

**Economic Impact Statement**

LSA Document #21-343

**IC 4-22-2.1-5 Statement Concerning Rules Affecting Small Businesses****Estimated Number of Small Businesses Subject to this Rule:**

The Department of Local Government Finance (Department) estimates that no small businesses will be impacted by this rule. The rule itself is "business neutral" in that it should have no direct or indirect effect on business. Counties already have the option of hiring vendors to develop and maintain property tax management systems or develop an in-house system. While a vendor's eligibility to enter into a contract with a county may be affected by its compliance with the certification requirements, such compliance is mandated by statute and the proposed rule only alters what a system must provide to be compliant. It is likely that certified vendors, as well as any other vendor seeking to be certified by the Department, will have to change the pre-existing systems used by the counties. The costs, if any, for programming the changes will likely be accounted for in the vendors' contracts with the counties as part of their routine maintenance of the systems.

**Estimated Average Annual Administrative Costs That Small Businesses Will Incur:**

The Department estimates that small businesses will incur minimal or no additional administrative expenses resulting from this rule because no additional reporting or filing requirements will be added or created by the proposed rule. While the proposed rule changes what information must be included or accommodated in a property tax management system certified by the Department, the requirement to be compliant with the Department regulations predates this proposed rule and is required by statute.

**Estimated Total Annual Economic Impact on Small Businesses:**

The Department estimates that there will be no financial impact on small businesses as a result of this rule. It is possible that a vendor may have to make changes to existing software in order to maintain compliance. Such changes, however, would be part of the certification process as required by statute. Any costs to the vendors to make changes will likely vary based on the vendors' individual software programming resources.

**Supporting Data, Studies, and Analysis:**

Since there is no financial impact expected as a result of this rule, no supporting data, studies, or analyses were relied upon by the agency in its determination.

**Justification of Requirement or Cost:**

[IC 6-1.1-31.5-3.5](#) requires the Department to adopt rules for the establishment of a uniform and common property tax management system for all counties. A county that desires to hire a vendor to develop and maintain a property tax management system may do so only if that vendor is certified by the Department. The proposed rule simply includes changes to the already prescribed standards and is not expected to significantly increase costs to vendors providing the above services.

**Regulatory Flexibility Analysis of Alternative Methods:****(A) The establishment of less stringent compliance or reporting requirements for small businesses.**

This proposed rule does not require any additional compliance or reporting requirements for small businesses. The proposed rule only alters what a system must provide to be compliant. Any compliance or reporting requirements related to small businesses are established in legislation so no alternatives are possible.

**(B) The establishment of less stringent schedules or deadlines for compliance or reporting requirements.**

This proposed rule does not impose any schedules or deadlines for compliance or reporting requirements. Any schedules or deadlines for compliance or reporting requirements related to small businesses are established in legislation so no alternatives are possible.

**(C) The consolidation or simplification of compliance or reporting requirements for small businesses.**

This proposed rule does not require any additional compliance or reporting requirements for small businesses. The proposed rule only alters what a system must provide to be compliant. Any compliance or reporting requirements related to small businesses are established in legislation so no alternatives are possible.

**(D) The establishment of performance standards for small businesses instead of design or**

**operational standards imposed on other regulated entities by the rule.**

The Department does not have the statutory authority to establish performance standards for small businesses because they are set by statute.

**(E) The exemption of small businesses from part or all of the requirements or costs imposed by the rule.**

The Department cannot exempt small businesses from the requirements for property tax management system compliance because these requirements are set by statute. The proposed rule does not include any administrative costs for small businesses.

**Explanation of Preliminary Determination:**

The Department did not make a determination that the rule was necessary because the promulgation of such rule by the Department is required under [IC 6-1.1-31.5-3.5](#).

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