

ORDINANCE NUMBER 2018-OCC-8

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

**WHEREAS**, DeKalb County has authorized the issuance of General Obligation Bonds under the name DeKalb County, Indiana, General Obligation Bonds, Series 2018 (the "Bonds"), for a Community Corrections Facility Project (the "Project"); and,

**WHEREAS**, the DeKalb County Council (the "County Council") previously adopted on March 5, 2018, Ordinance No. 2018-OCC-4 (the "Prior Ordinance") amending the County Local Income Tax rate under IC 6-3.6-9 to provide a source of funding to pay the debt service on the Bonds; and

**WHEREAS**, IC 6-3.6-6-2.7, added to the Indiana Code pursuant to House Enrolled Act No. 1263 and effective as of March 21, 2018, permits the County Council to adopt an ordinance to impose a tax rate for correctional facilities and rehabilitation facilities in the County; and,

**WHEREAS**, the County Council desires to repeal the Prior Ordinance and adopt an ordinance to impose a tax rate under IC 6-3.6-6-2.7 to fund the Project, including any additional operational costs, with the new revenue stream of Local Income Tax ("LIT") provided by IC 6-3.6-6-2.7 for Correctional & Rehabilitation Facilities as identified at IC 6-3.6-6-2.7; and,

**WHEREAS**, adopting an ordinance to impose a new rate under IC 6-3.6-6-2.7 and repealing the Prior Ordinance will result in a savings to County taxpayers; and,

**WHEREAS**, this new monthly distribution of LIT 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 from this new LIT monthly distribution; and,

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

**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 |
|--|---------------|---------------|
| Correctional & Rehabilitation Facilities Local Income Tax (I.C. 6-3.6-6-2.7) | .0000%        | .1300%        |
|  |               |               |

The local income tax rate proposed above will become effective October 1, 2018. LIT revenues received from the rate proposed above will be received by the County into a separate dedicated County fund ("Correctional Facilities Fund") and used by the County only as permitted by IC 6-3.6-6-2.7.

**BE IT FURTHER ORDAINED**, that beginning in January, 2019, 1/6 of the next due principal and interest payment for the Bonds will be allocated each month from DeKalb County's new monthly LIT distribution and deposited into the Revenues Account of the County's Debt Service Fund as described in Section 8 of the Bond Ordinance so that sufficient monies are on deposit on each day on which principal and interest are due; and,

**BE IT FURTHER ORDAINED**, the new LIT rate under IC 6-3.6-6-2.7 may be increased from time to time as permitted by such Section and as needed to fund other expenditures in the new LIT Fund so that there is no interruption of the full funding of the DeKalb County Debt Service Fund.

**BE IT FURTHER ORDAINED**, the DeKalb County Council may consider the modification of the Correctional & Rehabilitation Facilities LIT rate at such time as combined cash on hand in the Correctional Facilities Fund and 2018 Bond Fund are sufficient to pay all remaining Principal and Interest on the then outstanding Bonds and any anticipated expenditures for operational costs to be paid from the Correctional Facilities Fund.

**BE IT FURTHER ORDAINED**, that the Prior Ordinance Number 2018-OCC-4 passed on second and third reading on March 5, 2018, is hereby repealed.

**BE IT FURTHER ORDAINED**, that a public hearing was held on the proposed local income tax rate modification on April 16, 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 16th day of April, 2018.

**AYE**

**NAY**

Allen Medlock  
Richard R. King  
Martha Grimes  
Rob L. King  
Echenna M. King

William O'Vary  
Kevin Lee

**Attest:**

Jan Bauman  
Jan Bauman, Fiscal Officer