

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

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 6915
BILL NUMBER: HB 1206

DATE PREPARED: Jan 16, 2002
BILL AMENDED:

SUBJECT: Fees on Exempt Property.

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FUNDS AFFECTED:	GENERAL	IMPACT: Local
	DEDICATED	
	FEDERAL	

Summary of Legislation: This bill eliminates the home rule powers of a city, town, or county to impose a fire, police, or public safety service charge or fee on property that is exempt from property taxation. The bill also prohibits special taxing districts and other political subdivisions from exercising the powers under a statute to impose a fire, police, or public safety service charge fee or user fee on exempt property or on the owner of exempt property.

Effective Date: April 1, 2002.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: Under this bill, local civil units would not be permitted to impose any type of fee or charge upon exempt property for firefighting, police, or public safety services including police and fire retirement costs. These fees and charges would include both those imposed under home rule and any fee that might be allowable under state statute.

Some fire departments may collect false alarm fees. There are no data available regarding the amount of fees currently collected for fire, police, or public safety purposes.

Data available from county auditors' abstracts indicates that about 6.2% of the state's gross assessed valuation was exempt in 2001. It is important to note the possibility that some clearly exempt property is never assessed and therefore not listed as exempt. Therefore, this estimate may be somewhat conservative. Assuming that the 6.2% exempt property estimate is reasonable, it could be inferred that local civil units

could lose about 6% of any fees currently generated from public safety.

State Agencies Affected:

Local Agencies Affected: Local civil units.

Information Sources: Local Government Database.