



February 19, 2021

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## SENATE BILL No. 141

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DIGEST OF SB 141 (Updated February 18, 2021 9:40 am - DI 140)

**Citations Affected:** IC 6-3.6; IC 8-25; IC 36-9.

**Synopsis:** Central Indiana public transportation projects. Requires the budget agency to withhold local income tax revenue from an eligible county if the eligible county fails to raise certain revenues for a public transportation project. (Current law requires eligible counties to raise: (1) 10% of the annual operating expenses of the project from sources other than taxes and fares; and (2) 25% of the annual operating expenses of the project from fares and charges.) Specifies that the amount of local income taxes withheld from an eligible county may not diminish the amount of money distributed to the eligible county for deposit in the eligible county's public transportation fund below the amount required to pay its debt service obligations for bonds issued for purposes of a public transportation project. Prohibits Marion County from creating additional IndyGo bus rapid transit lines if the revenue requirements are not met.

**Effective:** July 1, 2021.

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**Freeman, Young M, Sandlin, Zay,  
Gaskill, Leising, Glick, Crane, Koch,  
Garten, Doriot, Ford Jon, Grooms,  
Niemeyer, Tomes, Perfect, Rogers,  
Crider**

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January 7, 2021, read first time and referred to Committee on Homeland Security and Transportation.  
January 28, 2021, reassigned to Committee on Appropriations pursuant to Rule 68(b).  
February 18, 2021, reported favorably — Do Pass.

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SB 141—LS 6692/DI 139





February 19, 2021

First Regular Session of the 122nd General Assembly (2021)

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 2020 Regular Session of the General Assembly.

## SENATE BILL No. 141

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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 6-3.6-9-9, AS AMENDED BY P.L.257-2019,  
2 SECTION 72, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2021]: Sec. 9. The budget agency shall provide the adopting  
4 body with an informative summary of the calculations used to  
5 determine the certified distribution. The summary of calculations must  
6 include:  
7 (1) the amount reported on individual income tax returns  
8 processed by the department during the previous fiscal year;  
9 (2) adjustments for over distributions in prior years;  
10 (3) adjustments for clerical or mathematical errors in prior years;  
11 **and**  
12 (4) adjustments for tax rate changes; **and**  
13 (5) **any adjustments made under IC 8-25-3-6(e) concerning**  
14 **the operations of a public transportation project authorized**  
15 **under IC 8-25.**  
16 SECTION 2. IC 8-25-3-6, AS AMENDED BY P.L.197-2016,  
17 SECTION 94, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

SB 141—LS 6692/DI 139



1 JULY 1, 2021]: Sec. 6. (a) The following apply to the funding of a  
2 public transportation project:

3 (1) For the first year of operations, an amount must be raised from  
4 sources other than taxes, ~~and~~ fares, **and state and federal funds**  
5 that is equal to at least ten percent (10%) of the revenue that the  
6 budget agency certifies that the county will receive in that year  
7 from a local income tax imposed to fund the public transportation  
8 project.

9 (2) For the second year of operations and each year thereafter, at  
10 least ten percent (10%) of the annual operating expenses of the  
11 public transportation project must be paid from sources other than  
12 taxes, ~~and~~ fares, **and state and federal funds**. For purposes of  
13 this subdivision, operating expenses include only those expenses  
14 incurred in the operation of fixed route services that are  
15 established or expanded as a result of a public transportation  
16 project authorized and funded under this article.

17 The budget agency shall assist the fiscal body of an eligible county in  
18 determining the amount of money that must be raised under  
19 subdivision (1).

20 (b) A county fiscal body or another entity authorized to carry out a  
21 public transportation project under IC 8-25-4 shall raise the revenue  
22 required by subsection (a) for a particular calendar year before the end  
23 of the third quarter of the preceding calendar year. Money raised under  
24 this section must be deposited in the county public transportation fund  
25 established under section 7 of this chapter.

26 (c) If a county fiscal body or other entity fails to raise the revenue  
27 required by subsection (a) before the deadline specified in subsection  
28 (b), the county in which the public transportation project is located is  
29 responsible for paying the difference between:

30 (1) the amount that subsection (a) requires to be raised from  
31 sources other than taxes, ~~and~~ fares, **and state and federal funds**;  
32 minus

33 (2) the amount actually raised from sources other than taxes, ~~and~~  
34 fares, **and state and federal funds**.

35 (d) **The budget committee shall annually review the amount**  
36 **raised from sources other than taxes, fares, and state and federal**  
37 **funds for a public transportation project in eligible counties.**

38 (e) **This subsection applies only to Marion County. If, for any**  
39 **year of operation, the fiscal body of Marion County does not pay**  
40 **at least ten percent (10%) of the annual operating expenses of the**  
41 **public transportation project from sources other than taxes, fares,**  
42 **and state and federal funds, then after December 31 of that year**



1 the following apply until the fiscal body of Marion County pays the  
 2 amount required under this section, as determined following the  
 3 annual budget committee review under subsection (d):

4 (1) Beginning after June 30, 2021, the auditor of state shall  
 5 withhold ten percent (10%) from the amount of certified  
 6 distribution attributable to the additional tax rate imposed in  
 7 Marion County under IC 6-3.6-7-27. Money withheld under  
 8 this subdivision may not be considered a supplemental  
 9 distribution under IC 6-3.6-9-15.

10 (2) The fiscal body of Marion County may use the county's  
 11 public transportation fund only for a purpose identified under  
 12 section 7(e) of this chapter.

13 (3) The fiscal body of Marion County may issue bonds only  
 14 for the purpose identified under IC 8-25-5-3.

15 (4) The fiscal body of Marion County may not pledge revenue  
 16 under this article for the payment of bonds and principal on  
 17 bonds under IC 8-25-5-6.

18 SECTION 3. IC 8-25-3-7, AS ADDED BY P.L.153-2014,  
 19 SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 20 JULY 1, 2021]: Sec. 7. (a) If the fiscal body of an eligible county  
 21 imposes taxes to fund a public transportation project, the county  
 22 treasurer of the eligible county shall establish a county public  
 23 transportation project fund to receive tax revenues collected for the  
 24 public transportation project. Money received from a foundation  
 25 established under IC 8-25-7 or IC 8-25-8 may be deposited into the  
 26 fund.

27 (b) Money in a fund established under subsection (a) at the end of  
 28 the eligible county's fiscal year remains in the fund. Interest earned by  
 29 the fund must be deposited in the fund.

30 (c) **Except as provided in subsections (e) and (f)**, money deposited  
 31 in an eligible county's public transportation project fund may be used  
 32 only to purchase, establish, operate, repair, or maintain a public  
 33 transportation project authorized under this article. Money in the fund  
 34 may be pledged by the fiscal body of the eligible county to the  
 35 repayment of bonds issued for purposes of a public transportation  
 36 project authorized under this article.

37 (d) The fiscal body of an eligible county may, in the manner  
 38 provided by law, appropriate money from the fund to a public  
 39 transportation corporation that is authorized to purchase, establish,  
 40 operate, repair, or maintain the public transportation project if the  
 41 public transportation project is located, either entirely or partially,  
 42 within the eligible county.



1           (e) This subsection applies only to Marion County. If, for any  
 2 year of operation, the fiscal body of Marion County does not pay  
 3 at least ten percent (10%) of the annual operating expenses of the  
 4 public transportation project from sources other than taxes, fares,  
 5 and state and federal funds as required by section 6 of this chapter,  
 6 then after December 31 of that year money deposited in Marion  
 7 County's public transportation fund may be used only for the  
 8 following purposes until the fiscal body of Marion County pays the  
 9 amount described under section 6 of this chapter, as determined  
 10 following the annual budget committee review under section 6(d)  
 11 of this chapter:

12           (1) To operate, repair, or maintain a public transportation  
 13 project that is:

14           (A) authorized under this article; and

15           (B) constructed and in service before October 1 in the year  
 16 that the fiscal body of Marion County does not pay at least  
 17 ten percent (10%) of the annual operating expenses of the  
 18 public transportation project from sources other than  
 19 taxes, fares, and state and federal funds as required by  
 20 section 6 of this chapter.

21           (2) To pay debt service on bonds:

22           (A) issued under this article before October 1 in the year  
 23 that the fiscal body of Marion County does not pay at least  
 24 ten percent (10%) of the annual operating expenses of the  
 25 public transportation project from sources other than  
 26 taxes, fares, and state and federal funds as required by  
 27 section 6 of this chapter; or

28           (B) issued under this article after September 30 of the year  
 29 that the fiscal body of Marion County does not pay at least  
 30 ten percent (10%) of the annual operating expenses of the  
 31 public transportation project from sources other than  
 32 taxes, fares, and state and federal funds as required by  
 33 section 6 of this chapter, for the purpose of refunding or  
 34 refinancing bonds described in clause (A).

35           (f) This subsection applies only to Marion County. If, for any  
 36 year of operation, the fiscal body of Marion County does not pay  
 37 at least ten percent (10%) of the annual operating expenses of the  
 38 public transportation project from sources other than taxes, fares,  
 39 and state and federal funds as required by section 6 of this chapter,  
 40 then after December 31 of that year money deposited in Marion  
 41 County's public transportation fund may not be used to do any of  
 42 the following:



1           **(1) Purchase or establish an IndyGo bus rapid transit line or**  
 2           **any other public transportation project that is not constructed**  
 3           **and in service before October 1 in the year that the fiscal body**  
 4           **of Marion County does not pay at least ten percent (10%) of**  
 5           **the annual operating expenses of the public transportation**  
 6           **project from sources other than taxes, fares, and state and**  
 7           **federal funds as required by section 6 of this chapter.**

8           **(2) Extend an IndyGo bus rapid transit line or any other**  
 9           **public transportation project that is constructed and in**  
 10           **service before October 1 in the year that the fiscal body of**  
 11           **Marion County does not pay at least ten percent (10%) of the**  
 12           **annual operating expenses of the public transportation**  
 13           **project from sources other than taxes, fares, and state and**  
 14           **federal funds as required by section 6 of this chapter.**

15           SECTION 4. IC 36-9-2-2, AS AMENDED BY P.L.84-2016,  
 16           SECTION 184, IS AMENDED TO READ AS FOLLOWS  
 17           [EFFECTIVE JULY 1, 2021]: Sec. 2. (a) A unit may establish, aid,  
 18           maintain, and operate transportation systems.

19           (b) This subsection applies to an eligible county (as defined by  
 20           IC 8-25-1-4) that establishes a public transportation system through a  
 21           public transportation project authorized and funded under IC 8-25. The  
 22           unit must establish fares and charges that cover at least twenty-five  
 23           percent (25%) of the operating expenses of the public transportation  
 24           system. For purposes of this subsection, operating expenses include  
 25           only those expenses incurred in the operation of fixed route services  
 26           that are established or expanded as a result of a public transportation  
 27           project authorized and funded under IC 8-25. The unit annually shall  
 28           report on the unit's compliance with this subsection not later than sixty  
 29           (60) days after the close of the unit's fiscal year. The report must  
 30           include information on any fare increases necessary to achieve  
 31           compliance. The unit shall submit the report to the department of local  
 32           government finance and make the report available electronically  
 33           through the Indiana transparency Internet web site established under  
 34           IC 5-14-3.8.

35           (c) If a unit fails to prepare and disclose the annual report in the  
 36           manner required by subsection (b), any person subject to a tax  
 37           described in IC 8-25 may initiate a cause of action in the circuit court,  
 38           superior court, or probate court of the eligible county to compel the  
 39           appropriate officials of the unit to prepare and disclose the annual  
 40           report not later than thirty (30) days after a court order mandating the  
 41           unit to comply with subsection (b) is issued by the court.

42           **(d) The budget committee shall annually review the amount**



1 raised from fares and charges under subsection (b) for a public  
2 transportation project in eligible counties.

3 (e) This subsection applies only to Marion County. If, for any  
4 year of operation, the fiscal body of Marion County does not pay  
5 at least twenty-five percent (25%) of the operating expenses of the  
6 public transportation project from fares and charges, then after  
7 December 31 of that year the following apply until the fiscal body  
8 of Marion County pays the amount required under this section, as  
9 determined following the annual state budget committee review  
10 under subsection (d):

11 (1) Beginning after June 30, 2021, the auditor of state shall  
12 withhold twenty-five percent (25%) from the amount of  
13 certified distribution attributable to the additional tax rate  
14 imposed in Marion County under IC 6-3.6-7-27. Money  
15 withheld under this subdivision may not be considered a  
16 supplemental distribution under IC 6-3.6-9-15.

17 (2) The fiscal body of Marion County may use the county's  
18 public transportation fund only for a purpose identified under  
19 IC 8-25-3-7(e).

20 (3) The fiscal body of Marion County may issue bonds only  
21 for the purpose identified under IC 8-25-5-3.

22 (4) The fiscal body of Marion County may not:

23 (A) pledge revenue under IC 8-25 for the payment of bonds  
24 and principal on bonds under IC 8-25-5-6;

25 (B) purchase or establish an IndyGo bus rapid transit line  
26 or any other public transportation project that is not  
27 constructed and in service before October 1 of that year;  
28 or

29 (C) extend an IndyGo bus rapid transit line or any other  
30 public transportation project that is constructed and in  
31 service before October 1 of that year.





REPORT OF THE PRESIDENT  
PRO TEMPORE

Madam President: Pursuant to Senate Rule 68(b), I hereby report that Senate Bill 141, currently assigned to the Committee on Homeland Security and Transportation, be reassigned to the Committee on Appropriations.

BRAY

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COMMITTEE REPORT

Madam President: The Senate Committee on Appropriations, to which was referred Senate Bill No. 141, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill DO PASS.

(Reference is to SB 141 as introduced.)

MISHLER, Chairperson

Committee Vote: Yeas 7, Nays 5

