

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

301 State House  
(317) 232-9855

**FISCAL IMPACT STATEMENT**

**LS 7242**

**BILL NUMBER: HB 1235**

**DATE PREPARED:** Jan 27, 2000

**BILL AMENDED:** Jan 26, 2000

**SUBJECT:** Bonds and leases property tax referendum.

**FISCAL ANALYST:** Bob Sigalow

**PHONE NUMBER:** 232-9859

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

**IMPACT:** Local

**Summary of Legislation:** (Amended) This bill increases the number of property owners that must sign a petition to commence a petition and remonstrance procedure for a political subdivision's proposed tax to pay debt service or lease payments. It bases the number of signatures required on the population of the political subdivision.

**Effective Date:** Upon passage; July 1, 2000.

**Explanation of State Expenditures:**

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** (Revised) Under current law, the issuance of public debt by a local governmental unit or school corporation is subject to a petition and remonstrance procedure. It takes the signatures of 250 or 10% of the property owners, whichever is less, to invoke the process. Property owners may then sign either the petition (in favor of) or the remonstrance (against), with the greater number of signatures prevailing.

This proposal would change the signature requirements to invoke the petition and remonstrance process. The number of signatures required to invoke the petition and remonstrance process would depend on the population served by the taxing unit attempting to issue debt. The following table contains the number of required signatures under this proposal:

<b>Unit's Population</b>	<b>Real Property Owner Signatures</b>
Less than 50,000	500
50,000 - 99,999	600
100,000 - 199,999	700
200,000 - 299,999	800
300,000 - 399,999	900
400,000 and Greater	999

This proposal would increase the number of signatures needed to invoke the petition and remonstrance process for all proposed debt issues. This could make it more difficult to invoke the process against taxing units that serve very small populations. The amount of debt issued could be directly affected by this bill as would the property tax rates for debt service and lease/rental payments. For instance, the increased difficulty in opposing some debt issues could result in larger debt issues. An increase in the size of a bond issue would expand the increase in the debt service or lease/rental tax rate.

**State Agencies Affected:**

**Local Agencies Affected:** Local government units and school corporations.

**Information Sources:**