

RESOLUTION No. 72-61

A Resolution to Designate Monies Received in the First Revenue Sharing Installment of 1972 Under the Federal Revenue Sharing Act be Designated to Apply to Reducing 1973 Property Taxes in the City of Bloomington:

(1) WHEREAS, The City of Bloomington, because of circumstances beyond its control, will have a property tax rate approximately 80 cents per \$100 assessed valuation higher than last year;

(2) WHEREAS, The U.S. Treasury Department has set up two equal distributions of revenue sharing monies during 1972, one around November 1 and the second around December 31;

(3) WHEREAS, the State Board of Tax Commissioners has indicated it will apply revenue sharing monies received in the first installment to the reduction of property taxes if a governmental unit makes such a request;

(4) WHEREAS, the City administration has indicated a desire to use some of the revenue sharing monies for property tax relief; and

(5) WHEREAS, the State Board of Tax Commissioners has indicated only the first installment in 1972 can be used to reduce property taxes,

NOW, THEREFORE, upon motion duly made and seconded, be it

RESOLVED, that the Common Council of the City of Bloomington resolves that it desires monies received from the federal government for the first installment of revenue sharing for 1972 be used entirely to reduce property taxes and so instructs the State Board of Tax Commissioners.

Passed and adopted by the Common Council of the City of Bloomington, Indiana, this 19 day of October, 1972.

Charlotte T. Zietlow

Charlotte T. Zietlow, President
Common Council

ATTEST:

Grace E. Johnson
Grace E. Johnson, City Clerk

Vetoed Oct. 30, 1972
Francis X. McCloskey, Mayor (agm)



CITY OF BLOOMINGTON

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MAYOR McCLOSKEY'S VETO MESSAGE FOR RESOLUTION 72-61.

This message shall constitute a veto of Resolution 72-61 passed by the Common Council on October 19, 1972, notice of which I received on October 20, 1972. In accordance with IC 18-1-6-2, my reasons for this veto are expressed below in writing.

While the State and Local Fiscal Assistance Act of 1972 establishes the framework for general revenue sharing, not until the Treasury Department promulgates regulations can we actually know how the new law will affect Bloomington. Before we can provide for the wise use of these funds we must fully understand the rules which govern their distribution. This has been the position taken by the bi-partisan Indiana Association of Cities and Towns (IACT), and I believe it is correct.

Of particular importance is the allocation formula. This formula includes a factor which makes the local share a function of tax effort. Tax effort is defined as the adjusted taxes of the city divided by the aggregate personal income of City taxpayers. Bloomington is already at some mathematical disadvantage because of its relatively high per capita personal income.

The precise impact of the tax effort factor cannot yet be determined in dollars and cents terms, but it is important to realize that Bloomington's allotment of revenue sharing money is computed relative to the tax effort of other units of local government.

Beyond the mechanics of the formula itself there is a fundamental policy question. That question is whether this is to be simply a caretaker administration or a creative administration which provides Bloomington citizens with programs and services that would be impossible without revenue sharing funds.

I believe that it is far better to martial these revenue sharing resources for their greatest collective effect. The best use of these monies is not for token and temporary property tax relief but for the provision of much needed municipal services.

The kind of meaningful property tax relief which we all would like can be provided only through enactment of legislation on the state level. It would be a hoax to suggest that Resolution 72-61 would provide more than marginal, token, and temporary relief.

Furthermore, the 1973 City budget is tight and the Bloomington tax rate is not out of line when compared with other Indiana cities of comparable size. This is true even though we have among the lowest per-capita tax base of any Indiana second class city.

The effective use of revenue sharing funds presents a special challenge to local government. This administration must and will establish specific priorities in order that these funds be dedicated for the maximum benefit of the entire Bloomington community.

October 30, 1972

