LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS

301 State House
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FISCAL IMPACT STATEMENT

LS 6783 **DATE PREPARED:** Dec 27, 1999
BILL NUMBER: SB 310 **BILL AMENDED:**

SUBJECT: Dearborn County Option Income Tax.

FISCAL ANALYST: David Hoppmann
PHONE NUMBER: 232-9559

FUNDS AFFECTED: **GENERAL** **IMPACT:** Local
DEDICATED
FEDERAL

Summary of Legislation: This bill permits Dearborn County to adopt an ordinance that changes the basis of distribution of County Option Income Tax (COIT) revenue from property tax levies to population for civil taxing units other than a public library or solid waste management district, while retaining the current distribution formula for a public library or solid waste management district.

Effective Date: Upon passage.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: If Dearborn County adopts an ordinance to change the distribution of COIT from the basis of property tax levies to the basis of population for certain units, Dearborn County and its civil units (minus the two public libraries and one solid waste management district) would be affected. While the total COIT distribution to Dearborn County would not be affected, the amount each civil unit receives would be affected.

Because the current distribution of COIT revenues is based on property tax levies, a civil unit whose current tax levy per person is greater than the county median will experience a decrease in its COIT distribution under this new distribution formula. Similarly, a civil unit whose current tax levy per person is less than the county median would realize increased COIT revenues. Those units which levy current taxes at or near the median would experience a slight change in COIT distributions. The specific impact of this bill would vary from civil unit to civil unit.

The following table illustrates what Dearborn County taxing units would have received in CY 1999 COIT distributions based on a population formula.

Dearborn County 1999 Comparison of COIT Distributions (Current and Population Based Formula)

Dearborn County Civil Taxing Units	1990 Population	1999 COIT Distributive Shares	Proposed	Diff
Dearborn County	24,094	$1,632,012	$1,095,573	($536,439)
TOTAL COUNTY	**24,094**	**$1,632,012**	**$1,095,573**	**($536,439)**
Caesar Creek Township	310	$991	$14,096	$13,105
Center Township	1,357	$6,898	$61,704	$54,806
Clay Township	1,613	$10,503	$73,344	$62,841
Harrison Township	2,103	$6,721	$95,625	$88,904
Hogan Township	936	$3,196	$42,561	$39,365
Jackson Township	1,184	$3,163	$53,837	$50,674
Kelso Township	1,326	$2,748	$60,294	$57,546
Lawrenceburg Township	1,667	$12,968	$75,800	$62,832
Logan Township	2,129	$2,188	$96,807	$94,619
Manchester Township	2,571	$5,919	$116,905	$110,986
Miller Township	4,761	$18,384	$216,486	$198,102
Sparta Township	1,882	$0	$85,576	$85,576
Washington Township	1,387	$2,866	$63,068	$60,202
York Township	868	$2,995	$39,469	$36,474
TOTAL TOWNSHIP	**24,094**	**$79,540**	**$1,095,573**	**$1,016,033**
Lawrenceburg Civil City	4,375	$565,953	$198,935	($367,018)
Aurora Civil City	3,825	$175,624	$173,926	($1,698)
Dillsboro Civil Town	1,200	$28,561	$54,565	$26,004
Greendale Civil Town	3,881	$362,083	$176,472	($185,611)
Moores Hill Civil Town	649	$6,066	$29,511	$23,445
St. Leon Civil Town	493	$3,899	$22,417	$18,518
West Harrison Civil Town	318	$7,692	$14,460	$6,768
TOTAL CITY & TOWN	**14,741**	**$1,149,878**	**$670,285**	**($479,593)**
Aurora Public Library	10,056	$125,791	$125,791	$0
Lawrenceburg Public Library	14,038	$110,239	$110,239	$0
TOTAL LIBRARY	**24,094**	**$236,030**	**$236,030**	**$0**
Dearborn County Solid Waste	24,094	$27,976	$27,976	$0
TOTAL SOLID WASTE	**24,094**	**$27,976**	**$27,976**	**$0**

TOTAL (minus library and solid waste)	**$3,125,436**	**$3,125,436**

The above county, township, library, and solid waste populations do not include the population within cities and towns.

The county unit as well as city and town units would have experienced an overall decrease in COIT distributions under a population based formula in CY 1999 (township units would have experienced an overall increase). Public library and solid waste units would not have experienced any difference at all.

For CY 2000, it is likely that the same increases, decreases, and consistencies would occur.

Dearborn County's CY 1999 certified distribution was $3,125,436 (the same amount has been certified for CY 2000). Currently, 25 of Indiana's 92 counties impose COIT.

State Agencies Affected: State Board of Tax Commissioners.

Local Agencies Affected: Dearborn County Auditor.

Information Sources: Local Government Data Base, State Budget Agency.