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**AIC Welcomes Some of Governor's Proposals;
Other Parts of Plan Need Further Analysis**

The Association of Indiana Counties (AIC) welcomes certain aspects of the Governor's proposed property tax plan that was announced earlier this evening. Specifically, the AIC approves of the idea of the state taking over child welfare levies and K-12 operating levies. *While county spending is only 22% of the average property tax bill, it is important to note that it would drop to an average of 17% if the state were to assume funding for child welfare. The AIC supports the removal of this fund from property taxes because it has been one of the fastest growing levies and is one of the largest contributors to tax increases.

Regarding Governor Daniels' proposal, the AIC does have some concerns about his plan to put the "circuit breaker" into the state constitution. "*The proposal needs much analysis, especially with regard to how property taxes in each of Indiana's 92 counties would be affected under this plan,*" said AIC Executive Director David Bottorff. "*We look forward to working with Governor Daniels and the Indiana General Assembly on finding solutions that allow county governments to continue providing residents with the services they need and expect.*"

The Association of Indiana Counties, Inc. is a nonprofit organization that was established in 1957 for the betterment of county government. The various functions of the AIC include lobbying the Indiana General Assembly on behalf of counties, serving as liaison among counties, state and federal agencies as well as providing technical assistance and training to county officials and employees.

**These statistics are based on research from the [Legislative Services Agency, dated August 27, 2007](#). This report shows that The Child Welfare Fund is 5% of the total net levy and that the fund accounts for 24% of the average county's total budget.*

Additional Notes:

- [Click here](#) to view AIC research regarding the potential impact on homestead property taxes of state assumption of school general fund and welfare levies.
- [Click here](#) to view the Family and Children Fund property tax levy for each county dating back to 2002.
- The attached property tax flow chart is provided courtesy of the Indiana Treasurers' Association and the Indiana Auditors' Association.

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