

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6443**

**BILL NUMBER:** HB 1302

**NOTE PREPARED:** Dec 4, 2002

**BILL AMENDED:**

**SUBJECT:** Repeal of local tax impact report.

**FIRST AUTHOR:** Rep. Kruse

**BILL STATUS:** As Introduced

**FIRST SPONSOR:**

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

**IMPACT:** Local

**Summary of Legislation:** This bill repeals a requirement for county treasurers to include certain information in tax statements for property taxes first due and payable in 2003.

**Effective Date:** January 1, 2003 (retroactive).

**Explanation of State Expenditures:**

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** Under current law, county treasurers will be required to include a statement in property tax bills mailed in 2003 advising property owners of the real property reassessment and of changes made to deductions and credits in order to mitigate the effects of the reassessment. The statements must also include a comparison of the taxpayer's actual property tax liability and the amount that the taxpayer's property tax liability would have been had the General Assembly not acted. In addition, the statements must be mailed to all property owners even if the bill is sent to a mortgage company.

In order to make the comparison, local officials report that they would have to run dual software systems in order to compute tax bills under both the old and new systems. They also report that 40% to 50% of all tax bills are sent to mortgage companies. This means that an additional statement would have to be prepared and mailed to 40% to 50% of all property owners. Local officials report that these requirements would carry a substantial cost. Although there is no statewide cost estimate, one large county estimated the cost for that county to comply with the current requirements would be about \$200,000.

This bill would repeal the statement requirement, resulting in a potentially substantial cost savings to counties.

**Explanation of Local Revenues:**

**State Agencies Affected:**

**Local Agencies Affected:** County treasurers; County auditors; County assessors; Township assessors.

**Information Sources:** Testimony, County Government Study Commission, 9/5/2002 and 10/3/2002.

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