LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS

200 W. Washington St., Suite 301
Indianapolis, IN 46204
(317) 233-0696
iga.in.gov

FISCAL IMPACT STATEMENT

LS 7256
BILL NUMBER: HB 1271

NOTE PREPARED: Feb 11, 2021
BILL AMENDED: Feb 11, 2021

SUBJECT: Department of Local Government Finance.

FIRST AUTHOR: Rep. Leonard
FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

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

IMPACT: State & Local

Summary of Legislation: (Amended) *Remonstrance Hearings*: This bill provides under multiple provisions that:

(1) taxpayers must believe that certain leases were not properly executed in accordance with applicable law in order to file a petition with the Department of Local Government Finance (DLGF) setting forth the taxpayers' objections;
(2) the DLGF may either hold a hearing in the affected county or through electronic means; and
(3) in making its decision, the DLGF may not consider any matter other than whether the lease was properly executed under applicable law.

Nonconformance: The bill establishes the term "nonconforming" as a rule of general construction for property tax purposes.

Personal Property Assessment Notice: This bill provides that consent to receive notice of a personal property tax assessment via electronic mail remains in effect unless revoked during the preceding year.

Railcar Companies: The bill replaces the term "railroad car company" with the term "railcar company" for property tax purposes.

Utility Assessment Rule: This bill provides that the DLGF may amend certain public utility assessment administrative rules to reflect statutory changes.

Annexation / Disannexation Reporting: The bill provides that the fiscal officer of a political subdivision shall provide the DLGF with a report of any annexations that took place within the county during the preceding year. The bill also provides that a county auditor shall forward a list of disannexed lots or lands, as well as a copy of any annexation ordinance, to the DLGF not later than August 1.

Budget Adoption: This bill provides rules and procedures for school corporation budget adoption meetings and hearings.

Budget Notification: The bill provides that for certain actions taken by the DLGF on tax levies and budgets of a political subdivision, the DLGF shall certify its action to the: (1) State Board of Accounts (SBOA); (2) Auditor of State (AOS); and (3) Department of State Revenue (DOR); if the budget and levy of the political subdivision are being continued.

Budget Hearing Request: This bill provides that 25 taxpayers of a political subdivision must sign a written request for certain public hearings on budgets, tax rates, or tax levies.

Bond Appropriation: The bill provides that a political subdivision shall include an appropriation for bond proceeds in its budget for the ensuing year.

Goshen Library: This bill provides procedures for the Goshen Public Library.

Referendum: The bill requires the county auditor of the county in which a political subdivision or school corporation proposes to impose property taxes to determine the: (1) estimated average percentage of property tax increase on a homestead to be paid to the political subdivision or school corporation; and (2) estimated average percentage of property tax increase on a business property to be paid to the political subdivision or school corporation. It provides a formula for making the estimated average percentage of property tax increase determinations.

Exam Fee: The bill provides that the DLGF may establish fair and reasonable fees for level three assessor-appraiser examinations and certifications.

TIF: This bill provides that a parcel of land may not be included in more than one allocation area under several provisions. The bill also requires the county auditor to report excess Tax Increment Financing (TIF) AV to the DLGF.

Cumulative Funds: The bill provides that for cumulative fund tax levy procedure purposes, if a cumulative fund that has been established in a prior year is not reestablished and the tax rate is not properly certified, the political subdivision may not increase a tax rate for the cumulative fund for the ensuing year. It provides that a political subdivision that decides to establish a cumulative fund must give notice in the form required by the DLGF. It provides that the DLGF is not required to hold a cumulative fund tax levy public hearing unless the petition expressly alleges that the political subdivision failed to comply with certain procedural requirements. It provides that after a political subdivision complies with the cumulative fund tax levy procedural rules, a property tax may be levied annually at the rate adopted by the political subdivision and certified by the DLGF.

FIT / CVET: This bill provides that distributions from the Financial Institutions Tax (FIT) Fund may be used for any legal purpose. It also provides that a county's distribution of the Commercial Vehicle Excise Tax (CVET) may be used for any legal purpose.

Conservancy Budgets: The bill amends review procedures for conservancy district budgets.

School Loans: This bill provides that for education emergency loans and anticipatory warrants, a governing body may not increase the debt service fund levy to pay for the interest on the loans or warrants unless the loans or warrants have been issued, and the school corporation has received the proceeds from the loans or warrants. It provides that a governing body may not authorize an education emergency loan for the purpose of increasing the school corporation's property tax rate for the ensuing budget year. The bill provides that for temporary education loans, a board of school trustees, including an Indianapolis public school board, may not impose a levy to pay for the interest on the loans from a debt service fund unless the loan has been issued, and the school town or school city has received the loan proceeds. It also provides that a board of school trustees may not authorize a temporary loan for the purpose of increasing the school town or school city's property tax rate for the ensuing budget year.

Sales Disclosure Fee: This bill increases the fee to file a sales disclosure form.

Marriage License Fee: The bill increases the fee for issuing a marriage license.

Document Fee: This bill increases the fee that a circuit court clerk must charge in authentication of a copy of any record, paper, or transcript.

Document Storage Fee: The bill removes a provision that would lower the document storage fee to $2 after June 30, 2022.

Henry County Food and Beverage Tax: This bill provides that for uses of revenue from the Henry County Food and Beverage Tax.

Negotiated Bond Sales: The bill permits all counties, cities, towns, townships, and school corporations to sell bonds at a negotiated sale.

Vacation of Public Ways: This bill provides that if a remonstrance or objection is filed or raised by an aggrieved person and the: (1) lands of the aggrieved person do not abut any other public way other than the public way to which a vacation petition applies; or (2) vacation of the public way would cause the lands of the aggrieved person to become landlocked with no other convenient or reasonable means of ingress or egress via another public way; the appropriate legislative body shall deny the petition to vacate the public way.

Town of Winfield: The bill authorizes the town of Winfield to petition the DLGF to increase its maximum permissible ad valorem property tax levy in 2022.

Disaster Reassessments: This bill provides that if a substantial amount of real and personal property in a township has been physically destroyed as a result of a disaster, the county assessor shall order a reassessment of the destroyed property if a petition for reassessment is filed.

Aviation Fuel Tax Exemption: The bill provides that a sale of aviation fuel is exempt from the aviation fuel excise tax if the aviation fuel is dispensed into an aircraft owned by an aerial applicator.

Marion County Small Claims Courts: This bill increases the: (1) bailiff's service of process by registered or certified mail fee; and (2) cost for the personal service of process by the bailiff or other process server; from $13 to $15.

Jeffersonville TIF Revenue: The bill allows the city of Jeffersonville to make a one time transfer of funds received in the city's TIF district to the city's general fund.

Retroactive Exemption: This bill provides that a qualified taxpayer that files an exemption application before September 1, 2021, will be considered to have timely filed exemption applications for various prior years.

LIT Revenue Transfers: The bill provides that money accumulated from the Marshall County additional tax rate for criminal justice facilities, after the tax imposed is terminated, shall be transferred to the county jail fund to be established by the county auditor. It also provides that funds accumulated from the Perry County additional rate for county jail and related buildings after: (1) the redemption of bonds issued; or (2) the final payment of lease rentals due; shall be transferred to the county jail operations fund to be used for financing the maintenance and operations of the Perry County detention center.

Effective Date: (Amended) Upon passage; January 1, 2016 (Retroactive); July 1, 2019; January 1, 2020 (Retroactive); January 1, 2021 (Retroactive); July 1, 2021.

Explanation of State Expenditures: *Remonstrance Hearings*: This provision could result in a reduction of DLGF expenses related to holding various hearings. If the DLGF holds hearings remotely rather than in person in the county, travel expenses could be reduced. Expenses may also be reduced if there are fewer hearings because the bill (1) clarifies the reasons that taxpayers may remonstrate, and (2) increases the number of taxpayers required to request a budget hearing and some cumulative fund hearings.

Railcar Companies: This provision has no fiscal impact. For purposes of property tax, it changes the term "railroad car company" to match the industry standard term "railcar company".

Utility Assessment Rule: The DLGF may have increased costs for updating the utility assessment rule if the DLGF chooses to do so. The adoption of updated rules is within the agency's routine administrative functions and should be able to be implemented with no additional appropriations, assuming near customary agency staffing and resource levels.

Currently, the DLGF is precluded from amending or repealing certain sections of the administrative rule regarding utility property assessments. These sections pertain to valuation, the 30% minimum valuation floor, and special valuations. Also included is the assessment of inventory which is now exempt from taxation under statute.

This provision will permit the DLGF to amend this rule so that the rule may conform with changes to the statute.

Budget Notification: This provision should have a negligible impact on DLGF's workload. Under current law, if a taxing unit's requested budget is not properly adopted and reviewed, the previous year's budget and levy amount is continued for the upcoming year. This provision requires the DLGF to notify the SBOA, AOS, and DOR of the budget and levy continuance.

(Revised) *Referendum*: This provision requires the DLGF to post to its website estimated tax increases that are certified by the county auditor. DLGF workload will increase slightly. The DLGF's current level of funding and resources should be sufficient to perform this task.

Cumulative Funds: This provision could slightly reduce the DLGF's workload. Currently, the DLGF reviews all actions taken by a taxing unit to establish or reestablish cumulative funds to determine compliance with notice requirements. Under this provision, the DLGF will review the tax rate for all proposals but it will only review proposals for procedural compliance if a taxpayer remonstrance is filed. DLGF hearings will only be held if the petition alleges a procedural failure.

Explanation of State Revenues: *Exam Fee*: This provision will increase fee revenue for the DLGF. The bill provides that the DLGF may establish a fee for level three assessor examinations. Local assessing officials, property tax assessment board of appeals (PTABOA) hearing officers, and employees of the assessor and PTABOA are exempt from the fee if taking the exam for the first time. The amount of any additional revenue depends on the fee amount set by the DLGF and on the number of exams given for which the fee must be paid.

Sales Disclosure Fee: This provision increases the fee to file a sales disclosure form from $10 to $20. Half of the revenue is deposited into the state Assessment Training Fund and the other half is deposited into the county sales disclosure fund. The increase in the fee from $10 to $20 will result in an estimated $900,000 increase in revenue per year beginning in FY 2022 in the state Assessment Training Fund. [Revenue to the Assessment Training Fund was $926,555 in FY 2019 and $883,847 in FY 2020.]

Marriage License Fee: This provision increases the marriage license fee from $10 to $15. It could generate new revenue ranging between $585,000 and $799,000 annually based on the reported revenue collected. The marriage license fee is deposited in the State User Fee Fund.

The following table shows the estimated revenue based on the prior five-year history.

Estimated Revenue Generated by Increase the Marriage Licensing Fee from $10 to $15				
	Marriage Licenses	**Current Revenue**	**Increase**	**Total Revenue**
High	46,011	$532,598	$266,299	$798,897
Average	44,623	$460,853	$230,426	$691,280
Low	41,580	$390,469	$195,234	$585,703

(Revised) *Aviation Fuel Tax Exemption*: The bill exempts aerial applicators from paying aviation fuel tax. As a result, revenue to the General Fund and the Airport Development Grant Fund would decrease. The total number of aerial applicators in the state that would be exempt from aviation fuel tax is unknown. [Between FY 2018 and FY 2020 (the first three years of aviation fuel tax collections under the current tax rates), the aviation fuel tax generated an average of $3.7 M per year.]

Explanation of Local Expenditures: *Personal Property Assessment Notice*: This provision may reduce local assessor costs for mailing notices of personal property subject to assessment. It clarifies that a taxpayer's consent to receive notice that remains in effect from year to year unless revoked by the taxpayer.

Annexation / Disannexation Reporting: This provision has no measurable impact on local expenditures. Taxing units that have annexed area will have to report the annexation to the DLGF. The county auditor will be required to send to the DLGF copies of annexation ordinances filed with the auditor. Likewise, the county auditor will be required to send to the DLGF a list of lots or lands that have disannexed.

Budget Adoption - Amended Information: This provision should have no fiscal impact on taxing units. Taxing units must submit several pieces of information regarding the unit's proposed budget to DLGF's Gateway computer system at least 10 days before their budget hearing. The unit may submit amended information. Under the bill, the deadline for submitting amended information concerning the time and place of the initial public hearing is increased from 24 hours to 10 days prior to the meeting. Also, the bill sets the deadline for submitting amended information concerning the time and place of the adoption meeting to 24 hours prior to the meeting.

Budget Adoption - Fiscal Year Schools: This provision should have no fiscal impact on the affected school corporations. It applies to school corporations that have elected to adopt their budget on a fiscal year basis rather than a calendar year basis. Two school corporations in Marion County – Indianapolis Public Schools and M.S.D. Warren Township – have made such an election.

This provision requires fiscal year schools to submit their proposed budgets to the DLGF's Gateway computer system at least 10 days before their budget meeting. The schools must also provide a telephone number through which taxpayers may request mailed copies of the information. These are the same procedures that calendar year schools and civil units must follow.

Bond Appropriation: This provision should have no fiscal impact on taxing units. The bill requires taxing units to include the appropriation for bond proceeds in the unit's regular budget rather than using an additional appropriation. If, however, the unit does not include the appropriation in the budget, the unit may use an additional appropriation, but it may only do so in the year in which the bond proceeds are received.

(Revised) *Referendum*: This provision will require civil taxing units and schools to include additional information in the public questions for referenda. The bill provides procedures for the calculation by the county auditor of the average percentage increase to be used in the public question. County auditors should be able to make the required calculations with existing resources.

In addition, under the bill, a school operating referendum may be extended (with a public vote) for up to eight years. Current law limits the extension to the number of years for which the original referendum levy was imposed. Prior to July 1, 2017, the maximum term of a school operating referendum levy was seven years. This provision will permit an extension for up to eight years regardless of the term of the original referendum levy.

FIT / CVET: This provision has no fiscal impact. It clarifies that FIT and CVET revenue may be used for any legal purpose. The statute is currently silent on the use of the funds.

Conservancy Budgets: This provision will ensure that proposed budgets for conservancy districts that are not imposing a levy will be uploaded to the DLGF's Gateway system and reviewed by the appropriate taxing unit. These budgets are not reviewed by the DLGF. Proposed conservancy district budgets that include a tax levy are currently uploaded to Gateway and reviewed by the DLGF.

(Revised) *Vacation of Public Ways*: If the vacation of a public way is denied under this provision then the unit that owns it will continue to be responsible for the maintenance of that public way. The unit may not seek vacation of that public way again for seven years after denial of the petition.

(Revised) *Jeffersonville TIF Revenue*: This provision permits the City of Jeffersonville to transfer TIF revenue to the city's general fund in 2021. The amount of the transfer is limited to the amount by which the DLGF reduced the city's 2021 budget, which was $363,133. The city adopted a budget of $45,265,798 but only advertised a budget of $45,238,808. The DLGF reduced the city's budget to $44,875,675 which is

$363,133 less than the advertised budget Total revenues remain unchanged. The permitted use of the money is expanded to general uses.

(Revised) Henry County Food and Beverage Tax: This bill includes an expo center among other capital improvements for which money from Henry County Food and Beverage Receipts Fund may be used.

(Revised) *LIT Revenue Transfers*: The bill requires the Marshall County treasurer to establish a county jail fund in which remaining revenue attributable to Marshall County's special purpose local income tax rate is to be transferred upon the rate's termination. This should be accomplished within existing resources.

(Revised) *Negotiated Bond Sales*: The bill extends and expands the use of negotiated sale for the process of issuing certain bonds. To the extent that negotiated sale is used for offering bonds where the public sale method does not provide the lowest financing cost, it would lower the cost for the local unit. Use of negotiated sale in cases where a lower interest rate bid and fees could have been achieved by using the competitive bids under public sale method would increase the financing cost for the local unit. Any fiscal impact from the change is indeterminable.

Extending and expanding this option will allow the eligible political subdivisions to take advantage of this alternative selling method. Most studies have suggested that competitive bidding used in public sale method result in lower interest cost for the issuer. Others have suggested that negotiated sale enhances the financial-management capacity of smaller governments. A negotiated sale could be also used to overcome the: (1) weakness in credit rating, (2) short credit history, (3) large size of the issue, or (4) complexity of the issue.

Additional Information: Current law allows a consolidated city, a second class city, and a school corporation located in a consolidated city or a second class city to use the method of negotiated sale in the process of issuing certain bonds. The provision allowing this alternate method expires on July 1, 2021. The bill extends the provisions indefinitely and expands it to include all counties, townships, cities, towns, and school corporations.

Explanation of Local Revenues: *Nonconformance*: This provision will have no fiscal impact in most cases. The bill specifies that conformance with the property tax statutes requires that all actions must be in strict compliance with the statutes and not merely in substantial compliance with them. The only impact will be in a case where an action is substantially compliant. Currently, a substantially compliant action may be in conformance but it will be nonconforming under the bill.

Budget Hearing Request: This provision will have a minimal impact on local revenues. Under current law, it takes only one taxpayer to request a hearing by the DLGF on a taxing unit's budget, tax rate, and tax levy. This bill will increase the number of taxpayers needed to request a hearing to 25 and could result in fewer hearings. This provision will have an impact only if there are insufficient taxpayers to request a hearing but a hearing would otherwise result in a levy or budget change.

Goshen Library: *Goshen Library*: This bill will permit the Goshen Library to request a one-time increase in its 2022 maximum levy in the amount of $64,256. In addition, the bill increases the maximum budget that the library may adopt without fiscal oversight by the city, beginning in 2022. If the Goshen Library requests a the maximum levy increase and then increases its actual levy, tax cap losses will increase for the library and intersecting units in CY 2022. These adjustments are consistent with a recent Tax Court order requiring action by the DLGF.

(Revised) *TIF*: The bill requires county auditors, rather than redevelopment commissions, to report excess TIF AV to the DLGF. Excess TIF AV is AV that is not needed by the redevelopment commission in a year. This AV is added into the tax bases of the taxing units in the taxing district where the TIF is located. The additional AV reduces tax rates and potentially reduces tax cap losses. This change in reporting may improve reporting and ensure that the AV is added to the units' tax bases.

Additionally, the bill prohibits a real property parcel from being included in more than one TIF area if the parcel was not included in more than one TIF area on January 1, 2021. Counties and municipalities are both permitted to create TIF areas. Under this provision, a county could not include a parcel in a TIF area if it is already included in a municipal TIF. Likewise, a municipality could not TIF a parcel that is in a county TIF. Currently, in a case where a county establishes a TIF area within a municipality, and also in a case where an area with a county TIF is annexed into a municipality, the county TIF revenue is calculated using only the non-municipal portion of the tax rate. This bill does not affect that calculation.

(Revised) *Cumulative Funds*: The majority of this provision has no fiscal impact on local revenues. It clarifies that a taxing unit may not increase a cumulative fund tax rate in the ensuing year if the fund is not reestablished and the rate is not certified as prescribed by statute.

The bill changes the minimum number of taxpayers necessary to file a cumulative fund remonstrance to 25 taxpayers, regardless of the unit or fund type. This provision will increase the minimum number of taxpayers for some funds and reduce it for others. This portion of the bill could affect the number of remonstrances filed challenging cumulative fund actions on procedural grounds. Hearings are held by the DLGF.

[Currently, the minimum number of taxpayers needed to remonstrate is a follows:

> 10 taxpayers for cumulative channel maintenance, cumulative bridge, county major bridge, Vanderburgh County Levee cumulative, conservancy district cumulative improvement, cumulative firefighting, fire territory equipment replacement, and cumulative transportation funds, and in certain second and third class cities, cumulative park funds;
> 20 taxpayers for a cumulative hospital fund;
> 30 taxpayers for county, municipal, and township park and recreation funds;
> 50 taxpayers in a municipality, township, or county, if the above minimums do not apply; and
> 100 taxpayers for a cumulative voting system fund.]

Additionally, this bill requires taxing units to submit their cumulative fund proposals to the DLGF by May 31 rather than April 30.

School Loans: This provision could result in a reduction of tax levies in a small number of specific cases. Under current law, schools may take out emergency loans and tax anticipation warrants (TAW) for short-term borrowing. The principal is paid from future revenues in the fund that receives the loan proceeds. Interest, however, may be paid from the debt service fund which may necessitate a levy increase for that fund. This bill prohibits a debt service fund levy increase to pay for the interest until the loan or TAW proceeds have actually been received. This provision will only affect a school that has anticipated borrowing and increased their debt service levy, but does not actually borrow the money.

Sales Disclosure Fee: The increase in the fee from $10 to $20 will result in an estimated $900,000 increase in revenue per year beginning in FY 2022 in the county sales disclosure fund.

Marriage License Fee: This provision increases the marriage certificate fee from $8 to $10 for Indiana residents. It is estimated to increase total county revenue by approximately $79,000 to $88,000 per year. However, this estimate will vary by county and residency status. The marriage certificate fee is deposited in the county general fund.

The following table shows the estimated revenue based on the prior five-year history.

Estimated Revenue Generated from Marriage Certificates (Indiana Residents)			
	Estimated Revenue*	**Increase**	**Total**
High	$ 351,410	$87,852	$439,262
Average	$ 340,811	$85,203	$426,013
Low	$ 317,568	$79,392	$396,960
* This estimate does not include the amount collected from non-Indiana residents.			

On average, there are a total of 44,623 marriage licenses issued per year. OFMA estimates at least 4.5% of marriage licenses come from non-Indiana residents based on the number of licenses issued between 2019 and 2020 for Odyssey counties. OFMA assumes the remaining 42,601 licenses are issued to Indiana residents. Under current law, if at least one of the individuals is a resident of Indiana, the marriage certificate is $8. However, if neither of the individuals is a resident of Indiana, the fee is $50.

Document Fee: This provision increases the document fee from $1 to $3. The clerk's records perpetuation fund receives 50% or $1.50 of the increased document fee. The remaining amount is deposited into the county general fund. The document fee is collected for each certificate attached in authentication of a copy of any record, paper, or transcripts. OFMA cannot determine the added revenue from this fee increase because the revenue reported for the document fee also includes revenue from other fees.

Document Storage Fee: This fee was increased from $2 to $5 effective July 1, 2015, and is reduced to $2 again effective July 1, 2022, under current law. By freezing the fee at $5, this provision would retain the additional revenue of between $890,000 and $1 M each year. Proceeds from the Document Storage Fee are deposited into each county's clerk's record perpetuation fund.

Revenues (in $M) Collected from Document Storage Fees by CY2015 - 2019)					
	2015	2016	2017	2018	2019
Trial Courts	$2.25	$3.14	$3.15	$3.19	$3.11
City and Town Courts	$0.50	$0.66	$0.65	$0.58	$0.52
Marion County Township Small Claims Courts	$0.18	$0.25	$0.25	$0.24	$0.21
Totals	$2.75	$4.05	$4.05	$4.01	$3.84

(Revised) *Town of Winfield*: This provision permits the Town of Winfield to petition the DLGF for a permanent increase in their CY 2022 maximum levy limit. If requested, the increase will be up to $1.1 M. Increased property tax levies provide a revenue increase for the adopting units but may reduce revenue for intersecting taxing units due to tax cap losses.

If Winfield receives the full $1.1 M levy increase, it is estimated that the town’s net property tax revenues will increase by an estimated $954,000 after taking tax cap losses into account. It is also estimated that other units in the county will lose a combined $415,000 to tax caps. The following table details the estimated revenue impact for the affected taxing units in Lake County.

Estimated CY 2022 Revenue Impact of Winfield Maximum Levy Increase Assuming Maximum $1.1 M Increase				
Unit Name	**Tax Cap**	**Levy**	**TIF Gross Revenue**	**Total Net Revenue**
Lake County	-108,000	0	0	-108,000
Winfield Township	-7,000	0	0	-7,000
Winfield Civil Town	-146,000	1,100,000	0	954,000
Crown Point Community School Corp	-270,000	0	0	-270,000
Crown Point Community Public Library	-23,000	0	0	-23,000
Lake County Solid Waste Mgt Dist	-7,000	0	0	-7,000
TIF 45047 Winfield Corp (Winfield)	0	0	8,000	8,000
Total	**-561,000**	**1,100,000**	**8,000**	**547,000**

(Revised) *Disaster Reassessments:* Under current law, taxpayers may petition the county assessor to reassess property that has been destroyed if a substantial amount of real and personal property has been destroyed as a result of a disaster. The county assessor must survey the area and order a reassessment. This provision clarifies that the destruction must be a physical destruction. Additionally, the property need not be totally destroyed in order for the assessor to act.

(Revised) *Marion County Small Claims Courts*: Based on the reported revenue between 2014 and 2019 for Marion County Small Claims Court, increasing the service of process fee from $13 to $15 could generate new revenue of between $235,827 and $332,321. The constable will receive an additional $2 for each request for service of process.

The service of process fee is charged to small claims litigants in the Marion County Small Claims Courts. This fee is distributed to the constable or bailiff who executed service. In CY 2019, Marion County generated $3.89 M in revenue and $1.15 M for personal service or certified mail. The following table shows the estimated revenue based on the prior five year history.

Estimated Revenue Generated by Increasing the Marion County Small Claims Service of Processing Fee from $13 to $15			
	Revenue from Marion County Township Constables	Increase	Total Revenue
High	$2,160,089	$332,321	$2,492,410
Average	$1,821,620	$280,249	$2,101,869
Low	$1,159,696	$178,415	$1,338,111

(Revised) *Retroactive Exemption*: This provision will permit the owner of a qualified property to retroactively file property tax exemption applications for taxes payable in 2017 through 2021. The cancellation of property taxes will reduce property tax distributions to local civil taxing units and school corporations. One property owner in Marion County has been identified as being affected by this provision, although there could be additional unidentified affected properties in any county. Data posted to the county website indicates that the total amount of taxes, penalties, and interest due on the property is currently $47,001, not including amounts that will be due for taxes payable in 2021. Historical data received from the county auditor shows that the taxes billed in years 2017 through 2020 total $81,478. The local units and school corporation will forego this revenue. The property owner will receive a refund for any taxes already paid. The county auditor must pay the refund in a single installment.

(Revised) *LIT Revenue Transfers*: The bill requires that the revenue attributable to Marshall County's special purpose local income tax rate is to be transferred to the county jail fund upon the rate’s termination. The revenue may be used only for the original purposes of the tax, which includes the financing, construction, acquisition, improvement, renovation, or equipping of certain justice facilities, or repaying bonds or leases entered into for those purposes. [The CY 2021 certified distribution associated with this tax rate is $3.3 M.]

The bill also requires that any remaining revenue attributable to Perry County's special purpose local income tax rate after the redemption of bonds issued or the final payment of lease rentals due be transferred to the county jail operations fund to be used for the maintenance and operations of the Perry County detention center.

State Agencies Affected: Department of Local Government Finance; Department of State Revenue; Auditor of State.

Local Agencies Affected: Local civil taxing units and school corporations; Conservancy districts; Local assessors; County auditors; Marion County Township Courts; Constables/Bailiffs; City of Jeffersonville; Henry County; Marshall County; Perry County.

Information Sources: LSA Property Tax Database; Local Government Database, DLGF; CY 2021 certified distribution of local income taxes; Indiana Supreme Court, Indiana Judicial Service Reports and Indiana Probation Report Statistics, https://www.in.gov/judiciary/iocs/3298.htm, https://www.in.gov/courts/iocs/files/rpts-ijs-2019-judicial-review.pdf; Indiana Trial Court Fee Manual, https://www.in.gov/judiciary/iocs/files/courtmgmt-pubs-trial-court-fee-manual.pdf; Indiana State Department of Health, Marriage Reports, CY 2019 - 2015, https://www.in.gov/isdh/20687.htm;
https://public.courts.in.gov/Decisions/api/Document/Opinion?Id=RqbeL6SBhygBgPFXJEFOnIGVverzTWpsoZml6X4UCW8FfRf1UjLsVShRCYfNdMoT0 ;
Does It Make Any Difference Anymore? Competitive versus Negotiated Municipal Bond Issuance, William Simonsen and Mark D. Robbins, *Public Administration Review*, 1996.
The Influence of Jurisdiction Size and Sale Type on Municipal Bond Interest Rates: An Empirical Analysis, Bill Simonsen, Mark D. Robbins, Lee Helg, *Public Administration Review*, 2001.

Fiscal Analyst: Bob Sigalow, 317-232-9859; Corrin Harvey, 317-234-9438; Seth Payton, 317-233-3546; Bill Brumbach, 317-232-9559; Olivia Smith, 317-232-9869; Randhir Jha, 317-232-9556.