

STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



INDIANA GOVERNMENT CENTER NORTH
100 NORTH SENATE AVENUE N1058(B)
INDIANAPOLIS, IN 46204
PHONE (317) 232-3777
FAX (317) 232-8779

TO: All Counties, Cities, & Towns
FROM: Micah G. Vincent, Commissioner *MGV*
RE: House Enrolled Act 1077-2013, Transfer of EDITs to General Funds
DATE: June 10, 2013

I. Introduction

On April 8, 2013, Governor Mike Pence signed into law House Enrolled Act 1077-2013 ("HEA 1077") which was effective upon passage. Section 1 amends IC 6-3.5-7-12.7, concerning the transfer of county or municipal economic development income taxes ("EDITs"). Please note that this memorandum is an informative bulletin only and not a substitute for reading the law.

II. Transfers of EDIT Funds by County and Municipality Executives, IC 6-3.5-7-12.7

Previously, a county or municipality had authority to transfer money deposited in the EDIT fund established by the county or municipality under IC 6-3.5-7-13.1, at any time, to the county or municipality's general fund or any other appropriated fund of the county or municipality. HEA 1077 transfers this authority to the executive of the county or municipality. Hence, a county executive, by resolution or ordinance, or a municipal executive may, at any time, transfer money deposited in the EDIT fund to the county or municipality's general fund or any other fund of the county or municipality that the executive serves.

If a transfer is made, the executive must adjust the unit's capital improvement plan adopted under IC 6-3.5-7-15 to reflect the transfer. After appropriation of the money by the fiscal body of the county or municipality in a budget or supplemental budget (as required by law), the money transferred may be used for the purposes of the fund to which the money is transferred.

Note that HEA 1077 prohibits a unit from transferring EDITs if the amount transferred would impair the unit's ability to satisfy any debts, liabilities, or obligations for which county economic development income taxes are pledged or otherwise encumbered, including transfers required by IC 36-7.5-4-2 (transfers to the development authority fund).

Contact Information

If you have any questions, please contact Staff Attorney David Marusarz at 317-233-6770 or dmarusarz@dlgf.in.gov.