



Parks & Recreation Funding Mechanisms Study

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Introduction

The St. Joseph County, South Bend, and Mishawaka Parks and Recreation Departments commissioned the Eppley Institute for Parks and Public Lands to research and identify alternative funding mechanisms for parks and recreation operations, because they are facing significant budget cuts due to the newly implemented (2007) Property Tax Circuit Breaker law.

The County of St. Joseph, the City of South Bend, and the City of Mishawaka need to find long-term sustainable funding solutions by creating funding mechanisms that directly support the parks and recreation department budgets. The objective of this report is to provide an overview of several successfully implemented funding mechanisms, review relevant sections of Indiana State Code, and suggest several options that the St. Joseph County Parks Department, the City of South Bend Parks and Recreation Department and the City of Mishawaka Parks and Recreation Department can possibly implement.

Background

In 2006, the Indiana General Assembly passed a property tax circuit breaker bill, with the intent to give property tax relief to Hoosiers. Initially the bill called for capping the property tax in each Indiana County at two percent of a property's assessed value. Any property tax paid which is greater than two percent of the assessed value will in turn be credited back to the tax payer. Indiana Code chapter 20.6 describes the property tax circuit breaker bill as the "Credit for Excessive Residential Property Taxes." On the last day of the 2007 legislative session, the General Assembly passed a second circuit breaker bill, stating that the maximum amount of property tax that can be collected on all property (other than residential property) is three percent of the property's assessed value. This phase of the bill will go into effect in 2009.

St. Joseph County currently has two primary sources of funding: (1) a property tax, and (2) a local option income tax. Two smaller sources of funding are the County Economic Development Income Tax, and the Innkeeper Tax, which taxes hotel and motel sales in the County. The property tax rate in St. Joseph County is one of the highest in the state, with the 2005 average net homestead property tax rate being 2.314 percent. The Local Option Income Tax was implemented less than ten years ago, which may be one of the reasons that the County has a high property tax rate. In addition to receiving funding from property tax and the local income tax, the St. Joseph County Parks and Recreation Department also utilizes a special non-reverting capital fund (IC 36-10-3-20) and has a line item in a County wide Cumulative Building Fund. St. Joseph County is being heavily affected by the property tax circuit breaker because of its high property tax rate, the small number and mix of taxes it levies, and the way the tax collections are implemented.

Local Taxes

While property tax is the most common type of tax levied by municipalities, local governments also have the authority to impose an income tax. In Indiana, there are three types of income tax that a county can levy:

1. County Adjusted Gross Income Tax (CAGIT)
2. County Economic Development Income Tax (CEDIT)
3. County Option Income Tax (COIT).

Each county decides individually which and in what combination it will levy income taxes. The rate and distribution of the taxes are set at the state level and are a part of the Indiana State Code.

Revenue raised by the CAGIT is primarily used for local property tax replacement credits, but certain counties also designate a percentage of the CAGIT to go toward specific projects associated with the construction or operation of jails, juvenile detention centers or justice centers. The amount of CAGIT revenue used for property tax replacement is determined by the CAGIT rate in each county. As of 2007, fifty-six counties in Indiana use a CAGIT as a source of local revenue. CAGIT rates range from 0.5% to 1.0% in most cases, with a few counties having a rate as high as 1.25% with the additional revenue going toward specific projects in those counties. St. Joseph County does not levy a CAGIT.

CEDIT may only be used by municipalities that have a capital improvement plan in place. Rates can range from 0.10% to 0.50% in most cases, although there are a few cases where the CEDIT rate is higher, with the additional percentage going towards specific projects outlined in the legislation. Revenue from CEDITs may go towards economic development, capital projects, private developer loan interest, and any other lawful purpose under which any other fund may be used,. Seventy-four counties in Indiana have a CEDIT. St. Joseph County's CEDIT rate is currently 0.20%.

COIT rates range from 0.20% to 0.60% and can go as high as 1.0% at the discretion of the county's income tax council. COIT revenue can be used for one of the following purposes: (1) to replace property tax revenue lost by taxing units and school corporations due to the allowance of an increased homestead credit; (2) to fund the operation of public communication systems and computer facilities districts; (3) to fund the operation of public transportation corporations; (4) to finance certain economic development project bonds; (5) to fund certain redevelopment initiatives in Marion County; and (6) to make allocations of distributive shares to civil taxing units. Twenty-eight counties levy a COIT. St. Joseph County's COIT rate is 0.60%.

Indiana law states that local authorities may not impose general sales taxes. Currently, they have the authority to impose a Food and Beverage Tax and an Innkeeper's Tax. The Food and Beverage Tax is a sales tax on the price of restaurant meals, including food and beverages sold in a heated state or heated by the seller. The tax also includes dishes in which two or more food ingredients are combined by the seller and sold as a single item (with certain exceptions) and food sold with eating utensils provided by the seller. The rate of the Food and

Beverage Tax, which is set by the Indiana Legislature, is currently 1.0%. Twenty-four municipalities currently levy the Food and Beverage Tax. A list of counties that levy the Food and Beverage Tax and what the revenue is used for in each county is available in Appendix B. St. Joseph County does not levy the Food and Beverage Tax.

An Innkeeper's Tax, also known as a Bed Tax, is a sales tax on the price of hotel/motel rooms, and its rate varies by county. The rate is set by each county and cannot exceed 5.0% unless specified in the Indiana Code. The revenue associated with the Bed Tax is also specifically stated in the Indiana Code for each municipality that levies the tax. Currently, sixty-five counties have an Innkeeper's Tax. St. Joseph County's Innkeeper's Tax rate is 0.06% and the revenue collected goes into the Convention and Exhibition Center Fund.

Revenue Comparison: St. Joseph County and Elkhart County

St. Joseph County and Elkhart County are two similar counties in Northern Indiana with two very different funding structures, especially when it comes to local taxes. While St. Joseph County is being greatly affected by the 2.0% property tax circuit breaker, neighboring Elkhart County is not. Elkhart County is a good example of how having a large mix of local taxes and a diverse way of using tax revenues can help mitigate the effect of the property tax circuit breaker. Elkhart County collects a property tax, CAGIT (since 1973), CEDIT and COIT. It has also levied an economic development tax since 1991, providing additional revenue for the county and diversifying the county tax structure.

As previously mentioned, property tax rates in St. Joseph County are some of the highest in the state at an average homestead net tax rate of 2.3% in 2005. Contrastingly, during the same year, the same tax rate in Elkhart County was 1.71%, a difference of 0.6%. The Indiana average homestead net tax rate was 1.73% for 2005 bills paid in 2006 (*see Figure 1 below*).

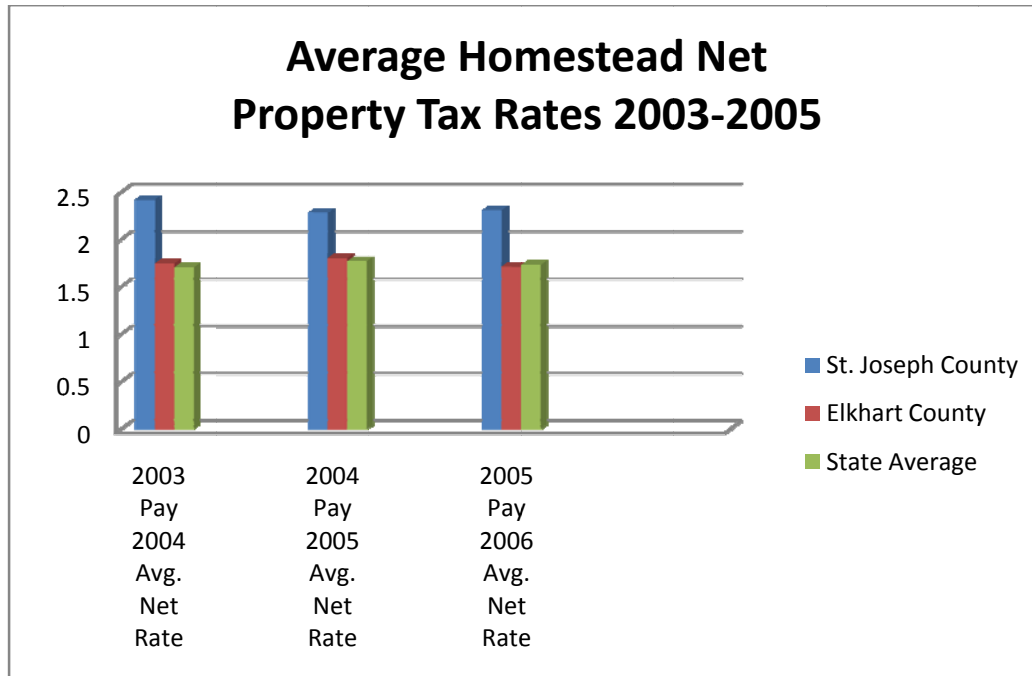


Figure 1: Average Homestead Net Property Tax Rates, 2003-2005

As previously mentioned, St. Joseph County collects a COIT and not a CAGIT. In 2006, sixty-eight percent of the COIT collected was distributed to taxing units and the remainder was used to finance additional homestead credits and reduce residential taxes. Elkhart County does collect a CAGIT, and doing so allows the property tax rates to remain low there. However, Elkhart County residents pay a total of 1.5% of their income to the County income taxes, which is almost two times the 0.8% of income that St. Joseph County residents pay in county income taxes.

A specific example of the difference between the two counties' taxing structures is the way in which they finance their jail systems. Since 2004, as mentioned above, Elkhart County has collected a special one quarter percent "Criminal Justice" CAGIT which is paying for a new jail. Contrastingly, St. Joseph County uses property taxes to make bond payments on its new jail. Table 1 (*below*) illustrates the revenue differences between the different taxes and rates in Elkhart and St. Joseph counties. After observing the differences between the two counties' taxing structure, it may be beneficial for the elected officials of St. Joseph County to reexamine the current taxing structure to make sure it is the most efficient and effective way for the County to raise revenue.

| | St. Joseph County | | Elkhart County | |
|-----------------------|-------------------|----------------------|----------------|----------------------|
| | Rate | Revenue | Rate | Revenue |
| Property Tax net levy | 2.31% | \$272,745,934 | 1.71% | \$174,454,918 |
| CAGIT | 0% | \$0 | 1.25% | \$44,411,610 |
| CEDIT | 0.20% | \$10,610,460 | 0.25% | \$9,344,010 |
| COIT | 0.60% | \$31,044,322 | 0.00% | \$0 |
| Innkeeper Tax | 0.60% | \$3,120,633 | 0.50% | \$1,201,480 |
| TOTAL | | \$317,521,349 | | \$229,412,018 |

Table 1: 2006 Rates and Collections by County

Alternative Funding Mechanisms

St. Joseph County, and therefore the City of Mishawaka and the City of South Bend, and specifically the Parks and Recreation Departments of these governments will experience a dramatic loss of revenue when the 2.0% property tax circuit breaker goes into effect in 2007. Researching and understanding alternative funding mechanisms to make up for this expected revenue loss was the main focus of this study. Several possible alternatives were identified and are discussed in the following sections. These options are to:

- Create a joint parks and recreation department
- Impose developer impact fees,
- Levy a food and beverage tax,
- Encourage interdepartmental cooperation
- Create a County-wide Parks and Recreation Foundation

Create a Joint Parks and Recreation Department

While the Indiana Code does not allow for the creation of park districts, it does allow for the creation of joint parks and recreation departments (IC 36-10-3-29). This section of the code also describes the eligibility requirements, agreements and amendments that are possible under the law. It states that two or more parks and recreation departments can combine and become a joint entity. Only departments that have been created under the ordinance in the general parks and recreation law (IC 36-10-3) are eligible to become a joint department.

In order for two departments to become a joint department, the use of facilities, appointment of personnel, and distribution of funds must be agreed upon and adopted by ordinances in both governing bodies. The joint parks and recreation department then supersedes the previous separate departments.

IC 36-10-3-30 describes how the board which governs a joint parks and recreation department should function, as well as its organization, powers, duties, executive committee, membership, authority and limitations. IC 36-10-3-31 goes into further detail describing how the board of a

joint parks and recreation department should handle budget requests and appropriate money. However, there is no legislation in the Indiana Code which allows for a joint parks and recreation department to be a separate taxing authority.

Prior to the formation of Unigov between Marion County and Indianapolis in 1970, the parks and recreation departments of the two governments joined to form a joint department in 1961. This is the only known example of joined parks and recreation departments in Indiana. During the Unigov formation in the 1970s the Indiana State Code was rewritten to allow Marion County and the City of Indianapolis to create the Unigov system of government, including the parks and recreation department. The only other example of legislation allowing a joint parks and recreation department between two different counties is the legislation creating West Boggs Park, which is written specifically for Martin and Daviess counties to allow them to jointly operate West Boggs Park, the boundary of which falls in both counties.

There are, however, several examples of other cities and counties around the nation that have explored the possibility of merging City and County parks and recreation departments. Four case studies detailing the experiences of Topeka-Shawnee County in Kansas, Orlando-Orange County in Florida, Reno-Washoe County in Nebraska, and Vancouver-Clark County in Washington were submitted in a separate report as part of this study. These four metropolitan areas were chosen because only the parks and recreation departments were being studied for consolidation, not the entire City-County governments. Of these four City-Counties that attempted to merge parks and recreation departments, only Vancouver-Clark County, Washington was successful. The other three fell victim to political disputes and changes in administration and public opinion.

It should also be noted that merging City and County parks and recreation departments was discussed as early as 1994. St. Joseph County commissioned the Leisure Research Institute at Indiana University to analyze the various elements that made up the public recreation systems in St. Joseph County and determine the feasibility of merging those entities into a single county-wide system. While several different outcomes were presented in the study, the overall conclusion was that legislation should be created using Indiana Code 36-10-3 as a framework to establish an independent county-wide (metro) parks and recreation board in counties with a population between 220,000 and 270,000 with taxing authority.

While merging or consolidating City and County parks and recreation departments may not bring immediate sources of new funding, it may be easier to gain funding as a merged department. Additionally, there should be some cost savings and efficiencies gained by streamlining service delivery and maintenance, for example. The exact amount of cost savings and efficiencies cannot be determined without further analysis of the departments' operations and budgets.

Impose Developer Impact Fees

In 1991, the Indiana General Assembly passed legislation that introduced a new option for alternative funding to help finance infrastructure improvements. This legislation for impact fees assists in fast-growing areas where budgets are already tight for parks departments because of budget cuts. Park impact fees allow new infrastructure to be paid for by new residents.

Because of problems with property tax collection, and the rising costs associated with providing high levels of service, existing residents of most areas already struggle to pay for operational and maintenance costs of existing infrastructures.

As outlined in IC 36-7-4-1300, new residents, or the developer, are charged impact fees by the local government that cover the costs of infrastructures in a newly developed area. The fees are not intended to be used for operational expenses but can be used for recoupment. Impact fees assist local governments in alleviating the cost of new infrastructures caused by new development without passing on the costs to existing residents. Park impact fees are only effective for local governments that are experiencing an annual growth rate of about three to five percent. Such a growth rate allows a community to raise a significant amount of money through the impact fees. However, implementing an impact fee can be very costly because of the amount of staff time involved and the numerous studies that are associated with implementing them. In addition, rarely do impact fees cover the entire costs associated with the growth, but they do supplement financial gaps caused by development and growing levels of service.

Park impact fees are a type of exaction that may be imposed by a local government. A park exaction involves one of three possible developer actions: (1) land dedication, (2) payment of a fee in lieu of land dedication, or (3) impact fees (Crompton, 1999). Park impact fees are collected when a builder acquires a building permit. These fees are passed from the developer to the buyer by being listed in the contract as an added cost. Buyers of the new property are not usually aware of the added cost, unless they thoroughly read through the contract. Typically, these fees are imposed on residential subdivisions and not on commercial and industrial property (Fletcher, Kaiser, & Groger 1992). However, Indiana Code states that all types of property can be charged the park impact fee. The process for implementing an impact fee in Indiana is outlined in the state code.

As previously mentioned, park impact fees are only effective when a geographic area has a growth rate of three to five percent. St. Joseph County's growth rate from 2000-2006 was only 0.04% and only 0.02% from 2005-2006. In contrast, the growth rates for Hamilton County during the same time periods were 37.3% and 4.3% respectively. Several cities in Hamilton County have successfully implemented a park impact fee system within the past few years. Park impact fees can be a viable option for a funding mechanism for park and recreation departments when combined with high growth rates. Although the recent growth rates in St. Joseph County do not lend themselves to a successful impact fee system, that does not mean that a park impact fee system could not be implemented in the future, if growth rates increase.

Levy a Food and Beverage Tax

As mentioned earlier, local governments are able to levy a one percent Food and Beverage Tax in Indiana counties, with the approval of the state legislature. St. Joseph County does not currently have a Food and Beverage Tax. Implementing one may enable the County to bring in additional revenue, specifically for the parks and recreation departments. The tax burden from a Food and Beverage Tax falls partially on visitors to the county, because when they visit, they eat and drink at retail food and beverage establishments.

According to the County Business Patterns Data from the U.S. Census, there were 527 food service and drinking establishments in St. Joseph County in 2005. Similarly, in Vanderburgh County, there were approximately 535 food service and drinking establishments in 2005. Vanderburgh County levies a one percent Food and Beverage Tax, and in 2006 this tax brought in over \$3.5 million in revenue. Revenue from a Food and Beverage Tax in St. Joseph County should be similar to the amount raised in Vanderburgh County, since the number of food and beverage retail establishments is similar. Vanderburgh County uses the revenue generated by the Food and Beverage Tax to finance improvements to the county auditorium.

In order for St. Joseph County to implement a Food and Beverage Tax, there must be legislation introduced to the Indiana Legislature which amends the Food and Beverage Tax section of the Indiana Code to include St. Joseph County as a county that is eligible to collect the tax. The legislation must state where the revenue generated by the tax will go. Ideally, the revenue would go directly to a County Parks and Recreation Fund for the purpose of funding parks and recreation operations in the three county parks and recreation departments. A selling point for this type of tax to fund parks and recreation is the link between community health, and parks and recreation. Healthy eating and physical activity are frequently purported to be keys to a healthy lifestyle. The fact that consumers of foods and beverages in St. Joseph County will contribute to the infrastructure that makes it possible for them to be physically active is a positive and healthy combination.

Amending existing state legislation is a lengthy process that involves many players at the state level, not to mention the support of the citizens of St. Joseph County. Implementing a new Food and Beverage Tax could be controversial, because citizens of the County may feel that they are bearing the burden of the tax. However, with a successful marketing campaign and lobbying strategy, this may be the most feasible option for generating more revenue for the Parks and Recreation Departments.

Encourage Interdepartmental Cooperation

In interviews with the directors of the South Bend Parks and Recreation Department, St. Joseph County Parks Department, and the City of Mishawaka Parks and Recreation Department, several possible opportunities for the departments to gain efficiencies emerged. The efficiencies mentioned include the following:

- Bulk purchasing
- Shared equipment
- Joint marketing efforts
- Pool of programmers and other personnel resources to draw from
- Vehicle and facility maintenance

Although interdepartmental cooperation does not bring in additional revenue, it may present ways that the departments can work together to reduce overall costs of operations. To implement this option, it would require the three department directors and their management staff to work closely and cooperatively to implement solutions that would represent a true cost savings for all three departments.

Create a County-wide Parks and Recreation Foundation

Established in 1989, the St. Joseph County Parks Foundation is a 501(c)3 not-for-profit organization with the purpose of assisting the St. Joseph County Park Board in land acquisition, facility and program enhancements, greenways connections, and stewardship of natural and cultural resources. While the St. Joseph County Parks Foundation is a functioning foundation that raises funds for the department, it is understaffed and therefore unable to raise as many funds as it could if it had a full-time staff. Currently, the South Bend Parks and Recreation Department does not have a parks foundation, but does have the opportunity to add additional staff to help with the marketing and fund raising aspects of the department, including creating a foundation. The Mishawaka Parks and Recreation Department also has staff resources dedicated to marketing, public relations, and fundraising functions.

A new Parks and Recreation Foundation could be established to incorporate all three parks and recreation departments in the county. The departments could maximize their resources and gain economies of scale, if one park foundation was created which benefited all three entities. This appears to be a very viable, short-term solution to the issue at hand. The existing St. Joseph County Parks and Recreation Foundation could simply amend its bylaws either to include representation from, and incorporation of the needs of, the two city departments; or to establish an entirely new foundation. The new county-wide foundation board should include members from all three parks and recreation boards and be responsible for distributing funds earned by the foundation equitably between the three departments.

Additionally, any park foundation should consider being a part of the Community Foundation of St. Joseph County in order to take advantage of any matching funds that are sometimes available through community foundations.

One other possible fundraising idea that could be implemented by the new foundation is the sale of special license plates. The State of Indiana Bureau of Motor Vehicles allows for groups that have made significant civic, community and charitable contributions in Indiana to create a special recognition license plate. The St. Joseph County Parks and Recreation Foundation, or a similar organization which works to benefit parks in St. Joseph County, could apply to have a special recognition license plate with part of the fees charged for the special license plate going to benefit the foundation.

Summary

Most of the funding mechanisms outlined in this report require changes to the Indiana Code and hence must be well thought out and may take some time to implement. They would require lobbying efforts to the Indiana General Assembly, good planning, and political maneuvering. The options reviewed in this report include:

1. Implementing a Food and Beverage Tax in St. Joseph County with the revenue going directly to the parks and recreation departments in the County
2. Merging the three departments into a county-wide parks and recreation department

3. Instituting Developer Impact fees so that they are in place, should the population growth rates increase in the future
4. Changing the parks and recreation department sections of the Indiana State Code to allow for parks districts to be created and allow them to be taxing authorities
5. Diversifying St. Joseph County's tax structure to include other types or higher rates of County Option Taxes so that the County is not as dependent on the property tax as its primary source of revenue.

There is one very promising short-term option for the three parks and recreation departments in the County by which they might gain a broader funding base while one or more of the longer-term options are pursued. The creation of a county-wide parks and recreation foundation with resources from all three departments and equitable distribution of monies raised by the foundation could potentially help to recoup losses caused by the reduced property tax revenue.

Recommendations

For a short-term solution, the Eppley Institute recommends that South Bend, Mishawaka, and St. Joseph County Parks and Recreation Departments form a county-wide parks and recreation foundation. Besides immediately formulating a marketing and annual fundraising campaign, one of the first steps for the county-wide foundation should be to pursue the Bureau of Motor Vehicles Special License Plate program. In addition, the foundation should work to create positive relationships with grant-making organizations, private and corporate foundations in the county, and corporate sponsors.

While this foundation is developing, the Eppley Institute also recommends the three departments work toward the efficiencies that have been identified in this report as possible cost-saving measures. The department directors should create specific task forces for each of the operational areas identified and empower operations management and staff to identify solutions that would translate into significant or justifiable cost savings to the departments.

In the long term, the Eppley Institute recommends that the three departments pool their political resources and begin lobbying efforts for a food and beverage tax to benefit parks and recreation operations in the County. This option has very good revenue potential, puts a portion of the tax burden on visitors to St. Joseph County, is a relatively easy tax to implement, and, with a public health purpose behind it, the potential for success is considerable.

Finally, the other options listed in the summary and discussed in this report are all potential solutions to the impending problem of reduced revenue due to the property tax circuit breaker law. They appear to be more difficult to execute and may take much longer than the recommended courses of action. They should, however, be considered and brought to the attention of the city and county councils for their general knowledge and consideration.

Appendices

APPENDIX A: Relevant Indiana Code (IC)

County Adjusted Gross Income Tax (CAGIT): IC 6-3.5-1.1

County Economic Development Income Tax (CEDIT): IC 6-3.5-7

County Option Income Tax (COIT): IC 6-3.5-6

Food and Beverage Tax: IC 6-9

Innkeeper's Tax: IC 6-9

General Parks and Recreation Law: IC 36-10-3-29

Creation of Joint Parks and Recreation Departments: IC 36-10-3-29.

Special Group Recognition License Plate program: IC 9-13-2-170

APPENDIX B: Revenue Collected per County by the Food and Beverage Tax

| Unit | Code Section | Purpose | FY2006 Revenue |
|---------------------------|--------------|--|----------------|
| Allen Co. | IC 6-9-33 | Supplemental Coliseum Improvement Fund | \$5,256,709 |
| Avon, Hendricks Co. | IC 6-9-27 | Sewer, Park, Water and Drainage Facilities | \$550,315 |
| Boone Co. | IC 6-9-35 | **** | \$341,107 |
| Brownsburg, Hendricks Co. | IC 6-9-27 | Sewer, Park, Water and Drainage Facilities | \$354,791 |
| Carmel, Hamilton Co. | IC 6-9-35 | Property tax levy reduction, or any legal/corporate purpose | \$899,588 |
| Delaware Co. | IC 6-9-21 | Civic Center | \$1,779,751 |
| Hamilton Co. | IC 6-9-35 | **** | \$2,617,977 |
| Hancock Co. | IC 6-9-35 | **** | \$475,924 |
| Hendricks Co. | IC 6-9-35 | **** | \$1,460,018 |
| Henry Co. | IC 6-9-25 | ** | \$431,458 |
| Johnson Co. | IC 6-9-35 | **** | \$712,566 |
| Lebanon, Boone Co. | IC 6-9-35 | Property tax levy reduction, or any legal/corporate purpose | \$146,577 |
| Madison Co. | IC 6-9-26 | *** | \$1,441,205 |
| Marion Co. | IC 6-9-12 | Capital Improvements | \$32,356,060 |
| | IC 6-9-35 | Stadium and Convention Center Improvement | |
| Martinsville, Morgan Co. | IC 6-9-27 | Renovation of City Hall, Police, Fire, Sewer and Water Drainage Facilities | \$232,191 |
| Mooresville, Morgan Co. | IC 6-9-27 | Sewer, Park, Water, and Drainage Facilities | \$323,226 |
| Nashville, Brown Co. | IC 6-9-24 | Public Parking and Restrooms | \$127,802 |
| Noblesville, Hamilton Co. | IC 6-9-35 | Property tax levy reduction, or any legal/corporate purpose | \$526,732 |
| Plainfield, Hendricks Co. | IC 6-9-27 | Sewer, Park, Water, and Drainage Facilities | \$601,711 |
| Shelby Co. | IC 6-9-35 | **** | \$318,113 |
| Shipshewana, LaGrange Co. | IC 6-9-27 | Sewer, Park, Water, and Drainage Facilities | \$96,132 |
| Vanderburgh Co. | IC 6-9-20 | Airport Terminal ***** | \$3,596,939 |
| Westfield, Hamilton Co. | IC 6-9-35 | Property tax levy reduction, or any legal/corporate purpose | \$275,083 |
| Zionsville, Boone Co. | IC 6-9-35 | Property tax levy reduction, or any legal/corporate purpose | \$56,828 |

** Revenue may be used for various economic development and tourism projects. Current law provides that the tax council will be abolished January 1, 2016.

*** Anderson Economic Development Fund, juvenile detention center, and county general fund for economic development

**** 50% of revenue collections are transferred to Marion County Capital Improvement Board (MCCIB) to construct the new Marion County stadium and expand/improve the Indiana Convention Center. If total collections transferred to MCCIB were to reach \$5M in a given year, any revenue transferred to the MCCIB in excess of the \$5M would be returned to the counties. The remaining 50% of collections are retained by a county for the county's budget, to reduce the county's property tax levy, or for any legal or corporate purpose which may include bond, lease, or obligations entered. Upon retirement of debt incurred by the MCCIB for the stadium and convention center, the county retains 100% of revenue collected until repeal of the tax.

***** Vanderburgh County is allowed to finance improvements to the county auditorium or an auditorium renovation resulting in a new convention center and related parking facilities after all previously issued airport bonds have been paid in full.

DISTRIBUTION: Revenue from the tax is paid monthly by the State Treasurer to the unit upon warrants issued by the State Auditor.

Source: <http://www.in.gov/legislative/pdf/2006taxbookweb.pdf> Section 2, p. 91