

ORDINANCE 2019-43

(a) (b) (hand)

An Ordinance to Sunset the Food and Beverage Tax in Monroe County

WHEREAS, pursuant to the authority granted to the Monroe County Council ("Council") by the General Assembly of the State of Indiana, under IC 6-9-41 et seq., the Council, in a divided 4-3 vote, passed Ordinance 2017-51, An Ordinance Adopting a Food and Beverage Tax in Monroe County ("Tax"); and

WHEREAS, the Council relied upon a pledge of cooperation, as needed, from the City of Bloomington Common Council ("City Council") and an agreement from City of Bloomington Mayor John Hamilton ("Mayor Hamilton") to collaborate with the County on a project to expand the Convention Center for the benefit of the County, the City, their collective residents and the surrounding region; and

WHEREAS, on December 13, 2017, in an effort to encourage the Council to adopt the Tax, Mayor Hamilton described the project as a "joint project" and specifically stated his "commitment to work closely with the County", recognizing that every resident of the City was also a resident of the County; and

WHEREAS, the City and County executives have been unable to agree upon a mutually-beneficial, and agreeable financial and administrative structure, which will accurately reflect both the County's significant history, investment, and continued commitment to the Convention Center and the City's more recent interest and ability to fund the expansion of the Convention Center ("Expansion Project") because of the Council's imposition of the Tax; and

WHEREAS, the Tax has been in place for nearly two years without such an agreement, and the lack of an agreement upon the proper financial and administrative structure is, in-fact, delaying the Expansion Project; and

WHEREAS, the Council is firmly and steadfastly committed to a truly collaborative City-County project for the Convention Center's expansion, and the City Council also confirmed its commitment to equal representation and partnership at a meeting of elected officials on November 21, 2019; and

WHEREAS, in order to be publicly accountable and good stewards of the tax revenues - all of which have been and are authorized by Council action - the Council insists that a financial and administrative structure for the joint Expansion project be created and agreed upon, which combines the significant taxes, land, and buildings pledged by the City and County; provides for absolute public transparency, financial and fiscal security; and incorporates equal representation of appointments by City and County to the governance structure; and

WHEREAS, the Council supports the proposal of the Monroe County Board of Commissioners ("Commissioners") to create a CIB (Indiana Code 36-10-8 et seq.) which reflects that the Expansion Project is a joint project and that both the City and County are essential to the Expansion Project, and which further balances the appointments to the CIB by the County and the City; and

WHEREAS, given the two-year history of negotiations, it is clear that the Council must set a deadline by which the City and County must reach agreement, because the Council refuses to unnecessarily tax individuals; and

WHEREAS, the action most fiscally prudent and responsible to taxpayers is to SUNSET the Tax if all necessary details are not completely agreed upon and executed by both the City and Council on or before February 28, 2020 at 11:59 p.m. There is no need to continue to unnecessarily impose and collect a tax, because revenues were not intended to be spent without complete agreement between the City and County.

NOW, THEREFORE, BE IT ORDAINED AND ESTABLISHED BY THE MONROE COUNTY COUNCIL, AS FOLLOWS:

Section 1. Given that the Food and Beverage Tax was enacted principally to allow a joint City-County project to expand the Convention Center, the Council believes it is inappropriate and irresponsible to allow Food and Beverage Tax revenue to continue to be imposed, collected, and expended if an executed agreement cannot be put in place, which reflects City and County commitment for a joint and truly collaborative Convention Center Expansion Project ("Expansion Project") and ensures the ability to indefinitely work together for the benefit of our constituents; and

Section 2. The Monroe County Food and Beverage Tax ("Tax") imposed by the Council pursuant to Indiana Code 6-9-41-8 and authorized by *Ordinance 2017-51* shall SUNSET on February 28, 2020 at 11:59 p.m. and shall NOT be imposed, paid, nor collected in Monroe County after such time; and

Section 3. With the interest of limiting effects on local businesses who collect and remit the Tax, the Council ORDERS that a copy of this Ordinance shall be published and sent to the Indiana Department of Revenue ("DOR"), so that the DOR is aware of the Council's action and intent to SUNSET imposition, payment, and collection of the Tax after February 28, 2020 at 11:59 p.m., and to ensure that the DOR takes any and all steps necessary to effectuate the Council's intent in this Ordinance and to work with local businesses; and

Section 4. The Council reiterates its firm commitment to the development of the Expansion Project, for the value it will provide to economic development throughout the entirety of Monroe County, and vows to work with the City to develop – prior to February 28, 2020 at 11:59 p.m. – a responsible and mutually-beneficial and agreeable financial and administrative structure, which must be publicly agreed upon, created, and fully-executed in a transparent process by both the City and County. It is the Council's desire that the agreed-upon governance body determine the ideal site (north vs. east) and oversee design of the Expansion Project; and

Section 5. The Council is grateful for and supports the commitment made on November, 21, 2019, by the City Council to provide equal appointments to the governance structure, and the Mayor's assurance that the County will be an equal partner in the Expansion project, as these commitments recognize the reality that the City and County are equally necessary for the Expansion Project to succeed. Without either party, the Expansion Project may not proceed; therefore, both the City and County must share authority and respect and honor their shared contributions. We honor and encourage that cooperative spirit with this fiscally-responsible Ordinance.

Section 6. Unless further action is taken by the County Council, the Monroe County Food and Beverage Tax shall SUNSET and may not be imposed, paid, or collected after February 28, 2020 at 11:59 p.m.

Presented to the Monroe County Council of Indiana, read in full, and adopted this ____ day of _____, 2019.

"AYES"

"NAYS"

Eric Spoonmore, President

Eric Spoonmore, President

Kate Wiltz, President Pro Tempore

Kate Wiltz, President Pro Tempore

Trent Deckard, Member

Trent Deckard, Member

Marty Hawk, Member

Marty Hawk, Member

Geoff McKim, Member

Geoff McKim, Member

Cheryl Munson, Member

Cheryl Munson, Member

Peter Iversen, Member

Peter Iversen, Member

Attest:

Catherine Smith
Monroe County Auditor