

**RESOLUTION NO. 2
COUNCIL BILL NO. 4
(2022)**

**RESOLUTION OF THE COMMON COUNCIL OF THE CITY OF SEYMOUR,
INDIANA OPPOSING LEGISLATION REGARDING THE BUSINESS PERSONAL
PROPERTY TAX**

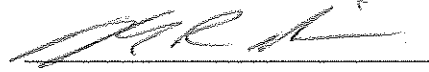
- WHEREAS,** the Indiana legislature proposed changes to the depreciation floor and other aspects of Indiana's business personal property tax as a priority in their 2022 legislative agenda; and,
- WHEREAS,** the Common Council of the City of Seymour opposes all legislation that contemplates eliminating any portion of the personal property tax without permanent FULL replacement guaranteed by the State; and,
- WHEREAS,** any contemplated revenue replacement must be a source of revenue that continues to grow over time just as a property tax base would in order to allow growing communities to meet the demand for services; and,
- WHEREAS,** a permanent State tax credit applied to ALL proposed business personal property tax reductions, holidays, phase-outs, etc., could eliminate unnecessary burden on local government in order to continue building healthy Indiana communities; and,
- WHEREAS,** the personal property tax is a relied upon method for funding local government and any significant changes to calculation and distribution methods, such as those proposed within both Senate Bill 379 and House Bill 1002, would cause a significant financial burden to the City of Seymour; and,
- WHEREAS,** for taxing units not at the caps, a reduction in the tax base could result in property owners paying more in residential property taxes. For those communities at the caps, any phase out of the business personal property tax means a loss in revenue for local units of government; and,
- WHEREAS,** Business Personal Property Tax distributions to local units of government exceed \$1 Billion, including approximately \$3.79 million in Seymour Civil City's base property tax revenue and which represents about 31% of the City of Seymour's base property tax revenue. Furthermore, Business Personal Property Tax distributions to the City of Seymour's incremental TIF total approximately \$2.8 million, which represents approximately 60% of the City of Seymour's incremental TIF revenue.; and,
- WHEREAS,** the full impact of House Bill 1002 cannot be known due to how it would change the calculation of taxable business personal property assessed value in future years. Such a change equates to an unknowable opportunity cost wherein not yet acquired and put into use business personal property assets would be taxable at a lower base percentage, at the floor, than under the current 30% assessed value floor; and,

- WHEREAS,** Senate Bill 378, as currently written, would result in an immediate reduction of taxable business personal property assessed value in the amount of approximately \$16.88 million. This reduction would result in property tax revenue loss, directly attributable to the loss of business personal property assessed value only, of approximately \$470,000; and,
- WHEREAS,** the full impact of Senate Bill 378 cannot be known due to how it would change the calculation of taxable business personal property assessed value in future years. Such a change equates to an unknowable opportunity cost wherein not yet acquired and put into use business personal property assets would be taxable at a lower base percentage, at the floor, than under the current 30% assessed value floor; and,
- WHEREAS,** significantly reducing the business personal property tax will have a dramatic impact on the City of Seymour's ability to repay tax increment financing bonds because a significant portion of the revenue backing the bonds comes from personal property. TIF Bonds are backed by an all sources of revenue pledge. As such, approximately 60% of the City's outstanding RDC bond payments are backed by property taxes generated by business personal property taxable assessed value with the City of Seymour's TIF Allocation Areas; and,
- WHEREAS,** there is no method within existing Indiana Statute to directly recover potential revenue loss due to a reduction of taxable assessed value within TIF Districts, such as those reductions that would occur under Senate Bill 379 and House Bill 1002; and such losses would cause financial harm to the City of Seymour and limit the City's ability to invest in the community through economic development efforts, thereby impeding the City's ability to improve the quality of life of its citizenry; and,
- WHEREAS,** the Tax Foundation 2022 State Business Tax Climate Index lists Indiana as number one ranking for property tax; and,
- WHEREAS,** Indiana consistently ranks in the top states with an attractive business tax climate, yet a community's quality of life is an increasingly greater influencer of business relocation and growth decisions.

**NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF
SEYMOUR, INDIANA:**

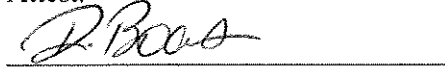
- Section 1:** That we oppose all legislation that contemplates eliminating any portion of the business personal property tax without full and permanent replacement guaranteed by the state.
- Section 2:** This resolution shall be in full force and effect from and after its passage and approval by the Mayor, all as by law provided.

ADOPTED BY THE COMMON COUNCIL OF THE CITY OF SEYMOUR, INDIANA,
AND APPROVED BY ME AS MAYOR THIS 24th DAY OF JANUARY, 2022, AT
7:14 O'CLOCK, P.M.



Matthew Nicholson, Mayor
City of Seymour, Indiana

Attest:



Darrin Boas, Clerk-Treasurer
City of Seymour, Indiana

Y/N 6-1

Matt Wheeler Y

Jerry Hackney 1st Y

Chad Hubbard Y

Seth Davidson Y

Dave Earley 2nd Y

Drew Storey Y

Bret Cunningham N