

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

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7492

BILL NUMBER: HB 1544

DATE PREPARED: Mar 22, 1999

BILL AMENDED: Mar 18, 1999

SUBJECT: Environmental liens in Tippecanoe County.

FISCAL ANALYST: Kristin Breen; Bob Sigalow

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FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: This bill authorizes an environmental response financing board in Tippecanoe County or Columbia City to impose an environmental lien on a landfill or industrial site in existence on July 1, 1994, to recover payments made to the board to finance the cleanup of hazardous substances at the site.

Effective Date: January 1, 1999 (retroactive).

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: (Revised) This bill authorizes an environmental response financing board in Tippecanoe County or Columbia City to impose an environmental lien on a landfill or industrial site in existence on July 1, 1994, to recover payments made to the board to finance the cleanup of hazardous substances at the site. It is estimated that the cleanup of the landfill in Tippecanoe County may cost as much as \$17 million. If the landfill owner fails to reimburse the county for this expense, the ability to place a lien on the property may assist in the collections process.

If a lien is foreclosed on and the county seizes the property, the assessed valuation of the property would be removed from the tax roll until such time as the property is sold to another taxpayer. This causes a shift of the property tax burden from the former taxpayer on the subject property to all taxpayers in the form of an increased tax rate. Total local revenues, except for cumulative funds, would remain unchanged. The revenue for cumulative funds would be reduced by the product of the fund rate multiplied by the deduction amount applicable to that fund.

Since the landfill in Columbia City belongs to the city, the ability to impose a lien is not necessary.

State Agencies Affected:

Local Agencies Affected: Tippecanoe County; Columbia City.

Information Sources: Karen Arland, Ice Miller Donadio & Ryan, 236-2244.