



LEGISLATIVE SUMMARY



January 10, 2014

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Weather Delays Session; IACT Prepares for Busy Weeks Ahead

Welcome to the first edition of IACT's Legislative Summary for the 2014 session! The session got off to a slow start this week. Legislators were to be back at work on Monday, but the snowy weather delayed the start until Tuesday.

There were only a few committee meetings this week because only a handful of bills have been filed at this point. However, IACT's legislative team kept active meeting with decision makers and other lobbyists to prepare for the busy weeks ahead.

IACT's Legislative Summary is emailed to all IACT members every Friday. We urge you to stay up to date on happenings at the statehouse and take action by contacting your legislators when necessary.

Here is an update of some of this week's action. Click on the bill number to be linked to a copy of the full bill.

Bills of Concern

Majority Causes in the House and Senate Unveil Plans to Eliminate Business Personal Property Taxes

The House Republicans held a press conference on Wednesday of this week to unveil their top agenda items for the 2014 session. While we have not seen a bill yet, the House Republicans announced that they will be supporting a measure authored by Rep. Eric Turner (R-Cicero) which would make the elimination of taxes on NEW business personal property optional in each county. The COIT council voting process would be used to

make the decision. Therefore, the county government and municipal governments within the county could cast their allotment of 100 votes (votes are allocated based on population) in favor of eliminating PPT in the county. As we understand it, the bill would not contain a replacement revenue option. Although, for counties that are not at their maximum for existing local option taxes, these could be increased to offset the loss of the PPT. The projected impact of this plan should ALL counties decide to eliminate PPT on new equipment is \$100-150 million.

On Thursday, the Senate Republicans announced their PPT elimination plan. The Senate plan would exempt small businesses with less than \$25,000 of personal property from the PPT. No replacement revenue options were discussed. The expected reduction to local government from this measure is estimated to be \$25-30 million. In addition, the Senate plan calls for a reduction in the corporate tax.

IAC Position: Opposed to the Elimination of PPT without a Viable Replacement Revenue Source

Bill that Prohibits Use of Eminent Domain for Trail Development Gets a Hearing

SB 67 – Eminent Domain to Construct Trails or Greenways (Walker, R-Columbus)

SB 67 was heard in the Senate Committee on Civil Law this week. The bill prohibits a condemnor from exercising the power of eminent domain to acquire a parcel of real property that: (1) is owned by a private person; and (2) will be used by the condemnor or another person only to construct trails, pathways, or greenways for individuals to bicycle, hike, run, ride on any animal, walk, or engage in any other purely recreational activity.

Senator Walker, the author of the bill, explained that it was feeling that personal property rights should rise above recreational trail development and cited a particular constituent example in his district. IACT testified in opposition to the bill as did one other individual. There was no supporting testimony. Chairman Joe Zakas did not call for a vote on the measure.

IAC Position: Opposed

PVC Pipe Must Be Included in Bid Specs According to SB 68

SB 68 Piping Materials Used in Public Works Projects (Banks, R-Columbia City)

SB 68 was heard in the Senate Committee on Commerce, Economic Development and Technology this week, however, a vote was not taken. The bill provides that for public works projects, including design-build, the specifications must specify that all piping materials that meet the recognized standards of the American Society for Testing and Materials or the American Water Works Association may be acquired for and used in the projects. It also states that in the acquisition of piping materials for the projects, the quality, sustainability, durability and corrosion resistance of the piping materials shall be considered.

Senator Jim Banks, the author of the bill, explained that it was his intention to have lower price materials quoted so that the price differential could be more transparent to the public, however, he still wanted to allow government agencies to be able to decide on a preferential material. IACT is concerned about this bill and the way it is currently drafted. We hope to gather more input and work with the author to make changes that are in accordance with current public bidding procedures.

IAC Position: Concerned – we think the bill needs important changes

Potential Bill Would Negatively Impact Municipal Owned Electric Utilities

Not Yet Filed – Service Territory Preservation (No Author)

The Rural Electric Membership Cooperative (REMC) is working to amend the 1980 Electricity Suppliers' Service Area Assignments Act (IC 8-1-2.3) to repeal the existing long-standing process by which a municipal electric utility may petition the Indiana Utility Regulatory Commission (IURC) for a change in its assigned service area to include an annexed area. The new procedure would require costly litigation in front of IURC to determine a number of new subjective factors including but not limited to “public convenience and necessity.” The proposed change would unduly burden the 72 municipalities that have an electric utility from extending electric service into annexed territory and negatively impact local economic development and consumer choice. Although no bill has been filed on this issue, IACT will continue to advocate against these changes.

IACT Position: Opposed

Other Bills

Bill Codifies What We Can Already Do Under Home Rule – Provide EMS Workers with Benefits

SB 61 Emergency Medical Service Provider Disability Benefits (Boots, R-Crawfordsville)

SB 61, passed out of the Senate Pensions and Labor Committee. It authorizes a municipal corporation to provide programs of disability insurance to its emergency medical services providers who become disabled as the result of an injury or illness that is not covered by worker's compensation or occupational diseases compensation or for which worker's compensation or occupational diseases compensation has been exhausted. The bill does require some specific time frames for benefits to begin should a program be created -- 30 days, for a short term disability program; 120 days, for a long term disability program. It allows a municipal corporation to provide the programs by purchasing policies of group insurance or establishing a self-insurance program and requires the fiscal body of a municipal corporation to approve the establishment of a self-insurance program. It allows the programs to exclude part-time employees and individuals who provide services to the municipal corporation under a contract.

IACT Position: Neutral

Bill Provides a 30-Day Grace Period for a Newly Elected Official to Secure Bonding

SB 32 – Public Official Bonding (Tomes, R-Wadesville)

SB 32 was heard this week in the Senate Local Government Committee. The bill provides a 30 day grace period for an incoming elective officer to secure a bond. During the grace period, the incumbent officer is entitled to hold over, however, if the incumbent officer refuses to hold over or otherwise vacates the office, the vacancy shall be filled as provided by law. IACT is supportive of the concept of this bill allowing time for an elective officer to secure a bond, however, we are further exploring the details and ramifications of the bill.

IACT Position: Supportive of the concept, but the bill likely needs tweaks

Study of State and Local Economic Incentives Would be Largest of its Kind in Nation

[HB 1020](#) – Study of Economic Development Incentives (Koch, R- Bedford)

This bill requires the Commission on State Tax and Financing Policy (CSTFP) to complete a comprehensive review of all state and local tax incentives provided to encourage economic development over a five year period beginning in the 2014 interim. The bill also requires the tax incentive review to include programs under which political subdivisions dedicate revenue to provide improvements or to retire bonds issued to pay for improvements in an economic or sports development area, a community revitalization area, an enterprise zone, or a tax increment financing district. The CSTFP is required to publish a report before November 1 each year on the tax incentives reviewed that year. This bill was heard in the House Committee on Commerce, Small Business and Economic Development on January 8 and was held without a vote.

IACT Position: Neutral

Bill Would Require Search Warrants for Electronic Surveillance or Data Collection

[HB 1009](#) – Search Warrants and Privacy (Koch, R-Bedford)

In response to the recent disclosures of warrantless cellphone spying by the National Security Agency as well as recent questions surrounding how the Indiana State Police uses a cellphone data-gathering device called a Stingray, this bill seeks to balance personal privacy rights with public safety. As proposed, law enforcement agencies would be required to obtain a search warrant to use drones, tracking devices and electronic surveillance equipment on private property. Currently, these technologies are usually activated by a court order, which requires the law enforcement agencies to demonstrate the data collection will aid an investigation. A search warrant is a higher burden of proof requiring “probable cause,” or belief that a crime has been committed. Other aspects of the bill require government agencies to pay for data requested from private companies and notify users that their data has been collected. The bill also makes it a Class A Misdemeanor for a person to put a tracking device or unattended camera on private property without the owner’s written consent. During the House Committee on Corrections and Criminal Law hearing on January 8, no vote was taken and Chairman McMillin created a subcommittee to continue working on the bill.

IACT Position: Neutral