

CITY OF LAWRENCE
Common Council
August 31, 2026
Special Meeting

MEMBERS' PRESENT: Councilors Sherron Freeman, Zach Cramer, Carlos Jennings, Tyrrell Giles, Kristie Krone, Betty Robison, Tracy Boyd, Liz Masur and Rick Wells

MEMBERS BY MICROSOFT TEAMS: None

MEMBERS ABSENT: None

ALSO, BY MICROSOFT TEAMS: Chief Bigsbee

ALSO PRESENT: Clerk Adkisson and Kaylin Cook of McCarter & English, LLP

STAFF PRESENT: Terri Falker, Amber Finley, Chief Wallace, Jim Perron, Jim Heneghan, and Greg Goodnight

STAFF BY MICROSOFT TEAMS: Renea Rafala, Shawn Fugate, and Janette Jackson

Council President Zach Cramer called the meeting to order at 6:33 p.m.

Council members and attendees stood for the Pledge of Allegiance.

The roll was called. **Nine members were present**, and a quorum was established. The Presiding Officer stated that the meeting had been properly noticed in accordance with Indiana's Open Door Law and that copies of the agenda were available at the back of the room.

UNFINISHED BUSINESS:

The Council considered **Proposal No. 4, 2026**, and **Proposal No. 5, 2026**, together as a combined public hearing.

Proposal No. 4, 2026 - An ordinance of the Common Council of the City of Lawrence, Indiana, repealing Ordinance No. 4, 2025, and terminating the municipal wheel tax and motor vehicle license excise surtax imposed thereunder.

Proposal No. 5, 2026 — An ordinance of the Common Council of the City of Lawrence, Indiana, imposing a municipal wheel tax and motor vehicle license excise surtax and creating the City of Lawrence Wheel Tax Fund and the City of Lawrence Motor Vehicle License Excise Surtax Fund.

President Cramer directed that Proposals No. 4 and 5 be eligible for possible amendment and adoption despite being presented on second reading, pursuant to the Common Council's rules.

The Clerk confirmed that the proposals had been properly advertised and noticed for the public hearing.

5. Public Hearing Rules

The Presiding Officer proposed the following rules for the combined public hearing:

- Each individual speaking in favor of or against the proposals would be limited to six minutes.
- The combined speaking time for all individuals in favor would be limited to 30 minutes.

- The combined speaking time for all individuals opposed would be limited to 30 minutes.

A motion was made by **Councilor Jennings** and seconded by **Councilor Robinson** to approve the public hearing rules.

The motion was approved by voice vote.
Individuals wishing to provide testimony were sworn or affirmed.

The public hearing was officially opened.

Administration Presentation and Council Discussion

Amber Finley, Corporation Counsel for the City of Lawrence, addressed the Council regarding the proposals.

Ms. Finley explained that House Enrolled Act 179 changes the treatment of municipal and county wheel taxes and motor vehicle license excise surtaxes to prevent double taxation. Because the City of Lawrence adopted its municipal wheel tax and excise surtax effective January 1, 2026, action was required before January 1, 2027, to avoid the potential for both the county and municipal taxes to apply.

Ms. Finley explained that:

- The City's current motor vehicle license excise surtax is **\$25** for applicable passenger vehicles.
- The City's current wheel tax is **\$40** for applicable larger vehicles.
- The current City wheel tax revenue was estimated at approximately **\$43,000 for 2026**.
- The county's new rates effective January 1, 2027, were described as **\$100 for the applicable excise surtax** and **\$240 for the applicable wheel tax**.
- If the City took no action, taxpayers could potentially face both the City and county taxes, resulting in amounts of approximately **\$125 for applicable passenger vehicles** and **\$280 for applicable larger vehicles**.

The Council discussed the financial implications of repealing the City's existing ordinance and either adopting or declining to adopt a new municipal wheel tax and excise surtax ordinance.

Council members requested additional clarification regarding:

- Estimated revenue under the county tax structure.
- The City's approximately \$43,000 in projected wheel tax revenue.
- The approximately \$1 million currently associated with the City's excise tax fund.
- The impact of wheel and excise tax revenue on **Community Crossings Matching Grant (CCMG)** eligibility and matching funds.
- Restrictions governing the use of wheel tax and excise tax revenue.
- The potential use of additional revenue for street construction, reconstruction, repair, and maintenance.
- The distinction between restricted and non-restricted Motor Vehicle Highway (MVH) funds.
- The effect of the proposed changes on City residents and businesses registering vehicles in Lawrence.

Renea Rafala, the City's Director of Public Works, participated remotely (Teams) and explained that restricted MVH funds are used for eligible street construction and reconstruction projects. She stated that the city had received a CCMG award and was using matching funds for street projects in **Pebble Brook, Kingsboro, and English Oak** during 2026.

The Council also discussed the fact that certain tax revenues are deducted from the amount available through CCMG rather than necessarily increasing the City's overall grant allocation.

Staff (Amber Finley, Jim Heneghan and Renea Rafala), explained that tax revenues dedicated to restricted street funds cannot be used for employee salaries or general operating expenses. The restricted funds must be used for eligible street construction or reconstruction activities.

The Council also discussed the newly available **Lane Mile Distribution (LMD) Grant** for 2027. Staff explained that the amount available would depend on qualifying lane miles and funding established by the General Assembly. The LMD program was described as a separate source of state funding rather than an additional amount added directly to the CCMG award.

Ms. Finley summarized the Council's options:

1. **Take no action on either proposal:** The existing City tax would remain in effect alongside the county tax, potentially resulting in double taxation of approximately \$125 for applicable passenger vehicles and \$280 for applicable larger vehicles.
2. **Approve Proposal No. 4 and deny Proposal No. 5:** The City's existing tax would be repealed, and the city would rely on the county tax structure, described as \$100 for applicable passenger vehicles and \$240 for applicable larger vehicles.
3. **Approved Proposal Nos. 4 and 5:** The existing City ordinance would be repealed, and a new City ordinance would be adopted, maintaining the City's \$25 excise surtax and \$40 wheel tax.

Ms. Finley further advised that September 1, 2026, was the deadline for the necessary action to be submitted through the State's Gateway system for the changes to take effect January 1, 2027.

Public Comment

The floor was opened for public comment.

Daniel Rap, 5718 Wallingwood Drive, addressed the Council. Mr. Rapp questioned the conduct of the public hearing and expressed concerns regarding affordability, accountability, and the City's financial information. He referenced approximately \$43,000 in reported wheel tax revenue and questioned the financial basis for the proposals. Mr. Rap's comments also included concerns about the amount of time spent on administrative discussion compared with public comments.

No additional members of the public spoke in favor of the proposals.

The floor was opened for those opposed to the proposals. **No additional public comments were received.**

The Clerk reported that there were **no virtual public comments**.
The public hearing was then closed.

Further Council Discussion

The Council continued discussion regarding the financial and policy implications of the proposals.

Members discussed the need for reliable financial information concerning projected revenue under the county and municipal tax structures, the City's street maintenance needs, and the relationship between locally collected revenues and state matching grant programs.

The Council reiterated concerns about the condition of streets throughout Lawrence and the need to maximize resources available for street construction and reconstruction. Staff again summarized the voting consequences:

- A vote to reject both proposals would leave the existing City tax in place in addition to the county tax, resulting in potential double taxation.
- Approval of Proposal No. 4, followed by rejection of Proposal No. 5, would repeal the City's municipal tax and leave the county tax in place.
- Approval of both proposals would repeal the existing ordinance and establish the City's municipal rates of \$25 and \$40 beginning January 1, 2027.

Consideration of Proposal No. 4, 2026

A motion was made by **Councilor Boyd**, with a second by Councilor Masur to approve **Proposal No. 4, 2026**, repealing Ordinance No. 4, 2025.

Following discussion and clarification of the motion, the Council proceeded to a vote.

Vote: 9-0, unanimous.

Proposal No. 4, 2026, was approved.

Consideration of Proposal No. 5, 2026

The Council then considered **Proposal No. 5, 2026**, which would re-adopt the City's municipal wheel tax and motor vehicle license excise surtax for 2027.

Councilor Giles made a motion to **deny Proposal No. 5, 2026**, and the motion was seconded by Councilor Jennings.

Council's legal counsel, Kaylin Cook and Ms. Finley, Corporation Counsel, clarified the effect of the motion. Because the motion was to deny Proposal No. 5:

- A vote **in favor of the motion** would deny the proposal and result in the city relying on the county tax structure.
- A vote **against the motion** would reject the motion to deny and would allow Proposal No. 5 to be adopted, maintaining the City's \$25 excise surtax and \$40 wheel tax.

Following clarification, the Council proceeded with the vote.

Vote: 6-3 to deny Proposal No. 5, 2026.

- Councilor Giles – Yay
- Councilor Wells – Yay
- Councilor Boyd – Yay
- Councilor Cramer – Yay
- Councilor Masur – Yay
- Councilor Krone – Yay
- Councilor Jennings – Nay
- Councilor Freeman – Nay
- Councilor Robinson – Nay

Proposal No. 5, 2026, was denied.

Result of Legislative Action

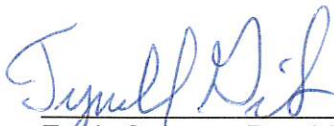
As a result of the Council's actions:

- **Proposal No. 4, 2026, was approved unanimously (9-0).**
- **Proposal No. 5, 2026, was denied (6-3).**
- The City's existing municipal wheel tax and motor vehicle license excise surtax ordinance was repealed.
- The proposed new municipal wheel tax and excise surtax ordinance was not adopted.
- The city therefore elected to rely on the applicable **county wheel tax and motor vehicle license excise surtax structure** beginning January 1, 2027, as discussed during the meeting.

Adjournment

There being no further business, President Cramer called for adjournment. Motion was made to adjourn and approved by voice vote.

Adjourned at approximately 7:37 p.m.



Zach Cramer, President

Tyrrell Giles, Vice-President



Leatrice Adkisson, Clerk

These minutes are not intended to be verbatim. They are a summary of discussions held, except for the motions.

