



March 20, 2015

Conflict of Interest Bill is Important One to Note

Welcome to this week's addition of IACT's Legislative Summary! After this week, there are three more weeks left for bills to make it out of committee. We saw heavy activity in most committees this week and several bills important to IACT were considered. One important bill to note is HB 1433 regarding conflict of interest and volunteer firefighters serving on council or as the executive for a city or town. Please read more about this bill below because we are gathering information and need your input. As for the annexation bill (SB 330), House legislators are still working on an amendment, so no hearing has been scheduled yet. Thank you for staying in tune with these important issues and please remember to speak to your legislators often!

Bill Would Put Municipal Budgets in Hands of Counties if Volunteer Firefighters Serve on City or Town Council or as Mayor

HB 1433 – Volunteer Firefighters Serving in Elected Office (Mahan, R-Hartford City; Head, R-Logansport)

House Bill 1433 overturns a portion of the conflict of interest bill that was passed in 2012 and would allow volunteer firefighters to serve on the city or town council for which they work or serve as the executive of the city or town. HB 1433 says that volunteer firefighters could serve on the city/town council or as the executive, BUT the city/town budget would be subject to **binding county council review**. There has been discussion about limiting the binding review to the fire safety budget. However, such review would still subject the entire budget to being held up by the county. Further, the county does not provide fire services, so they would not be in a position to offer qualified feedback on what is appropriate for fire safety. IACT opposes the county having binding review over our budgets.

As you may remember, passing a conflict of interest bill was one of IACT's top legislative initiatives leading up to 2012. We have been asked to gather data on this issue. ***PLEASE take a moment to respond by email to these quick questions - Email rcook@citiesandtowns.org***

1. Does your city or town use volunteer firefighters?
2. If yes to question 1, is this on a contract basis (i.e. interlocal agreement) or do they work directly for the city/town?
3. Do you currently have volunteer firefighters serving on your council or as the executive?
4. If you have any additional information to share with us that would be helpful as we discuss this issue – such as past experiences, please do not hesitate to tell us!

Please talk to your legislators about this issue. HB 1433 was heard in Senate Local Government on Wednesday, where testimony was offered. The bill is scheduled for a second committee meeting on Wednesday, March 25 at 1:30 p.m. where a vote is likely. Please talk to your legislators about this bill, and let them know you are opposed to any binding county review. Especially if your senator sits on [Senate Local Government](#), please reach out **before** Wednesday's committee meeting. Members of Senate Local Government are: Head (R-Logansport), Smith (R-Charlestown), Buck (R-Kokomo), Eckerty (R-Yorktown), Hershman (R-Buck Creek), Houchin (R-Salem), Perfect (R-Lawrenceburg), Broden (D-South Bend), Breaux (D-Indianapolis), Taylor (D-Indianapolis)

IACT Position: Oppose Binding County Council Review of Municipal Budgets; Support Existing Conflict of Interest Law

Local Economic Development Project in Jeopardy

SB 460 – Comprehensive Care Health Facilities (Patricia Miller, R-Indianapolis; T. Brown, R-Crawfordsville)

On Tuesday, the House passed SB 460 with a narrow vote of 52-40. To see how your legislator voted on this bill, [click here](#). SB 460 has been sent back to the Senate where the author can either accept the changes made in the House or reject them and send the bill to conference committee at the end of session. This bill puts a three year moratorium, with a few narrow exceptions, on the Department of Health from approving the licensure of comprehensive care health facilities, new or converted comprehensive care beds or the certification of new or converted comprehensive care beds for participation in the state Medicaid program. Even worse, the bill requires complete construction design plans to have been submitted to the State Department of Health and the Division of Fire and Building Safety not later than March 1, 2015. This provision directly and retroactively impacts local economic development projects. Contact your legislator today and ask them to support SB 460 going to conference committee to change the retroactive language to save local economic development projects.

IACT Position: Oppose

Further Amendment Needed to Wireless Tower Bill

HB 1318 – Wireless Communications (Koch, R-Bedford; Hershman, R-Buck Creek)

As originally introduced, this bill would have eliminated nearly all local regulation of wireless towers. Thankfully, most of those troubling provisions were removed by an author's amendment in the House. The bill now: 1) Speeds up the time allowed for local units to review and approve or deny a new wireless tower construction application; 2) provides for consolidated applications for multiple collocation requests and for small cell networks; and 3) provides a framework for uniform statewide applications for new towers, substantial modifications and collocation requests. The bill outlines what is considered a "complete" application. However, it leaves in place local discretion for what conditions to apply when approving or denying an application. This was a critical point for IACT. While many changes were made in the House, the devil is in the details and the bill still needs work. The bill was heard in Senate Utilities Committee on Thursday. After two hours of testimony on the bill, the chair held the bill. Our team is working on an amendment with other stakeholders. At this point, the main points of debate from our perspective are around the local unit's ability to require fallback or buffer zones around wireless towers and clarification around how to manage infrastructure in our Rights of Ways.

IACT Position: Have Concerns & Working on Amendment

SBOA Bill Passes Out of Senate Committee Moving to Risk/Needs Based Audits

HB 1104 – State Board of Accounts (Lehman, R-Berne; Head, R-Logansport)

HB 1104 passed out of Senate Tax & Fiscal Policy Committee on Tuesday, and will be eligible for 2nd Reading on Monday. This bill allows the State Board of Accounts (SBOA) to move to a "risk and needs-based" system for determining frequency for which a unit receives an audit. In working on this bill, our team successfully advocated for language to ensure that units who "need" an audit annually are statutorily required to receive one, including units who issue bonds, receive federal grants and have continuing disclosure requirements. Another provision we requested is included in the bill and allows a unit who requests a GAAP-based audit to receive one as long as their records are presented accordingly. This request is not a simple one! As we are finding through our discussions with the SBOA, moving to a modified accrual-based accounting system (and purchasing new software) is not enough to be granted a GAAP-based audit. The final documents must be prepared in a specific way that often requires contracting with a CPA firm, given the complexity of governmental accounting. This point

is causing much frustration for many cities and towns, and it is clear we will need to work on this issue even after session in conjunction with the SBOA. Finally, the bill provides a procedure for a public entity (other than a school corporation) under certain circumstances to have examinations performed by a certified public accountant instead of the SBOA. Special thanks to Rep. Lehman and Sen. Head for their outreach and work on this issue! Note: the increase in Audit Fees (\$45/day to \$175/day) is included in the HB 1001, and includes a provision to keep those fees in a separate account for greater transparency.

IACT Position: Support

IACT Initiative Bill Passes Out of Senate Tax & Fiscal Committee, One Step Closer to Becoming Law!

HB 1603 – Property Tax Appeals (Smaltz, R-Auburn; Head, R-Logansport)

HB 1603 is an IACT initiative that requires counties to provide notice to cities and towns when a property tax assessment is appealed. The bill passed out of Senate Tax & Fiscal Policy Committee on Tuesday and will be eligible for 2nd Reading in the Senate on Monday. The bill requires the county assessor or township official to notify the county auditor in writing of a request for a preliminary informal meeting when an assessment is appealed. The county auditor then notifies the fiscal officer of affected local units on a quarterly basis, including Redevelopment Commissions. Beginning June 30, 2015, the notice must include the following information: appellant's name and address, the assessed value of the appealed items for the assessment date immediately preceding the assessment date for which the appeal was filed and the assessed value of the appealed items on the most recent assessment date. HB 1603 also allows a fiscal officer of a unit to establish a property tax assessment appeals fund to pay property tax refunds and provide assistant to a county auditor in defending appeals. The bill specifies that the fund is made up of property tax receipts that are attributable to an increase in the taxing unit's tax rate caused by a reduction in the taxing unit's net assessed value. It also limits the balance in a taxing unit's property tax assessment appeals fund to 5% of the amount budgeted by the taxing unit for a particular year. Finally, HB 1603 clarifies that when a deadline is imposed on a city or town in the property tax statutes falls on a non-business day, the city or town must take the necessary action the first business day after the stated deadline.

IACT Position: Support /IACT Initiative

Common Law Lien and Disclosure of Address Bill Passed Out of Committee with Amendments

HB 1371 Public Officials, Liens, and Restricted Addresses (Richardson, R-Noblesville; Steele, R-Bedford)

HB 1371 was heard in the Senate Local Government Committee last week and it was reconsidered this week for amend and vote. The bill has two parts. First, it expands on a law passed last year which allowed judges, law enforcement officers and victims of domestic violence to request to have their addresses removed from a public property data base website. The bill adds public officials to this list and now makes it mandatory that the addresses be removed. Second, the bill addresses the filing of common law liens on properties owned by public officials and employees. IACT worked to amend this provision, so that liens automatically expire for public officials or employees within 30 days if suit is not commenced. The basis for this provision is that there have been frivolous liens filed against public officials (i.e. judges) even though frivolous liens are already unlawful. Thanks to the several lawyers from the Indiana Municipal Lawyers Association (IMLA) for your input on the common law lien issue!

IACT Position: Neutral

PSAP Bills Passes in Senate Committee

HB 1475 Statewide 911 System (Karickhoff, R-Kokomo; Hershman, R-Buck Creek)

HB 1475 passed out of the Senate Tax and Fiscal Policy Committee this week after one amendment that IACT requested was added. The bill uncouples the public safety LOIT from the property tax relief/levy freeze LOIT (an IACT initiative). It extends the sunset date for the 911 fee to be collected on telephones until 2020 and raises the fee on telephones to \$1.00 for all types of phones. The bill provides that counties and cities and towns may petition the Department of Local Government Finance for levy adjustments following PSAP consolidation. The bill requires 911 fee distribution to counties to remain at the 2014 levels going forward from 2016. The bill also provides that a county income tax council or county council may adopt a resolution to distribute up to 100% of the Public Safety LOIT tax revenue to a PSAP that is part of the statewide 911 system. The amendment clarifies this provision to say that 100% can be directed to the PSAP only for a *new* Public Safety LOIT that is adopted (therefore not affecting current distributions). For those counties that have already adopted the Public Safety LOIT, only an additional rate adopted can be fully dedicated to the PSAP.

IACT Position: Support

Municipally Owned Electric Utilities and Customers Negatively Impacted by One-sided Bill

SB 309 – Electricity Suppliers’ Service Area (Crider, R-Greenfield; Koch, R-Bedford)

After taking testimony last week, the House Committee on Utilities, Energy and Telecommunications passed SB 309 on Wednesday with a final vote of 12-1. SB 309 will be on 2nd reading next week. As currently written, after May 12, 2015, a municipality that undergoes an annexation and owns and operates an electric utility is prohibited from petitioning the Indiana Utility Regulatory Commission (IURC) to change the assigned service area of the municipally owned electric utility to include the newly annexed area. It provides that the prohibition does not affect a petition filed with the IURC before May 13, 2015 and pending before the IURC on May 13, 2015. Without the ability to petition the IURC, the municipal utility must reach an agreement with the uncompromising incumbent electric utility, which made it clear during committee testimony they have no intention of letting customers off their line. For more information on this bill, [please click here](#).

IACT Position: Oppose

Indiana to Develop a Statewide Public Safety Academy

HB 1182 – Firing Training Academy (Frye, R-Greensburg; Crider, R-Greenfield)

On Monday, HB 1182 passed out of the full Senate with a final vote of 49-0. Because this bill was amended during the committee process in the Senate, it has been sent back to the House where the author may concur or dissent to the changes. The amendment is minor so IACT expects the bill author to concur on the change. As currently written, HB 1182 allows the Board of Firefighting Personnel Standards and Education (BFPSE) to establish a fire and public safety academy training system to create and conduct programs to train public safety personnel academy training system would include the development of programs for training emergency medical service personnel, telecommunicators, emergency management personnel, and chemical, biological, radiological, nuclear, and explosives personnel. This bill also increases the BFPSE from 11 to 13 members.

IACT Position: Support

Intrastate Mutual Aid Compact Created

SB 484 – Fire and Emergency Response Issues (Crider, R-Greenfield; Frye, R-Greensburg)

On Tuesday, the House Committee on Veterans Affairs and Public Safety passed SB 484 with a final vote of 12-0. Due to the bill’s fiscal impact, it has been recommitted to the House Committee on Ways and Means. SB 484 creates the Intrastate Mutual Aid Compact to complement existing mutual aid agreements. The bill requires

participants in the proposed Intrastate Compact to inventory their current services, equipment, supplies, personnel, and their recovery activities to the Indiana Department of Homeland Security (IDHS). SB 484 also allows IDHS to utilize task forces sponsored by political subdivisions in certain emergency situations. This provision would allow the IDHS to provide any task force the federal reimbursement rate and other protections afforded to units deployed out of state, while being used within Indiana. It is likely official memorandums of agreement would need to be established to formalize the use of local task forces. While IACT support the bill, it is necessary for a city or town to pass an ordinance or resolution rejecting membership in the Intrastate Mutual Aid Compact and send the ordinance or resolution to IDHS and the emergency management agency serving the entity.

IACT Position: Support

No Changes Made to Gaming Bill in Committee

HB 1540 – Various Gaming Matters (Dermody, R-LaPorte; Alting, R-Lafayette)

The Senate Committee on Public Policy passed HB 1540 out of committee unamended with a final vote of 10-0. This bill has been recommitted to the Senate Committee on Appropriations where amendments will most likely be considered. HB 1540 authorizes live dealers at racinos, allows riverboats to move inland on their footprint, extends the availability of the promotional play deduction for riverboats and racinos until July 1, 2018 and has a few provisions to help French Lick. The bill still urges the Legislative Council to study the use of gaming revenue as funding source to local governments. IACT will continue to monitor this bill closely to ensure it does not unduly burden local governments.

IACT Position: Watching

Bill Allows More Local Control Over Speed Limits in School Zones

SB 35 – Speed Limits in School Zones (Boots, R-Crawfordsville; Shaibley, R-Carmel)

The House Committee on Roads and Transportation passed SB 35 on Wednesday with a final vote of 13-0. Under current law, the speed limit in a school zone may not be less than 30 miles per hour outside of an urban district. This bill provides that a city or town may establish a speed limit of not less than 20 miles per hour for both urban and nonurban districts on a street or highway upon which a school is located if the street or highway is under the jurisdiction of the city or town.

IACT Position: Support

2015 Legislative Dates & Deadlines

Thursday, April 9

Deadline for committee reports in second house

Tuesday, April 14

2nd Read deadline in second house

Wednesday, April 15

3rd Reading deadline in second house and concurrence deadline for conference committee reports

Wednesday, April 29

Last day of session