

TIPPECANOE COUNTY COUNCIL
WORKING SESSION
JULY 9, 2002

The Tippecanoe County Council held its Working Session on Tuesday, July 9 2002 at 1:30 P.M. in the Tippecanoe Room in the County Office Building. Council members present were: President David S. Byers, Vice President Connie Basham, Jeffrey Kessler, Margaret K. Bell, Kathy Vernon, and Ronald L. Fruitt; Auditor Robert A. Plantenga, Attorney David W. Luhman, and Secretary Pauline E. Rohr.

President Byers called the session to order.

Auditor Plantenga recognized Ryan Nesbitt, a part-time employee in the Auditor's Office. Ryan, a recent graduate of McCutcheon High School and Valedictorian of his class, is helping input data for the new PARIS Software and 2003 Budget requests.

After President Byers reviewed the Agenda items for the meeting later today, he opened the floor for reports.

2nd Quarter Parking Garage Report: Commissioners' Assistant Jennifer Weston

The Quarterly Report for the period ending June 30, 2002 for the County Parking Garage showed:

- The DBC increased their Reserved spaces from 15 to 17, but the County decreased theirs from 95 to 93.
- The DBC increased their Hunt to Find spaces from 60 to 63 but the County decreased theirs from 139 to 134. The revenue is remaining constant as well as expenses.
- The once per year Liability Insurance of \$4,286.00 was paid in May.
- Three bond payments, approximately \$245,000 twice per year, have been paid.

2nd Quarter Grant Report: Grant Coordinator Jessica Rebmann

- The Department of Commerce (DOC) Planning Grant for Stockwell is closed out. Mrs. Rebmann is working to secure a DOC \$500,000 grant and has applied for a Rural Development grant for \$1.95 million for construction.
- The Coroner has drawn \$9,400 of the \$10,000 Building Indiana Fund Grant for Morgue equipment.
- Mrs. Rebmann is meeting every two weeks with school officials, juvenile officials, law enforcement, Wabash Valley, and Cary Home to focus on grant ideas for youth.

Councilmember Fruitt suggested checking with the North Central Health Services Foundation to see if the County can secure a grant to help the County recover health expenses for the Sheriff, Cary Home, and the Villa.

Inventory Tax Summary: Greater Lafayette Progress Inc. President Mike Brooks

The following is a summary of HB 1001 recently passed by the Legislature regarding Inventory Tax as Mr. Brooks understands it:

(quote)

Inventory Tax Summary

Interstate Commerce Exemption Expansion:

- Begins 2003 pay 2004 tax year
- Expands the definition for interstate commerce exemption with the inclusion of in-process and raw materials that are destined for out of state shipment.
 - Benefits extend to 1st and 2nd tier suppliers whose products will be incorporated into products that will be shipped out of state
- Based upon a report by the Legislative Services Agency, the estimated amount of inventory tax that will be included in this expanded definition in Tippecanoe County will be approximately \$6.4 million. The estimate for total inventory tax in Tippecanoe County for 2000 is \$13.3 million according to a report by the State Board of Tax Commissioners.

Total Inventory Tax Elimination

- Effective with the 2006 pay 2007 tax year
- County has the option of increasing EDIT by the County income tax council to increase EDIT to offset the impact to property taxes through homestead exemption

- EDIT revenue can only be used toward the homestead credit to off set the inventory impact.

Early Inventory Tax Elimination

- County income tax council can increase EDIT to offset the increase to homeowners by providing homestead relief.
- Can only use EDIT for this purpose
- EDIT revenue can only be used toward the homestead credit to off set the inventory impact.

(unquote)

Mr. Brooks outlined the County's options:

Wait until the Inventory Tax is totally eliminated in 2006 pay 2007:

1. Increase EDIT to offset the impact on homeowners.
2. Do nothing and let it impact tax rates.

Eliminate the Inventory Tax early by approval of Income Tax Council:

1. Increase EDIT from the current 1% to a maximum 1.25% but it can only be used to provide homestead credit relief to offset the impact of no Inventory Tax.

Auditor Plantenga:

Inventory Tax is now collected as Property Tax and distributed the same way as Real Estate Property Tax.

1. Eliminating the Inventory Tax = lower assessed value = no impact on the County General Fund because the rate will be higher.
2. The taxpayer will pay more but the County will receive the same amount except Cum Bridge Fund, Cum Cap Fund, and TIF Districts because those are set rates.
3. TIFs will benefit from higher rate but will lose with a lower school tax rate. TIFs will be hurt overall.

Homestead Credit Explained

Homeowners who are eligible for the Standard Homestead Deduction of \$6,000 which reduces the amount of taxable assessed value also receive the Homestead Credit which is currently 18%. The State pays 10% and the County pays 8% from COIT collections. An increase in COIT collections could be increased to offset the impact of a tax rate increase.

➔ Councilmember Jeffrey A. Kemper entered the meeting.

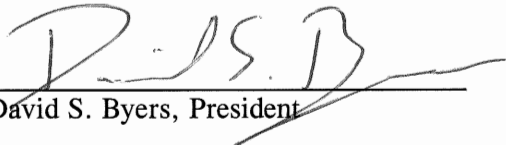
Following Councilmember Fruitt's suggestion, President Byers agreed a Task Force should be formed to investigate the County's options.

Recessed

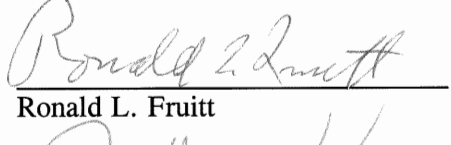
President Byers recessed the meeting at 2:00 P.M.

Robert A. Plantenga, Auditor

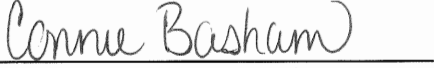
TIPPECANOE COUNTY COUNCIL



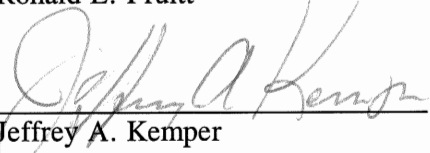
 David S. Byers, President



 Ronald L. Fruitt



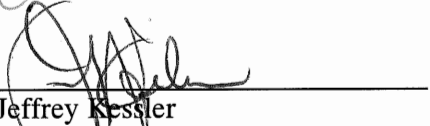
 Connie Basham, Vice President




 Jeffrey A. Kemper



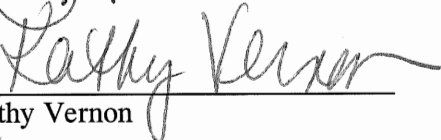
 Margaret K. Bell



 Jeffrey Kessler

Attest: 

 Robert A. Plantenga, Auditor



 Kathy Vernon