

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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**FISCAL IMPACT STATEMENT**

**LS 6912**

**BILL NUMBER:** HB 1476

**NOTE PREPARED:** Feb 25, 2015

**BILL AMENDED:** Feb 23, 2015

**SUBJECT:** County Option Property Tax Replacement Fee.

**FIRST AUTHOR:** Rep. Karickhoff

**FIRST SPONSOR:** Sen. Hershman

**BILL STATUS:** As Passed House

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

**IMPACT:** Local

**Summary of Legislation:** (Amended) This bill permits a county council or county income tax council to establish an annual property tax replacement fee on any parcel receiving assessed value deductions or property tax credits (except for a parcel receiving a deduction or credit based on an individual's age, military or veteran's status, or a disability, including a spouse who is eligible for the deduction or credit) that reduce the annual property tax liability on the parcel to less than \$200. The bill provides that the minimum annual amount due in property taxes plus the property tax replacement fee must be set by ordinance to be at least \$100 and not more than \$200. It provides that the property tax replacement fee is not considered delinquent unless it is not paid by the November installment date even in a county that requires payment of taxes in the May installment.

The bill also changes the county option amount from \$25 to \$100 for requiring the payment of property taxes and the property tax replacement fee, if any, in the May installment.

**Effective Date:** January 1, 2016.

**Explanation of State Expenditures:**

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** (Revised) If all counties adopt the fee, this bill could result in increased revenues ranging from an estimated \$11.9 M to \$38.6 M annually for civil taxing units and school

corporations beginning in CY 2016. The revenue amount for each county depends on the minimum billing amount adopted by the county. The property tax replacement fee is allocated in the same manner as property tax.

The bill adds a property tax replacement fee to any real property tax bill in an adopting county that (a) is less than the minimum amount adopted by the county (between \$100 and \$200), and (b) receives a property deduction or credit. Properties that do not receive a deduction or a credit (including exempt properties) are not subject to the fee. In addition, parcels that receive a deduction or credit based on age, veteran's status, or a disability will not be subject to the fee.

An examination of 2014 real property tax bills suggests that 226,543 parcels would be subject to the fee if all counties adopt a \$100 minimum. Of the total 226,543 parcels, 3,292 had no 2014 tax liability. At a \$200 minimum in each county, 330,568 parcels would be affected.

(A summary of the potential fee revenue by county under both the \$100 and \$200 minimums is included at the end of this fiscal note.)

**State Agencies Affected:**

**Local Agencies Affected:** County auditors; Civil taxing units and school corporations.

**Information Sources:** LSA property Tax Database; County Auditors.

**Fiscal Analyst:** Bob Sigalow, 317-232-9859.

**Estimated Potential Property Tax Replacement Fee Revenue  
If Adopted by County**

<b>County</b>	<b>\$100 Minimum</b>		<b>\$200 Minimum</b>	
	<b>Affected Parcels</b>	<b>Fees</b>	<b>Affected Parcels</b>	<b>Fees</b>
Adams	155	8,500	311	30,300
Allen	10,367	658,600	16,755	2,017,000
Bartholomew	176	12,200	413	39,700
Benton	724	41,400	1,227	138,100
Blackford	794	40,300	1,470	156,200
Boone	41	2,000	162	10,700
Brown	122	3,700	471	33,400
Carroll	4,866	302,700	6,708	887,800
Cass	2,910	179,700	4,547	552,000
Clark	7,536	555,000	9,552	1,412,900
Clay	1,624	72,300	3,636	341,000
Clinton	1,413	80,200	2,918	290,700
Crawford	1,274	78,600	2,066	244,800
Daviess	591	26,800	1,288	119,600
Dearborn	1,629	98,400	2,310	299,000
Decatur	105	5,400	453	30,500
DeKalb	744	36,700	1,740	159,900
Delaware	2,872	141,600	5,561	569,000
Dubois	209	11,800	523	46,100
Elkhart	3,029	160,000	5,215	579,300
Fayette	1,281	79,700	2,184	252,900
Floyd	67	5,000	308	20,600
Fountain	268	12,700	921	68,300
Franklin	85	3,600	324	21,300
Fulton	3,823	268,500	5,577	740,400
Gibson	913	53,200	1,533	176,200
Grant	4,021	204,500	8,280	814,800
Greene	1,699	87,200	2,920	319,400
Hamilton	1,025	86,900	1,276	201,800
Hancock	1,031	68,200	1,429	185,000
Harrison	125	4,200	691	39,400
Hendricks	1,444	109,000	1,692	264,700
Henry	1,078	60,600	2,292	226,000
Howard	2,278	148,100	4,002	454,400
Huntington	850	44,300	1,511	162,500
Jackson	446	25,800	1,528	114,800
Jasper	3,408	217,200	5,274	650,600
Jay	570	24,600	1,690	136,100
Jefferson	445	27,500	875	92,700
Jennings	695	38,800	1,088	128,700
Johnson	1,160	90,300	1,511	222,300
Knox	2,080	125,600	3,189	388,500
Kosciusko	945	58,900	2,070	201,900
LaGrange	229	12,900	772	61,200
Lake	17,570	1,061,100	29,890	3,481,400
LaPorte	1,691	119,300	2,572	329,800

**Estimated Potential Property Tax Replacement Fee Revenue  
If Adopted by County**

<b>County</b>	<b>\$100 Minimum</b>		<b>\$200 Minimum</b>	
	<b>Affected Parcels</b>	<b>Fees</b>	<b>Affected Parcels</b>	<b>Fees</b>
Lawrence	5,391	336,000	7,819	1,001,100
Madison	12,931	744,100	19,374	2,394,000
Marion	15,543	765,200	24,227	2,789,000
Marshall	225	11,000	649	52,100
Martin	298	13,100	773	64,900
Miami	4,405	241,800	8,009	866,700
Monroe	209	14,300	546	48,600
Montgomery	3,165	150,900	6,078	622,900
Morgan	6,880	446,300	11,392	1,364,700
Newton	768	56,300	1,101	149,700
Noble	182	8,100	681	46,900
Ohio	26	700	149	8,500
Orange	368	19,000	923	80,800
Owen	214	10,800	599	51,000
Parke	7,057	465,800	9,147	1,286,400
Perry	883	53,700	1,511	173,400
Pike	1,484	80,000	2,159	264,500
Porter	679	38,400	1,210	131,100
Posey	427	23,500	900	88,100
Pulaski	6,371	417,900	8,365	1,162,300
Putnam	319	12,600	1,168	84,100
Randolph	619	33,700	1,362	132,300
Ripley	76	3,600	423	24,500
Rush	242	8,500	712	55,200
St. Joseph	9,040	519,200	13,251	1,655,600
Scott	286	15,700	687	62,100
Shelby	543	40,000	1,097	119,400
Spencer	221	9,000	752	54,400
Starke	513	29,300	1,021	103,700
Steuben	10,273	684,900	14,145	1,917,300
Sullivan	1,091	53,600	2,103	213,800
Switzerland	96	3,800	373	24,800
Tippecanoe	254	17,900	764	60,300
Tipton	1,349	89,000	2,365	273,400
Union	26	1,100	121	7,200
Vanderburgh	2,998	168,800	4,961	564,300
Vermillion	670	34,900	1,376	137,300
Vigo	4,033	217,200	6,930	786,200
Wabash	2,402	130,100	4,913	496,300
Warren	2,213	133,000	3,309	412,200
Warrick	136	7,100	462	34,400
Washington	2,220	122,500	4,101	439,200
Wayne	1,437	90,100	2,375	278,900
Wells	666	33,800	2,008	162,700
White	558	28,500	1,184	113,800
Whitley	56	3,100	268	16,400
<b>Total</b>	<b>200,251</b>	<b>11,941,500</b>	<b>330,568</b>	<b>38,590,200</b>