

ORDINANCE NUMBER 2018-OCC-4

COUNTY COUNCIL ORDINANCE MODIFYING LOCAL INCOME TAX RATES
IMPOSED IN DEKALB COUNTY

WHEREAS, the County Council (the "County Council") of DeKalb County, Indiana (the "County") has authorized the issuance of bonds under the name DeKalb County, Indiana, General Obligation Bonds, Series 2018, (the "Bonds") pursuant to an ordinance adopted by the County Council (the "Bond Ordinance") for the purposes of paying the costs of constructing a new Community Corrections Facility Project in the County (the "Project"); and,

WHEREAS, the County Council desires to pay the principal and interest on the Bonds (the "Debt Service") and any additional operational costs associated with the Project with the new revenue stream expected to be received from Local Income Tax revenue allocated for economic development ("LITED"); and,

WHEREAS, the monthly distribution of LITED arrives from the State of Indiana as a lump sum; and,

WHEREAS, DeKalb County desires to specify the payment of Debt Service for the Bonds, first from the combined LITED monthly distribution received by the County and any LITED distributions received by the County pursuant to Indiana Code §6-3.6-6-18; and,

WHEREAS, DeKalb County desires to illustrate this commitment to debt service in order to provide additional security to bond holders; and,

WHEREAS, each City and Town and the County shares in the distribution of LITED according to the formula at Indiana Code §6-3.6-6-9; and,

WHEREAS, the proposed LITED rate as set forth below could be reduced if the Cities and Towns located in the County would forego their respective portions of the increased tax distribution under Indiana Code §6-3.6-6-9 and pledge those amounts to DeKalb County under Indiana Code §6-3.6-6-18 for the payment of Debt Service on the Bonds; and,

WHEREAS, the proposed rate would be lowered to .3540% if all eligible Cities and Towns would pledge their respective amounts to the County for the purpose of paying Debt Service on

the Bonds which in turn would save substantial income tax from being collected from the income taxpayers of the County; and,

WHEREAS, the County Council urges the legislative bodies of all Cities and Towns within the County to approve ordinances under Indiana Code §6-3.6-6-18 to return the proposed LITED increases to the County for the purpose of paying Debt Service on the Bonds thereby minimizing the income tax burden on the citizens of the County; and,

NOW THEREFORE BE IT ORDAINED by the County Council of DeKalb County, Indiana, that a need now exists to modify the Local Income Tax Rates imposed within the county in the following way:

Local Income Tax Type	Existing Rate	Proposed Rate
Expenditure Rate (I.C. 6-3.6-6)		
--Economic Development (I.C. 6-3.6-9)	.2500%	.4380%

The local income tax rates proposed above will become effective October 1, 2018.

BE IT FURTHER ORDAINED, that beginning in January, 2019, an amount equal to 1/6 of the next due principal and interest payment for the Bonds will be allocated each month from the County's monthly LITED distribution and deposited into the County's Debt Service Fund as described in Section 8 of the Bond Ordinance (the "Debt Service Fund") so that sufficient monies are on deposit on each day on which principal and interest are due.

BE IT FURTHER ORDAINED, the LITED rate as set forth herein will be increased from time to time as needed to fund the other expenditures in the LITED Fund so that there is no interruption of the full funding of the Debt Service Fund, and such LITED rate will not be reduced below an amount necessary to fund the Debt Service Fund as provided herein or otherwise rescinded during the term of the Bonds. The LITED rate increase provided for herein will remain in effect, unless adjusted as provided herein, until the final payment of the Debt Service on the

Bonds, following which the County Auditor is authorized to take such action as may be necessary to cause the LITED rate to be reduced by the amount applicable to the Debt Service on the Bonds which will no longer be necessary.

BE IT FURTHER ORDAINED that a public hearing was held on the proposed local income tax rate modification on March 5, 2018. Proper notice of the public hearing was provided pursuant to IC §5-3-1.

Duly adopted by the following vote of the members of said County Council this 5th day of March, 2018.

AYE

NAY

Ally Middleton

Richard R...

Matthew Thomas

Paul S. King

Edouard King

William O Van Wey

Attest: *Jan Bauman*, Fiscal Officer