

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6769

BILL NUMBER: HB 1082

NOTE PREPARED: Dec 21, 2004

BILL AMENDED:

SUBJECT: Approval of Tax Rates in Marion County.

FIRST AUTHOR: Rep. Murphy

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: This bill requires a taxing unit (other than an excluded city or a township) in Marion County that proposes to increase its property tax rate to receive the approval of the City-County Council and the Mayor of the consolidated city. It prohibits the Department of Local Government Finance from approving a greater rate increase unless the Department finds a need based on the health, safety, or well-being of the citizens of the county.

Effective Date: July 1, 2005.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: Under this proposal, beginning with taxes paid in 2006, all taxing units in Marion County, except for the excluded cities of Beech Grove, Lawrence, Southport, and the Town of Speedway, and all nine townships, would be required to submit any proposed increase in the unit's property tax rate to the Marion County City-County Council for approval. Taxing units include the county unit, the consolidated city, school districts, libraries, and various special units.

The Council may approve or deny the request. If the Council approves the rate increase, the request would then be forwarded to the Mayor, who may approve or deny the request. The Department of Local Government

Finance may approve an increase in a unit's tax rate without consent of the Council or Mayor only if failure to adopt the rate would adversely affect the health, safety, or well-being of Marion County's citizens.

This proposal would add two additional levels of oversight in property tax rate matters in Marion County. A static tax rate allows levy growth at the same rate as the assessed value tax base grows. The countywide AV growth has averaged about 2.6% per year over the last five years (not including reassessment).

State Agencies Affected: Department of Local Government Finance.

Local Agencies Affected: Taxing units in Marion County, except excluded cities and townships.

Information Sources:

Fiscal Analyst: Chuck Mayfield, 317-232-4825.