus the amount of interest in the
6 county's account that has accrued and has not been included in a
7 certification made in a preceding year. The amount certified is the
8 county's "certified distribution" for the immediately succeeding
9 calendar year. The amount certified shall be adjusted, as necessary,
10 under subsections (c), (d), (e), and (f). The budget agency shall provide
11 the county council with an informative summary of the calculations
12 used to determine the certified distribution. The summary of
13 calculations must include:

- 14 (1) the amount reported on individual income tax returns
- 15 processed by the department during the previous fiscal year;
- 16 (2) adjustments for over distributions in prior years;
- 17 (3) adjustments for clerical or mathematical errors in prior years;
- 18 (4) adjustments for tax rate changes; and
- 19 (5) the amount of excess account balances to be distributed under
- 20 IC 6-3.5-6-17.3.

21 The budget agency shall also certify information concerning the part of
22 the certified distribution that is attributable to a tax rate under section
23 30, 31, or 32 of this chapter. This information must be certified to the
24 county auditor and to the department of local government finance not
25 later than September 1 of each calendar year. The part of the certified
26 distribution that is attributable to a tax rate under section 30, 31, or 32
27 of this chapter may be used only as specified in those provisions.

28 (c) The budget agency shall certify an amount less than the amount
29 determined under subsection (b) if the budget agency determines that
30 the reduced distribution is necessary to offset overpayments made in a
31 calendar year before the calendar year of the distribution. The budget
32 agency may reduce the amount of the certified distribution over several
33 calendar years so that any overpayments are offset over several years
34 rather than in one (1) lump sum.

35 (d) The budget agency shall adjust the certified distribution of a
36 county to correct for any clerical or mathematical errors made in any
37 previous certification under this section. The budget agency may
38 reduce the amount of the certified distribution over several calendar
39 years so that any adjustment under this subsection is offset over several
40 years rather than in one (1) lump sum.

41 (e) This subsection applies to a county that imposes, increases,
42 decreases, or rescinds a tax or tax rate under this chapter before

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1 November 1 in the same calendar year in which the budget agency
 2 makes a certification under this section. The budget agency shall adjust
 3 the certified distribution of a county to provide for a distribution in the
 4 immediately following calendar year and in each calendar year
 5 thereafter. The budget agency shall provide for a full transition to
 6 certification of distributions as provided in subsection (a)(1) through
 7 (a)(2) in the manner provided in subsection (c). If the county imposes,
 8 increases, decreases, or rescinds a tax or tax rate under this chapter
 9 after the date for which a certification under subsection (b) is based, the
 10 budget agency shall adjust the certified distribution of the county after
 11 August 1 of the calendar year. The adjustment shall reflect any other
 12 adjustment required under subsections (c), (d), and (f). The adjusted
 13 certification shall be treated as the county's "certified distribution" for
 14 the immediately succeeding calendar year. The budget agency shall
 15 certify the adjusted certified distribution to the county auditor for the
 16 county and provide the county council with an informative summary of
 17 the calculations that revises the informative summary provided in
 18 subsection (b) and reflects the changes made in the adjustment.

19 (f) This subsection applies in the year a county initially imposes a
 20 tax rate under section 30 of this chapter. Notwithstanding any other
 21 provision, the budget agency shall adjust the part of the county's
 22 certified distribution that is attributable to the tax rate under section 30
 23 of this chapter to provide for a distribution in the immediately
 24 following calendar year equal to the result of:

25 (1) the sum of the amounts determined under STEP ONE through
 26 STEP FOUR of IC 6-3.5-1.5-1(a) in the year in which the county
 27 initially imposes a tax rate under section 30 of this chapter;
 28 multiplied by

- 29 (2) the following:
- 30 (A) In a county containing a consolidated city, one and
 - 31 five-tenths (1.5).
 - 32 (B) In a county other than a county containing a consolidated
 - 33 city, two (2).

34 (g) One-twelfth (1/12) of each adopting county's certified
 35 distribution for a calendar year shall be distributed from its account
 36 established under section 16 of this chapter to the appropriate county
 37 treasurer on the first day of each month of that calendar year.

38 (h) Upon receipt, each monthly payment of a county's certified
 39 distribution shall be allocated among, distributed to, and used by the
 40 civil taxing units of the county as provided in sections 18 and 19 of this
 41 chapter.

42 (i) All distributions from an account established under section 16 of

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1 this chapter shall be made by warrants issued by the auditor of state to
2 the treasurer of state ordering the appropriate payments.

3 (j) The budget agency shall before May 1 of every odd-numbered
4 year publish an estimate of the statewide total amount of certified
5 distributions to be made under this chapter during the following two (2)
6 calendar years.

7 (k) The budget agency shall before May 1 of every even-numbered
8 year publish an estimate of the statewide total amount of certified
9 distributions to be made under this chapter during the following
10 calendar year.

11 (l) The estimates under subsections (j) and (k) must specify the
12 amount of the estimated certified distributions that are attributable to
13 the additional rate authorized under section 30 of this chapter, ~~the an~~
14 additional rate authorized under section 31 of this chapter, the
15 additional rate authorized under section 32 of this chapter, and any
16 other additional rates authorized under this chapter.

17 SECTION 7. IC 6-3.5-6-31, AS AMENDED BY P.L.172-2011,
18 SECTION 77, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
19 UPON PASSAGE]: Sec. 31. (a) As used in this section, "public safety"
20 refers to the following:

- 21 (1) A police and law enforcement system to preserve public peace
22 and order.
- 23 (2) A firefighting and fire prevention system.
- 24 (3) Emergency ambulance services (as defined in
25 IC 16-18-2-107).
- 26 (4) Emergency medical services (as defined in IC 16-18-2-110).
- 27 (5) Emergency action (as defined in IC 13-11-2-65).
- 28 (6) A probation department of a court.
- 29 (7) Confinement, supervision, services under a community
30 corrections program (as defined in IC 35-38-2.6-2), or other
31 correctional services for a person who has been:
 - 32 (A) diverted before a final hearing or trial under an agreement
33 that is between the county prosecuting attorney and the person
34 or the person's custodian, guardian, or parent and that provides
35 for confinement, supervision, community corrections services,
36 or other correctional services instead of a final action
37 described in clause (B) or (C);
 - 38 (B) convicted of a crime; or
 - 39 (C) adjudicated as a delinquent child or a child in need of
40 services.
- 41 (8) A juvenile detention facility under IC 31-31-8.
- 42 (9) A juvenile detention center under IC 31-31-9.

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- 1 (10) A county jail.
- 2 (11) A communications system (as defined in IC 36-8-15-3) or an
- 3 enhanced emergency telephone system (as defined in
- 4 IC 36-8-16-2).
- 5 (12) Medical and health expenses for jail inmates and other
- 6 confined persons.
- 7 (13) Pension payments for any of the following:
- 8 (A) A member of the fire department (as defined in
- 9 IC 36-8-1-8) or any other employee of a fire department.
- 10 (B) A member of the police department (as defined in
- 11 IC 36-8-1-9), a police chief hired under a waiver under
- 12 IC 36-8-4-6.5, or any other employee hired by a police
- 13 department.
- 14 (C) A county sheriff or any other member of the office of the
- 15 county sheriff.
- 16 (D) Other personnel employed to provide a service described
- 17 in this section.
- 18 (b) **Except as provided in subsection (n)**, the county income tax
- 19 council may adopt an ordinance to impose an additional tax rate under
- 20 this section to provide funding for public safety if:
- 21 (1) the county income tax council has imposed a tax rate under
- 22 section 30 of this chapter, in the case of a county containing a
- 23 consolidated city; or
- 24 (2) the county income tax council has imposed a tax rate of at
- 25 least twenty-five hundredths of one percent (0.25%) under section
- 26 30 of this chapter, a tax rate of at least twenty-five hundredths of
- 27 one percent (0.25%) under section 32 of this chapter, or a total
- 28 combined tax rate of at least twenty-five hundredths of one
- 29 percent (0.25%) under sections 30 and 32 of this chapter, in the
- 30 case of a county other than a county containing a consolidated
- 31 city.
- 32 (c) ~~A tax rate under this section may not exceed~~ The following
- 33 **apply to a tax rate imposed under this section:**
- 34 (1) **A tax rate imposed under subsection (b) may not exceed**
- 35 **five-tenths of one percent (0.5%),** in the case of a county
- 36 containing a consolidated city.
- 37 (2) **The sum of the tax rates imposed under subsections (b)**
- 38 **and (n) may not exceed** twenty-five hundredths of one percent
- 39 (0.25%), in the case of a county other than a county containing a
- 40 consolidated city.
- 41 (d) If a county income tax council adopts an ordinance to impose a
- 42 tax rate under this section, the county auditor shall send a certified

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1 copy of the ordinance to the department and the department of local
2 government finance by certified mail.

3 (e) A tax rate under this section is in addition to any other tax rates
4 imposed under this chapter and does not affect the purposes for which
5 other tax revenue under this chapter may be used.

6 (f) Except as provided in ~~subsections~~ **subsection (l), and (m), or (o),**
7 the county auditor shall distribute the portion of the certified
8 distribution that is attributable to a tax rate under this section to the
9 county and to each municipality in the county that is carrying out or
10 providing at least one (1) of the public safety purposes described in
11 subsection (a). The amount that shall be distributed to the county or
12 municipality is equal to the result of:

13 (1) the portion of the certified distribution that is attributable to a
14 tax rate under this section; multiplied by

15 (2) a fraction equal to:

16 (A) the total property taxes being collected in the county by
17 the county or municipality for the calendar year; divided by

18 (B) the sum of the total property taxes being collected in the
19 county by the county and each municipality in the county that
20 is entitled to a distribution under this section for the calendar
21 year.

22 The county auditor shall make the distributions required by this
23 subsection not more than thirty (30) days after receiving the portion of
24 the certified distribution that is attributable to a tax rate under this
25 section. Tax revenue distributed to a county or municipality under this
26 subsection must be deposited into a separate account or fund and may
27 be appropriated by the county or municipality only for public safety
28 purposes.

29 (g) **Except as provided in IC 6-1.1-17-22,** the department of local
30 government finance may not require a county or municipality receiving
31 tax revenue under this section to reduce the county's or municipality's
32 property tax levy for a particular year on account of the county's or
33 municipality's receipt of the tax revenue.

34 (h) ~~The~~ **Except as provided in IC 6-1.1-17-22,** a tax rate under this
35 section and the tax revenue attributable to ~~the~~ **a** tax rate under this
36 section shall not be considered for purposes of computing:

37 (1) the maximum income tax rate that may be imposed in a county
38 under section 8 or 9 of this chapter or any other provision of this
39 chapter;

40 (2) the maximum permissible property tax levy under
41 IC 6-1.1-18.5-3; or

42 (3) the credit under IC 6-1.1-20.6.

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1 (i) ~~The~~ **Except as provided in section 31.5 of this chapter, a tax**
2 rate under this section may be imposed or rescinded at the same time
3 and in the same manner that the county may impose or increase a tax
4 rate under section 30 of this chapter.

5 (j) The department of local government finance and the department
6 of state revenue may take any actions necessary to carry out the
7 purposes of this section.

8 (k) Notwithstanding any other provision, in Lake County the county
9 council (and not the county income tax council) is the entity authorized
10 to take actions concerning ~~the an~~ additional tax rate under this section.

11 (l) Two (2) or more political subdivisions that are entitled to receive
12 a distribution under this section may adopt resolutions providing that
13 some part or all of those distributions shall instead be paid to one (1)
14 political subdivision in the county to carry out specific public safety
15 purposes specified in the resolutions.

16 (m) A fire department, volunteer fire department, or emergency
17 medical services provider that:

18 (1) provides fire protection or emergency medical services within
19 the county; and

20 (2) is operated by or serves a political subdivision that is not
21 otherwise entitled to receive a distribution of tax revenue under
22 this section;

23 may before July 1 of a year apply to the county income tax council for
24 a distribution of tax revenue under this section during the following
25 calendar year. The county income tax council shall review an
26 application submitted under this subsection and may before September
27 1 of a year adopt a resolution requiring that one (1) or more of the
28 applicants shall receive a specified amount of the tax revenue to be
29 distributed under this section during the following calendar year. A
30 resolution approved under this subsection providing for a distribution
31 to one (1) or more fire departments, volunteer fire departments, or
32 emergency services providers applies only to distributions in the
33 following calendar year. Any amount of tax revenue distributed under
34 this subsection to a fire department, volunteer fire department, or
35 emergency medical services provider shall be distributed before the
36 remainder of the tax revenue is distributed under subsection (f).

37 (n) **This subsection does not apply to a county containing a**
38 **consolidated city. The imposition of a tax rate under section 30 or**
39 **32 of this chapter, or a combination of tax rates under sections 30**
40 **and 32 of this chapter, is not a requirement for imposing a tax rate**
41 **under this section if the following apply to the imposing county:**

42 (1) Two (2) public safety answering points are located in the

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county.
(2) The part of the certified distribution attributable to the additional tax rate is spent for the sole purpose of funding the operations of the public safety answering points located in the county.
(3) The department of local government finance approves the proposed additional tax rate under section 31.5(c) of this chapter.

(o) This subsection applies to a county that imposes an additional tax rate under subsection (n). The county auditor shall distribute the part of the certified distribution that is attributable to the additional tax rate under this section to each public safety answering point located in the county in amounts determined by the county income tax council (or county council in Lake County). The county auditor shall make the distributions required by this subsection not more than thirty (30) days after receiving the part of the certified distribution that is attributable to a tax rate under this section. Tax revenue distributed to a public safety answering point under this subsection must be deposited into a separate account or fund and may be spent only for the operation of the public safety answering point.

(p) Any part of a distribution under this section that:
(1) is to a public service answering point operated by a civil taxing unit; and
(2) exceeds the amount necessary to replace enhanced emergency telephone system fees under IC 36-8-16-6(b)(3) and IC 36-8-16-7.7;

shall be treated as a part of the civil taxing unit's property tax levy for that year for purposes of fixing the budget of the civil taxing unit and for determining the distribution of taxes that are distributed on the basis of property tax levies.

SECTION 8. IC 6-3.5-6-31.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 31.5. (a) This section applies to a county described in section 31(n)(1) of this chapter.**

(b) Before adopting an ordinance to impose an additional tax rate under section 31(n) of this chapter, a county must petition the department of local government finance for the department's approval of the proposed additional tax rate.

(c) Subject to the maximum tax rate permitted by section 31(c)(2) of this chapter, the department of local government finance may approve the county's proposed additional tax rate if

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1 the department finds that the estimated amount of revenue
 2 attributable to the additional tax rate does not exceed the amount
 3 necessary to operate the two (2) public safety answering points
 4 located in the county.

5 (d) Before adopting an ordinance to increase a tax rate
 6 approved under subsection (c), a county must petition the
 7 department of local government finance for the department's
 8 approval of the proposed rate increase. The department of local
 9 government finance may approve the county's proposed rate
 10 increase if the department finds that the estimated amount of
 11 revenue attributable to the proposed rate does not exceed the
 12 amount necessary to operate the two (2) public safety answering
 13 points located in the county.

14 (e) Before adopting an ordinance to reduce or rescind an
 15 additional tax rate approved under this section, a county must
 16 petition the department of local government finance for the
 17 department's approval of the proposed reduced rate or of the
 18 proposed ordinance rescinding the additional tax rate. The
 19 department of local government finance may approve rescinding
 20 or reducing the additional tax rate if the department finds that the
 21 two (2) recipient public safety answering points can be operated
 22 without a political subdivision increasing its property tax levy to
 23 offset any reduced income tax collections.

24 SECTION 9. IC 36-8-16-6, AS AMENDED BY P.L.137-2008,
 25 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 26 UPON PASSAGE]: Sec. 6. (a) An enhanced emergency telephone
 27 system fee must be uniform and may not vary according to the type of
 28 exchange access facilities used in the unit.

29 (b) The ordinance imposing a fee under section 5 of this chapter
 30 may not impose a fee that exceeds the following:

31 (1) In a county that has a consolidated city or a county that has at
 32 least one (1) second class city, three percent (3%) of the average
 33 monthly telephone access line charge in the unit.

34 (2) In a county that does not have a consolidated city or a second
 35 class city, ten percent (10%) of the average monthly telephone
 36 access line charge in the unit.

37 **(3) In a county in which a PSAP receives local option income**
 38 **taxes under IC 6-3.5-1.1-25(m) or IC 6-3.5-6-31(o), fifty cents**
 39 **(\$0.50) for each exchange access facility used by a service**
 40 **user.**

41 (c) In calculating the average monthly telephone access line charge
 42 for purposes of this section, the unit imposing the fee shall include the

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- 1 average monthly charge that:
- 2 (1) is imposed by providers of interconnected VoIP service to
- 3 service users whose registered location (as defined in 47 CFR 9.3)
- 4 is in the unit; and
- 5 (2) represents the charge for the service user's access to the
- 6 interconnected VoIP service.
- 7 SECTION 10. IC 36-8-16-7.7 IS ADDED TO THE INDIANA
- 8 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
- 9 [EFFECTIVE UPON PASSAGE]: **Sec. 7.7. (a) This section applies to**
- 10 **a unit that:**
- 11 **(1) imposes an enhanced emergency telephone system fee; and**
- 12 **(2) operates a PSAP that receives local option income taxes**
- 13 **under IC 6-3.5-1.1-25(n) or IC 6-3.5-6-31(o).**
- 14 **(b) If necessary, the fiscal body of a unit shall adopt an**
- 15 **ordinance to reduce the enhanced emergency telephone system fee**
- 16 **imposed by the unit to an amount permitted by section 6(b)(3) of**
- 17 **this chapter not more than one hundred eighty (180) days after the**
- 18 **PSAP operated by the unit receives its first distribution of local**
- 19 **option income taxes.**
- 20 SECTION 11. IC 36-8-16-9 IS AMENDED TO READ AS
- 21 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. An ordinance
- 22 adopted under section 5, 7, 7.7, or 8 of this chapter takes effect on the
- 23 first day of the second month after the month during which the
- 24 ordinance is adopted.
- 25 SECTION 12. **An emergency is declared for this act.**

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