

SENATE BILL No. 264

DIGEST OF INTRODUCED BILL

Citations Affected: None (noncode).

Synopsis: Property tax replacement study commission. Establishes the property tax replacement study commission to study the elimination of property taxes and alternative sources of revenue.

Effective: Upon passage.

**Miller, Hume, Landske, Simpson,
Lawson, Gard, Ford**

January 8, 2004, read first time and referred to Committee on Finance.

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Second Regular Session 113th General Assembly (2004)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2003 Regular Session of the General Assembly.

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SENATE BILL No. 264



A BILL FOR AN ACT concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. [EFFECTIVE UPON PASSAGE] (a) **As used in this**
- 2 **SECTION, "commission" refers to the property tax replacement**
- 3 **study commission established by subsection (b).**
- 4 (b) **The property tax replacement study commission is**
- 5 **established.**
- 6 (c) **The commission consists of sixteen (16) members who are**
- 7 **appointed as follows:**
- 8 (1) **Eight (8) members appointed by the president pro tempore**
- 9 **of the senate as follows:**
- 10 (A) **One (1) member representing manufacturing.**
- 11 (B) **One (1) member representing small business.**
- 12 (C) **One (1) member representing farmers.**
- 13 (D) **One (1) member representing home builders.**
- 14 (E) **One (1) member representing realtors.**
- 15 (F) **One (1) member who is a member of a city fiscal body.**
- 16 (G) **One (1) member who is a mayor.**
- 17 (H) **One (1) member who is a township trustee.**
- 18 (2) **Eight (8) members appointed by the speaker of the house**



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of representatives as follows:

- (A) One (1) member representing business.
- (B) One (1) member representing labor.
- (C) One (1) member representing senior citizens.
- (D) One (1) member representing accountants.
- (E) One (1) member representing banking.
- (F) One (1) member who is a parent of a child enrolled in kindergarten through grade 12.
- (G) One (1) member who is a school board member.
- (H) One (1) member who is a member of a county fiscal body.

Not more than eight (8) members of the commission may be from the same political party.

(d) The members appointed under subsection (c) may not be members of the general assembly. Each member of the commission must own property subject to assessment under IC 6-1.1 and have knowledge and experience in the areas of taxation and government finance or school finance. Each member must be appointed not later than fifteen (15) days after the effective date of this act.

(e) The president pro tempore of the senate shall appoint the chair of the commission and the speaker of the house of representatives shall appoint the vice chair of the commission.

(f) The commission shall study the following proposals:

- (1) Eliminating approximately fifty percent (50%) of net property tax levies.
- (2) Eliminating approximately seventy-five percent (75%) of net property tax levies.
- (3) Eliminating approximately one hundred percent (100%) of net property tax levies.

The study required under this subsection must identify revenue sources capable of replacing property taxes and providing sufficient revenue to maintain essential government services.

(g) The commission is authorized to meet throughout the year at the call of the chair. The chair must call the first meeting of the commission not later than thirty (30) days after the effective date of this act. The commission shall submit status reports concerning the commission's activities to the legislative council during June and September of 2004.

(h) Before December 1, 2004, the commission shall submit to the legislative council an executive summary of each of the possible alternatives for achieving the property tax elimination proposals described in subsection (f). As soon as possible after submission of

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1 the executive summary, the commission shall supplement the
 2 executive summary with a final report to the legislative council
 3 covering the following matters:
 4 (1) The commission's schedule of meetings and the public
 5 testimony received at those meetings.
 6 (2) The commission's findings and recommendations,
 7 including any recommendations for statutory changes.
 8 (3) A fiscal analysis of the cost to the state, units of local
 9 government, and school corporations to implement:
 10 (A) the alternatives for property tax elimination presented
 11 in the commission's executive summary; and
 12 (B) the commission's recommendations.
 13 (i) Except as otherwise provided in this SECTION, the
 14 commission shall operate under the rules and procedures of the
 15 legislative council.
 16 (j) The affirmative votes of at least nine (9) members of the
 17 commission are required for the commission to take action on any
 18 measure.
 19 (k) Members of the commission are entitled to per diem and
 20 travel allowances in the same amounts as the legislative council
 21 provides for members of interim study committees.
 22 (l) The legislative services agency shall provide staff support for
 23 the commission as directed by a subcommittee established by the
 24 legislative council.
 25 (m) The status reports, executive summary, and final report
 26 required by this SECTION must be in an electronic format under
 27 IC 5-14-6.
 28 (n) This SECTION expires January 1, 2005.
 29 SECTION 2. An emergency is declared for this act.

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