



February 18, 2013

HOUSE BILL No. 1011

DIGEST OF HB 1011 (Updated February 13, 2013 8:53 pm - DI 92)

Citations Affected: IC 4-4; IC 5-1.5; IC 5-11; IC 6-3.5; IC 34-6; IC 34-13; IC 36-9; IC 36-9.1.

Synopsis: Public mass transportation. Specifies that a county or city council (other than the city-county council of Marion County) may elect by ordinance to provide revenue to a public transportation corporation from the city's or the county's distributive share of county adjusted gross income taxes, county option income taxes, or county economic development income taxes. Authorizes the establishment of a metropolitan transit district by specified eligible counties through local public questions and provides for an appointed board to govern the metropolitan transit district. Authorizes the metropolitan transit district to: (1) construct or acquire any public transportation facility; (2) provide public transportation service by operating public transportation facilities; and (3) issue bonds and otherwise incur indebtedness. Authorizes the Indiana finance authority to issue bonds and use the proceeds to acquire any obligations issued by a metropolitan transit district. Provides that in a county that has approved the local public question, an additional county economic development income tax (CEDIT) rate of not more than 0.3% may be imposed to pay the county's contribution to the funding of the metropolitan transit district. Specifies that the CEDIT rate may not exceed the recommended tax.

Effective: July 1, 2013.

**Torr, Kirchhofer, Porter, Pryor,
DeLaney, Braun, Huston, Forestal**

January 7, 2013, read first time and referred to Committee on Roads and Transportation.
January 31, 2013, amended, reported — Do Pass. Referred to Committee on Ways and Means pursuant to Rule 127.
February 18, 2013, amended, reported — Do Pass.

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February 18, 2013

First Regular Session 118th General Assembly (2013)

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 2012 Regular Session of the General Assembly.

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HOUSE BILL No. 1011

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

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

1 SECTION 1. IC 4-4-11-15.6, AS AMENDED BY P.L. 182-2009(ss),
2 SECTION 50, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2013]: Sec. 15.6. In addition to the powers listed in section 15
4 of this chapter, the authority may:
5 (1) issue bonds under terms and conditions determined by the
6 authority and use the proceeds of the bonds to acquire obligations
7 issued by any entity authorized to acquire, finance, construct, or
8 lease capital improvements under IC 5-1-17;
9 (2) issue bonds under terms and conditions determined by the
10 authority and use the proceeds of the bonds to acquire any
11 obligations issued by the northwest Indiana regional development
12 authority established by IC 36-7.5-2-1; ~~and~~
13 (3) after December 31, 2009, issue bonds under terms and
14 conditions determined by the authority and use the proceeds of
15 the bonds to acquire any obligations issued by either the
16 commuter rail service board established under IC 8-24-5 or the
17 regional demand and scheduled bus service board established

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1 under IC 8-24-6; and
 2 **(4) issue bonds under terms and conditions determined by the**
 3 **authority and use the proceeds of the bonds to acquire any**
 4 **obligations issued by a metropolitan transit district**
 5 **established under IC 36-9.1-2.**

6 SECTION 2. IC 5-1.5-1-8, AS AMENDED BY P.L.232-2007,
 7 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 8 JULY 1, 2013]: Sec. 8. "Qualified entity" means:

- 9 (1) a political subdivision (as defined in IC 36-1-2-13);
- 10 (2) a state educational institution;
- 11 (3) a leasing body (as defined in IC 5-1-1-1(a));
- 12 (4) a not-for-profit utility (as defined in IC 8-1-2-125);
- 13 (5) any rural electric membership corporation organized under
- 14 IC 8-1-13;
- 15 (6) any corporation that was organized in 1963 under Acts 1935,
- 16 c. 157 and that engages in the generation and transmission of
- 17 electric energy;
- 18 (7) any telephone cooperative corporation formed under
- 19 IC 8-1-17;
- 20 (8) any commission, authority, or authorized body of any qualified
- 21 entity;
- 22 (9) any organization, association, or trust with members,
- 23 participants, or beneficiaries that are all individually qualified
- 24 entities;
- 25 (10) any commission, authority, or instrumentality of the state;
- 26 (11) any other participant (as defined in IC 13-11-2-151.1);
- 27 (12) a charter school established under IC 20-5.5 (before its
- 28 repeal) or IC 20-24 that is not a qualified entity under
- 29 IC 5-1.4-1-10;
- 30 (13) a volunteer fire department (as defined in IC 36-8-12-2); or
- 31 (14) a development authority (as defined in IC 36-7.6-1-8); or
- 32 **(15) a metropolitan transit district established under**
 33 **IC 36-9.1-2.**

34 SECTION 3. IC 5-11-10-1, AS AMENDED BY P.L.182-2009(ss),
 35 SECTION 76, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 36 JULY 1, 2013]: Sec. 1. (a) This section applies to the state and its
 37 political subdivisions. However, this section does not apply to the
 38 following:

- 39 (1) A state educational institution, including Ivy Tech Community
- 40 College of Indiana.
- 41 (2) A municipality (as defined in IC 36-1-2-11).
- 42 (3) A county.



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- 1 (4) An airport authority operating in a consolidated city.
 2 (5) A capital improvements board of managers operating in a
 3 consolidated city.
 4 (6) A board of directors of a public transportation corporation
 5 operating in a consolidated city.
 6 (7) A municipal corporation organized under IC 16-22-8-6.
 7 (8) A public library.
 8 (9) A library services authority.
 9 (10) A hospital organized under IC 16-22 or a hospital organized
 10 under IC 16-23.
 11 (11) A school corporation (as defined in IC 36-1-2-17).
 12 (12) A regional water or sewer district organized under IC 13-26
 13 or under IC 13-3-2 (before its repeal).
 14 (13) A municipally owned utility (as defined in IC 8-1-2-1).
 15 (14) A board of an airport authority under IC 8-22-3.
 16 (15) A conservancy district.
 17 (16) A board of aviation commissioners under IC 8-22-2.
 18 (17) A public transportation corporation under IC 36-9-4.
 19 (18) A commuter transportation district under IC 8-5-15.
 20 (19) A solid waste management district established under
 21 IC 13-21 or IC 13-9.5 (before its repeal).
 22 (20) A county building authority under IC 36-9-13.
 23 (21) A soil and water conservation district established under
 24 IC 14-32.
 25 (22) The northwestern Indiana regional planning commission
 26 established by IC 36-7-7.6-3.
 27 (23) The commuter rail service board established under
 28 IC 8-24-5.
 29 (24) The regional demand and scheduled bus service board
 30 established under IC 8-24-6.
 31 **(25) A metropolitan transit district established under**
 32 **IC 36-9.1-2.**
 33 (b) No warrant or check shall be drawn by a disbursing officer in
 34 payment of any claim unless the same has been fully itemized and its
 35 correctness properly certified to by the claimant or some authorized
 36 person in the claimant's behalf, and filed and allowed as provided by
 37 law.
 38 (c) The certificate provided for in subsection (b) is not required for:
 39 (1) claims rendered by a public utility for electric, gas, steam,
 40 water, or telephone services, the charges for which are regulated
 41 by a governmental body;
 42 (2) a warrant issued by the auditor of state under IC 4-13-2-7(b);

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- 1 (3) a check issued by a special disbursing officer under
 2 IC 4-13-2-20(g); or
 3 (4) a payment of fees under IC 36-7-11.2-49(b) or
 4 IC 36-7-11.3-43(b).
 5 (d) The disbursing officer shall issue checks or warrants for all
 6 claims which meet all of the requirements of this section. The
 7 disbursing officer does not incur personal liability for disbursements:
 8 (1) processed in accordance with this section; and
 9 (2) for which funds are appropriated and available.
 10 (e) The certificate provided for in subsection (b) must be in the
 11 following form:
 12 I hereby certify that the foregoing account is just and correct, that
 13 the amount claimed is legally due, after allowing all just credits,
 14 and that no part of the same has been paid.
 15 SECTION 4. IC 5-11-10-1.6, AS AMENDED BY P.L.182-2009(ss),
 16 SECTION 77, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 17 JULY 1, 2013]: Sec. 1.6. (a) As used in this section, "governmental
 18 entity" refers to any of the following:
 19 (1) A municipality (as defined in IC 36-1-2-11).
 20 (2) A school corporation (as defined in IC 36-1-2-17), including
 21 a school extracurricular account.
 22 (3) A county.
 23 (4) A regional water or sewer district organized under IC 13-26
 24 or under IC 13-3-2 (before its repeal).
 25 (5) A municipally owned utility that is subject to IC 8-1.5-3 or
 26 IC 8-1.5-4.
 27 (6) A board of an airport authority under IC 8-22-3.
 28 (7) A board of aviation commissioners under IC 8-22-2.
 29 (8) A conservancy district.
 30 (9) A public transportation corporation under IC 36-9-4.
 31 (10) A commuter transportation district under IC 8-5-15.
 32 (11) The state.
 33 (12) A solid waste management district established under
 34 IC 13-21 or IC 13-9.5 (before its repeal).
 35 (13) A levee authority established under IC 14-27-6.
 36 (14) A county building authority under IC 36-9-13.
 37 (15) A soil and water conservation district established under
 38 IC 14-32.
 39 (16) The northwestern Indiana regional planning commission
 40 established by IC 36-7-7.6-3.
 41 (17) The commuter rail service board established under
 42 IC 8-24-5.

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1 (18) The regional demand and scheduled bus service board
2 established under IC 8-24-6.

3 **(19) A metropolitan transit district established under**
4 **IC 36-9.1-2.**

5 (b) As used in this section, "claim" means a bill or an invoice
6 submitted to a governmental entity for goods or services.

7 (c) The fiscal officer of a governmental entity may not draw a
8 warrant or check for payment of a claim unless:

- 9 (1) there is a fully itemized invoice or bill for the claim;
- 10 (2) the invoice or bill is approved by the officer or person
11 receiving the goods and services;
- 12 (3) the invoice or bill is filed with the governmental entity's fiscal
13 officer;
- 14 (4) the fiscal officer audits and certifies before payment that the
15 invoice or bill is true and correct; and
- 16 (5) payment of the claim is allowed by the governmental entity's
17 legislative body or the board or official having jurisdiction over
18 allowance of payment of the claim.

19 This subsection does not prohibit a school corporation, with prior
20 approval of the board having jurisdiction over allowance of payment of
21 the claim, from making payment in advance of receipt of services as
22 allowed by guidelines developed under IC 20-20-13-10. This
23 subsection does not prohibit a municipality from making meal expense
24 advances to a municipal employee who will be traveling on official
25 municipal business if the municipal fiscal body has adopted an
26 ordinance allowing the advance payment, specifying the maximum
27 amount that may be paid in advance, specifying the required invoices
28 and other documentation that must be submitted by the municipal
29 employee, and providing for reimbursement from the wages of the
30 municipal employee if the municipal employee does not submit the
31 required invoices and documentation.

32 (d) The fiscal officer of a governmental entity shall issue checks or
33 warrants for claims by the governmental entity that meet all of the
34 requirements of this section. The fiscal officer does not incur personal
35 liability for disbursements:

- 36 (1) processed in accordance with this section; and
- 37 (2) for which funds are appropriated and available.

38 (e) The certification provided for in subsection (c)(4) must be on a
39 form prescribed by the state board of accounts.

40 SECTION 5. IC 6-3.5-1.1-15, AS AMENDED BY
41 P.L.182-2009(ss), SECTION 212, IS AMENDED TO READ AS
42 FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 15. (a) As used in this

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1 section, "attributed allocation amount" of a civil taxing unit for a
2 calendar year means the sum of:

3 (1) the allocation amount of the civil taxing unit for that calendar
4 year; plus

5 (2) the current ad valorem property tax levy of any special taxing
6 district, authority, board, or other entity formed to discharge
7 governmental services or functions on behalf of or ordinarily
8 attributable to the civil taxing unit; plus

9 (3) in the case of a county, an amount equal to the welfare
10 allocation amount.

11 The welfare allocation amount is an amount equal to the sum of the
12 property taxes imposed by the county in 1999 for the county's welfare
13 fund and welfare administration fund and, if the county received a
14 certified distribution under this chapter or IC 6-3.5-6 in 2008, the
15 property taxes imposed by the county in 2008 for the county's county
16 medical assistance to wards fund, family and children's fund, children's
17 psychiatric residential treatment services fund, county hospital care for
18 the indigent fund, and children with special health care needs county
19 fund.

20 (b) The part of a county's certified distribution that is to be used as
21 certified shares shall be allocated only among the county's civil taxing
22 units. Each civil taxing unit of a county is entitled to receive a certified
23 share during a calendar year in an amount determined in STEP TWO
24 of the following formula:

25 STEP ONE: Divide:

26 (A) the attributed allocation amount of the civil taxing unit
27 during that calendar year; by

28 (B) the sum of the attributed allocation amounts of all the civil
29 taxing units of the county during that calendar year.

30 STEP TWO: Multiply the part of the county's certified
31 distribution that is to be used as certified shares by the STEP
32 ONE amount.

33 (c) The department of local government finance shall determine the
34 attributed levies of civil taxing units that are entitled to receive certified
35 shares during a calendar year. If the ad valorem property tax levy of
36 any special taxing district, authority, board, or other entity is attributed
37 to another civil taxing unit under subsection (a)(2), then the special
38 taxing district, authority, board, or other entity shall not be treated as
39 having an attributed allocation amount of its own. The department of
40 local government finance shall certify the attributed allocation amounts
41 to the appropriate county auditor. The county auditor shall then allocate
42 the certified shares among the civil taxing units of the auditor's county.

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1 (d) Certified shares received by a civil taxing unit shall be treated
 2 as additional revenue for the purpose of fixing its budget for the
 3 calendar year during which the certified shares will be received. The
 4 certified shares may be allocated to or appropriated for any purpose,
 5 including:

6 (1) property tax relief;

7 (2) **providing revenue to a public transportation corporation**
 8 **as provided in an election, if any, made by a county or city**
 9 **fiscal body under IC 36-9-4-42(d); or**

10 (3) a transfer of funds to another civil taxing unit whose levy was
 11 attributed to the civil taxing unit in the determination of its
 12 attributed allocation amount.

13 SECTION 6. IC 6-3.5-6-18, AS AMENDED BY P.L.135-2011,
 14 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 15 JULY 1, 2013]: Sec. 18. (a) The revenue a county auditor receives
 16 under this chapter shall be used to:

17 (1) replace the amount, if any, of property tax revenue lost due to
 18 the allowance of an increased homestead credit within the county;

19 (2) fund the operation of a public communications system and
 20 computer facilities district as provided in an election, if any, made
 21 by the county fiscal body under IC 36-8-15-19(b);

22 (3) fund the operation of a public transportation corporation as
 23 provided in an election, if any, made by the county fiscal body
 24 under ~~IC 36-9-4-42~~; **IC 36-9-4-42(c)**;

25 (4) fund the operation of a public library in a county containing a
 26 consolidated city as provided in an election, if any, made by the
 27 county fiscal body under IC 36-3-7-6;

28 (5) make payments permitted under IC 36-7-14-25.5 or
 29 IC 36-7-15.1-17.5;

30 (6) make payments permitted under subsection (i);

31 (7) make distributions of distributive shares to the civil taxing
 32 units of a county; and

33 (8) make the distributions permitted under sections 27, 28, 29, 30,
 34 31, 32, and 33 of this chapter.

35 (b) The county auditor shall retain from the payments of the county's
 36 certified distribution an amount equal to the revenue lost, if any, due to
 37 the increase of the homestead credit within the county. This money
 38 shall be distributed to the civil taxing units and school corporations of
 39 the county as though they were property tax collections and in such a
 40 manner that no civil taxing unit or school corporation shall suffer a net
 41 revenue loss due to the allowance of an increased homestead credit.

42 (c) The county auditor shall retain:

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- 1 (1) the amount, if any, specified by the county fiscal body for a
- 2 particular calendar year under subsection (i), IC 36-3-7-6,
- 3 IC 36-7-14-25.5, IC 36-7-15.1-17.5, IC 36-8-15-19(b), and
- 4 ~~IC 36-9-4-42~~ **IC 36-9-4-42(c)** from the county's certified
- 5 distribution for that same calendar year; and
- 6 (2) the amount of an additional tax rate imposed under section 27,
- 7 28, 29, 30, 31, 32, or 33 of this chapter.

8 The county auditor shall distribute amounts retained under this
 9 subsection to the county.

10 (d) All certified distribution revenues that are not retained and
 11 distributed under subsections (b) and (c) shall be distributed to the civil
 12 taxing units of the county as distributive shares.

13 (e) The amount of distributive shares that each civil taxing unit in
 14 a county is entitled to receive during a month equals the product of the
 15 following:

- 16 (1) The amount of revenue that is to be distributed as distributive
- 17 shares during that month; multiplied by
- 18 (2) A fraction. The numerator of the fraction equals the allocation
- 19 amount for the civil taxing unit for the calendar year in which the
- 20 month falls. The denominator of the fraction equals the sum of the
- 21 allocation amounts of all the civil taxing units of the county for
- 22 the calendar year in which the month falls.

23 (f) The department of local government finance shall provide each
 24 county auditor with the fractional amount of distributive shares that
 25 each civil taxing unit in the auditor's county is entitled to receive
 26 monthly under this section.

27 (g) Notwithstanding subsection (e), if a civil taxing unit of an
 28 adopting county does not impose a property tax levy that is first due
 29 and payable in a calendar year in which distributive shares are being
 30 distributed under this section, that civil taxing unit is entitled to receive
 31 a part of the revenue to be distributed as distributive shares under this
 32 section within the county. The fractional amount such a civil taxing
 33 unit is entitled to receive each month during that calendar year equals
 34 the product of the following:

- 35 (1) The amount to be distributed as distributive shares during that
- 36 month; multiplied by
- 37 (2) A fraction. The numerator of the fraction equals the budget of
- 38 that civil taxing unit for that calendar year. The denominator of
- 39 the fraction equals the aggregate budgets of all civil taxing units
- 40 of that county for that calendar year.

41 (h) If for a calendar year a civil taxing unit is allocated a part of a
 42 county's distributive shares by subsection (g), then the formula used in

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1 subsection (e) to determine all other civil taxing units' distributive
2 shares shall be changed each month for that same year by reducing the
3 amount to be distributed as distributive shares under subsection (e) by
4 the amount of distributive shares allocated under subsection (g) for that
5 same month. The department of local government finance shall make
6 any adjustments required by this subsection and provide them to the
7 appropriate county auditors.

8 (i) Notwithstanding any other law, a county fiscal body may pledge
9 revenues received under this chapter (other than revenues attributable
10 to a tax rate imposed under section 30, 31, or 32 of this chapter) to the
11 payment of bonds or lease rentals to finance a qualified economic
12 development tax project under IC 36-7-27 in that county or in any other
13 county if the county fiscal body determines that the project will
14 promote significant opportunities for the gainful employment or
15 retention of employment of the county's residents.

16 SECTION 7. IC 6-3.5-6-19, AS AMENDED BY P.L.118-2005,
17 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
18 JULY 1, 2013]: Sec. 19. (a) Except as provided in sections 18(e) and
19 18.5(b)(3) of this chapter, in determining the fractional share of
20 distributive shares the civil taxing units of a county are entitled to
21 receive under section 18 of this chapter during a calendar year, the
22 department of local government finance shall consider only property
23 taxes imposed on tangible property subject to assessment in that
24 county.

25 (b) In determining the amount of distributive shares a civil taxing
26 unit is entitled to receive under section 18(g) of this chapter, the
27 department of local government finance shall consider only the
28 percentage of the civil taxing unit's budget that equals the ratio that the
29 total assessed valuation that lies within the civil taxing unit and the
30 county that has adopted the county option tax bears to the total assessed
31 valuation that lies within the civil taxing unit.

32 (c) The distributive shares to be allocated and distributed under this
33 chapter:

34 (1) shall be treated by each civil taxing unit as additional revenue
35 for the purpose of fixing the civil taxing unit's budget for the
36 budget year during which the distributive shares are to be
37 distributed to the civil taxing unit; and

38 (2) may be used for any lawful purpose of the civil taxing unit,
39 **including providing revenue to a public transportation**
40 **corporation as provided in an election, if any, made by a**
41 **county or city fiscal body under IC 36-9-4-42(d).**

42 (d) In the case of a civil taxing unit that includes a consolidated city,

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1 its fiscal body may distribute any revenue it receives under this chapter
2 to any governmental entity located in its county except an excluded
3 city, a township, or a school corporation.

4 SECTION 8. IC 6-3.5-7-4.9, AS ADDED BY P.L.113-2010,
5 SECTION 66, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
6 JULY 1, 2013]: Sec. 4.9. (a) Notwithstanding any other provision of
7 this chapter **and except as provided in subsection (e)**, a power
8 granted by this chapter to adopt an ordinance to:

- 9 (1) impose, increase, decrease, or rescind a tax or tax rate; or
- 10 (2) grant, increase, decrease, rescind, or change a homestead
11 credit or property tax replacement credit authorized under this
12 chapter;

13 may be exercised at any time in a year before November 1 of that year.

14 (b) Notwithstanding any other provision of this chapter **and except**
15 **as provided in subsection (e)**, an ordinance authorized by this chapter
16 that imposes or increases a tax or a tax rate takes effect as follows:

- 17 (1) An ordinance adopted after December 31 of the immediately
18 preceding year and before October 1 of the current year takes
19 effect October 1 of the current year.
- 20 (2) An ordinance adopted after September 30 and before October
21 16 of the current year takes effect November 1 of the current year.
- 22 (3) An ordinance adopted after October 15 and before November
23 1 of the current year takes effect December 1 of the current year.

24 (c) Notwithstanding any other provision of this chapter, an
25 ordinance authorized by this chapter that decreases or rescinds a tax or
26 a tax rate takes effect as follows:

- 27 (1) An ordinance adopted after December 31 of the immediately
28 preceding year and before October 1 of the current year takes
29 effect on the later of October 1 of the current year or the first day
30 of the month in the current year as the month in which the last
31 increase in the tax or tax rate occurred.
- 32 (2) An ordinance adopted after September 30 and before October
33 16 of the current year takes effect on the later of November 1 of
34 the current year or the first day of the month in the current year as
35 the month in which the last increase in the tax or tax rate
36 occurred.
- 37 (3) An ordinance adopted after October 15 and before November
38 1 of the current year takes effect December 1 of the current year.

39 (d) Notwithstanding any other provision of this chapter, an
40 ordinance authorized by this chapter that grants, increases, decreases,
41 rescinds, or changes a homestead credit or property tax replacement
42 credit authorized under this chapter takes effect for and applies to

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1 property taxes first due and payable in the year immediately following
2 the year in which the ordinance is adopted.

3 **(e) The power granted by this chapter to adopt an ordinance**
4 **imposing a tax rate under section 23.5 of this chapter may be**
5 **exercised at any time in a year. Subsection (b) applies to the**
6 **effective date of an ordinance adopted under section 23.5 of this**
7 **chapter. In addition, an ordinance adopted under section 23.5 of**
8 **this chapter after October 31 of a year and before the following**
9 **January 1 takes effect on the later of:**

10 **(1) December 15 of the year; or**

11 **(2) thirty (30) days after the ordinance is adopted.**

12 SECTION 9. IC 6-3.5-7-5, AS AMENDED BY P.L.137-2012,
13 SECTION 94, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
14 JULY 1, 2013]: Sec. 5. (a) Except as provided in subsection (c), the
15 county economic development income tax may be imposed on the
16 adjusted gross income of county taxpayers. The entity that may impose
17 the tax is:

18 (1) the county income tax council (as defined in IC 6-3.5-6-1) if
19 the county option income tax is in effect on October 1 of the year
20 the county economic development income tax is imposed;

21 (2) the county council if the county adjusted gross income tax is
22 in effect on October 1 of the year the county economic
23 development tax is imposed; or

24 (3) the county income tax council or the county council,
25 whichever acts first, for a county not covered by subdivision (1)
26 or (2).

27 To impose the county economic development income tax, a county
28 income tax council shall use the procedures set forth in IC 6-3.5-6
29 concerning the imposition of the county option income tax.

30 (b) Except as provided in this section and ~~section sections~~ **sections 23.5 and**
31 **28** of this chapter, the county economic development income tax may
32 be imposed at a rate of:

33 (1) one-tenth percent (0.1%);

34 (2) two-tenths percent (0.2%);

35 (3) twenty-five hundredths percent (0.25%);

36 (4) three-tenths percent (0.3%);

37 (5) thirty-five hundredths percent (0.35%);

38 (6) four-tenths percent (0.4%);

39 (7) forty-five hundredths percent (0.45%); or

40 (8) five-tenths percent (0.5%);

41 on the adjusted gross income of county taxpayers.

42 (c) Except as provided in this section **and section 23.5 of this**

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1 **chapter**, the county economic development income tax rate plus the
2 county adjusted gross income tax rate, if any, that are in effect on
3 January 1 of a year may not exceed one and twenty-five hundredths
4 percent (1.25%). Except as provided in this section **and section 23.5**
5 **of this chapter**, the county economic development tax rate plus the
6 county option income tax rate, if any, that are in effect on January 1 of
7 a year may not exceed one percent (1%).

8 (d) To impose, increase, decrease, or rescind the county economic
9 development income tax, the appropriate body must adopt an
10 ordinance.

11 (e) The ordinance to impose the tax must substantially state the
12 following:

13 "The _____ County _____ imposes the county economic
14 development income tax on the county taxpayers of _____
15 County. The county economic development income tax is imposed at
16 a rate of _____ percent (____%) on the county taxpayers of the
17 county.".

18 (f) The auditor of a county shall record all votes taken on ordinances
19 presented for a vote under the authority of this chapter and shall, not
20 more than ten (10) days after the vote, send a certified copy of the
21 results to the commissioner of the department, the director of the
22 budget agency, and the commissioner of the department of local
23 government finance by certified mail or in an electronic format
24 approved by the director of the budget agency.

25 (g) For Jackson County, except as provided in subsection (o), the
26 county economic development income tax rate plus the county adjusted
27 gross income tax rate that are in effect on January 1 of a year may not
28 exceed one and thirty-five hundredths percent (1.35%) if the county has
29 imposed the county adjusted gross income tax at a rate of one and
30 one-tenth percent (1.1%) under IC 6-3.5-1.1-2.5.

31 (h) For Pulaski County, except as provided in subsection (o), the
32 county economic development income tax rate plus the county adjusted
33 gross income tax rate that are in effect on January 1 of a year may not
34 exceed one and fifty-five hundredths percent (1.55%).

35 (i) For Wayne County, except as provided in subsection (o), the
36 county economic development income tax rate plus the county adjusted
37 gross income tax rate that are in effect on January 1 of a year may not
38 exceed one and five-tenths percent (1.5%).

39 (j) This subsection applies to Randolph County. Except as provided
40 in subsection (o), in addition to the rates permitted under subsection
41 (b):

42 (1) the county economic development income tax may be imposed

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1 at a rate of twenty-five hundredths percent (0.25%); and
2 (2) the sum of the county economic development income tax rate
3 and the county adjusted gross income tax rate that are in effect on
4 January 1 of a year may not exceed one and five-tenths percent
5 (1.5%);

6 if the county council makes a determination to impose rates under this
7 subsection and section 22.5 of this chapter.

8 (k) For Daviess County, except as provided in subsection (o), the
9 county economic development income tax rate plus the county adjusted
10 gross income tax rate that are in effect on January 1 of a year may not
11 exceed one and five-tenths percent (1.5%).

12 (l) For:
13 (1) Elkhart County; or
14 (2) Marshall County;
15 except as provided in subsection (o), the county economic development
16 income tax rate plus the county adjusted gross income tax rate that are
17 in effect on January 1 of a year may not exceed one and five-tenths
18 percent (1.5%).

19 (m) For Union County, except as provided in subsection (o), the
20 county economic development income tax rate plus the county adjusted
21 gross income tax rate that are in effect on January 1 of a year may not
22 exceed one and five-tenths percent (1.5%).

23 (n) This subsection applies to Knox County. Except as provided in
24 subsection (o), in addition to the rates permitted under subsection (b):
25 (1) the county economic development income tax may be imposed
26 at a rate of twenty-five hundredths percent (0.25%); and
27 (2) the sum of the county economic development income tax rate
28 and:

29 (A) the county adjusted gross income tax rate that are in effect
30 on January 1 of a year may not exceed one and five-tenths
31 percent (1.5%); or

32 (B) the county option income tax rate that are in effect on
33 January 1 of a year may not exceed one and twenty-five
34 hundredths percent (1.25%);

35 if the county council makes a determination to impose rates under this
36 subsection and section 24 of this chapter.

37 (o) In addition:
38 (1) the county economic development income tax may be imposed
39 at a rate that exceeds by not more than twenty-five hundredths
40 percent (0.25%) the maximum rate that would otherwise apply
41 under this section; and

42 (2) the:

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1 (A) county economic development income tax; and
 2 (B) county option income tax or county adjusted gross income
 3 tax;
 4 may be imposed at combined rates that exceed by not more than
 5 twenty-five hundredths percent (0.25%) the maximum combined
 6 rates that would otherwise apply under this section.

7 However, the additional rate imposed under this subsection may not
 8 exceed the amount necessary to mitigate the increased ad valorem
 9 property taxes on homesteads (as defined in IC 6-1.1-20.9-1 (repealed)
 10 before January 1, 2009, or IC 6-1.1-12-37 after December 31, 2008) or
 11 residential property (as defined in section 26 of this chapter), as
 12 appropriate under the ordinance adopted by the adopting body in the
 13 county, resulting from the deduction of the assessed value of inventory
 14 in the county under IC 6-1.1-12-41 or IC 6-1.1-12-42 or from the
 15 exclusion in 2008 of inventory from the definition of personal property
 16 in IC 6-1.1-1-11.

17 (p) If the county economic development income tax is imposed as
 18 authorized under subsection (o) at a rate that exceeds the maximum
 19 rate that would otherwise apply under this section, the certified
 20 distribution must be used for the purpose provided in section 26 of this
 21 chapter to the extent that the certified distribution results from the
 22 difference between:

- 23 (1) the actual county economic development tax rate; and
- 24 (2) the maximum rate that would otherwise apply under this
- 25 section.

26 (q) This subsection applies only to a county described in section 27
 27 of this chapter. Except as provided in subsection (o), in addition to the
 28 rates permitted by subsection (b), the:

- 29 (1) county economic development income tax may be imposed at
- 30 a rate of twenty-five hundredths percent (0.25%); and
- 31 (2) county economic development income tax rate plus the county
- 32 option income tax rate that are in effect on January 1 of a year
- 33 may equal up to one and twenty-five hundredths percent (1.25%);
- 34 if the county council makes a determination to impose rates under this
- 35 subsection and section 27 of this chapter.

36 (r) Except as provided in subsection (o), the county economic
 37 development income tax rate plus the county adjusted gross income tax
 38 rate that are in effect on January 1 of a year may not exceed one and
 39 five-tenths percent (1.5%) if the county has imposed the county
 40 adjusted gross income tax under IC 6-3.5-1.1-3.3.

41 (s) This subsection applies to Howard County. Except as provided
 42 in subsection (o), the sum of the county economic development income

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1 tax rate and the county option income tax rate that are in effect on
2 January 1 of a year may not exceed one and twenty-five hundredths
3 percent (1.25%).

4 (t) This subsection applies to Scott County. Except as provided in
5 subsection (o), the sum of the county economic development income
6 tax rate and the county option income tax rate that are in effect on
7 January 1 of a year may not exceed one and twenty-five hundredths
8 percent (1.25%).

9 (u) This subsection applies to Jasper County. Except as provided in
10 subsection (o), the sum of the county economic development income
11 tax rate and the county adjusted gross income tax rate that are in effect
12 on January 1 of a year may not exceed one and five-tenths percent
13 (1.5%).

14 (v) An additional county economic development income tax rate
15 imposed under section 28 of this chapter may not be considered in
16 calculating any limit under this section on the sum of:

- 17 (1) the county economic development income tax rate plus the
- 18 county adjusted gross income tax rate; or
- 19 (2) the county economic development tax rate plus the county
- 20 option income tax rate.

21 (w) The income tax rate limits imposed by subsection (c) or (x) or
22 any other provision of this chapter do not apply to:

- 23 (1) a county adjusted gross income tax rate imposed under
- 24 IC 6-3.5-1.1-24, IC 6-3.5-1.1-25, or IC 6-3.5-1.1-26; or
- 25 (2) a county option income tax rate imposed under IC 6-3.5-6-30,
- 26 IC 6-3.5-6-31, or IC 6-3.5-6-32.

27 For purposes of computing the maximum combined income tax rate
28 under subsection (c) or (x) or any other provision of this chapter that
29 may be imposed in a county under IC 6-3.5-1.1, IC 6-3.5-6, and this
30 chapter, a county's county adjusted gross income tax rate or county
31 option income tax rate for a particular year does not include the county
32 adjusted gross income tax rate imposed under IC 6-3.5-1.1-24,
33 IC 6-3.5-1.1-25, or IC 6-3.5-1.1-26 or the county option income tax rate
34 imposed under IC 6-3.5-6-30, IC 6-3.5-6-31, or IC 6-3.5-6-32.

35 (x) This subsection applies to Monroe County. Except as provided
36 in subsection (o), if an ordinance is adopted under IC 6-3.5-6-33, the
37 sum of the county economic development income tax rate and the
38 county option income tax rate that are in effect on January 1 of a year
39 may not exceed one and twenty-five hundredths percent (1.25%).

40 (y) This subsection applies to Perry County. Except as provided in
41 subsection (o), if an ordinance is adopted under section 27.5 of this
42 chapter, the county economic development income tax rate plus the

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1 county option income tax rate that is in effect on January 1 of a year
2 may not exceed one and seventy-five hundredths percent (1.75%).

3 (z) This subsection applies to Starke County. Except as provided in
4 subsection (o), if an ordinance is adopted under section 27.6 of this
5 chapter, the county economic development income tax rate plus the
6 county adjusted gross income tax rate that is in effect on January 1 of
7 a year may not exceed two percent (2%).

8 SECTION 10. IC 6-3.5-7-11, AS AMENDED BY P.L.137-2012,
9 SECTION 97, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
10 JULY 1, 2013]: Sec. 11. (a) Revenue derived from the imposition of
11 the county economic development income tax shall, in the manner
12 prescribed by this section, be distributed to the county that imposed it.

13 (b) Before August 2 of each calendar year, the budget agency shall
14 certify to the county auditor of each adopting county the sum of the
15 amount of county economic development income tax revenue that the
16 budget agency determines has been:

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

22 as adjusted for refunds of county economic development income tax
23 made in the state fiscal year plus the amount of interest in the county's
24 account that has been accrued and has not been included in a
25 certification made in a preceding year. The amount certified is the
26 county's certified distribution, which shall be distributed on the dates
27 specified in section 16 of this chapter for the following calendar year.

28 (c) The amount certified under subsection (b) shall be adjusted
29 under subsections (d), (e), (f), and (g). The budget agency shall provide
30 the county council with an informative summary of the calculations
31 used to determine the certified distribution. The summary of
32 calculations must include:

- 33 (1) the amount reported on individual income tax returns
- 34 processed by the department during the previous fiscal year;
- 35 (2) adjustments for over distributions in prior years;
- 36 (3) adjustments for clerical or mathematical errors in prior years;
- 37 (4) adjustments for tax rate changes; and
- 38 (5) the amount of excess account balances to be distributed under
- 39 IC 6-3.5-7-17.3.

40 (d) The budget agency shall certify an amount less than the amount
41 determined under subsection (b) if the budget agency determines that
42 the reduced distribution is necessary to offset overpayments made in a

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1 calendar year before the calendar year of the distribution. The budget
2 agency may reduce the amount of the certified distribution over several
3 calendar years so that any overpayments are offset over several years
4 rather than in one (1) lump sum.

5 (e) The budget agency shall adjust the certified distribution of a
6 county to correct for any clerical or mathematical errors made in any
7 previous certification under this section. The budget agency may
8 reduce the amount of the certified distribution over several calendar
9 years so that any adjustment under this subsection is offset over several
10 years rather than in one (1) lump sum.

11 (f) The budget agency shall adjust the certified distribution of a
12 county to provide the county with the amount of any tax increase
13 imposed under section 26 of this chapter to provide additional
14 homestead credits as provided in those provisions.

15 (g) This subsection applies to a county that:
16 (1) imposes, increases, decreases, or rescinds a tax or tax rate
17 under this chapter before November 1 in the same calendar year
18 in which the budget agency makes a certification under this
19 section; or

20 (2) **adopts an ordinance imposing a tax rate under section 23.5**
21 **of this chapter in the same calendar year in which the budget**
22 **agency makes a certification under this section.**

23 The budget agency shall adjust the certified distribution of a county to
24 provide for a distribution in the immediately following calendar year
25 and in each calendar year thereafter. The budget agency shall provide
26 for a full transition to certification of distributions as provided in
27 subsection (b)(1) through (b)(2) in the manner provided in subsection
28 (d). If the county imposes, increases, decreases, or rescinds a tax or tax
29 rate under this chapter after the date for which a certification under
30 subsection (b) is based, the budget agency shall adjust the certified
31 distribution of the county after August 1 of the calendar year. The
32 adjustment shall reflect any other adjustment authorized under
33 subsections (c), (d), (e), and (f). The adjusted certification shall be
34 treated as the county's certified distribution for the immediately
35 succeeding calendar year. The budget agency shall certify the adjusted
36 certified distribution to the county auditor for the county and provide
37 the county council with an informative summary of the calculations
38 that revises the informative summary provided in subsection (c) and
39 reflects the changes made in the adjustment.

40 (h) The budget agency shall before May 1 of every odd-numbered
41 year publish an estimate of the statewide total amount of certified
42 distributions to be made under this chapter during the following two (2)

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

(j) The estimates under subsections (h) and (i) must specify the amount of the estimated certified distributions that are attributable to any additional rates authorized under this chapter.

SECTION 11. IC 6-3.5-7-13.1, AS AMENDED BY P.L.137-2012, SECTION 99, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 13.1. (a) The fiscal officer of each county, city, or town for a county in which the county economic development tax is imposed shall establish an economic development income tax fund. Except as provided in sections 23, 26, 27, 27.5, and 27.6 of this chapter, the revenue received by a county, city, or town under this chapter shall be deposited in the unit's economic development income tax fund.

(b) As used in this subsection, "homestead" means a homestead that is eligible for a standard deduction under IC 6-1.1-12-37. Except as provided in sections 15, 23, 26, 27, 27.5, and 27.6 of this chapter, revenues from the county economic development income tax may be used as follows:

(1) By a county, city, or town for economic development projects, for paying, notwithstanding any other law, under a written agreement all or a part of the interest owed by a private developer or user on a loan extended by a financial institution or other lender to the developer or user if the proceeds of the loan are or are to be used to finance an economic development project, for the retirement of bonds under section 14 of this chapter for economic development projects, for leases under section 21 of this chapter, or for leases or bonds entered into or issued prior to the date the economic development income tax was imposed if the purpose of the lease or bonds would have qualified as a purpose under this chapter at the time the lease was entered into or the bonds were issued.

(2) By a county, city, or town for:
(A) the construction or acquisition of, or remedial action with respect to, a capital project for which the unit is empowered to issue general obligation bonds or establish a fund under any statute listed in IC 6-1.1-18.5-9.8;
(B) the retirement of bonds issued under any provision of Indiana law for a capital project;

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- 1 (C) the payment of lease rentals under any statute for a capital
- 2 project;
- 3 (D) contract payments to a nonprofit corporation whose
- 4 primary corporate purpose is to assist government in planning
- 5 and implementing economic development projects;
- 6 (E) operating expenses of a governmental entity that plans or
- 7 implements economic development projects;
- 8 (F) to the extent not otherwise allowed under this chapter,
- 9 funding substance removal or remedial action in a designated
- 10 unit; or
- 11 (G) funding of a revolving fund established under
- 12 IC 5-1-14-14.
- 13 (3) By a county, city, or town for any lawful purpose for which
- 14 money in any of its other funds may be used.
- 15 (4) By a city or county described in IC 36-7.5-2-3(b) for making
- 16 transfers required by IC 36-7.5-4-2. If the county economic
- 17 development income tax rate is increased after April 30, 2005, in
- 18 Porter County, the first three million five hundred thousand
- 19 dollars (\$3,500,000) of the tax revenue that results each year from
- 20 the tax rate increase shall be used by the county or by eligible
- 21 municipalities (as defined in IC 36-7.5-1-11.3) in the county only
- 22 to make the county's transfer required by IC 36-7.5-4-2. The first
- 23 three million five hundred thousand dollars (\$3,500,000) of the
- 24 tax revenue that results each year from the tax rate increase shall
- 25 be paid by the county treasurer to the treasurer of the northwest
- 26 Indiana regional development authority under IC 36-7.5-4-2
- 27 before certified distributions are made to the county or any cities
- 28 or towns in the county under this chapter from the tax revenue
- 29 that results each year from the tax rate increase. If Porter County
- 30 ceases to be a member of the northwest Indiana regional
- 31 development authority under IC 36-7.5 but two (2) or more
- 32 municipalities in the county have become members of the
- 33 northwest Indiana regional development authority as authorized
- 34 by IC 36-7.5-2-3(i), the county treasurer shall continue to transfer
- 35 the three million five hundred thousand dollars (\$3,500,000) to
- 36 the treasurer of the northwest Indiana regional development
- 37 authority under IC 36-7.5-4-2 before certified distributions are
- 38 made to the county or any cities or towns in the county. In Porter
- 39 County, all of the tax revenue that results each year from the tax
- 40 rate increase that is in excess of the first three million five
- 41 hundred thousand dollars (\$3,500,000) that results each year from
- 42 the tax rate increase must be used by the county and cities and

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1 towns in the county for homestead credits under subdivision (5).
 2 (5) This subdivision applies only in Porter County. All of the tax
 3 revenue that results each year from a tax rate increase described
 4 in subdivision (4) that is in excess of the first three million five
 5 hundred thousand dollars (\$3,500,000) that results each year from
 6 the tax rate increase must be used by the county and cities and
 7 towns in the county for homestead credits under this subdivision.
 8 The following apply to homestead credits provided under this
 9 subdivision:

10 (A) The homestead credits must be applied uniformly to
 11 provide a homestead credit for homesteads in the county, city,
 12 or town.

13 (B) The homestead credits shall be treated for all purposes as
 14 property tax levies.

15 (C) The homestead credits shall be applied to the net property
 16 taxes due on the homestead after the application of all other
 17 assessed value deductions or property tax deductions and
 18 credits that apply to the amount owed under IC 6-1.1.

19 (D) The department of local government finance shall
 20 determine the homestead credit percentage for a particular
 21 year based on the amount of county economic development
 22 income tax revenue that will be used under this subdivision to
 23 provide homestead credits in that year.

24 (6) This subdivision applies only in Lake County. The county or
 25 a city or town in the county may use county economic
 26 development income tax revenue to provide homestead credits in
 27 the county, city, or town. The following apply to homestead
 28 credits provided under this subdivision:

29 (A) The county, city, or town fiscal body must adopt an
 30 ordinance authorizing the homestead credits. The ordinance
 31 must specify the amount of county economic development
 32 income tax revenue that will be used to provide homestead
 33 credits in the following year.

34 (B) The county, city, or town fiscal body that adopts an
 35 ordinance under this subdivision must forward a copy of the
 36 ordinance to the county auditor and the department of local
 37 government finance not more than thirty (30) days after the
 38 ordinance is adopted.

39 (C) The homestead credits must be applied uniformly to
 40 increase the homestead credit under IC 6-1.1-20.9 (repealed)
 41 for homesteads in the county, city, or town (for property taxes
 42 first due and payable before January 1, 2009) or to provide a

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1 homestead credit for homesteads in the county, city, or town
 2 (for property taxes first due and payable after December 31,
 3 2008).
 4 (D) The homestead credits shall be treated for all purposes as
 5 property tax levies.
 6 (E) The homestead credits shall be applied to the net property
 7 taxes due on the homestead after the application of all other
 8 assessed value deductions or property tax deductions and
 9 credits that apply to the amount owed under IC 6-1.1.
 10 (F) The department of local government finance shall
 11 determine the homestead credit percentage for a particular
 12 year based on the amount of county economic development
 13 income tax revenue that will be used under this subdivision to
 14 provide homestead credits in that year.
 15 (7) For a regional venture capital fund established under section
 16 13.5 of this chapter or a local venture capital fund established
 17 under section 13.6 of this chapter.
 18 (8) This subdivision applies only to LaPorte County, if:
 19 (A) the county fiscal body has adopted an ordinance under
 20 IC 36-7.5-2-3(e) providing that the county is joining the
 21 northwest Indiana regional development authority; and
 22 (B) the fiscal body of the city described in IC 36-7.5-2-3(e) has
 23 adopted an ordinance under IC 36-7.5-2-3(e) providing that
 24 the city is joining the development authority.
 25 Revenue from the county economic development income tax may
 26 be used by a county or a city described in this subdivision for
 27 making transfers required by IC 36-7.5-4-2. In addition, if the
 28 county economic development income tax rate is increased after
 29 June 30, 2006, in the county, the first three million five hundred
 30 thousand dollars (\$3,500,000) of the tax revenue that results each
 31 year from the tax rate increase shall be used by the county only to
 32 make the county's transfer required by IC 36-7.5-4-2. The first
 33 three million five hundred thousand dollars (\$3,500,000) of the
 34 tax revenue that results each year from the tax rate increase shall
 35 be paid by the county treasurer to the treasurer of the northwest
 36 Indiana regional development authority under IC 36-7.5-4-2
 37 before certified distributions are made to the county or any cities
 38 or towns in the county under this chapter from the tax revenue
 39 that results each year from the tax rate increase. All of the tax
 40 revenue that results each year from the tax rate increase that is in
 41 excess of the first three million five hundred thousand dollars
 42 (\$3,500,000) that results each year from the tax rate increase must

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1 be used by the county and cities and towns in the county for
2 homestead credits under subdivision (9).

3 (9) This subdivision applies only to LaPorte County. All of the tax
4 revenue that results each year from a tax rate increase described
5 in subdivision (8) that is in excess of the first three million five
6 hundred thousand dollars (\$3,500,000) that results each year from
7 the tax rate increase must be used by the county and cities and
8 towns in the county for homestead credits under this subdivision.
9 The following apply to homestead credits provided under this
10 subdivision:

11 (A) The homestead credits must be applied uniformly to
12 provide a homestead credit for homesteads in the county, city,
13 or town.

14 (B) The homestead credits shall be treated for all purposes as
15 property tax levies.

16 (C) The homestead credits shall be applied to the net property
17 taxes due on the homestead after the application of all other
18 assessed value deductions or property tax deductions and
19 credits that apply to the amount owed under IC 6-1.1.

20 (D) The department of local government finance shall
21 determine the homestead credit percentage for a particular
22 year based on the amount of county economic development
23 income tax revenue that will be used under this subdivision to
24 provide homestead credits in that year.

25 **(10) By a county or city to provide revenue to a public**
26 **transportation corporation as provided in an election, if any,**
27 **made by a county or city fiscal body under IC 36-9-4-42(d).**

28 (c) As used in this section, an economic development project is any
29 project that:

30 (1) the county, city, or town determines will:

31 (A) promote significant opportunities for the gainful
32 employment of its citizens;

33 (B) attract a major new business enterprise to the unit; or

34 (C) retain or expand a significant business enterprise within
35 the unit; and

36 (2) involves an expenditure for:

37 (A) the acquisition of land;

38 (B) interests in land;

39 (C) site improvements;

40 (D) infrastructure improvements;

41 (E) buildings;

42 (F) structures;

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- 1 (G) rehabilitation, renovation, and enlargement of buildings
- 2 and structures;
- 3 (H) machinery;
- 4 (I) equipment;
- 5 (J) furnishings;
- 6 (K) facilities;
- 7 (L) administrative expenses associated with such a project,
- 8 including contract payments authorized under subsection
- 9 (b)(2)(D);
- 10 (M) operating expenses authorized under subsection (b)(2)(E);
- 11 or
- 12 (N) to the extent not otherwise allowed under this chapter,
- 13 substance removal or remedial action in a designated unit;
- 14 or any combination of these.

15 (d) If there are bonds outstanding that have been issued under
 16 section 14 of this chapter or leases in effect under section 21 of this
 17 chapter, the county or a city or town may not expend money from its
 18 economic development income tax fund for a purpose authorized under
 19 subsection (b)(3) in a manner that would adversely affect owners of the
 20 outstanding bonds or payment of any lease rentals due.

21 SECTION 12. IC 6-3.5-7-23.5 IS ADDED TO THE INDIANA
 22 CODE AS A NEW SECTION TO READ AS FOLLOWS
 23 [EFFECTIVE JULY 1, 2013]: **Sec. 23.5. (a) If a local public question**
 24 **under IC 36-9.1-2-2 has been approved in an eligible county (as**
 25 **defined in IC 36-9.1-1-7):**

- 26 (1) the county income tax council, if the county option income
- 27 tax is in effect in the county and the county does not contain
- 28 a consolidated city;
- 29 (2) the county council, if the county adjusted gross income tax
- 30 is in effect in the county; or
- 31 (3) the city-county council, if the county contains a
- 32 consolidated city;

33 may adopt an ordinance imposing a county economic development
 34 income tax rate to pay the county's contribution to the funding of
 35 the metropolitan transit district established under IC 36-9.1-2.

36 (b) The following apply in a county in which an ordinance has
 37 been adopted under subsection (a):

- 38 (1) The county economic development income tax rate
- 39 imposed under subsection (a) may not exceed the maximum
- 40 rate approved in the local public question under
- 41 IC 36-9.1-2-2.
- 42 (2) A county economic development income tax rate imposed

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1 under subsection (a) is in addition to any other tax rate
2 imposed under this chapter.

3 (3) For purposes of computing the maximum combined
4 income tax rate under section 5 of this chapter that may be
5 imposed in a county under IC 6-3.5-1.1, IC 6-3.5-6, and this
6 chapter, a county's county economic development income tax
7 rate for a particular year does not include a tax rate imposed
8 under subsection (a).

9 (4) For purposes of computing the maximum income tax rate
10 that may be imposed in a county under section 5 of this
11 chapter, a county's county economic development income tax
12 rate for a particular year does not include a tax rate imposed
13 under subsection (a).

14 SECTION 13. IC 34-6-2-110, AS AMENDED BY P.L.2-2007,
15 SECTION 371, IS AMENDED TO READ AS FOLLOWS
16 [EFFECTIVE JULY 1, 2013]: Sec. 110. "Political subdivision", for
17 purposes of IC 34-13-3, means a:

- 18 (1) county;
- 19 (2) township;
- 20 (3) city;
- 21 (4) town;
- 22 (5) separate municipal corporation;
- 23 (6) special taxing district;
- 24 (7) state educational institution;
- 25 (8) city or county hospital;
- 26 (9) school corporation;
- 27 (10) board or commission of one (1) of the entities listed in
- 28 subdivisions (1) through (9);
- 29 (11) drug enforcement task force operated jointly by political
- 30 subdivisions;
- 31 (12) community correctional service program organized under
- 32 IC 12-12-1; ~~or~~
- 33 (13) solid waste management district established under IC 13-21
- 34 or IC 13-9.5-2 (before its repeal); ~~or~~
- 35 (14) metropolitan transit district established under
- 36 IC 36-9.1-2.

37 SECTION 14. IC 34-13-3-22 IS AMENDED TO READ AS
38 FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 22. (a) For purposes of
39 this chapter, the following shall be treated as political subdivisions:

- 40 (1) A community action agency (as defined in IC 12-14-23-2).
- 41 (2) An individual or corporation rendering public transportation
- 42 services under a contract with a commuter transportation district

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1 created under IC 8-5-15.
 2 (3) A volunteer fire department (as defined in IC 36-8-12-2) that
 3 is acting under:
 4 (A) a contract with a unit or a fire protection district; or
 5 (B) IC 36-8-17.
 6 **(4) An individual or a corporation rendering public**
 7 **transportation services under a contract with a metropolitan**
 8 **transportation district established under IC 36-9.1-2.**
 9 (b) The treatment provided for under subsection (a)(2) shall be
 10 accorded only in relation to a loss that occurs in the course of rendering
 11 public transportation services under contract with a commuter
 12 transportation district.
 13 **(c) The treatment provided for under subsection (a)(4) shall be**
 14 **accorded only in relation to a loss that occurs in the course of**
 15 **rendering public transportation services under a contract with a**
 16 **metropolitan transit district.**
 17 SECTION 15. IC 36-9-3-5, AS AMENDED BY P.L.119-2012,
 18 SECTION 226, IS AMENDED TO READ AS FOLLOWS
 19 [EFFECTIVE JULY 1, 2013]: Sec. 5. (a) An authority is under the
 20 control of a board (referred to as "the board" in this chapter) that,
 21 except as provided in subsections (b) and (c), consists of:
 22 (1) two (2) members appointed by the executive of each county in
 23 the authority;
 24 (2) one (1) member appointed by the executive of the largest
 25 municipality in each county in the authority;
 26 (3) one (1) member appointed by the executive of each second
 27 class city in a county in the authority; and
 28 (4) one (1) member from any other political subdivision that has
 29 public transportation responsibilities in a county in the authority.
 30 (b) **Except as provided in subsection (d)**, an authority that includes
 31 a consolidated city is under the control of a board consisting of the
 32 following:
 33 (1) Two (2) members appointed by the executive of the county
 34 having the consolidated city.
 35 (2) One (1) member appointed by the board of commissioners of
 36 the county having the consolidated city.
 37 (3) One (1) member appointed by the executive of each other
 38 county in the authority.
 39 (4) Two (2) members appointed by the governor from a list of at
 40 least five (5) names provided by the Indianapolis regional
 41 transportation council.
 42 (5) One (1) member representing the four (4) largest

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1 municipalities in the authority located in a county other than a
 2 county containing a consolidated city. The member shall be
 3 appointed by the executives of the municipalities acting jointly.
 4 (6) One (1) member representing the excluded cities located in a
 5 county containing a consolidated city that are members of the
 6 authority. The member shall be appointed by the executives of the
 7 excluded cities acting jointly.
 8 (7) One (1) member of a labor organization representing
 9 employees of the authority who provide public transportation
 10 services within the geographic jurisdiction of the authority. The
 11 labor organization shall appoint the member.

12 **If the consolidated city is located in a county that is a member of a**
 13 **metropolitan transit district established under IC 36-9.1, the terms**
 14 **of the members appointed under this subsection expire on the date**
 15 **on which the first meeting of the board of the metropolitan transit**
 16 **district is called under IC 36-9.1-4-5(a). If not otherwise ineligible,**
 17 **a member appointed under this subsection is eligible for**
 18 **appointment under subsection (d).**

19 (c) After December 31, 2009, this subsection applies if both a
 20 county having a population of more than four hundred thousand
 21 (400,000) but less than seven hundred thousand (700,000) and a county
 22 having a population of more than one hundred fifty thousand (150,000)
 23 but less than one hundred seventy thousand (170,000) are not members
 24 of the northern Indiana regional transportation district established
 25 under IC 8-24. An authority that includes a county having a population
 26 of more than four hundred thousand (400,000) but less than seven
 27 hundred thousand (700,000) is under the control of a board consisting
 28 of the following twenty-one (21) members:

- 29 (1) Three (3) members appointed by the executive of a city with
 30 a population of more than eighty thousand (80,000) but less than
 31 eighty thousand four hundred (80,400).
- 32 (2) Two (2) members appointed by the executive of a city with a
 33 population of more than eighty thousand five hundred (80,500)
 34 but less than one hundred thousand (100,000).
- 35 (3) One (1) member jointly appointed by the executives of the
 36 following municipalities located within a county having a
 37 population of more than four hundred thousand (400,000) but less
 38 than seven hundred thousand (700,000):
 - 39 (A) A city with a population of more than four thousand nine
 40 hundred fifty (4,950) but less than five thousand (5,000).
 - 41 (B) A city with a population of more than twenty-nine
 42 thousand six hundred (29,600) but less than twenty-nine

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- 1 thousand nine hundred (29,900).
- 2 (4) One (1) member who is jointly appointed by the fiscal body of
- 3 the following municipalities located within a county with a
- 4 population of more than four hundred thousand (400,000) but less
- 5 than seven hundred thousand (700,000):
- 6 (A) A town with a population of more than sixteen thousand
- 7 five hundred (16,500) but less than twenty thousand (20,000).
- 8 (B) A town with a population of more than twenty-three
- 9 thousand seven hundred (23,700) but less than twenty-four
- 10 thousand (24,000).
- 11 (C) A town with a population of more than twenty thousand
- 12 (20,000) but less than twenty-three thousand seven hundred
- 13 (23,700).
- 14 (5) One (1) member who is jointly appointed by the fiscal body of
- 15 the following municipalities located within a county with a
- 16 population of more than four hundred thousand (400,000) but less
- 17 than seven hundred thousand (700,000):
- 18 (A) A town with a population of more than fourteen thousand
- 19 (14,000) but less than sixteen thousand (16,000).
- 20 (B) A town with a population of more than twenty-four
- 21 thousand (24,000) but less than thirty thousand (30,000).
- 22 (C) A town with a population of more than sixteen thousand
- 23 (16,000) but less than sixteen thousand five hundred (16,500).
- 24 (6) One (1) member who is jointly appointed by the following
- 25 authorities of municipalities located in a county having a
- 26 population of more than four hundred thousand (400,000) but less
- 27 than seven hundred thousand (700,000):
- 28 (A) The executive of a city with a population of more than
- 29 twenty-five thousand (25,000) but less than twenty-nine
- 30 thousand (29,000).
- 31 (B) The fiscal body of a town with a population of more than
- 32 ten thousand (10,000) but less than fourteen thousand
- 33 (14,000).
- 34 (C) The fiscal body of a town with a population of more than
- 35 five thousand (5,000) but less than ten thousand (10,000).
- 36 (D) The fiscal body of a town with a population of less than
- 37 one thousand five hundred (1,500).
- 38 (E) The fiscal body of a town with a population of more than
- 39 two thousand two hundred (2,200) but less than five thousand
- 40 (5,000).
- 41 (7) One (1) member appointed by the fiscal body of a town with
- 42 a population of more than thirty thousand (30,000) located within

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- 1 a county with a population of more than four hundred thousand
- 2 (400,000) but less than seven hundred thousand (700,000).
- 3 (8) One (1) member who is jointly appointed by the following
- 4 authorities of municipalities that are located within a county with
- 5 a population of more than four hundred thousand (400,000) but
- 6 less than seven hundred thousand (700,000):
- 7 (A) The executive of a city having a population of more than
- 8 twenty-nine thousand (29,000) but less than twenty-nine
- 9 thousand five hundred (29,500).
- 10 (B) The executive of a city having a population of more than
- 11 twelve thousand five hundred (12,500) but less than twelve
- 12 thousand seven hundred (12,700).
- 13 (C) The fiscal body of a town having a population of more
- 14 than one thousand five hundred (1,500) but less than two
- 15 thousand two hundred (2,200).
- 16 (9) Three (3) members appointed by the fiscal body of a county
- 17 with a population of more than four hundred thousand (400,000)
- 18 but less than seven hundred thousand (700,000).
- 19 (10) One (1) member appointed by the county executive of a
- 20 county with a population of more than four hundred thousand
- 21 (400,000) but less than seven hundred thousand (700,000).
- 22 (11) One (1) member of a labor organization representing
- 23 employees of the authority who provide public transportation
- 24 services within the geographic jurisdiction of the authority. The
- 25 labor organization shall appoint the member. If more than one (1)
- 26 labor organization represents the employees of the authority, each
- 27 organization shall submit one (1) name to the governor, and the
- 28 governor shall appoint the member from the list of names
- 29 submitted by the organizations.
- 30 (12) The executive of a city with a population of more than
- 31 thirty-one thousand seven hundred twenty-five (31,725) but less
- 32 than thirty-five thousand (35,000), or the executive's designee.
- 33 (13) The executive of a city with a population of more than
- 34 thirty-six thousand eight hundred twenty-five (36,825) but less
- 35 than forty thousand (40,000), or the executive's designee.
- 36 (14) One (1) member of the board of commissioners of a county,
- 37 with a population of more than one hundred fifty thousand
- 38 (150,000) but less than one hundred seventy thousand (170,000),
- 39 appointed by the board of commissioners, or the member's
- 40 designee.
- 41 (15) One (1) member appointed jointly by the township executive
- 42 of the township containing the following towns:

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- 1 (A) Chesterton.
- 2 (B) Porter.
- 3 (C) Burns Harbor.
- 4 (D) Dune Acres.
- 5 The member appointed under this subdivision must be a resident
- 6 of a town listed in this subdivision.
- 7 (16) One (1) member appointed jointly by the township
- 8 executives of the following townships located in Porter County:
- 9 (A) Washington Township.
- 10 (B) Morgan Township.
- 11 (C) Pleasant Township.
- 12 (D) Boone Township.
- 13 (E) Union Township.
- 14 (F) Porter Township.
- 15 (G) Jackson Township.
- 16 (H) Liberty Township.
- 17 (I) Pine Township.
- 18 The member appointed under this subdivision must be a resident
- 19 of a township listed in this subdivision.
- 20 If a county or city becomes a member of the authority under section 3.5
- 21 of this chapter, the executive of the county or city shall appoint one (1)
- 22 member to serve on the board.
- 23 **(d) This subsection applies to an authority that includes a**
- 24 **consolidated city in a county that is a member of a metropolitan**
- 25 **transit district established under IC 36-9.1. Beginning on the date**
- 26 **on which the first meeting of the board of metropolitan transit**
- 27 **district is called under IC 36-9.1-4-5(a), the authority is under the**
- 28 **control of a board consisting of the following:**
- 29 **(1) Each member of the board of the metropolitan transit**
- 30 **district.**
- 31 **(2) One (1) member appointed by the executive of each county**
- 32 **in the authority that is not also a member of the metropolitan**
- 33 **transit district.**
- 34 **(3) One (1) member to represent the three (3) largest**
- 35 **municipalities in the authority located in a county other than**
- 36 **a county that is a member of the metropolitan transit district.**
- 37 **The executives of the municipalities shall jointly appoint the**
- 38 **member.**
- 39 **(4) One (1) member of a labor organization representing**
- 40 **employees of the authority who provide public transportation**
- 41 **services within the geographic jurisdiction of the authority.**
- 42 **The labor organization shall appoint the member.**

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1 **If not otherwise ineligible, a member whose term expired under**
2 **subsection (a) is eligible for appointment under this subsection.**

3 SECTION 16. IC 36-9-3-7, AS AMENDED BY P.L.182-2009(ss),
4 SECTION 448, IS AMENDED TO READ AS FOLLOWS
5 [EFFECTIVE JULY 1, 2013]: Sec. 7. (a) Except as provided in
6 subsection (e), as soon as is practical, but not later than ninety (90)
7 days after the authority is established, the members shall meet and
8 organize themselves as a board.

9 (b) Except as provided in ~~subsection~~ **subsections (f) and (g)**, at its
10 first meeting, and annually after that, the board shall elect from its
11 members a president, a vice president who shall perform the duties of
12 the president during the absence or disability of the president, a
13 secretary, and a treasurer. If the authority includes more than one (1)
14 county, the president and vice president must be from different
15 counties.

16 (c) The regional planning commission staff or the metropolitan
17 planning organization if the authority includes a consolidated city shall
18 serve as staff to the board secretary for the purpose of recording the
19 minutes of all board meetings and keeping the records of the authority.

20 (d) The board shall keep its maps, plans, documents, records, and
21 accounts in a suitable office, subject to public inspection at all
22 reasonable times.

23 (e) After December 31, 2009, this subsection applies if a county is
24 not a member of the northern Indiana regional transportation district
25 established under IC 8-24. If the authority includes a county having a
26 population of more than four hundred thousand (400,000) but less than
27 seven hundred thousand (700,000), the first meeting of the board shall
28 be at the call of the county council of the county having a population
29 of more than four hundred thousand (400,000) but less than seven
30 hundred thousand (700,000). The president of the county council shall
31 preside over the first meeting until the officers of the board have been
32 elected.

33 (f) After December 31, 2009, this subsection applies if a county is
34 not a member of the northern Indiana regional transportation district
35 established under IC 8-24. If the authority includes a county having a
36 population of more than four hundred thousand (400,000) but less than
37 seven hundred thousand (700,000), the board shall first meet in
38 January. At the first meeting the board shall elect from its members a
39 president, a vice president who shall perform the duties of the president
40 during the absence or disability of the president, a secretary, a
41 treasurer, and any other officers the board determines are necessary for
42 the board to function.

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(g) This subsection applies to an authority that includes a county that is a member of a metropolitan transit district established under IC 36-9.1. The chairperson and vice-chairperson of the board of the metropolitan transit district shall serve as chairperson and vice-chairperson of the board of the authority. The board shall elect from its members a secretary-treasurer.

SECTION 17. IC 36-9-3-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 13. **(a)** The board may:

- (1) exercise the executive and legislative powers of the authority as provided by this chapter;
- (2) as a municipal corporation, sue and be sued in its name;
- (3) sell, lease, or otherwise contract for advertising in or on the facilities of the authority;
- (4) protect all property owned or managed by the board;
- (5) adopt an annual budget;
- (6) incur indebtedness in the name of the authority in accordance with this chapter;
- (7) acquire real, personal, or mixed property by deed, purchase, or lease and dispose of it for use in connection with or for administrative purposes;
- (8) receive gifts, donations, bequests, and public trusts, agree to conditions and terms accompanying them, and bind the authority to carry them out;
- (9) receive federal or state aid and administer that aid;
- (10) erect the buildings or structures needed to administer and carry out this chapter;
- (11) determine matters of policy regarding internal organization and operating procedures not specifically provided for by law;
- (12) adopt a schedule of reasonable charges and rents, and collect them from all users of facilities and services within the jurisdiction of the authority;
- (13) purchase supplies, materials, and equipment to carry out the duties and functions of the board, in accordance with procedures adopted by the board and under applicable statutes;
- (14) employ the personnel necessary to carry out the duties, functions, and powers of the board;
- (15) sell any surplus or unneeded real and personal property in accordance with procedures adopted by the board and under applicable statutes;
- (16) adopt rules governing the duties of its officers, employees, and personnel, and the internal management of the affairs of the board;

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- 1 (17) fix the compensation of the various officers and employees
 2 of the authority, within the limitations of the total personal
 3 services budget;
 4 (18) purchase public transportation services from public or
 5 private transportation agencies upon the terms and conditions set
 6 forth in purchase of service agreements between the authority and
 7 the transportation agencies;
 8 (19) acquire, establish, construct, improve, equip, operate,
 9 maintain, subsidize, and regulate public transportation systems
 10 within the jurisdiction of the authority;
 11 (20) after receiving a request for assistance from a public
 12 transportation system, enter into agreements with government
 13 agencies, political subdivisions, private transportation companies,
 14 railroads, and other persons providing for:
 15 (A) construction, operation, and use by the other party of any
 16 public transportation system and equipment held or later
 17 acquired by the authority; and
 18 (B) acquisition of any public transportation system and
 19 equipment of another party if all or part of the operations of
 20 that party take place within the jurisdiction of the authority;
 21 (21) rent or lease any real property, including air rights above real
 22 property owned or leased by a transportation system, for
 23 transportation or other purposes, with the revenues from those
 24 rentals to accrue to the authority and to be used exclusively for the
 25 purposes of this chapter;
 26 (22) negotiate and execute contracts of sale, purchase, or lease, or
 27 contracts for personal services, materials, supplies, equipment, or
 28 passenger transportation services;
 29 (23) establish at or near its terminals and stations the off-street
 30 parking facilities and access roads that are necessary and
 31 desirable, and charge fees for or allow free use of those facilities;
 32 (24) enter into agreements with other persons for the purpose of
 33 participating in transportation planning activities;
 34 (25) administer any rail services or other use of rail rights-of-way
 35 that may be the responsibility of state or local government under
 36 the Federal Regional Rail Reorganization Act of 1973, as
 37 amended (45 U.S.C. sections 701-794);
 38 (26) determine the level and kind of public transportation services
 39 that should be provided by the authority; **and**
 40 **(27) accept revenue provided under IC 36-9-4-42; and**
 41 ~~(27)~~ **(28)** do all other acts necessary or reasonably incident to
 42 carrying out the purposes of this chapter.

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1 **(b) This subsection applies to an authority whose members have**
 2 **established a metropolitan transit district under IC 36-9.1. The**
 3 **board may not take any action or exercise any power over the**
 4 **metropolitan transit district, which is a separately governed body**
 5 **corporate and politic.**

6 SECTION 18. IC 36-9-4-1, AS AMENDED BY P.L.119-2012,
 7 SECTION 227, IS AMENDED TO READ AS FOLLOWS
 8 [EFFECTIVE JULY 1, 2013]: Sec. 1. **(a)** This chapter applies to all
 9 municipalities. However, after December 31, 2009, this chapter does
 10 not apply to a municipality if it is located in a county that is a member
 11 of the northern Indiana regional transportation district established
 12 under IC 8-24 and has a population of:

13 (1) more than four hundred thousand (400,000) but less than
 14 seven hundred thousand (700,000); or

15 (2) more than one hundred fifty thousand (150,000) but less than
 16 one hundred seventy thousand (170,000).

17 **(b) The following apply if a metropolitan transit district is**
 18 **established under IC 36-9.1-2:**

19 **(1) Except as provided in subsection (c) and subdivision (5),**
 20 **the powers and duties under this chapter and under any other**
 21 **law of the Indianapolis public transportation corporation and**
 22 **its board of directors are transferred to the metropolitan**
 23 **transit district effective thirty (30) days after the metropolitan**
 24 **transit district board initially meets and organizes itself under**
 25 **IC 36-9.1-4. Except as provided in subsection (c) and**
 26 **subdivision (5), the metropolitan transit district may exercise**
 27 **throughout Marion County any of the powers and duties of a**
 28 **public transportation corporation.**

29 **(2) The Indianapolis public transportation corporation is**
 30 **abolished upon the transfer of powers and duties to the**
 31 **metropolitan transit district as provided in subdivision (1).**
 32 **However, the taxing district established for the public**
 33 **transportation corporation continues in existence for**
 34 **purposes of any property taxes imposed by the county fiscal**
 35 **body for transfer to the metropolitan transit district to pay**
 36 **the district's costs of carrying out the powers and duties of a**
 37 **public transportation corporation.**

38 **(3) Except as specifically provided, all:**

39 **(A) assets;**

40 **(B) property rights;**

41 **(C) equipment;**

42 **(D) records;**



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1 (E) personnel;
 2 (F) contracts;
 3 (G) indebtedness; and
 4 (H) lease rental obligations;
 5 of the Indianapolis public transportation corporation and its
 6 board of directors are transferred to the metropolitan transit
 7 district. The metropolitan transit district is subject to the
 8 requirements of IC 36-9-3-21 and IC 36-9-4-41.
 9 (4) Upon the transfer of powers and duties to the metropolitan
 10 transit district as provided in subdivision (1), the board of
 11 directors of the Indianapolis public transportation
 12 corporation:
 13 (A) is no longer the governing body of the public
 14 transportation corporation;
 15 (B) shall serve as an advisory board to the metropolitan
 16 transit district for the first six (6) months after the
 17 metropolitan transit district is established; and
 18 (C) is abolished at the end of the six (6) month period
 19 described in clause (B).
 20 (5) The following apply after the powers and duties of the
 21 Indianapolis public transportation corporation are
 22 transferred to the metropolitan transit district:
 23 (A) The metropolitan transit district shall each year submit
 24 to the fiscal body of Marion County a proposed budget and
 25 proposed property tax levy for the ensuing calendar year
 26 for purposes of operating an urban mass transportation
 27 system as a public transportation corporation, including
 28 payment or satisfaction of indebtedness and lease rental
 29 obligations transferred to the metropolitan transit district.
 30 The metropolitan transit district shall submit the proposed
 31 budget and proposed property tax levy in the form and at
 32 the time determined by the fiscal body of Marion County.
 33 (B) The fiscal body of Marion County:
 34 (i) shall review the proposed budget and proposed
 35 property tax levy submitted under clause (A); and
 36 (ii) shall adopt the property tax levy for the ensuing
 37 calendar year to enable the metropolitan transit district
 38 to carry out the powers and duties of a public
 39 transportation corporation.
 40 The fiscal body of Marion County shall adopt the property
 41 tax levy under this subdivision in the same manner that
 42 other county property tax levies are adopted.

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(C) The department of local government finance shall increase the maximum permissible ad valorem property tax levy of Marion County by an amount equal to:

(i) the maximum permissible ad valorem property tax levy of the public transportation corporation for the year preceding the year in which the powers and duties of the public transportation corporation are transferred to the metropolitan transit district; multiplied by

(ii) the assessed value growth quotient determined under IC 6-1.1-18.5-2.

(D) At the time of each semiannual settlement of property taxes under IC 6-1.1-27, the county treasurer shall transfer to the fiscal officer of the metropolitan transit district:

(i) the amount of property taxes collected from the property tax levy imposed under this subdivision; and

(ii) any excise taxes or other taxes distributed to the county on account of the property taxes collected from a property tax levy imposed under this subdivision.

(E) The county may exercise any power of a public transportation corporation to issue bonds as provided under IC 36-9-4 and to levy a tax to pay the principal and interest on the bonds.

(F) Except as otherwise provided in this subsection, any reference:

(i) in the Indiana Code;

(ii) in the Indiana Administrative Code;

(iii) in an ordinance or resolution; or

(iv) in any deed, lease, contract, or other legal document or instrument;

to the Indianapolis public transportation corporation is considered to be a reference to the metropolitan transit district.

(c) A metropolitan transit district receiving the powers and duties of a public transportation corporation under subsection (b) may not exercise the power of eminent domain under section 32 of this chapter.

SECTION 19. IC 36-9-4-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 14. (a) **Except as provided in section 1(b) of this chapter,** a public transportation corporation is under the control of a board of directors, which shall exercise the executive and legislative powers of the corporation.

(b) Directors must be residents of the taxing district of the

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1 corporation.

2 SECTION 20. IC 36-9-4-15 IS AMENDED TO READ AS

3 FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 15. (a) **Except as**

4 **provided in section 1(b) of this chapter**, the board of directors of a

5 public transportation corporation in a city consists of either five (5) or

6 seven (7) directors, as determined by the city legislative body.

7 (b) If the board of directors consists of five (5) directors, they are:

8 (1) two (2) directors appointed by the city executive, for terms of

9 one (1) and two (2) years, respectively; and

10 (2) three (3) directors appointed by the city legislative body, for

11 terms of two (2), three (3), and four (4) years, respectively.

12 (c) If the board of directors consists of seven (7) directors, they are:

13 (1) three (3) directors appointed by the city executive, for terms

14 of one (1), two (2), and three (3) years, respectively; and

15 (2) four (4) directors appointed by the city legislative body, for

16 terms of one (1), two (2), three (3), and four (4) years,

17 respectively.

18 SECTION 21. IC 36-9-4-42, AS AMENDED BY P.L.137-2012,

19 SECTION 123, IS AMENDED TO READ AS FOLLOWS

20 [EFFECTIVE JULY 1, 2013]: Sec. 42. (a) A municipality or a public

21 transportation corporation that expends money for the establishment or

22 maintenance of an urban mass transportation system under this chapter

23 may acquire the money for these expenditures:

24 (1) by issuing bonds under section 43 or 44 of this chapter;

25 (2) by borrowing money made available for such purposes by any

26 source;

27 (3) by accepting grants or contributions made available for such

28 purposes by any source;

29 (4) in the case of a municipality, by appropriation from the

30 general fund of the municipality, or from a special fund that the

31 municipal legislative body includes in the municipality's budget;

32 or

33 (5) in the case of a public transportation corporation, by levying

34 a tax under section 49 of this chapter or by recommending an

35 election to use revenue from the county option income taxes, as

36 provided in subsection (c).

37 (b) Money may be acquired under this section for the purpose of

38 exercising any of the powers granted by or incidental to this chapter,

39 including:

40 (1) studies under section 4, 9, or 11 of this chapter;

41 (2) grants in aid;

42 (3) the purchase of buses or real property by a municipality for

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- 1 lease to an urban mass transportation system, including the
 2 payment of any amount outstanding under a mortgage, contract of
 3 sale, or other security device that may attach to the buses or real
 4 property;
 5 (4) the acquisition by a public transportation corporation of
 6 property of an urban mass transportation system, including the
 7 payment of any amount outstanding under a mortgage, contract of
 8 sale, or other security device that may attach to the property;
 9 (5) the operation of an urban mass transportation system by a
 10 public transportation corporation, including the acquisition of
 11 additional property for such a system; and
 12 (6) the retirement of bonds issued and outstanding under this
 13 chapter.

14 (c) This subsection applies only to a public transportation
 15 corporation located in a county having a consolidated city. In order to
 16 provide revenue to a public transportation corporation during a year,
 17 the public transportation corporation board may recommend and the
 18 county fiscal body may elect to provide revenue to the corporation from
 19 part of the certified distribution, if any, that the county is to receive
 20 during that same year under IC 6-3.5-6-17. To make the election, the
 21 county fiscal body must adopt an ordinance before November 1 of the
 22 preceding year. The county fiscal body must specify in the ordinance
 23 the amount of the certified distribution that is to be used to provide
 24 revenue to the corporation. If such an ordinance is adopted, the county
 25 fiscal body shall immediately send a copy of the ordinance to the
 26 county auditor.

27 **(d) This subsection does not apply to a county having a**
 28 **consolidated city. A county or city fiscal body may, upon the**
 29 **recommendation of the public transportation corporation board,**
 30 **elect to provide revenue to the corporation from part of the**
 31 **distributive share of the tax revenue that the county or city is to**
 32 **receive under IC 6-3.5-1.1-15, IC 6-3.5-6-19, or IC 6-3.5-7-13.1**
 33 **during a particular calendar year. To make the election, the county**
 34 **or city fiscal body must adopt an ordinance before September 1 of**
 35 **the preceding calendar year. The county or city fiscal body must**
 36 **specify in the ordinance the amount of the distributive share that**
 37 **the fiscal body will provide to the public transportation**
 38 **corporation in the following calendar year. If an ordinance is**
 39 **adopted under this subsection, the county or city fiscal body shall**
 40 **immediately send a copy of the ordinance to the county auditor.**
 41 **The county auditor shall distribute the amount of the election to**
 42 **the public transportation corporation on the same schedule that**



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1 the county auditor distributes distributive shares to the civil taxing
2 units of the county.

3 SECTION 22. IC 36-9.1 IS ADDED TO THE INDIANA CODE AS
4 A NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1,
5 2013]:

6 **ARTICLE 9.1. METROPOLITAN TRANSIT DISTRICT**

7 **Chapter 1. Purpose of Article; Definitions**

8 **Sec. 1. The purpose of this article is to provide for the planning,**
9 **designing, acquiring, constructing, enlarging, improving,**
10 **renovating, maintaining, equipping, financing, operating, and**
11 **supporting of public transportation systems in central Indiana.**

12 **Sec. 2. The definitions in this chapter apply throughout this**
13 **article.**

14 **Sec. 3. "Authorizing body" means the following:**

15 (1) For a county containing a consolidated city, the
16 city-county council.

17 (2) For a county (other than a county containing a
18 consolidated city) in which the county option income tax is in
19 effect, the county income tax council (as defined in
20 IC 6-3.5-6-1).

21 (3) For a county in which the county adjusted gross income
22 tax is in effect, the county council.

23 **Sec. 4. "Authorizing county" means a county that has approved**
24 **a local public question under IC 36-9.1-2-2.**

25 **Sec. 5. "Bonds" means, except as otherwise provided, bonds,**
26 **notes, or other evidences of indebtedness. The term includes**
27 **obligations (as defined in IC 8-9.5-9-3) and swap agreements (as**
28 **defined in IC 8-9.5-9-4).**

29 **Sec. 6. "District" means, except as otherwise provided, a**
30 **metropolitan transit district established under IC 36-9.1-2-3.**

31 **Sec. 7. "Eligible county" means any of the following counties:**

- 32 (1) Boone County.
- 33 (2) Delaware County.
- 34 (3) Hamilton County.
- 35 (4) Hancock County.
- 36 (5) Hendricks County.
- 37 (6) Johnson County.
- 38 (7) Madison County.
- 39 (8) Marion County.
- 40 (9) Morgan County.
- 41 (10) Shelby County.

42 **Sec. 8. "Project" refers to an action taken to:**

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- 1 (1) plan;
- 2 (2) design;
- 3 (3) acquire;
- 4 (4) construct;
- 5 (5) enlarge;
- 6 (6) improve;
- 7 (7) renovate;
- 8 (8) maintain;
- 9 (9) equip; or
- 10 (10) operate;

11 a public transportation system.

12 Sec. 9. "Public transportation agency" has the meaning set forth
13 in IC 36-9-1-5.5.

14 Sec. 10. "Public transportation system" means a common
15 carrier of passengers for hire.

16 Chapter 2. Establishment of the Metropolitan Transit District

17 Sec. 1. Subject to the requirements of this article, a metropolitan
18 transit district may be established as provided in this chapter.

19 Sec. 2. (a) The authorizing body of an eligible county may adopt
20 an ordinance to place on the ballot a local public question
21 concerning the authority to become a member of a metropolitan
22 transit district. The authorizing body shall include in the ordinance
23 a maximum county economic development income tax rate that
24 will be dedicated to pay the county's contribution to the funding of
25 the metropolitan transit district. The maximum tax rate may not
26 exceed a rate of three-tenths of one percent (0.3%). The
27 authorizing body must take final action under this subsection not
28 later than December 31, 2013.

29 (b) If an authorizing body adopts an ordinance under subsection
30 (a), the county auditor shall certify the ordinance to the county
31 election board, and the county election board shall place the
32 following question on the election ballot in accordance with
33 IC 3-10-9:

34 "Shall _____ County become a member of a
35 metropolitan transit district and have the ability to impose a
36 county economic development income tax rate, not to exceed
37 a rate of _____ (insert recommended rate included in the
38 ordinance under subsection (a)), the proceeds of which will be
39 dedicated to the metropolitan transit district to provide
40 improved transit service in the county, including increased
41 local bus service, express buses, and rapid transit lines?"

42 (c) Except as provided in subsection (f), if the county auditor

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1 certifies the ordinance as provided in subsection (b), the county
 2 election board shall place the local public question on the ballot at
 3 the next general election for which the question may be certified
 4 under IC 3-10-9-3 and for which all voters of the county are
 5 entitled to vote.

6 (d) After an election on the local public question, the circuit
 7 court clerk of the county shall:

8 (1) make a certified copy of the election returns; and

9 (2) not later than five (5) days after the election, file the copy
 10 with:

11 (A) the department of state revenue; and

12 (B) the authorizing body of the county.

13 (e) The local public question is approved by a county if a
 14 majority of the county voters voting on the local public question
 15 vote "yes". The local public question is defeated by a county if a
 16 majority of the county voters voting on the local public question
 17 vote "no".

18 (f) If the local public question is defeated in a county, the
 19 authorizing body may adopt an ordinance under this section to
 20 place another local public question on the ballot as provided in this
 21 section at a subsequent general election in the county. However, a
 22 local public question under this section may not be placed on the
 23 ballot more than two (2) times in any seven (7) year period.

24 (g) A political subdivision may not expend public funds (as
 25 defined in IC 5-13-4-20) to support or oppose the approval of the
 26 local public question under this section.

27 **Sec. 3. (a)** A metropolitan transit district is established on
 28 January 1 of the year following the year in which a local public
 29 question under section 2 of this chapter is approved in one (1) or
 30 more of the following combination of counties:

31 (1) By the voters in Marion County only.

32 (2) By the voters in Marion County and at least one (1) county
 33 that is contiguous to Marion County.

34 (3) By the voters in Marion County, Madison County, and at
 35 least one (1) county that is contiguous to both Marion County
 36 and Madison County.

37 (b) Except as provided in subsections (c) and (d), the
 38 metropolitan transit district consists of all of the counties in which
 39 a local public question under section 2 of this chapter is approved.
 40 Except as provided in subsections (c) and (d), the territory of a
 41 metropolitan transit district must be contiguous and consists of all
 42 of the territory of the counties authorizing the district in a local

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1 public question under section 2 of this chapter.
 2 (c) If the voters in Madison County approve a local public
 3 question under section 2 of this chapter:
 4 (1) Madison County is not included in a metropolitan transit
 5 district; and
 6 (2) the territory of Madison County is not included in the
 7 territory of the metropolitan transit district;
 8 until the combination of approvals described in subsection (a)(3)
 9 occurs.
 10 (d) If the voters in Delaware County approve a local public
 11 question under section 2 of this chapter:
 12 (1) Delaware County is not included in a metropolitan transit
 13 district; and
 14 (2) the territory of Delaware County is not included in the
 15 territory of the metropolitan transit district;
 16 until the combination of approvals described in subsection (a)(3)
 17 occurs.
 18 (e) The approval of voters in a combination of counties required
 19 by this section to establish a metropolitan transit district may
 20 occur in separate elections.
 21 Sec. 4. The following apply if a metropolitan transit district is
 22 established under section 3 of this chapter:
 23 (1) An eligible county that does not become a member of the
 24 metropolitan transit district at the time the metropolitan
 25 transit district is established may become a member of the
 26 metropolitan transit district at a later date if a local public
 27 question under section 2 of this chapter is approved in the
 28 county at a subsequent general election. If a local public
 29 question under section 2 of this chapter is approved in a
 30 county, the county becomes a member of the metropolitan
 31 transit district on January 1 of the following year.
 32 (2) A county that is not an eligible county may not become a
 33 member of the metropolitan transit district.
 34 Chapter 3. Status of the Metropolitan Transit District
 35 Sec. 1. (a) The metropolitan transit district is a body corporate
 36 and politic. The metropolitan transit district is separate from the
 37 state and any other political subdivision, but the exercise of powers
 38 by the metropolitan transit district is an essential governmental
 39 function.
 40 (b) The metropolitan transit district may sue and be sued in the
 41 name of the district.
 42 Sec. 2. A pledge or mortgage by the metropolitan transit district

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1 does not create an obligation of the state or a political subdivision
 2 within the meaning of the Constitution of the State of Indiana or
 3 any statute.

4 **Sec. 3. All:**

- 5 (1) property owned by the metropolitan transit district;
 6 (2) revenue of the metropolitan transit district; and
 7 (3) bonds issued by the metropolitan transit district, the
 8 interest on the bonds, the proceeds received by a holder from
 9 the sale of bonds to the extent of the holder's cost of
 10 acquisition, proceeds received upon redemption before
 11 maturity, proceeds received at maturity, and the receipt of
 12 interest in proceeds;

13 are exempt from taxation in Indiana for all purposes except the
 14 financial institutions tax imposed under IC 6-5.5 or a state
 15 inheritance tax imposed under IC 6-4.1.

16 **Sec. 4. All securities issued under this article are exempt from**
 17 **the registration requirements of IC 23-19 and other securities**
 18 **registration statutes.**

19 **Sec. 5. Service provided by the metropolitan transit district is**
 20 **exempt from regulation by the department of state revenue under**
 21 **IC 8-2.1. This exemption applies to transportation services**
 22 **provided by the metropolitan transit district directly or by grants**
 23 **or purchase of service agreements.**

24 **Chapter 4. Metropolitan Transit District Board**

25 **Sec. 1. The power to govern the metropolitan transit district is**
 26 **vested in a board.**

27 **Sec. 2. (a) The board consists of the following members**
 28 **appointed by the authorizing counties as follows:**

- 29 (1) In a county containing a consolidated city, five (5)
 30 members appointed as follows:

- 31 (A) Two (2) members appointed by the county executive.
 32 (B) Two (2) members appointed by the county authorizing
 33 body.
 34 (C) One (1) member appointed by the board of county
 35 commissioners.

- 36 (2) In a county that does not contain a consolidated city and
 37 becomes a member of the district before January 1, 2015,
 38 three (3) members appointed as follows:

- 39 (A) One (1) member appointed by the county
 40 commissioners.
 41 (B) One (1) member appointed by the county authorizing
 42 body.



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- 1 (C) One (1) member jointly appointed by the executives of
- 2 the four (4) largest municipalities located in the county.
- 3 (3) In a county that does not contain a consolidated city and
- 4 becomes a member of the district after December 31, 2014,
- 5 two (2) members appointed as follows:
- 6 (A) One (1) member appointed by the county
- 7 commissioners.
- 8 (B) One (1) member appointed by the county authorizing
- 9 body.
- 10 (b) Not more than two (2) members appointed in a county
- 11 described in subsection (a)(2) or (a)(3) may be from the same
- 12 political party. One (1) member appointed under subsection
- 13 (a)(1)(A) and (a)(1)(B) must be from each major political party.
- 14 (c) A member must reside in the county from which the
- 15 appointment was made. A member's term expires on the date the
- 16 member establishes residency in another county.
- 17 (d) The following individuals are not eligible for membership on
- 18 the board:
- 19 (1) An officer of the district.
- 20 (2) An employee of the district.
- 21 (3) An elected official.
- 22 Sec. 3. (a) A member of the board appointed under this chapter:
- 23 (1) shall serve for a term of four (4) years, but is eligible for
- 24 reappointment for any number of successive terms; and
- 25 (2) serves at the pleasure of the appointing authority that
- 26 appointed the member.
- 27 (b) A member of the board is not entitled to receive
- 28 compensation for performance of the member's duties. However,
- 29 a member of the board is entitled to reimbursement from the
- 30 district for actual expenses and mileage.
- 31 Sec. 4. A member of the board appointed under this chapter
- 32 must have knowledge and at least five (5) years professional work
- 33 experience, with a for profit or nonprofit entity, in at least one (1)
- 34 of the following:
- 35 (1) Business or finance.
- 36 (2) Regional economic development.
- 37 (3) Transportation.
- 38 Sec. 5. (a) As soon as practical, but not more than ninety (90)
- 39 days after the district is established, the county executive of
- 40 Marion County shall:
- 41 (1) call the first meeting of the board; and
- 42 (2) designate a member of the board to preside over the

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1 meeting until the officers of the board are elected.

2 (b) A majority of the members appointed to the board
3 constitutes a quorum for a meeting of the board.

4 (c) The board shall annually elect a chairperson, a vice
5 chairperson, and a secretary-treasurer from the members of the
6 board. If the district is comprised of more than one (1) county, the
7 chairperson and the vice chairperson of the board must reside in
8 different counties.

9 (d) The board shall meet at least quarterly. The chairperson of
10 the board or any two (2) members of the board may call a meeting
11 of the board.

12 **Sec. 6.** The board may adopt the bylaws and rules that the board
13 considers necessary to carry out the board's powers and duties.

14 **Sec. 7. (a)** When voting on matters that are related to the
15 metropolitan transit district, the board has a total of one hundred
16 (100) votes. Every member of the board is allocated a percentage
17 of the total one hundred (100) votes that may be cast by the board.

18 (b) The number of votes that a member of the board has when
19 voting on matters that are related to the metropolitan transit
20 district is determined in the following STEPS:

21 **STEP ONE:** Determine the financial contributions to the
22 metropolitan transit district that are made by the authorizing
23 county that appointed the member.

24 **STEP TWO:** Determine the financial contributions to the
25 metropolitan transit district that are made by all authorizing
26 counties.

27 **STEP THREE:** Multiply:

28 (A) one hundred (100); by
29 (B) the result of:

30 (i) the STEP ONE result; divided by
31 (ii) the STEP TWO result.

32 **STEP FOUR:** Determine the total number of members
33 appointed to the board by the authorizing county that
34 appointed the member to the board.

35 **STEP FIVE:** Divide:

36 (A) the result determined under STEP THREE; by
37 (B) the STEP FOUR result.

38 (c) For purposes of determining votes under this section, an
39 authorizing county's financial contributions to the metropolitan
40 transit district are considered to be equal to the sum of:

41 (1) the amount of county economic development income tax
42 revenue distributed during the preceding year to the

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1 authorizing county from a tax rate under IC 6-3.5-7-23.5 and
2 transferred to the metropolitan transit district;

3 (2) any amounts transferred by the county to the metropolitan
4 transit district under IC 36-9-4-1(b) to fund the metropolitan
5 transit district's exercise of the powers and duties of a public
6 transportation corporation as provided in IC 36-9-4-1(b); and
7 (3) any additional financial contributions made from the
8 county to the metropolitan transit district, as determined
9 according to the bylaws of the board.

10 However, during the first year after the district is established, an
11 authorized county's financial contributions to the metropolitan
12 transit district for purposes of determining votes under this section
13 are considered to be equal to the amount of county economic
14 development income tax revenue that the budget agency estimates
15 will be distributed during the year to the authorizing county from
16 a tax rate under IC 6-3.5-7-23.5, plus the amount the county
17 auditor of Marion County estimates will be transferred under
18 subdivision (2) during that first year.

19 (d) The board shall, as necessary, specify in its bylaws which
20 matters are, for purposes of this section, considered to be matters
21 related to the metropolitan transit district.

22 Sec. 8. (a) Except as provided in subsections (b) through (d), at
23 least fifty-one (51) affirmative votes of the one hundred (100) votes
24 allocated to the board under section 7 of this chapter are necessary
25 to authorize any action of the board.

26 (b) The number of affirmative votes specified in subsection (c)
27 is required for the board to authorize any of the following actions:

- 28 (1) Issuing any debt or entering into a capital lease.
29 (2) The hiring of a chief executive officer, technical experts,
30 legal counsel, or consultants.
31 (3) Acquiring real property.
32 (4) Entering into a contract with a cost of at least one million
33 dollars (\$1,000,000).
34 (5) Adopting or amending bylaws.
35 (6) Approving the formula developed under section 9(a) of
36 this chapter.
37 (7) Adopting the findings required under section 9(b) of this
38 chapter.
39 (8) Adopting the capital improvement plan under
40 IC 36-9.1-8-7.

41 (c) The number of affirmative votes required for the board to
42 authorize any of the actions listed in subsection (b) is equal to the

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- 1 greater of:
- 2 (1) the number of affirmative votes equal to the sum of:
- 3 (A) the total number of votes allocated under section 7 of
- 4 this chapter to the authorizing county with the greatest
- 5 population; plus
- 6 (B) one (1) vote; or
- 7 (2) fifty-one (51) affirmative votes.
- 8 (d) The board's bylaws may include voting requirements that
- 9 require:
- 10 (1) for approval of an action listed in subsection (b); or
- 11 (2) for approval of any other action;
- 12 a greater number of affirmative votes than is otherwise required
- 13 under subsection (c).
- 14 Sec. 9. (a) The board shall, based on the findings required by
- 15 subsection (b), develop a formula for determining the allocation of
- 16 financial contributions to be made to the metropolitan transit
- 17 district.
- 18 (b) The board shall make written findings concerning the
- 19 following:
- 20 (1) The value of the public transportation facilities that the
- 21 board proposes to put in service and to be allocated to each
- 22 authorizing county.
- 23 (2) The total amount of the capital needs of the metropolitan
- 24 transit district.
- 25 (3) The annual amount of capital costs that the board
- 26 proposes to be allocated to each authorizing county. In
- 27 determining the amount of capital costs to be allocated to each
- 28 authorizing county, the board shall allocate the capital costs
- 29 according to a formula established by the board that reflects
- 30 the benefit received by the authorizing county from the
- 31 capital costs in facilitating public transportation in the
- 32 authorizing county and to and from the authorizing county.
- 33 (4) The total amount of the operating needs of the
- 34 metropolitan transit district.
- 35 (5) The annual amount of operating expenses that the board
- 36 proposes to be allocated to each authorizing county, using:
- 37 (A) the total number of passengers and total miles traveled
- 38 by individuals using public transportation that:
- 39 (i) is within each authorizing county; and
- 40 (ii) is provided by the metropolitan transit district; and
- 41 (B) other factors that the board considers to be
- 42 appropriate.

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1 **Sec. 10. The metropolitan transit district and its board are:**
 2 (1) subject to the requirements of IC 5-14-1.5 (open door law)
 3 and IC 5-14-3 (public records law); and
 4 (2) subject to audit by the state board of accounts under
 5 IC 5-11-1.

6 **Chapter 5. General Powers**

7 **Sec. 1. (a) Except as provided in subsection (b), the metropolitan**
 8 **transit district may:**

- 9 (1) do any and all acts necessary, proper, or convenient to
 10 carry out the metropolitan transit district's powers and duties
 11 under this article concerning the metropolitan transit district;
 12 (2) exercise for and on behalf of the metropolitan transit
 13 district any of the powers that may be exercised by a regional
 14 transportation authority under IC 36-9-3 or any other law;
 15 and
 16 (3) exercise, in Marion County, for and on behalf of the
 17 metropolitan transit district, any of the powers that may be
 18 exercised by a public transportation corporation under
 19 IC 36-9-4 or any other law.

20 **(b) The metropolitan transit district may not do the following:**

- 21 (1) Impose any tax.
 22 (2) Exercise the power of eminent domain.

23 **Sec. 2. The metropolitan transit district may determine matters**
 24 **of policy regarding internal organization and operating procedures**
 25 **not specifically provided for by law.**

26 **Sec. 3. The metropolitan transit district may employ the**
 27 **personnel necessary to carry out the duties, functions, and powers**
 28 **of the district.**

29 **Sec. 4. The board shall fix the compensation of the various**
 30 **officers and employees of the metropolitan transit district, within**
 31 **the limitations of the district's total personal services budget.**

32 **Sec. 5. The board may adopt rules and policies governing the**
 33 **duties of its officers, employees, and personnel and the internal**
 34 **management of the affairs of the district.**

35 **Sec. 6. The metropolitan transit district may protect all**
 36 **property owned or managed by the district and procure insurance**
 37 **against any losses in connection with its property, operations, or**
 38 **assets in amounts and from insurers as it considers desirable.**

39 **Sec. 7. Subject to the requirements and limitations of this article**
 40 **and IC 36-9-4-1(b)(5)(E), the metropolitan transit district may**
 41 **borrow money, make guaranties, issue bonds, issue debentures,**
 42 **notes, or other evidences of indebtedness, and otherwise incur**

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1 indebtedness (whether secured or unsecured) for any of the
 2 district's purposes.
 3 **Sec. 8.** The metropolitan transit district may acquire and
 4 dispose of any real or personal property in connection with or for
 5 the purposes of the district, including supplies, materials, and
 6 equipment to carry out the duties and functions of the district.
 7 **Sec. 9.** The metropolitan transit district may receive gifts,
 8 donations, bequests, and public trusts, agree to conditions and
 9 terms accompanying them, and bind the district to carry them out.
 10 **Sec. 10. (a)** The metropolitan transit district may receive federal
 11 or state aid and administer that aid.
 12 **(b)** The metropolitan transit district shall comply with federal
 13 statutes and rules concerning the expenditure of federal money for
 14 public transportation systems. The board may apply to state and
 15 federal agencies for grants for public transportation development,
 16 make or execute representations, assurances, and contracts, and
 17 enter into covenants and agreements with any state or federal
 18 agency relative to public transportation systems. The metropolitan
 19 transit district shall comply with federal and state statutes and
 20 rules concerning the acquisition, development, operation, and
 21 administration of public transportation systems.
 22 **(c)** The metropolitan transit district may use money received by
 23 the district that is not pledged or restricted for another purpose to
 24 provide a local match required for the receipt of any federal funds.
 25 **Sec. 11.** The metropolitan transit district may adopt a schedule
 26 of reasonable charges and rents, and collect them from all users of
 27 facilities and services operated by or on behalf of the district.
 28 **Sec. 12.** The metropolitan transit district may purchase public
 29 transportation services from public or private transportation
 30 agencies upon the terms and conditions set forth in purchase of
 31 service agreements between the district and the transportation
 32 agencies.
 33 **Sec. 13.** The metropolitan transit district may acquire, establish,
 34 construct, renovate, improve, equip, operate, maintain, finance,
 35 subsidize, lease, and regulate public transportation systems serving
 36 the district.
 37 **Sec. 14.** The metropolitan transit district may make, execute,
 38 and enforce contracts and all other instruments, including
 39 public-private agreements (as defined in IC 5-23-2-13), that are
 40 necessary, convenient, or desirable for the purposes of the district
 41 or pertaining to:
 42 **(1)** a purchase, acquisition, or sale of securities or other

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1 investments related to a project; or
 2 (2) the performance of the district's duties and execution of
 3 any of the district's powers.
 4 **Sec. 15.** The metropolitan transit district may enter into
 5 agreements with government agencies, political subdivisions,
 6 private transportation companies, railroads, and other persons
 7 providing for:
 8 (1) construction, improvement, renovation, operation,
 9 maintenance, and use by the other party of any public
 10 transportation system and equipment held or later acquired
 11 by the district; and
 12 (2) acquisition of any public transportation system and
 13 equipment of another party if all or part of the operations of
 14 that party take place within the jurisdiction of the district.
 15 **Sec. 16.** The metropolitan transit district may lease to others for
 16 development or operation all or any part of the property of the
 17 district on the terms and conditions as the board considers
 18 advisable.
 19 **Sec. 17.** The metropolitan transit district may invest money not
 20 immediately needed for a project as provided in a resolution,
 21 agreement, or trust agreement of the board.
 22 **Sec. 18.** The metropolitan transit district may enter into an
 23 agreement with another district or any other entity to:
 24 (1) jointly equip, own, lease, and finance projects and
 25 facilities; or
 26 (2) otherwise carry out the purposes of the district;
 27 in any location.
 28 **Sec. 19.** The metropolitan transit district may rent or lease any
 29 real property, including air rights above real property owned or
 30 leased by a transportation system, for transportation or other
 31 purposes, with the revenues from those rentals to accrue to the
 32 district and to be used exclusively for the purposes of this article.
 33 **Sec. 20.** The metropolitan transit district may sell, lease, or
 34 otherwise contract for advertising in or on the facilities of the
 35 district.
 36 **Sec. 21.** (a) Subject to subsection (b), the metropolitan transit
 37 district may create a tax increment financing district within
 38 five-tenths (0.5) of a mile of a fixed guideway transit corridor (as
 39 defined in 49 U.S.C. 5309) if:
 40 (1) the tax increment financing district is also approved by the
 41 local governing body authorized to create tax increment
 42 financing districts in that jurisdiction; and

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1 (2) the metropolitan transit district and the local jurisdiction
2 agree to allocate the incremental revenue of the tax increment
3 financing district between the metropolitan transit district
4 and the local jurisdiction.

5 (b) Notwithstanding any other law, a tax increment financing
6 district established under subsection (a) expires after five (5) years.

7 (c) The metropolitan transit district shall require a person
8 contracted to construct a facility financed by using or pledging the
9 incremental revenue of a tax increment financing district
10 established under subsection (a) to adopt policies concerning the
11 preferential hiring of residents of the tax increment financing
12 district.

13 Sec. 22. The metropolitan transit district may administer any
14 rail services or other use of rail rights-of-way that may be the
15 responsibility of state or local government under the Federal
16 Regional Rail Reorganization Act of 1973, as amended (45 U.S.C.
17 701 through 45 U.S.C. 794).

18 Sec. 23. The metropolitan transit district may determine the
19 level and type of public transportation services to be provided by
20 the district.

21 Sec. 24. The metropolitan transit district may make grants and
22 loans to and purchase securities of any public transportation
23 agency to carry out the public transportation purposes of the
24 district.

25 Sec. 25. Except as provided in section 1(b) of this chapter, the
26 metropolitan transit district may do all other acts necessary or
27 reasonably incident to carrying out the purposes of this article.

28 Sec. 26. The metropolitan transit district may enter into
29 agreements with government agencies, political subdivisions, and
30 other persons providing for public safety services.

31 Sec. 27. The metropolitan transit district may enter into
32 agreements with government agencies, political subdivisions, and
33 other persons providing for public safety services.

34 Chapter 6. Administration

35 Sec. 1. (a) The board shall adopt an annual budget for the
36 metropolitan transit district.

37 (b) Before adopting the annual budget of the metropolitan
38 transit district, the board shall submit a copy of its proposed
39 budget to the fiscal body of each authorizing county for review.
40 The board must submit the proposed budget at least thirty (30)
41 days before the board takes final action on the metropolitan transit
42 district's budget. Each county fiscal body shall review the proposed

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budget submitted by the board.

Sec. 2. The board may establish the funds and accounts that the board determines are necessary.

Sec. 3. The board shall, before April 1 of each year, issue a report to the legislative council, the budget committee, and the governor concerning the operations and activities of the metropolitan transit district during the preceding calendar year. The report to the legislative council must be in an electronic format under IC 5-14-6.

Sec. 4. The board shall appoint a chief executive officer to manage the metropolitan transit district. The chief executive officer must have at least seven (7) years experience in public transportation at a senior executive level.

Sec. 5. The board may establish any advisory committees that the board determines to be advisable.

Sec. 6. All employees of the metropolitan transit district:

- (1) must be employed solely on the basis of ability, taking into account their qualifications to perform the duties of their positions;
- (2) must be employed regardless of political affiliation;
- (3) may not be appointed, promoted, reduced, removed, or in any way favored or discriminated against because of their political affiliation, race, religion, color, sex, national origin, or ancestry; and
- (4) may not be required to make contributions for or participate in political activities.

Sec. 7. Before July 1 of the calendar year in which the district is established, the board shall publish the estimated total cost of implementing the district on an Internet web site maintained by the board.

Chapter 7. Procurement

Sec. 1. The metropolitan transit district shall comply with the following:

- (1) IC 5-22 (public purchasing).
- (2) IC 36-1-12 (public work projects).
- (3) IC 5-16-7 (common construction wage).
- (4) All applicable federal bidding statutes and regulations.

Sec. 2. An entity that receives a loan, a grant, or other financial assistance from the metropolitan transit district or enters into a lease with the metropolitan transit district must comply with applicable federal, state, and local public purchasing and bidding laws and regulations. However, a purchasing agency (as defined in

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- 1 IC 5-22-2-25) of a political subdivision may:
- 2 (1) assign or sell a lease for property to the metropolitan
- 3 transit district; or
- 4 (2) enter into a lease for property with the metropolitan
- 5 transit district;
- 6 at any price and under any other terms and conditions as may be
- 7 determined by the entity and the metropolitan transit district.
- 8 However, before making an assignment or a sale of a lease or
- 9 entering into a lease under this section that would otherwise be
- 10 subject to IC 5-22, the political subdivision or its purchasing agent
- 11 must obtain or cause to be obtained a purchase price for the
- 12 property to be subject to the lease from the lowest responsible and
- 13 responsive bidder in accordance with the requirements for the
- 14 purchase of supplies under IC 5-22.
- 15 Sec. 3. Except where 49 CFR 26 applies, the board shall set a
- 16 goal for participation by minority business enterprises and
- 17 women's business enterprises in conformity with the goals
- 18 established by the department of minority and women's business
- 19 development of a consolidated city. The goals must be consistent
- 20 with the goals of delivering the project on time and within the
- 21 budgeted amount and, insofar as possible, using Indiana businesses
- 22 for employees, goods, and services.
- 23 Chapter 8. Planning
- 24 Sec. 1. After reviewing the transportation plans of the Indiana
- 25 department of transportation and the plans of regional and other
- 26 planning agencies, the board shall develop, continuously update,
- 27 and implement a long range comprehensive transportation plan to
- 28 ensure the orderly development and maintenance of an efficient
- 29 system of public transportation in the district. The board shall
- 30 periodically amend and update the plan as appropriate.
- 31 Sec. 2. The plan developed under section 1 of this chapter must
- 32 identify goals and objectives with respect to the following:
- 33 (1) Increasing ridership and passenger miles on public
- 34 transportation funded by the metropolitan transit district.
- 35 (2) Coordination of public transportation services and the
- 36 investment in public transportation facilities to enhance the
- 37 integration of public transportation throughout the
- 38 metropolitan transit district territory.
- 39 (3) Coordination of fare and transfer policies to promote
- 40 transfers by riders among public transportation agencies and
- 41 public transportation modes, which may include goals and
- 42 objectives for development of a universal fare instrument that

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riders may use interchangeably on all public transportation funded by the metropolitan transit district, and methods to be used to allocate revenues from transfers.

(4) Improvements in public transportation facilities to bring those facilities into a state of good repair, enhancements that attract ridership and improve customer service, and expansions needed to serve areas with sufficient demand for public transportation.

(5) Access for transit dependent populations, including access by low income communities to places of employment, using analyses provided by the department of workforce development and other planning agencies regarding employment and transportation availability, and giving consideration to the location of employment centers in each county and the availability of public transportation at off peak hours and on weekends.

(6) The financial viability of the public transportation system, including both operating and capital programs.

(7) Limiting road congestion within the metropolitan transit district territory, and enhancing transit options to improve mobility.

(8) Other goals and objectives that advance adequate, efficient, and coordinated public transportation in the metropolitan transit district territory.

Sec. 3. The plan developed under section 1 of this chapter must establish the process and criteria by which proposals for capital improvements by the metropolitan transit district will be evaluated by the board for inclusion in the metropolitan transit district's capital program. The plan may include criteria for the following:

(1) Allocating funds among maintenance, enhancement, and expansion improvements.

(2) Projects to be funded.

(3) Projects intended to improve or enhance ridership or customer service.

(4) Design and location of station or transit improvements intended to promote transfers, increase ridership, and support transit oriented land development.

(5) Assessing the impact of projects on the ability to operate and maintain the existing transit system.

(6) Other criteria that advance the goals and objectives of the plan.

Sec. 4. The plan developed under section 1 of this chapter must

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1 establish performance standards and measurements regarding the
2 adequacy, efficiency, and coordination of public transportation
3 services in the region and the implementation of the goals and
4 objectives in the plan. At a minimum, the standards and
5 measurements must include customer related performance data
6 measured by line, route, or subregion, as determined by the
7 district, on the following:

- 8 (1) Travel times and on time performance.
- 9 (2) Ridership data.
- 10 (3) Equipment failure rates.
- 11 (4) Employee and customer safety.
- 12 (5) Customer satisfaction.

13 **Sec. 5.** The plan developed under section 1 of this chapter must
14 describe the expected financial condition of public transportation
15 in the metropolitan transit district territory prospectively over a
16 ten (10) year period, which may include information about the cash
17 position and all known obligations of the metropolitan transit
18 district, including operating expenditures, debt service,
19 contributions for payment of pension and other postemployment
20 benefits, the expected revenues from fares, tax receipts, grants
21 from the federal, state, and local governments for operating and
22 capital purposes and issuance of debt, the availability of working
23 capital, and the resources needed to achieve the goals and
24 objectives described in the plan.

25 **Sec. 6.** The board may adopt corridor plans for specific
26 geographic areas of the metropolitan transit district territory to
27 improve the adequacy, efficiency, and coordination of existing, or
28 the delivery of new, public transportation. The plans also may
29 address areas outside the metropolitan transit district territory
30 that may affect public transportation use in the metropolitan
31 transit district territory. In preparing a corridor plan, the board
32 may identify changes in operating practices or capital investment
33 in the corridor that could increase ridership, reduce costs, improve
34 coordination, or enhance transit oriented development.

35 **Sec. 7.** The board shall annually establish a capital improvement
36 plan to govern the distribution of funds. The capital improvement
37 plan must cover at least a five (5) year period. The capital
38 improvement plan must be based on the formula developed under
39 IC 36-9.1-4-9(a) and the written findings made under
40 IC 36-9.1-4-9(b).

41 **Sec. 8.** The board shall cooperate with the various public
42 agencies charged with responsibility for long range or

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1 comprehensive planning for the metropolitan transit district
 2 territory. The board may, before the adoption of any plan under
 3 this chapter, submit its proposals to these agencies for review and
 4 comment. The board may use existing studies, surveys, plans, data,
 5 and other materials in the possession of any state agency or
 6 department, any planning agency, or any unit of local government.

7 **Chapter 9. Acquisition and Construction of Public**
 8 **Transportation Facilities**

9 **Sec. 1. The powers granted under this chapter supplement any**
 10 **other powers granted by another law.**

11 **Sec. 2. (a) The metropolitan transit district may:**

12 (1) construct or enter into an agreement to acquire any public
 13 transportation facility for use by the district; and

14 (2) acquire funds and interests in and materials for
 15 transportation facilities from any public transportation
 16 agency, including:

17 (A) reserve funds;

18 (B) employees' pension or retirement funds;

19 (C) special funds;

20 (D) franchises;

21 (E) licenses;

22 (F) patents;

23 (G) permits; and

24 (H) papers and records of the agency.

25 (b) In making acquisitions from a public transportation agency,
 26 the metropolitan transit district may assume the obligations of the
 27 transportation agency regarding its property or public
 28 transportation operations.

29 **Sec. 3. The metropolitan transit district may acquire, improve,**
 30 **maintain, lease, and rent facilities, including air rights, that are**
 31 **within one hundred (100) yards of a terminal, fixed guideway**
 32 **transit corridor, station, or other facility of the district. If these**
 33 **facilities generate revenues that exceed their cost to the**
 34 **metropolitan transit district, the metropolitan transit district must**
 35 **use the excess revenues exclusively for the purposes of this article.**

36 **Chapter 10. Operation of Public Transportation Facilities**

37 **Sec. 1. The powers granted under this chapter supplement any**
 38 **other powers granted by another law.**

39 **Sec. 2. The metropolitan transit district may provide public**
 40 **transportation service by operating public transportation facilities.**

41 **Sec. 3. The metropolitan transit district may enter into**
 42 **operating agreements with any private or public person to operate**

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transportation facilities on behalf of the district.

Sec. 4. Whenever the metropolitan transit district provides any public transportation service by operating public transportation facilities, the metropolitan transit district shall establish the level and nature of fares or charges to be made for public transportation services, and the nature and standards of public transportation service to be provided within the jurisdiction of the metropolitan transit district.

Sec. 5. The board shall, to the extent it considers feasible, adopt uniform standards for the making of grants and purchase of service agreements. These grant contracts or purchase of service agreements may be for the number of years or duration agreed to by the metropolitan transit district and the transportation agency.

Sec. 6. If the metropolitan transit district provides grants for operating expenses or participates in any purchase of service agreement, the purchase of service agreement or grant contract must state the level and nature of fares or charges to be made for public transportation services, and the nature and standards of public transportation to be so provided. In addition, any purchase of service agreements or grant contracts must provide, among other matters, for:

- (1) the terms or cost of transfers or interconnections between different public transportation agencies;
- (2) schedules or routes of transportation service;
- (3) changes that may be made in transportation service;
- (4) the nature and condition of the facilities used in providing service;
- (5) the manner of collection and disposition of fares or charges;
- (6) the records and reports to be kept and made concerning transportation service; and
- (7) interchangeable tickets or other coordinated or uniform methods of collection of charges.

Chapter 11. Coordination of Programs

Sec. 1. (a) The metropolitan transit district may construct or enter into an agreement to acquire any public transportation facility for use by any transportation agency and may acquire any facilities from any transportation agency, including also without limitation any reserve funds, employees' pension or retirement funds, special funds, franchises, licenses, patents, permits, papers, documents, and records of the agency. In connection with any acquisition from a transportation agency, the metropolitan transit

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1 district may assume obligations of the transportation agency with
 2 regard to the facilities or property or public transportation
 3 operations of the agency.

4 (b) In connection with any construction or acquisition under this
 5 section, the metropolitan transit district shall make relocation
 6 payments as may be required by federal law or by the
 7 requirements of any federal agency authorized to administer any
 8 federal program of aid.

9 Sec. 2. The metropolitan transit district shall develop
 10 coordinated and consolidated sales, marketing, advertising, and
 11 public information programs that promote the use and
 12 coordination of, and transfers among, public transportation
 13 services in the district territory.

14 Sec. 3. To provide or assist any transportation of members of
 15 the public between points in the metropolitan transit district
 16 territory and points outside the metropolitan transit district
 17 territory, the district may enter into agreements with any unit of
 18 local government, individual, corporation, or other person or
 19 public agency in or of any state or with any private entity for
 20 service. The agreements may provide for participation by the
 21 metropolitan transit district in providing the service and for grants
 22 by the metropolitan transit district in connection with the service,
 23 and may, subject to federal and state law, set forth any terms
 24 relating to the service, including coordinating the service with
 25 public transportation in the metropolitan transit district territory.
 26 The agreement may be for the number of years or duration as the
 27 parties agree. In regard to the agreements or grants, the district
 28 shall consider the benefit to the metropolitan transit district
 29 territory and the financial contribution with regard to the service
 30 made or to be made from public funds in the areas served outside
 31 the metropolitan transit district territory.

32 **Chapter 12. Bonds**

33 Sec. 1. (a) Subject to section 2 of this chapter, the district may
 34 borrow money, make guaranties, issue bonds, debentures, notes, or
 35 other evidences of indebtedness, whether secured or unsecured, to
 36 any person (including the Indiana finance authority established by
 37 IC 4-4-11), and otherwise incur indebtedness for any of the
 38 metropolitan transit district's purposes, including:

- 39 (1) acquiring real or personal property, including existing
 40 capital improvements;
 41 (2) acquiring, constructing, improving, reconstructing, or
 42 renovating one (1) or more projects;



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- 1 **(3) paying the costs of:**
- 2 **(A) planning and development of equipment or a facility**
- 3 **and all buildings, facilities, structures, equipment, and**
- 4 **improvements related to the facility;**
- 5 **(B) acquisition of a site and clearing and preparing the site**
- 6 **for construction;**
- 7 **(C) equipment, facilities, structures, and improvements**
- 8 **that are necessary or desirable to make the project suitable**
- 9 **for use and operations;**
- 10 **(D) architectural, engineering, consultant, and attorney's**
- 11 **fees;**
- 12 **(E) incidental expenses in connection with the issuance and**
- 13 **sale of bonds;**
- 14 **(F) reserves for principal and interest;**
- 15 **(G) interest during construction;**
- 16 **(H) financial advisory fees;**
- 17 **(I) insurance during construction; and**
- 18 **(J) bond insurance, debt service reserve insurance, letters**
- 19 **of credit, or other credit enhancement; and**
- 20 **(4) funding or refunding bonds or other evidences of**
- 21 **indebtedness.**
- 22 **(b) The indebtedness under subsection (a) is payable solely**
- 23 **from:**
- 24 **(1) the lease rentals from the lease of the projects for which**
- 25 **the bonds were issued, insurance proceeds, and any other**
- 26 **funds pledged or available; and**
- 27 **(2) to the extent designated in the agreements for the bonds,**
- 28 **revenue received by the board and amounts deposited in**
- 29 **funds established for the metropolitan transit district.**
- 30 **(c) The indebtedness must be authorized by a resolution of the**
- 31 **board.**
- 32 **(d) The terms and form of the indebtedness must either be set**
- 33 **out in the resolution or in a form of trust indenture approved by**
- 34 **the resolution.**
- 35 **(e) The indebtedness must mature within twenty-five (25) years.**
- 36 **Sec. 2. The district may not issue bonds unless the issuance of**
- 37 **the bonds is reviewed by the fiscal body of each county in which the**
- 38 **project being financed by the proposed bond issuance is located.**
- 39 **Sec. 3. (a) Bonds issued under this article may be secured by a**
- 40 **trust indenture between the metropolitan transit district and a**
- 41 **corporate trustee, which may be any trust company or national or**
- 42 **state bank in Indiana that has trust powers.**

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- (b) The trust indenture under subsection (a) may:**
 - (1) pledge or assign revenue received by the metropolitan transit district, amounts deposited in a metropolitan transit district fund, and lease rentals, receipts, and income from leased projects, but may not mortgage land or projects;**
 - (2) contain reasonable and proper provisions for protecting and enforcing the rights and remedies of the bondholders, including covenants setting forth the duties of the metropolitan transit district and the board;**
 - (3) set forth the rights and remedies of bondholders and trustees; and**
 - (4) restrict the individual right of action of bondholders.**

(c) Any pledge or assignment made by the metropolitan transit district under this section is valid and binding in accordance with IC 5-1-14-4 from the time that the pledge or assignment is made, against all persons whether they have notice of the lien. Any trust indenture by which a pledge is created or an assignment made need not be filed or recorded. The lien is perfected against third parties in accordance with IC 5-1-14-4.

Sec. 4. The total amount of bonds issued by the metropolitan transit district under this article and scheduled to be paid during any year may not exceed an amount equal to twenty-five percent (25%) of the total operating and capital revenues of the metropolitan transit district in the year preceding the year in which the bonds are issued.

Sec. 5. Bonds issued under this article are legal investments for private trust funds and the funds of banks, trust companies, insurance companies, building and loan associations, credit unions, savings banks, private banks, loan and trust and safe deposit companies, rural loan and savings associations, guaranty loan and savings associations, mortgage guaranty companies, small loan companies, industrial loan and investment companies, and other financial institutions organized under Indiana law.

Sec. 6. An action to contest the validity of bonds to be issued under this article may not be brought after the time limitations set forth in IC 5-1-14-13.

- Sec. 7. The general assembly covenants that it will not:**
- (1) repeal or amend this article in a manner that would adversely affect owners of outstanding bonds, or the payment of lease rentals, secured by the amounts pledged under this article; or**
 - (2) in any way impair the rights of owners of bonds of the**

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1 metropolitan transit district, or the owners of bonds secured
 2 by lease rentals or by a pledge of revenues under this article.
 3 **Sec. 8. (a) If the metropolitan transit district board determines**
 4 **that the sum of:**
 5 (1) the cost of a proposed project of the district that would be
 6 financed by bonds issued under this chapter; and
 7 (2) the total amount of money expended by the district as of
 8 the date of the board's determination;
 9 exceeds the amount published under IC 36-9.1-6-7 by more than
 10 five percent (5%), the district may not issue bonds for the project
 11 unless the issuance is approved by the voters in each county that is
 12 a member of the district in a local public question held under this
 13 section.
 14 (b) To obtain the approval of the voters, each authorizing body
 15 in the district shall adopt an ordinance to certify the following
 16 question to its county election board, and the county election board
 17 shall place the question on the election ballot at the next general
 18 election in accordance with IC 3-10-9:
 19 "Shall the metropolitan transit district have the ability to
 20 issue bonds in an amount not to exceed _____ (insert
 21 the amount to be financed by the proposed bond issuance) to
 22 finance _____ (insert the type of project to be financed
 23 if approved by the voters) in _____ (insert the
 24 name of the county or municipality in which the proposed
 25 project is located)?"
 26 (c) After an election on the local public question, the circuit
 27 court clerk of the county shall:
 28 (1) make a certified copy of the election returns; and
 29 (2) not later than five (5) days after the election, file the copy
 30 with:
 31 (A) the department of state revenue; and
 32 (B) the authorizing body of the county.
 33 (d) The local public question is approved by a county if a
 34 majority of the county voters voting on the local public question
 35 vote "yes". The local public question is defeated by a county if a
 36 majority of the county voters voting on the local public question
 37 vote "no".
 38 (e) If the local public question is defeated in a county, the
 39 authorizing body may adopt an ordinance under this section to
 40 place another local public question on the ballot as provided in this
 41 section at a subsequent general election in the county. However, a
 42 local public question under this section may not be placed on the

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ballot more than two (2) times in any five (5) year period.

Chapter 13. Leases and Agreements With Public Transportation Agencies

Sec. 1. (a) Before a lease may be entered into by the metropolitan transit district, the board must find that the lease rental provided for is fair and reasonable.

(b) A lease of land or a project by the metropolitan transit district:

- (1) may not have a term exceeding twenty-five (25) years;**
- (2) may not require payment of lease rentals for a newly constructed project or for improvements to an existing project until the project or improvements to the project have been completed and are ready for occupancy or use;**
- (3) may contain provisions:**
 - (A) allowing the metropolitan transit district to continue to operate an existing project until completion of the acquisition, improvements, reconstruction, or renovation of that project or any other project; and**
 - (B) requiring payment of lease rentals for land, for an existing project being used, reconstructed, or renovated, or for any other existing project;**
- (4) may contain an option to renew the lease for the same or a shorter term on the conditions provided in the lease;**
- (5) must contain an option for the metropolitan transit district to purchase the project upon the terms stated in the lease during the term of the lease for a price equal to the amount required to pay all indebtedness incurred on account of the project, including indebtedness incurred for the refunding of that indebtedness;**
- (6) may be entered into before acquisition or construction of a project;**
- (7) may provide that the metropolitan transit district shall agree to:**
 - (A) pay any taxes and assessments on the project;**
 - (B) maintain insurance on the project;**
 - (C) assume responsibility for utilities, repairs, alterations, and any costs of operation; and**
 - (D) pay a deposit or series of deposits to the lessor from any funds available to the metropolitan transit district before the commencement of the lease to secure the performance of the metropolitan transit district's obligations under the lease; and**

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1 **(8) must provide that the lease rental payments by the**
2 **metropolitan transit district shall be made from:**
3 **(A) net revenues of the project;**
4 **(B) any other funds available to the metropolitan transit**
5 **district; or**
6 **(C) both sources described in clauses (A) and (B).**
7 **Sec. 2. This article contains full and complete authority for**
8 **leases by a metropolitan transit district. No law, procedure,**
9 **proceedings, publications, notices, consents, approvals, orders, or**
10 **acts by the metropolitan transit district or any other officer,**
11 **department, agency, or instrumentality of the state or any political**
12 **subdivision is required to enter into any lease, except as prescribed**
13 **in this article.**
14 **Sec. 3. If a lease provides for a project or improvements to a**
15 **project to be constructed by the metropolitan transit district, the**
16 **plans and specifications shall be submitted to and approved by all**
17 **state agencies designated by law to pass on plans and specifications**
18 **for public buildings.**
19 **Sec. 4. The metropolitan transit district may enter into common**
20 **wall (party wall) agreements or other agreements concerning**
21 **easements or licenses. These agreements shall be recorded with the**
22 **recorder of the county in which the project is located.**
23 **Chapter 14. Use of Money by the Metropolitan Transit District**
24 **Sec. 1. Subject to section 3 of this chapter, the metropolitan**
25 **transit district shall use the money received by the district for the**
26 **capital and operating expenses of the district.**
27 **Sec. 2. The money must be used in accordance with the**
28 **metropolitan transit district's transportation plan.**
29 **Sec. 3. Federal highway revenues received from a metropolitan**
30 **planning organization or the Indianapolis regional transportation**
31 **council:**
32 **(1) must be used for route and station infrastructure; and**
33 **(2) may not be used for the purchase of vehicles.**
34 **Sec. 4. The metropolitan transit district may not impose any tax.**

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Roads and Transportation, to which was referred House Bill 1011, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 23, line 27, delete "county; or" and insert "**county and the county does not contain a consolidated city;**".

Page 23, line 29, after "county," insert "**or**

(3) the city-county council, if the county contains a consolidated city;".

Page 23, line 30, delete "may" and insert "**shall**".

Page 23, delete lines 35 through 40, begin a new line block indented and insert:

"(1) The county economic development income tax rate imposed under subsection (a) may not exceed the maximum rate approved in the local public question under IC 36-9.1-2-2."

Page 24, between lines 12 and 13, begin a new paragraph and insert:
"SECTION 13. IC 34-6-2-110, AS AMENDED BY P.L.2-2007, SECTION 371, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 110. "Political subdivision", for purposes of IC 34-13-3, means a:

- (1) county;
- (2) township;
- (3) city;
- (4) town;
- (5) separate municipal corporation;
- (6) special taxing district;
- (7) state educational institution;
- (8) city or county hospital;
- (9) school corporation;
- (10) board or commission of one (1) of the entities listed in subdivisions (1) through (9);
- (11) drug enforcement task force operated jointly by political subdivisions;
- (12) community correctional service program organized under IC 12-12-1; **or**
- (13) solid waste management district established under IC 13-21 or IC 13-9.5-2 (before its repeal); **or**
- (14) metropolitan transit district established under IC 36-9.1-2.**

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SECTION 14. IC 34-13-3-22 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 22. (a) For purposes of this chapter, the following shall be treated as political subdivisions:

- (1) A community action agency (as defined in IC 12-14-23-2).
- (2) An individual or corporation rendering public transportation services under a contract with a commuter transportation district created under IC 8-5-15.
- (3) A volunteer fire department (as defined in IC 36-8-12-2) that is acting under:
 - (A) a contract with a unit or a fire protection district; or
 - (B) IC 36-8-17.

(4) An individual or a corporation rendering public transportation services under a contract with a metropolitan transportation district established under IC 36-9.1-2.

(b) The treatment provided for under subsection (a)(2) shall be accorded only in relation to a loss that occurs in the course of rendering public transportation services under contract with a commuter transportation district.

(c) The treatment provided for under subsection (a)(4) shall be accorded only in relation to a loss that occurs in the course of rendering public transportation services under a contract with a metropolitan transit district."

Page 25, between lines 7 and 8, begin a new line blocked left and insert:

"If the consolidated city is located in a county that is a member of a metropolitan transit district established under IC 36-9.1, the terms of the members appointed under this subsection expire on the date on which the first meeting of the board of the metropolitan transit district is called under IC 36-9.1-4-5(a). If not otherwise ineligible, a member appointed under this subsection is eligible for appointment under subsection (d)."

Page 28, line 14, delete "The" and insert **"Beginning on the date on which the first meeting of the board of metropolitan transit district is called under IC 36-9.1-4-5(a), the"**.

Page 28, between lines 29 and 30, begin a new line blocked left and insert:

"If not otherwise ineligible, a member whose term expired under subsection (a) is eligible for appointment under this subsection.

SECTION 16. IC 36-9-3-7, AS AMENDED BY P.L.182-2009(ss), SECTION 448, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 7. (a) Except as provided in subsection (e), as soon as is practical, but not later than ninety (90)



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days after the authority is established, the members shall meet and organize themselves as a board.

(b) Except as provided in ~~subsection~~ **subsections (f) and (g)**, at its first meeting, and annually after that, the board shall elect from its members a president, a vice president who shall perform the duties of the president during the absence or disability of the president, a secretary, and a treasurer. If the authority includes more than one (1) county, the president and vice president must be from different counties.

(c) The regional planning commission staff or the metropolitan planning organization if the authority includes a consolidated city shall serve as staff to the board secretary for the purpose of recording the minutes of all board meetings and keeping the records of the authority.

(d) The board shall keep its maps, plans, documents, records, and accounts in a suitable office, subject to public inspection at all reasonable times.

(e) After December 31, 2009, this subsection applies if a county is not a member of the northern Indiana regional transportation district established under IC 8-24. If the authority includes a county having a population of more than four hundred thousand (400,000) but less than seven hundred thousand (700,000), the first meeting of the board shall be at the call of the county council of the county having a population of more than four hundred thousand (400,000) but less than seven hundred thousand (700,000). The president of the county council shall preside over the first meeting until the officers of the board have been elected.

(f) After December 31, 2009, this subsection applies if a county is not a member of the northern Indiana regional transportation district established under IC 8-24. If the authority includes a county having a population of more than four hundred thousand (400,000) but less than seven hundred thousand (700,000), the board shall first meet in January. At the first meeting the board shall elect from its members a president, a vice president who shall perform the duties of the president during the absence or disability of the president, a secretary, a treasurer, and any other officers the board determines are necessary for the board to function.

(g) This subsection applies to an authority that includes a county that is a member of a metropolitan transit district established under IC 36-9.1. The chairperson and vice-chairperson of the board of the metropolitan transit district shall serve as chairperson and vice-chairperson of the board of the authority. The board shall elect from its members a secretary-treasurer."



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Page 31, line 30, after "district." insert **"The metropolitan transit district is subject to the requirements of IC 36-9-3-21 and IC 36-9-4-41."**

Page 35, delete lines 32 through 36, begin a new paragraph and insert:

"Sec. 3. "Authorizing body" means the following:

(1) For a county containing a consolidated city, the city-county council.

(2) For a county (other than a county containing a consolidated city) in which the county option income tax is in effect, the county income tax council (as defined in IC 6-3.5-6-1).

(3) For a county in which the county adjusted gross income tax is in effect, the county council."

Page 36, line 37, delete "recommended" and insert **"maximum"**.

Page 36, line 39, delete "recommended" and insert **"maximum"**.

Page 37, delete lines 4 through 10, begin a new line block indented and insert:

"Shall _____ County become a member of a metropolitan transit district and have the ability to impose a county economic development income tax rate, not to exceed a rate of _____ (insert recommended rate included in the ordinance under subsection (a)), the proceeds of which will be dedicated to the metropolitan transit district to provide improved transit service in the county, including increased local bus service, express buses, and rapid transit lines?"".

Page 37, delete line 14.

Page 37, line 15, delete "(1)".

Page 37, run in lines 13 through 15.

Page 37, line 17, delete "vote; or" and insert **"vote."**

Page 37, delete line 18.

Page 37, between lines 36 and 37, begin a new paragraph and insert:

"(g) A political subdivision may not expend public funds (as defined in IC 5-13-4-20) to support or oppose the approval of the local public question under this section."

Page 40, between lines 19 and 20, begin a new paragraph and insert:

"(c) A member must reside in the county from which the appointment was made. A member's term expires on the date the member establishes residency in another county.

(d) The following individuals are not eligible for membership on the board:

(1) An officer of the district.



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(2) An employee of the district.

(3) An elected official."

Page 47, between lines 15 and 16, begin a new paragraph and insert:

"Sec. 26. The metropolitan transit district may enter into agreements with government agencies, political subdivisions, and other persons providing for public safety services."

Page 47, line 35, after "district." insert **"The chief executive officer must have at least seven (7) years experience in public transportation at a senior executive level."**

Page 58, after line 29, begin a new paragraph and insert:

"Sec. 4. The metropolitan transit district may not impose any tax."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1011 as introduced.)

SOLIDAY, Chair

Committee Vote: yeas 11, nays 1.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1011, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 23, line 33, delete "shall" and insert **"may"**.

Page 33, line 19, after "in" insert **"subsection (c) and"**.

Page 33, line 25, after "in" insert **"subsection (c) and"**.

Page 35, between lines 32 and 33, begin a new paragraph and insert:

"(c) A metropolitan transit district receiving the powers and duties of a public transportation corporation under subsection (b) may not exercise the power of eminent domain under section 32 of this chapter."

Page 39, line 22, after "(0.3%)." insert **"The authorizing body must take final action under this subsection not later than December 31, 2013."**

Page 42, line 23, delete "three (3)" and insert **"five (5)"**.

Page 42, line 26, delete "One (1) member" and insert **"Two (2) members"**.

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Page 42, between lines 27 and 28, begin a new line double block indented and insert:

"(C) One (1) member appointed by the board of county commissioners."

Page 43, line 2, delete "No" and insert "Not".

Page 43, line 2, after "county" insert **"described in subsection (a)(2) or (a)(3)"**.

Page 43, line 3, after "party." insert **"One (1) member appointed under subsection (a)(1)(A) and (a)(1)(B) must be from each major political party."**

Page 45, line 21, delete "property, including the condemning of real" and insert **"property."**

Page 45, delete line 22.

Page 47, line 11, delete "impose any tax." and insert **"do the following:**

(1) Impose any tax.

(2) Exercise the power of eminent domain."

Page 49, line 25, delete "The" and insert **"(a) Subject to subsection (b), the"**.

Page 49, between lines 34 and 35, begin a new paragraph and insert:

"(b) Notwithstanding any other law, a tax increment financing district established under subsection (a) expires after five (5) years.

(c) The metropolitan transit district shall require a person contracted to construct a facility financed by using or pledging the incremental revenue of a tax increment financing district established under subsection (a) to adopt policies concerning the preferential hiring of residents of the tax increment financing district."

Page 50, between lines 10 and 11, begin a new paragraph and insert:

"Sec. 27. The metropolitan transit district may enter into agreements with government agencies, political subdivisions, and other persons providing for public safety services."

Page 51, between lines 3 and 4, begin a new paragraph and insert:

"Sec. 7. Before July 1 of the calendar year in which the district is established, the board shall publish the estimated total cost of implementing the district on an Internet web site maintained by the board."

Page 51, line 32, delete "consultation with the county fiscal" and insert **"conformity with the goals established by the department of minority and women's business development of a consolidated city."**

Page 51, line 33, delete "bodies of the authorizing counties."

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Page 51, delete lines 37 through 42.

Page 52, delete lines 1 through 11.

Page 57, line 22, delete "The" and insert "**Subject to section 2 of this chapter, the**".

Page 58, delete lines 25 through 30, begin a new paragraph and insert:

"Sec. 2. The district may not issue bonds unless the issuance of the bonds is reviewed by the fiscal body of each county in which the project being financed by the proposed bond issuance is located."

Page 59, between lines 36 and 37, begin a new paragraph and insert:

"Sec. 8. (a) If the metropolitan transit district board determines that the sum of:

- (1) the cost of a proposed project of the district that would be financed by bonds issued under this chapter; and**
- (2) the total amount of money expended by the district as of the date of the board's determination;**

exceeds the amount published under IC 36-9.1-6-7 by more than five percent (5%), the district may not issue bonds for the project unless the issuance is approved by the voters in each county that is a member of the district in a local public question held under this section.

(b) To obtain the approval of the voters, each authorizing body in the district shall adopt an ordinance to certify the following question to its county election board, and the county election board shall place the question on the election ballot at the next general election in accordance with IC 3-10-9:

"Shall the metropolitan transit district have the ability to issue bonds in an amount not to exceed _____ (insert the amount to be financed by the proposed bond issuance) to finance _____ (insert the type of project to be financed if approved by the voters) in _____ (insert the name of the county or municipality in which the proposed project is located)?"

(c) After an election on the local public question, the circuit court clerk of the county shall:

- (1) make a certified copy of the election returns; and**
- (2) not later than five (5) days after the election, file the copy with:**
 - (A) the department of state revenue; and**
 - (B) the authorizing body of the county.**

(d) The local public question is approved by a county if a majority of the county voters voting on the local public question

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vote "yes". The local public question is defeated by a county if a majority of the county voters voting on the local public question vote "no".

(e) If the local public question is defeated in a county, the authorizing body may adopt an ordinance under this section to place another local public question on the ballot as provided in this section at a subsequent general election in the county. However, a local public question under this section may not be placed on the ballot more than two (2) times in any five (5) year period."

and when so amended that said bill do pass.

(Reference is to HB 1011 as printed February 1, 2013.)

BROWN T, Chair

Committee Vote: yeas 20, nays 2.

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