



SENATE BILL No. 067

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-3.5; IC 6-3.6-10-9.

Synopsis: Supplemental distributions of local income tax. Requires the budget agency, before May 1, 2016, to make supplemental distributions from a county's adjusted gross income tax trust account, county option income tax trust account, or county economic development income tax trust account equal to: (1) the amount of the balance in the county trust account on December 31, 2014, as determined by the budget agency; minus (2) any supplemental distribution made under current law to the county in January 2016. Provides that the office of management and budget (OMB) shall determine an allocation of the supplemental distribution using the same allocation provision that is used for allocation of certified shares. Provides that the county auditor, before June 1, 2016, shall distribute only to a county, city, or town an amount equal to the allocation amount determined for the county, city, or town by the OMB. Provides that at least 75% of the distributions made to a county, city, or town must be: (1) used exclusively for local road construction, maintenance, or repair, or capital projects for aviation, including capital projects of an airport authority; or (2) deposited in a rainy day fund. Provides that any remaining distribution to a county, city, or town may be used for any purposes of the county, city, or town.

Effective: Upon passage; May 1, 2016.

Hershman

_____, read first time and referred to Committee on _____



Introduced

Second Regular Session 119th General Assembly (2016)

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 2015 Regular Session of the General Assembly.

SENATE BILL _____

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

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

- 1 SECTION 1. IC 6-3.5-1.1-21.2 IS ADDED TO THE INDIANA
2 CODE AS A NEW SECTION TO READ AS FOLLOWS
3 [EFFECTIVE UPON PASSAGE]: Sec. 21.2. (a) As used in this
4 section, "unit eligible for a supplemental distribution" means a
5 county, city, or town that is eligible for an allocation of certified
6 shares under IC 6-3.6-6-10.
7 (b) As used in this section, "fiscal body" has the meaning set
8 forth in IC 36-1-2-6.
9 (c) As used in this section, "OMB" refers to the office of
10 management and budget established by IC 4-3-22-3.
11 (d) In addition to any supplemental distribution made in
12 January 2016 to a county under section 21.1 of this chapter, the
13 budget agency shall make a supplemental distribution before May
14 1, 2016, to the county from the county's adjusted gross income tax
15 account.
16 (e) The amount of the supplemental distribution under this
17 section is equal to:



1 (1) the amount of the balance in the county trust account on
 2 December 31, 2014, as determined by the budget agency;
 3 minus

4 (2) the amount of any supplemental distribution made to the
 5 county in January 2016 under section 21.1 of this chapter.

6 (f) Before May 15, 2016, the OMB shall determine and provide
 7 to the county auditor an allocation of the supplemental distribution
 8 made to the county under this section. The allocation under this
 9 subsection shall be determined in the same manner as an allocation
 10 of certified shares under IC 6-3.6-6-10.

11 (g) Before June 1, 2016, the county auditor shall distribute to
 12 each unit eligible for a supplemental distribution an amount equal
 13 to the allocation amount for the unit as determined under
 14 subsection (f).

15 (h) Money distributed to a unit eligible for a supplemental
 16 distribution must be used only for purposes and as authorized in
 17 IC 6-3.6-10-9.

18 (i) This section expires January 1, 2017.

19 SECTION 2. IC 6-3.5-6-17.7 IS ADDED TO THE INDIANA
 20 CODE AS A NEW SECTION TO READ AS FOLLOWS
 21 [EFFECTIVE UPON PASSAGE]: Sec. 17.7. (a) As used in this
 22 section, "unit eligible for a supplemental distribution" means a
 23 county, city, or town that is eligible for an allocation of certified
 24 shares under IC 6-3.6-6-10.

25 (b) As used in this section, "fiscal body" has the meaning set
 26 forth in IC 36-1-2-6.

27 (c) As used in this section, "OMB" refers to the office of
 28 management and budget established by IC 4-3-22-3.

29 (d) In addition to any supplemental distribution made in
 30 January 2016 to the county under section 17.3 of this chapter, the
 31 budget agency shall make a supplemental distribution before May
 32 1, 2016, to the county from the county's special account.

33 (e) The amount of the supplemental distribution under this
 34 section is equal to:

35 (1) the amount of the balance in the county trust account on
 36 December 31, 2014, as determined by the budget agency;
 37 minus

38 (2) the amount of any supplemental distribution made to the
 39 county in January 2016 under section 17.3 of this chapter.

40 (f) Before May 15, 2016, the OMB shall determine and provide
 41 to the county auditor an allocation of the supplemental distribution
 42 made to the county under this section. The allocation under this



1 subsection shall be determined in the same manner as an allocation
2 of certified shares under IC 6-3.6-6-10.

3 (g) Before June 1, 2016, the county auditor shall distribute to
4 each unit eligible for a supplemental distribution an amount equal
5 to the allocation amount for the unit as determined under
6 subsection (f).

7 (h) Money distributed to a unit eligible for a supplemental
8 distribution must be used only for purposes and as authorized in
9 IC 6-3.6-10-9.

10 (i) This section expires January 1, 2017.

11 SECTION 3. IC 6-3.5-7-17.4 IS ADDED TO THE INDIANA
12 CODE AS A NEW SECTION TO READ AS FOLLOWS
13 [EFFECTIVE UPON PASSAGE]: Sec. 17.4. (a) As used in this
14 section, "unit eligible for a supplemental distribution" means a
15 county, city, or town that is entitled to receive a certified
16 distribution as provided under IC 6-3.6-6-9.

17 (b) As used in this section, "fiscal body" has the meaning set
18 forth in IC 36-1-2-6.

19 (c) As used in this section, "OMB" refers to the office of
20 management and budget established by IC 4-3-22-3.

21 (d) In addition to any supplemental distribution made in
22 January 2016 to the county under section 17.3 of this chapter, the
23 budget agency shall make a supplemental distribution before May
24 1, 2016, to the county from the county's special account.

25 (e) The amount of the supplemental distribution under this
26 section is equal to:

27 (1) the amount of the balance in the county trust account on
28 December 31, 2014, as determined by the budget agency;
29 minus

30 (2) the amount of any supplemental distribution made to the
31 county in January 2016 under section 17.3 of this chapter.

32 (f) Before May 15, 2016, the OMB shall determine and provide
33 to the county auditor an allocation of the supplemental distribution
34 made to the county under this section. The allocation under this
35 subsection must be determined in the same manner as an allocation
36 of certified distributions under IC 6-3.6-6-9.

37 (g) Before June 1, 2016, the county auditor shall distribute to
38 each unit eligible for a supplemental distribution an amount equal
39 to the allocation amount determined under subsection (f).

40 (h) Money distributed to a unit eligible for a supplemental
41 distribution must be used only for purposes and as authorized in
42 IC 6-3.6-10-9.



1 (i) This section expires January 1, 2017.

2 SECTION 4. IC 6-3.6-10-9 IS ADDED TO THE INDIANA CODE
3 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE MAY
4 1, 2016]: Sec. 9. (a) Notwithstanding the effective dates for this
5 article under IC 6-3.6-1, this section applies beginning after April
6 30, 2016.

7 (b) This section applies to a county, city, or town that receives
8 a supplemental distribution of money under:

9 (1) IC 6-3.5-1.1-21.2 (before its expiration);

10 (2) IC 6-3.5-6-17.7 (before its expiration); or

11 (3) IC 6-3.5-7-17.4 (before its expiration).

12 (c) Money distributed to a county, city, or town under
13 subsection (b) may be expended only upon an appropriation by the
14 county's, city's, or town's fiscal body.

15 (d) Money received by a county, city, or town from a
16 distribution made under IC 6-3.5-1.1-21.2 (before its expiration),
17 IC 6-3.5-6-17.7 (before its expiration), or IC 6-3.5-7-17.4 (before its
18 expiration) must be used by the county, city, or town as follows:

19 (1) At least seventy-five percent (75%) of the distribution
20 must be:

21 (A) used exclusively by the county, city, or town for:

22 (i) engineering, land acquisition, construction,
23 resurfacing, maintenance, restoration, or rehabilitation
24 of both local and arterial road and street systems;

25 (ii) the payment of principal and interest on bonds sold
26 primarily to finance road, street, or thoroughfare
27 projects;

28 (iii) any local costs required to undertake a recreational
29 or reservoir road project under IC 8-23-5;

30 (iv) the purchase, rental, or repair of highway
31 equipment; or

32 (v) capital projects for aviation related property or
33 facilities, including capital projects of an airport
34 authority established under IC 8-22-3-1; or

35 (B) deposited in the county's, city's, or town's rainy day
36 fund established under IC 36-1-8-5.1. The money deposited
37 in a rainy day fund under this clause may not be
38 transferred to another fund under IC 36-1-8-5.1(g), unless
39 the money transferred to the fund is used exclusively for
40 purposes set forth in clause (A).

41 (2) Any remaining distribution not used or deposited by the
42 county, city, or town under subdivision (1) may be used by the



1 **county, city, or town for any of the purposes of the county,**
2 **city, or town.**
3 **SECTION 5. An emergency is declared for this act.**

