



# OFFICE OF THE CITY CLERK

DAWN M. JONES, CITY CLERK

## PERSONNEL & FINANCE

FEBRUARY 28, 2022 3:30 P.M.

Committee Members Present: Sheila Niezgodski, Eli Wax, Rachel Tomas Morgan, Troy Warner, Henry Davis Jr.

Committee Members Absent: None

Other Council Present: Sharon L. McBride, Lori K. Hamann, Karen L. White, Canneth Lee

Other Council Absent: None

Others Present: Dawn Jones, Bianca Tirado, Victoria Trujillo, Bob Palmer

Presenters: Rachel Tomas Morgan, Maureen Bauer

Agenda: *Bill No. 22-12 – Resolution Regarding Business Property Tax*

Committee Chair Sheila Niezgodski called to order the Personnel & Finance Committee meeting at 3:30 p.m.

Full audio dialogue of the meeting is available upon request from the City Clerk's Office.

### **Bill No. 22-12**

Committeemember Rachel Tomas Morgan, 114 Chapin Street, South Bend, Indiana, presented Bill No. 22-12.

Maureen Bauer, 1307 Sunnymede Ave, South Bend, Indiana, stated Indiana is expected to have a five-billion-dollar (\$5,000,000,000) tax surplus. Taxpayers will receive an automatic tax refund when filing for 2021. A tax cut is appropriate; however, there is a proposal to eliminate business personal property tax, whereby other bodies would struggle to fill that gap within their budgets.

Committeemember Rachel Tomas Morgan stated that she hopes for Council support to add South Bend to the list of forty-three (43) other communities calling for replacement revenue should business property tax be reduced or eliminated.

Committeemember Henry Davis Jr. requested confirmation that the state is considering repealing the business personal property tax. He asked about the aim of the legislation.

Committeemember Rachel Tomas Morgan confirmed that goals are in place to reduce or eliminate the tax.





Since there is such a large surplus, Maureen Bauer added that the state is looking to cut taxes. There are several proposals to reduce taxes for families; however, this is a tax cut related to doing business. There would be a local impact on reducing this business tax.

Committeemember Henry Davis Jr. asked if there is an appetite for replacement monies.

Maureen Bauer responded that the current bill does not replace local communities and governments.

Councilmember Lori K. Hamann stated that Iowa did the same thing and ran out of surplus. As a result, cities started losing millions annually. She asked how the state would be held accountable once the surplus is gone.

Maureen Bauer responded that taxes for doing business would be cut by one billion dollars (\$1,000,000,000). There is a reluctance to spend any other amount of the surplus. The only proposal to spend it is to pay back debts.

Committeemember Troy Warner made a motion to send Bill *No. 22-12* to the Full Council with a favorable recommendation. Committeemember Henry Davis Jr. seconded the motion, which carried by a voice vote of five (5) ayes.

With no further business, Chair Sheila Niezgodski adjourned the Personnel & Finance meeting at 3:46 p.m.

Respectfully Submitted,

Sheila Niezgodski, Committee Chair

