

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 6524

BILL NUMBER: HB 1176

DATE PREPARED: Dec 19, 1998

BILL AMENDED:

SUBJECT: Cigarette Tax Distributions in Marion County.

FISCAL ANALYST: David Hoppmann

PHONE NUMBER: 232-9559

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: This bill would allow an excluded city or town (Beech Grove, Lawrence, Southport, Speedway) which is located in the same county as Indianapolis (Marion) to receive additional monies from the Cigarette Tax Fund (the Fund) than allowed under current law. It would remove the provision that distributes eleven-fourteenths of Fund monies allocated to an excluded city or town in Marion County to Marion County. It would require that an excluded city or town located in Marion County receive distributions from the Fund in the same manner as other cities and towns in Indiana.

Effective Date: January 1, 2000.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: Under current law, the cigarette tax distribution allocates 11/14 of Fund monies for an excluded city or town in Marion County, to Marion County (the excluded cities and towns keep 3/14 of Fund monies). Under this proposal, excluded cities and towns in Marion County would keep their full shares of Fund monies. Currently, a portion of the 11/14 revenue is allocated to the Marion County Capital Improvements Bond Fund (CIBF), and the remainder is appropriated to the Indianapolis Department of Transportation.

The Indianapolis City Controller's Office reports that Marion County received \$2,297,086 in cigarette taxes that was attributed to Indianapolis and to the excluded and consolidated cities for 1997. The following table shows the population (1990 Census except for the special April 1998 tabulation for Lawrence) and the amount of total cigarette tax that would have been received by Indianapolis and the excluded cities and towns

in 1997 had this bill been in effect.

City	Population	Cigarette Tax Revenue (Based on 1996)
Beech Grove	13,383	38,560
Lawrence	26,849	77,360
Southport	1,969	5,673
Speedway	13,092	37,722
Indianapolis	741,952	2,137,771
Total	797,245	2,297,086

Fund monies for Indianapolis would still be allocated to the CIBF, and to the Indianapolis Department of Transportation. The only actual change would be that the excluded cities and towns would gain approximately \$159,300 (based on 1997 revenues). Marion County, the CIBF, and the Indianapolis Department of Transportation would experience a loss of this amount.

State Agencies Affected:

Local Agencies Affected: Marion County; Cities and towns of Beech Grove, Lawrence, Southport, and Speedway; Marion County Capital Improvements Board; and Indianapolis Department of Transportation.

Information Sources: Amy Hadley, Indianapolis City Controller's Office (317) 327-4393.