



## MEMO FROM COUNCIL OFFICE:

**To:** Members of the Common Council

**From:** Stephen Lucas, Council Administrator/Attorney

**Date:** March 22, 2024

**Re:** [Resolution 2024-06](#) - Requesting the Food and Beverage Tax Advisory Commission to Make a Recommendation for Expenditure of Food and Beverage Tax Revenues

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### Synopsis

This resolution is a request from the Common Council for the Food and Beverage Tax Advisory Commission to recommend expenditures of food and beverage tax revenues toward a 2024 budget for the Capital Improvement Board.

### Relevant Materials

- [Resolution 2024-06](#)
- Exhibit A – Proposed 2024 Capital Improvement Board Budget and Memo
- City of Bloomington Food and Beverage Funds Plan for 2024

### Summary

In 2017, through [Resolution 17-38](#), the Bloomington Common Council supported the passage of a county-wide food and beverage tax to fund expansion of the Monroe County Convention Center. Shortly thereafter, the Monroe County Council adopted an ordinance imposing a food and beverage tax, which has been collected since that time. The tax is authorized by state law ([Indiana Code 6-9-41](#)) and may be used only to finance, refinance, construct, operate, or maintain a convention center, a conference center, or related tourism or economic development projects (I.C. 6-9-41-15(a)).

Under state law (I.C. 6-9-41-15(b)), the city is required to develop a written plan before December 1 each year and submit that plan to the state with the following information:

1. Proposed use of food and beverage tax funds for the upcoming calendar year;
2. Detailed use of funds in the current and prior calendar years; and
3. Fund balance as of January 1 of the current calendar year.

A written plan (included in this packet) was submitted by the city in 2023. The plan stated that in 2024 the city anticipated using food and beverage tax revenues for (among other things) the following purposes:

1. To pay the expenses associated with creating a nonprofit building corporation to issue debt in support of design and construction of the Convention Center expansion.



**City of Bloomington Indiana**

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2. Under an appropriate agreement with the CIB [Monroe County Capital Improvement Board of Managers,], to pay the CIB’s personnel and administrative expenses during the design and construction phase of the expansion project, including the hiring of counsel and a controller.

State law (I.C. 6-9-41-15(c)) requires that the city spend its food and beverage tax receipts according to this written plan. If the county and the city fail to spend money from their respective food and beverage tax receipts funds in accordance with these written plans before July 1, 2025, the ordinance establishing the food and beverage tax becomes void and no new revenue would be collected. (I.C. 6-9-41-15.5)

Under an interlocal cooperation agreement with the county (recently approved via [Resolution 2024-02](#)), the CIB has authority to determine its budget solely with the Common Council, using city food and beverage tax revenues or any other city-designated funds needed to pay for the hiring/retention of relevant support staff.

The CIB has submitted a 2024 budget request for the Council’s consideration. However, state law (I.C. 6-9-41-16(b)) also requires the Common Council, as legislative body of the City, to “request the advisory commission's recommendations concerning the expenditure of any food and beverage tax funds”. This resolution would make such a request for a recommendation from the [Food and Beverage Tax Advisory Commission](#) (FABTAC). After the FABTAC is able to meet and provide a recommendation, the Council will be asked to approve of the CIB budget through an additional resolution.

**Contact**

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