

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6109
BILL NUMBER: HB 1211

NOTE PREPARED: Nov 15, 2005
BILL AMENDED:

SUBJECT: School property taxes.

FIRST AUTHOR: Rep. Klinker
FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill increases the property tax rate the board of school trustees in a third class city may impose for the establishment and maintenance of certain facilities, and provides that the state Property Tax Replacement Credit does not apply to that rate.

It requires reduction of the School Capital Projects Fund rate in an amount corresponding to that rate increase.

Effective Date: Upon passage.

Explanation of State Expenditures: The School Playground Fund is not currently specifically excluded from the Property Tax Replacement Credit (PTRC) calculations, so the state pays approximately 20% of the levy. The bill would specifically remove it from the PTRC calculations. The levy for CY 2005 is about \$5,991, so the reduction in PTRC would be about \$1,200.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: The bill increases the maximum rate for the School Playground Fund from \$0.0067 per \$100 of assessed valuation to \$0.05. Currently, one school, West Lafayette School Corporation, has a School Playground Fund. The levy for CY 2005 is \$5,991 at a rate of \$0.0006. The \$0.05 rate would have raised \$499,256 for CY 2005.

State Agencies Affected:

Local Agencies Affected: West Lafayette School Corporation.

Information Sources: Local Government Database.

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