

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

301 State House  
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**FISCAL IMPACT STATEMENT**

**LS 7090**  
**BILL NUMBER: SB 299**

**DATE PREPARED:** Dec 29, 1998  
**BILL AMENDED:**

**SUBJECT:** Approval of tax rates in Marion County.

**FISCAL ANALYST:** Bob Sigalow  
**PHONE NUMBER:** 232-9859

**FUNDS AFFECTED:**  **GENERAL**  
 **DEDICATED**  
**FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** This bill requires a taxing unit (other than an excluded city) located in Marion County that intends to increase its property tax rate to submit its proposed property tax levy and property tax rate to the city-county council for approval. It provides that the city-county council may approve or deny the proposed property tax rate increase.

The bill also provides that if the city-county council denies the proposed property tax rate increase, the State Board of Tax Commissioners may not approve the property tax rate increase unless the state board finds that a failure to increase the property tax rate will adversely affect the health, safety, or well-being of the citizens of Marion County.

**Effective Date:** July 1, 1999.

**Explanation of State Expenditures:** The state's expense for property tax replacement credits (PTRC) and homestead credit could be affected by this bill. If the amount of a taxing unit's tax rate and levy is affected by this bill, the state's expense for homestead credit and PTRC (if the levy qualifies for PTRC) would be proportionally affected..

PTRC and homestead credits are paid from the Property Tax Replacement Fund which is annually supplemented by the state General Fund. Any change in PTRC and homestead credit expenditures would ultimately affect the state General Fund.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** Under this proposal, Marion County's City-County Council would have

fiscal oversight over the property tax levies and rates of all taxing units in the county if the units propose to increase property tax rates. (This does not apply to the excluded cities of Beech Grove, Lawrence, Southport, and the town of Speedway).

According to the bill, a taxing unit that proposes a rate increase would have to submit its proposed levy and rate to the Council. The Council would then approve or deny the rate increase. The State Tax Board would be prohibited from approving a rate increase that was denied by the Council unless a failure to increase the property tax rate will adversely affect the health, safety, or well-being of the citizens of Marion County.

The amount of a taxing unit's tax rate and levy could be affected by this bill. In CY 1998, Marion County had 41 taxing units (without the excluded cities) with a combined gross levy of \$882 million. The following is a summary by unit type:

<b>Unit Type</b>	<b>1998 Gross Levy</b>	<b># of Units</b>
County	167,812,235	1
Townships	45,864,459	9
Cities & Towns	22,571,490	9
School Corps	435,491,600	11
Libraries	26,233,538	3
Other Units	184,221,186	8
<b>Total</b>	<b>882,194,508</b>	<b>41</b>

**State Agencies Affected:** State Board of Tax Commissioners.

**Local Agencies Affected:** Taxing units in Marion County.

**Information Sources:** Local Government Database.