



## MEMO FROM COUNCIL OFFICE:

**To:** Members of the Common Council

**From:** Ash Kulak, Interim Council Administrator/Attorney

**Date:** August 30, 2024

**Re:** [Resolution 2024-17](#) - 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 2025 budget for the Capital Improvement Board.

### Relevant Materials

- [Resolution 2024-17](#)
- Exhibit A – Proposed 2025 Capital Improvement Board Budget and Memo

### 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 plan for 2025 city anticipated use of food and beverage tax revenues is forthcoming and Corporation Counsel expects to work on it in conjunction with the Controller later this year.

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)



**City of Bloomington Indiana**

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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 2025 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 appropriation ordinance.

This process was followed for the approval of the 2024 CIB budget. The initial resolution, [Resolution 2024-06](#), passed at the March 27, 2024 Regular Session, requested the FABTAC’s recommendation to expend food and beverage tax revenues toward the 2024 CIB budget. After the FABTAC met on March 28, 2024, it recommended approving using city food and beverage tax dollars toward the CIB 2024 budget. Then the Council passed [Resolution 2024-10](#) at the April 10, 2024 Regular Session, which approved of the 2024 CIB budget. An appropriation ordinance was not needed at the time because the funds had already been appropriated by adoption of [Appropriation Ordinance 23-05](#) that included an appropriation of \$250,000 from the Food and Beverage Tax City Fund within the 2024 Civil City adopted budget.

This process began again when the CIB requested an amended 2024 budget. The Council passed [Resolution 2024-15](#) at its June 18, 2024 Regular Session, which requested the FABTAC’s recommendation to expend food and beverage tax revenues toward a revised 2024 CIB budget. FABTAC met on July 22, 2024 and approved the request. Then Council passed [Appropriation Ordinance 2024-02](#) at the August 7, 2024 Regular Session to approve of said revised budget.

The process will continue along the same lines this year for considering the CIB’s 2025 budget request. This resolution is the first step, asking FABTAC to make a recommendation. Should FABTAC make a recommendation approving using city food and beverage tax dollars toward this 2025 CIB budget request, approval of the CIB’s 2025 budget will come back to Council in the 2025 Civil City Budget Appropriation Ordinance, which is one of the three appropriation ordinances the Council will consider in a Special Session on September 25, 2024 and again for second reading and a vote on October 9, 2024.

**Contact**

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