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Council resolved to fight personal property tax bill

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After passing a resolution concerned about pending state legislation that contemplates elimination of portions of the business personal property tax, Greencastle city officials still have "grave concerns" about the issue.

Councilman Dave Murray, calling the debate over House Bill 1002 "a big issue," asked Mayor Bill Dory about the status of the legislation at the February City Council session.

The mayor responded that Indiana Gov. Eric Holcomb -- who during his recent State of the State address voiced support for House Bill 1002 that would change the business personal property tax as a priority in the 2022 Indiana legislature -- was put on the spot at a recent AIM dinner.

"AIM (Accelerate Indiana Municipalities -- the new version of the old Indiana Association of Cities and Towns group) had its legislative meeting and dinner on Tuesday (Feb. 8)," Dory said, "and the governor was on stage and got a little bit of harassment from Clint Lamb, who's the new AIM president and mayor of Sullivan.

"Polite and comical," Dory characterized the encoun-

ter, adding, "but there's a lot of people letting the governor know there needs to be a replacement mechanism for that. So hopefully that will come forward with HB 1002, which has passed out of the House and is now in the Senate."



Dory

City officials and anyone else were urged to attend the Legislative Update program at 9 a.m. Saturday at the Farm Bureau office to implore legislators to reconsider the legislation.

AIM has built a coalition of schools, libraries, city and county governments, police and firefighter pension unions and other groups potentially impacted by the bill which takes away local revenue "without a permanent, full replacement guaranteed by the state."

House Bill 1002 provides that the minimum valuation limitation applicable to the total amount of a taxpayer's assessable depreciable personal property in a taxing district is 30 percent of the adjusted cost of the depreciable personal property purchased before Jan. 2, 2022. It provides an exemption from the 30 percent minimum valuation limitation for

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new depreciable personal property purchased after Jan. 1, 2022.

With Mayor Dory calling Greencastle Resolution 2022-3 "a fairness resolution, not an anti-business resolution," the City Council last month became one of the first -- if not the first -- local units of government to oppose a proposed change in the state's business personal property tax.

The city resolution opposes all legislation that contemplates eliminating any portion of business personal property assessed value that would result in a loss of local tax revenue.

"The governor sees it as if we're more competitive (attracting new business), we'll grow out of this," Mayor Dory said. "But I'm not sure that's true. We'll

see."

With Cub Scouts from Troop 99 in the City Hall audience, the mayor took the opportunity to turn the issue into a civics lesson for the Scouts.

"It means less revenue for the schools, less revenue for the county, less revenue for us and it makes our budget a little less workable," Dory stressed.

Last month the mayor noted how personal property tax is relied upon for funding local government.

In Putnam County, the \$342,240,211 in business personal property assessed value made up 23.2 percent of the total taxable net assessed value of the county for 2020 payable 2021 taxes.

For Greencastle Community Schools, the \$187,138,198 in busi-

ness personal property assessed value made up 40.2 percent of total taxable net assessed value of the school district for 2020 pay 2021 taxes.

In the City of Greencastle, the \$122,616,558 in business personal property assessed value made up 47.3 percent of the total assessed value of the city for 2020 pay 2021 taxes.

Should the measure pass the legislature, the City of Greencastle, the resolution notes, "it has the potential to see a significant decrease in business personal property tax assessed value, a decrease in associated revenue and an adverse impact of property tax caps."

No information was available on any State Senate hearing dates on the matter.

