

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6736

BILL NUMBER: SB 155

NOTE PREPARED: Feb 4, 2004

BILL AMENDED:

SUBJECT: Budget and Levy Review in Marion County.

FIRST AUTHOR: Sen. Young R Michael

FIRST SPONSOR:

BILL STATUS: As Passed Senate

FUNDS AFFECTED: GENERAL
 DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill requires the Indianapolis-Marion County City-County Council to review the proposed operating and maintenance budgets and tax levies of certain entities and to adopt final operating and maintenance budgets and tax levies for those entities. The bill authorizes the City-County Council to reduce or modify but not increase an entity's proposed operating and maintenance budget or tax levy.

Effective Date: July 1, 2004.

Explanation of State Expenditures: The proposal provides that the Indianapolis-Marion County City-County Council may reduce or modify but not increase a proposed operating and maintenance budget or tax levy for an airport authority, a health and hospital corporation, a public library, a capital improvement board of managers, and a public transportation corporation. As a result, state expenditures for property tax replacement credits and the state homestead credit payments could decrease to the extent that a limit or decrease in a local levy changes state property tax replacement credits and the state homestead credit payments made from the Property Tax Replacement Fund. The Property Tax Replacement Fund is annually supplemented by the state General Fund.

Explanation of State Revenues:

Explanation of Local Expenditures: Under this proposal, the City-County Council must review and adopt certain operating and maintenance budgets and tax levies, which would add additional levels of oversight in property tax rate matters in Marion County. This provision will result in additional administrative expenditures for the Council and the local units involved. The specific impact, however, is indeterminable.

Explanation of Local Revenues: The City-County Council may reduce or modify but not increase a

proposed operating and maintenance budget or tax levy for certain local levies within Marion County. This provision could limit or decrease the amount of revenue that would be generated by local units.

State Agencies Affected: Department of Local Government Finance.

Local Agencies Affected: Marion County-Indianapolis City-County Council, airport authority, health and hospital corporation, public library, capital improvement board of managers, and public transportation corporation.

Information Sources:

Fiscal Analyst: Bernadette Bartlett, 317-232-9586.