



Indiana Association of
Cities and Towns

2012 IACT Legislative Initiatives

CORNERSTONE:

1. **Municipal LOIT authority:**

- Allow municipal authority to implement LOIT and other fees in order to off-set tax losses. Municipalities should have the authority to adopt the Public Safety LOIT according to their own needs without the requirement to adopt another LOIT first.

2. **Statewide authority to adopt food and beverage taxes:**

- Level the playing field for food and beverage taxes by allowing all cities statewide to have their own food and beverage tax which can be used for any municipal purpose.

OPERATIONAL:

1. **Conflict of Interest – Prohibit Employees from Serving on Councils:**

- Government efficiency, decision making and effective government management are at stake when employees of cities and towns also serve as elected council members. Prohibit employees from holding elected office on the council if they also work for the city or town that is governed by the council. While an employee should be allowed to run for a council position, if he or she is elected, the employee should be required to resign city or town employment before taking office.

2. **Clean up of Problem Properties – Hold Mortgage Companies Responsible; Allow a Lien to Attach on a Foreclosed Property:**

- The residential foreclosure problem has taken a toll on cities and towns. Many properties are owned by a bank or mortgage company and unmaintained, which hurts neighborhood quality and economic development. Banks and mortgage companies that own these properties should comply with local ordinances including weed control and mowing the same as would an individual property owner or be responsible for reimbursing government for the cost of maintenance. In addition, liens for the municipality's cost for property upkeep should be permitted to attach on a foreclosed home.

3. **Ordinance Enforcement – Streamline Notification Requirements:**

- When a city or town must step in to mow a yard that is not in compliance with the local ordinance on tall grass, the city or town must give notice each time the yard is mowed. This process should be streamlined so that notice is given once and subsequent mowing of tall grass during the season does not require additional notice.

4. Allow MVH and LRS to be Used Interchangeably:

- Cities and towns have two main funding sources for constructing and maintaining roads and streets – the Motor Vehicle Highway (MVH) account and the Local Road and Street (LRS) account. While both revenue sources can be used for construction of maintenance, the lists of acceptable uses for the two funds do somewhat differ. For more ease and efficiency, cities and towns should be permitted to use these two funding sources interchangeably.

5. E911 Fees - Parity for Land Lines and Wireless:

- More and more telephone users are abandoning their land lines and switching to cell phones. Local governments receive money from a tax on all on telephones to go toward E911, however, the tax required to be paid on wireless telephones is less than that required for landlines. There should be parity for these taxes.

6. Uncouple Property Tax Relief Component from Public Safety LOIT:

- In 2008 before the passage of the Indiana constitutional amendment providing for property tax protections by the tax caps, the General Assembly passed a law permitting locals to adopt a 0.25% local option income tax to be used toward public safety purposes. However, before the public safety LOIT can be adopted, a 1% property tax relief LOIT is required to be adopted first. Now, with constitutional protection of the tax caps in place, local governments should be permitted to adopt the public safety LOIT without the property tax relief component.

7. Address Problem of Utility Companies that Fail to Move Lines in a Timely Manner:

- When a city or town public works project is about to take place, it is often times necessary to have the private utility companies move their lines out of the way to accommodate the construction, which they are required to do. It is becoming a common problem for municipalities that the utility companies are not responding to requests to move lines in a timely manner. This causes project delay, penalty fees to the contractor, more cost to the taxpayer and a myriad of project timing problems. Utilities should be required to move their lines in a timely manner when requested or face penalties.

8. Allow Liens for Water and Electric Bills:

- Currently, liens can be attached to properties for non-payment of sewer bills. Liens are not permitted, however, for non-payment of municipal water or electric bills. Municipalities should have the authority to seek payment through the lien process in order to collect the payment due.