LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7016
BILL NUMBER: HB 1503

DATE PREPARED: Mar 28, 2001
BILL AMENDED: Mar 27, 2001

SUBJECT: Local government matters.

FISCAL ANALYST: Chris Baker
PHONE NUMBER: 232-9851

FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) The bill allows, rather than requires, a public agency to waive a fee for providing an electronic map if the electronic map will be used for a noncommercial purpose. It also extends the 0.1% portion of the Jackson County adjusted gross income tax dedicated for a jail and juvenile detention center for an additional four years. It extends the 0.3% portion of the Pulaski County adjusted gross income tax dedicated for a jail and justice center for an additional 4 years. This bill also allows a county executive to adopt an ordinance approving the payment of certain lawful county expenses, and requires the payment of the expenses to be published. The bill changes from August 20 to September 20 the date by which employee compensation must be fixed by a third class city.

It repeals a requirement that the county recorder retain a real estate sales disclosure form for five years. The bill also allows county assessing officials and the State Board of Tax Commissioners to use real estate sales disclosure forms for certain purposes.

Effective Date: July 1, 2001.

Explanation of State Expenditures:

Explanation of State Revenues: See *Explanation of Local Expenditures.*

Explanation of Local Expenditures: (Revised) *Sales Disclosure:* A sales disclosure form must be filed with the county auditor any time real property is sold or transferred for valuable consideration, except a transfer to charity. The county auditor forwards the form to the county assessor who then forwards the form to the State Board of Tax Commissioners. The county assessor also must retain a copy of the form for use in establishing land values.

This bill would require the county assessor to retain the form for five years. The bill would require the county assessor to forward the data on the forms to the State Tax Board in electronic format if possible. The forms could be used by county assessing officials and the State Tax Board for determining land values, sales ratio studies, equalization, or other authorized purposes.

There were approximately 205,000 sales disclosure forms filed in FY 2000. Under the proposal, counties with the ability to electronically transfer the data from each of the forms would have to do so. These counties would send the data to the State Tax Board. Data formats could range from simple spreadsheet entries to custom database records. The cost to each participating county would vary with the data transfer method chosen, with the number of forms that are received by the county, and with the technical and personnel resources already available to the county. The estimated cost to collect this data locally is currently unknown.

Sales disclosure form filers pay a $5 fee of which $1 is deposited in the state General Fund. The remaining $4 stays with the county. These filing fees generated an estimated $820,000 for Indiana counties in FY 2000.

Certain Lawful County Expenses: Under the provisions of the bill, the County Executive may adopt an ordinance allowing money to be disbursed for lawful county purposes. The County Auditor may make claim payments in advance of board allowances, if an ordinance has been adopted by the County Executive for several expenses as specified by the bill. The County Auditor may be able to avoid late fees, when making claim payments, as a result of this provision.

Explanation of Local Revenues: (Revised) *Electronic Map:* This bill could increase revenue to a public agency's Enhanced Access Fund (IC 5-14-3-8.3). The Fund is used, in part, to cover the cost of maintaining, upgrading, and enhancing an electronic map. It is unknown how often electronic map information is requested for noncommercial purposes. The amount of potential revenue is indeterminable and will vary among public agencies.

Jackson CAGIT: Current law allows Jackson County to impose the County Adjusted Gross Income Tax (CAGIT) at a rate of one and one-tenth percent (1.1%) on adjusted gross income for four years (P. L. 119 -1998). After the four-year period has expired, the rate is reduced to one percent (1%) as required under current law. The four-year period of imposition of the 1.1% rate began in CY 1998 and would expire at the end of CY 2001.

The bill allows an additional four years to implement the rate of 1.1%, extending the overall length of the additional 0.1% from four to eight years effective July 1, 2001. As a result, imposition of the Jackson County CAGIT at the rate of 1.1% would be extended through CY 2005. The Jackson County CY 2001 CAGIT Certified Distribution is $7,004,098.

Pulaski CAGIT: Current law allows Pulaski County to impose CAGIT at a rate of one and three-tenths percent (1.3%) on adjusted gross income for four years (P. L. 119-1998). After the four-year period has expired, the rate is reduced to a maximum of one percent (1%) as required under current law. The four-year period of imposition of the 1.3% rate began in CY 1998 and would expire at the end of CY 2001.

The bill would increase the time limit of the rate at 1.3% from four years to eight years effective July 1, 2001. Pulaski County would be able to extend the imposition of the CAGIT rate at 1.3% through CY 2005. The Pulaski County CY 2001 CAGIT Certified Distribution is $2,502,364.

State Agencies Affected: State Board of Tax Commissioners.

Local Agencies Affected: Jackson County, Pulaski County, County Assessors, Public agencies that currently do not charge a fee for electronic maps accessed for noncommercial purposes; Counties adopting ordinance for lawful disbursement of county monies.

Information Sources: Dave Bottorff, Association of Indiana Counties, (317) 684-3710. Tonya Galbraith, Indiana Association of Cities and Towns, (317) 237-6200.