



Indiana Association of  
Cities and Towns

# LEGISLATIVE SUMMARY

INDIANA ASSOCIATION OF CITIES AND TOWNS LEGISLATIVE E-NEWSLETTER



FEBRUARY 8, 2013

The *Legislative Summary* is a weekly e-newsletter intended to provide you with a sampling of important bills being debated at the Statehouse. For additional information about the legislative session, continue monitoring [IACT's Legislative webpage](#), or contact us directly at (317) 237-6200.

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## IN Action This Week: Top 5 Things to Know

1. Ways & Means Heard HB 1071, IACT Initiative for Municipal Food & Beverage Tax Authority Good Discussion, But No Vote Yet
2. Good Testimony on Tuesday During Committee Hearing on HB 1313 (Apartment Bill) Chair Held Bill, Asked Author Rep. Speedy to Work with All Parties on Amendment
3. Wheel Tax Bill (HB 1117) That Changes Adoption to COIT Process Passed Out of Committee on Thursday
4. IACT Initiative (SB 365) on Utility Relocation Passed Out of Committee Thursday
5. Your Help Needed: Keep Talking to Your Legislators About Need for HB 1071 (Food & Beverage), Why TIF is Important (Bad Bill for TIF, HB 1521) and Why IURC Review of Rates Is Costly (HB 1307)

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## IN Local Roads & Streets Initiative: Keep the Momentum Going

### Local Road Funding Day Set for February 19



IACT has joined a broad coalition which is seeking additional funding for local roads and streets. The coalition, sponsored by Build Indiana Council, is hosting a Roads Funding Day at the Statehouse on February 19. We hope you will consider attending! [Control-click here for more information.](#)

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### Wheel Tax Bills Pass Committee, As Local Roads Funding Debate Continues

A top IACT Initiative this session is to push for more funding for local infrastructure, which is critical to the economic vitality of our communities. Specifically, we have asked lawmakers to re-dedicate the gas tax revenues to its intended purpose of funding local roads and streets. In recent years, the state has been using a large portion of the gas tax revenue (Motor Vehicle Highway Fund) to pay for the state police and Bureau of Motor Vehicles. That diversion of funds added up to \$157 M in FY 2011.

#### **HB 1126 / HB 1363 MVH Fund (Saunders, R-Lewisville / Huston, R-Fishers)**

Several bills have been filed that would result in increased funding for local roads & streets. [HB 1126](#) & [HB 1363](#) both end the practice of using motor vehicle highway account monies to fund the Bureau of Motor Vehicles and State Police. This is an IACT legislative initiative. While these bills were heard in committee last week, IACT is being told this issue is going to be dealt with during the budget writing process.

Other proposals that have received a hearing in committee are [HB 1141](#) (Soliday, R-Valparaiso) and [HB 1117](#) (Karickhoff, R-Kokomo). HB 1141 diverts 50% of sales tax revenue collected on gasoline purchases to the MVHA. HB 1117 provides local municipalities a voice in the enactment of motor vehicle excise surtax and wheel tax by allowing the COIT Council the option to enact it. Under current law, only the County Council has this authority. HB 1117 passed out of the House Ways and Means committee on February 7, 2013 with a vote of 15-4 and has an identical bill in the Senate in [SB 389](#) (Boots, R-Crawfordsville). SB 389 passed out of the Senate 37-11 and Representative Lehe is the House sponsor.

IACT Position: Support

Links to Bills: <http://www.in.gov/legislative/bills/2013/PDF/IN/IN1126.1.pdf>  
<http://www.in.gov/legislative/bills/2013/PDF/IN/IN1363.1.pdf>  
<http://www.in.gov/legislative/bills/2013/PDF/IN/IN1141.1.pdf>  
<http://www.in.gov/legislative/bills/2013/PDF/IN/IN1117.1.pdf>  
<http://www.in.gov/legislative/bills/2013/PDF/SB/SB0389.1.pdf>

For more information, contact Justin E. Swanson, IACT Government Affairs Specialist at (260) 615-1528 or [jswanson@citiesandtowns.org](mailto:jswanson@citiesandtowns.org).

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## IN Bills of Concern

### Bill Takes Away Crucial Economic Development Flexibility

#### HB 1521 Tax Increment Funds (M. Smith, R-Columbus)

[HB 1521](#) would be devastating to local and state economic development, if passed. The bill prohibits TIF revenues from being used outside of a TIF area. Current law allows TIF revenues to be used for any purpose in, serving or benefitting the TIF area. HB 1521 was heard in the House Ways and Means Committee on Thursday.

Example: A company locating in the TIF area needs added fire protection services. Municipalities could not use TIF dollars from the area to upgrade a nearby fire station if the fire station was not in the TIF area. Many, many examples were given to Ways and Means Committee members about projects that could not have been done if this bill were law. We urge you to contact your legislator and explain the impact of this bill on your community!

IACT Position: Oppose

Links to Bill:

<http://www.in.gov/apps/lisa/session/billwatch/billinfo?year=2013&session=1&request=getBill&docno=1521>

For more information, contact Rhonda Cook, IACT Director of Government Affairs at (317) 694-1451 or [rcook@citiesandtowns.org](mailto:rcook@citiesandtowns.org).

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### BEWARE: Water and Sewer Utilities – Prepare for Added Cost!

#### HB 1307 Extraterritorial utility rates and charges (Braun, R-Zionsville)

Building on last year's HEA 1126, [HB 1307](#) goes farther. You may remember that last year's law allows ratepayers living outside of the municipal limits to petition the IURC when their water or sewer rates are more than 15% of what inside ratepayers pay. Under the current law, the opportunity to petition occurs only when the municipality is proposing a rate increase (this is concurrent with the time when a rate study would likely be done). Also, under current law, ratepayers living outside of the limits are given notice when their rates qualify for the opportunity to petition.

Under HB 1307, however, outside ratepayers can petition anytime starting July 1 through December 31, 2013 if their rates are more than 50% higher than inside ratepayers. This means that water and sewer utilities should prepare for potential added legal and financial advisor expenses. There are no notification procedures in this bill alerting outside ratepayers that their rates meet the criteria to petition. Therefore, there likely will be a lot of petitions filed that are unwarranted and that municipalities will be forced to defend. Many times, water and sewer lines are extended outside of the municipal limits at the request of a developer or property owner. Municipalities are now being penalized for their willingness to extend lines to outside properties even though the rates were agreed to by the people that wanted the service. Even if outside rates are ultimately found to be justifiable by the IURC, the legal expense for defending a case is expensive to all ratepayers.

IACT believes that this bill, like HEA 1126, will create a chilling effect on development. Municipalities will no longer be willing to extend lines to outside development because of the exposure to added legal costs to defend the rates necessary to bring the service.

IACT Position: Oppose.

Links to Bill:

<http://www.in.gov/apps/lisa/session/billwatch/billinfo?year=2013&request=getBill&docno=1307>

For more information, contact Rhonda Cook, IACT Director of Government Affairs at (317) 694-1451 or [rcook@citiesandtowns.org](mailto:rcook@citiesandtowns.org).

**Clever.....huh?**

## **State Legislators Get to Eliminate a Tax – Local Governments Must Put It Back On**

### **HB 1530 Exemption of Personal Property (Morris, R-Fort Wayne)**

[HB 1530](#) was heard in the House Ways and Means Committee on Thursday. The bill provides that beginning March 1, 2014, all new personal property is exempt from taxation up to \$100,000. However, the bill allows the county council to re-impose the tax through a local ordinance.

Like the other two elimination of personal property tax elimination bills that were recently heard in the Senate Tax and Fiscal Policy Committee, IACT opposed HB 1530. Following the property tax cap legislation, local governments are trying to *increase* our tax base, not decrease it. Local governments already use tax abatements to grant exemptions on personal property when the abatements are warranted and Indiana is already known as a business-friendly state with all of our other favorable tax laws.

This bill allows the state legislators to claim political victory for eliminating a tax on business, yet makes local governments (the county council) face the political ramifications for putting the tax back on.

IACT Position: Oppose.

Links to Bill:

<http://www.in.gov/apps/lisa/session/billwatch/billinfo?year=2013&request=getBill&docno=1530>

For more information, contact Rhonda Cook, IACT Director of Government Affairs at (317) 694-1451 or [rcook@citiesandtowns.org](mailto:rcook@citiesandtowns.org)

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## **Keep Talking to Legislators: Keep Rental Inspections Programs & Franchise Fees**

### **HB 1313 Regulations of Residential Leases (Speedy, R-Indianapolis)**

[HB 1313](#) was heard in House Government and Regulatory Committee this week. Testimony was compelling for Indiana's cities and towns. The chair held the bill and asked Rep. Speedy to work with all parties on an amendment. Continue to talk with your legislators about this bill and the need to preserve local rental inspection programs, an important tool in keeping our neighborhoods safe.

### **HB 1432 Elimination of Cable Franchise Fees (Lutz, R – Anderson)**

While we have been told [HB 1432](#) will not likely receive a committee hearing, we have seen similar language proposed in the form of amendments in the past. IACT will be on the lookout for any such attempts. Keep talking to your legislators about cable franchise fees. We may need their support if an amendment is filed. Thank you for your help!

IACT Position: Opposed

Link to Bills:

<http://www.in.gov/apps/lisa/session/billwatch/billinfo?year=2013&request=getBill&docno=1313>

<http://www.in.gov/apps/lisa/session/billwatch/billinfo?year=2013&request=getBill&docno=1432>

For more information, contact Rhonda Cook, IACT Director of Government Affairs at (317) 694-1451 or [rcook@citiesandtowns.org](mailto:rcook@citiesandtowns.org)

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## IN Legislative Initiatives

[Control-Click here for more about IACT 2013 Initiatives and Legislative Team](#)

### IACT's Food & Beverage Initiative Heard in Ways & Means This Week

#### **HB 1071 Municipal Food and Beverage Tax (Baird, R-Greencastle)**

[HB 1071](#), one of IACT's initiative bills was heard in the Ways and Means Committee on Tuesday, February 5<sup>th</sup>. The bill authorizes a municipal legislative body to impose an ordinance to implement a municipal food and beverage tax not to exceed 1% of the gross retail income received from retail food and beverage transactions.

Special thanks go out to all of our members who testified at the committee. We had fantastic representation from across the state, including town officials from Cloverdale, Fishers Town Manager Scott Fadness, Fort Wayne Mayor Tom Henry, Gary Mayor Karen Wilson-Freeman, Goshen Mayor Allan Kauffman, and Lebanon Mayor Huck Lewis.

HB 1071 would allow a municipality to have a local discussion and hear from local taxpayers as to whether this revenue source is right for them. Several local governments have passed the municipal food and beverage tax in the past, but it required getting a bill passed at the General Assembly. This bill provides an option for a local law to be passed without getting special state legislative authority.

Please continue to talk to your legislators and tell them to support this bill!

IACT Position: INITIATIVE: Support.

Link to Bill: <http://www.in.gov/apps/lisa/session/billwatch/billinfo?year=2013&request=getBill&docno=1133>

Link to IACT Handout on HB 1071: [IACT informational handout on HB 1071](#)

For more information, contact Michael Smith, IACT Government Affairs Coordinator at (317) 237-6200 or [msmith@citiesandtowns.org](mailto:msmith@citiesandtowns.org).

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### Utility Relocation Bill Passed Out of Senate Utilities Committee!

#### **SB 365 Utility Relocation (Crider, R-Greenfield)**

[SB 365](#), on of IACT's initiative bills passed out the Senate Utilities Committee on a vote of 8-0.

The bill attempts to address the problem of municipalities enduring long and expensive delays when a construction project is planned but can't proceed because the utility company has not relocated their lines. The bill authorizes a unit of local government to enter into an agreement with a utility concerning the relocation of the utility's facilities for a major highway, street, or road project and requires that the agreement must include a date for relocation.

We have worked with Sen. Crider and all the major utility companies in coming up with the reasonable requirements that will help put an end to this frequent problem, and we are happy to say that there was no oppositional testimony to the bill.

IACT Position: INITIATIVE: Support.

Links to Bill: <http://www.in.gov/apps/lisa/session/billwatch/billinfo?year=2013&request=getBill&docno=365>

For more information, contact Michael Smith, IACT Government Affairs Coordinator at (317) 237-6200 or [msmith@citiesandtowns.org](mailto:msmith@citiesandtowns.org).

## **IACT Working with Lawmakers, Counties & Financial Institutions to Help Cities & Towns Address Abandoned Housing Problem**

Following the mortgage foreclosure crisis, cities and towns have been left with numerous houses that are sitting empty and deteriorating as each day goes by. Neighbors are unhappy and taxpayers are footing the bill to maintain these properties. When the properties are allowed to sit long enough, they are in such a state of deterioration that cities and town taxpayers are then burdened with the cost to have them demolished.

### **HB 1537 Abandoned Houses (Price, R-Greenwood)**

We appreciate the leadership of Rep. Price, who filed [HB 1537](#) to address the problem of abandoned housing. The goal of HB 1537 is to provide a process for judicial determination of abandonment for properties that have not yet gone into foreclosure. IACT is working with Rep. Price, the Association of Indiana Counties and financial institutions' representatives on language that is workable for all parties. In addition to the determination of abandonment process, we are also discussing how to improve the notification process when a foreclosure is withdrawn on a property (often the property owners and municipality do not know when this happens). Another area we have begun discussion on is the communication process between counties and municipalities when it comes to tax sales.

[SB 433](#) is another bill moving that creates a procedure to allow a county to dispose of certain properties which didn't sell at tax sale. IACT is also supportive of this measure, which passed 2<sup>nd</sup> Reading in the Senate this week.

IACT Position: Support

Link to Bills:

<http://www.in.gov/apps/lisa/session/billwatch/billinfo?year=2013&request=getBill&docno=1537>

<http://www.in.gov/apps/lisa/session/billwatch/billinfo?year=2013&request=getBill&docno=433>

For more information, contact Rhonda Cook, IACT Director of Government Affairs at (317) 694-1451 or [rcook@citiesandtowns.org](mailto:rcook@citiesandtowns.org).

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## **Legislative Efforts to Curb Making of Meth Reveal Need for More Education**

Recent statistics show Indiana meth incidents are still on the rise. In 1995, Indiana reported 6 meth lab busts. In 2012, Indiana reported 1,726 meth lab busts, a number that puts Indiana in the top three in the nation for the number of meth lab busts. The making and taking of meth is devastating our communities, often putting innocent lives at risk and leaving properties destroyed and dangerous. The monetary costs are high for clean-up, incarceration and child protective services. But the human cost of lives destroyed and children neglected and endangered is the real tragedy. An IACT Legislative Initiative for 2013 is to curb the making of meth in Indiana. The key ingredients used to make meth are ephedrine and pseudoephedrine, which are available in over-the-counter drugs. Our goal is to require a doctor's prescription for medications sold that contain these ingredients.

### **Bills were filed to require prescriptions for meds containing these meth-making ingredients.**

**Rep. Rebecca Kubacki** (R-Syracuse) is a leader on this issue in the House and authored [HB 1355](#). Representatives **Ben Smaltz** (R-Auburn), **Ron Bacon** (R-Chandler) and **Gail Riecken** (D-Evansville) signed onto the bill as co-authors. **Sen. Tim Skinner** (D-Terre Haute) also authored a similar bill, [SB 611](#). We appreciate their leadership and advocacy! Unfortunately, we do not expect these bills to receive a hearing. However, another bill coined as "Anti-Meth" is moving in SB 496.

### **SB 496 Control of Ephedrine and Pseudoephedrine (Yoder, R-Middlebury)**

While we do not believe this bill goes far enough, it does keep the conversation going at the Statehouse. [SB 496](#) passed out of the Senate Committee on Corrections & Criminal Law last week by a vote 10-0. The bill as amended in committee lowers the annual limit of ephedrine and pseudoephedrine an individual may purchase and a pharmacy or retailer may sell from 72 grams to 61.2 grams.



IACT Position: Neutral on SB 496, but hopeful the discussion will continue this session on the widespread problem of meth in Indiana.

Link to Bill: <http://www.in.gov/apps/lisa/session/billwatch/billinfo?year=2013&request=getBill&docno=496>

#### **Meth Lab Data & News:**

[Lab Incidents](#)

[Lab Stats](#)

[Labs Seized](#)

[Meth Stories in the News.](#)

For more information, contact Justin E. Swanson, IACT Government Affairs Specialist at (317) 237-6200 or [jswanson@citiesandtowns.org](mailto:jswanson@citiesandtowns.org).

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### **More Clarification for PSAPs Needed, IACT Keeps Pushing Issue**

While drastic changes were made to PSAP funding last year in SEA 345, there were some issues that required more study. Particularly, more study was needed on the issue of revenue sharing to fund PSAPs (these E911 call centers) between counties and cities and towns. The Indiana Advisory Commission on Intergovernmental Relations took up the issue and released a [final report](#) prior to session.

#### **HB 1304 PSAPs (Karickhoff, R-Kokomo)**

While IACT will continue to work on more clarification of city/town and county responsibilities for PSAPs, we will support [HB 1304](#). This bill authorizes the fiscal bodies of a county and another political subdivision that are parties to a contract under which the county has assumed the responsibility of operating a PSAP to jointly petition the DLGF to adjust the maximum permissible ad valorem property tax levies of the respective units. The bill also provides that in a county that operates a PSAP, an additional CEDIT rate of 0.1% may be imposed to pay expenses incurred by the county to operate the PSAP. The bill awaits a committee hearing.

IACT Position: Support

Link to Bill: <http://www.in.gov/apps/lisa/session/billwatch/billinfo?year=2013&request=getBill&docno=1304>

For more information, contact Rhonda Cook, IACT Director of Government Affairs at (317) 694-1451 or [rcook@citiesandtowns.org](mailto:rcook@citiesandtowns.org).

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### **IACT Working to Resolve Unfair LOIT Distribution Issue**

Last year, the state Director of the Office of Management and Budget announced that the state made some serious accounting errors which affected the distribution of local revenues. Since that revelation, an accounting firm was hired to do a state audit and a "Tax Working Group" was assembled. They found that when a county adopts a local option income tax, employers are required to collect and submit the tax to the state along with the state income tax. However, the Department of Revenue's system is such that locals are currently only receiving distributions of the local income tax based on tax returns filed. Many taxpayers don't file returns. For those taxpayers that don't file returns, their payment of local option income tax is kept by the state as un-reconciled cash. Several legislators have now been made aware of this problem and are asking for a correction and more transparency. Some lawmakers have expressed a concern and willingness to help IACT, including [Rep. Wes Culver](#) (R-Goshen), [Rep. David Ober](#) (R-Albion) and [Rep. Mark Messmer](#) (R-Jasper). At this time, no bill is moving to address this issue specifically. However, it is our hope that a remedy will be amended into a broader tax bill. IACT will continue to work on this matter.

For more information, contact Rhonda Cook, IACT Director of Government Affairs at (317) 694-1451 or [rcook@citiesandtowns.org](mailto:rcook@citiesandtowns.org).

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## IN Other Bills

### Bill Defeated in Committee Which Placed Limits on Home Rule

#### HB 1388 Limitations on Home Rule Power (Speedy, R-Indianapolis)

On Thursday, [HB 1388](#) returned to the House Local Government Committee for amend and vote. The bill, if it were to become law, would change the home rule statute saying that a county, city, town or township could not adopt a local ordinance that is more stringent than federal laws to establish or mandate employee benefits, terms of employment, working conditions or attendance policies for businesses within their jurisdiction.

IACT opposed the bill because of its elimination of home rule powers. However, we testified that should the bill move forward, some clarifications were needed to the wording of the bill. In addition, we suggested that this type of bill should be considered by the Labor Committee and that this change in law should be made in the labor statute, not the home rule powers statute.

Ultimately, the bill was voted down by committee members by a 4-6 vote. Several members of the committee expressed their concern over the bill because of its goal to affect an ongoing *local* political debate in one community.

IACT Position: Opposed.

Links to Bill:

<http://www.in.gov/apps/lsa/session/billwatch/billinfo?year=2013&request=getBill&docno=1388>

For more information, contact Rhonda Cook, IACT Director of Government Affairs at (317) 694-1451 or [rcook@citiesandtowns.org](mailto:rcook@citiesandtowns.org).

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### Privacy of Law Enforcement on Internet Bill Passed House 96-4

#### HB1219 - Privacy of Law Enforcement Officer Addresses (Karickhoff, R-Kokomo)

By a vote of 96-4 the House passed [HB 1219](#) to the Senate. It requires a local unit of government that operates a public Internet web site data base that contains the names and addresses of property owners, like a Beacon or other GIS program, to establish a procedure to permit a law enforcement officer or victim of domestic violence to restrict disclosure to the general public of the person's home address. The unit is allowed to charge the officer a reasonable fee to block the connection of the officer's name and home address during a search by a member of the public. The bill also provides immunity from civil liability for a unit that fails to timely restrict disclosure, unless there has been gross negligence or willful or wanton misconduct.

IACT Position: Neutral

Link to Bill:

<http://www.in.gov/apps/lsa/session/billwatch/billinfo?year=2013&session=1&request=getBill&docno=1219>

For more information, contact Rhonda Cook, IACT Director of Government Affairs at (317) 237-6200 or [rcook@citiesandtowns.org](mailto:rcook@citiesandtowns.org) or Jodie Woods, IACT General Counsel at [jwoods@citiesandtowns.org](mailto:jwoods@citiesandtowns.org).



## The Return of the Annual Redevelopment Commission Bill

### **SB 325 Redevelopment Commission (Kenley, R-Noblesville)**

[SB 325](#) was heard in the Senate Local Government committee on February 6, 2013 and passed out with a vote of 8-1. As introduced, SB 325 provides that a redevelopment commission may not enter into any obligation payable from public funds without first obtaining the approval of the legislative or fiscal body of the unit that established the commission. This bill also provides that if the amount of excess assessed value determined by the commission is expected to generate more than 200% of the amount of allocated tax proceeds necessary to carry out the commission's plan, a determination of the amount of the excess available to other taxing units by the commission must be approved by the legislative body of the unit. In committee, this bill was amended to specify that the entity would not need approval of an obligation for a real property purchase if either the purchase price does not exceed \$5 million or the repayment period does not exceed three years. The amendment also specifies that any sale, exchange, transfer, grant, donation, lease, or other disposal of real property by a redevelopment commission is subject to prior review (instead of approval) by the legislative body of the unit if the value of the real property exceeds \$5,000,000. It also permits a redevelopment commission to hold an executive session for the discussion of strategy with respect to the acquisition or lease of real property.

IACT Position: Oppose

Link to Bill: <http://www.in.gov/legislative/bills/2013/PDF/SB/SB0325.1.pdf>

For more information, contact Justin E. Swanson, IACT Government Affairs Specialist at (260) 615-1528 or [jswanson@citiesandtowns.org](mailto:jswanson@citiesandtowns.org).

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## Municipalities Exempted From Sewer Connection Bill

### **HB 1497 (Zent, R-Angola)**

As introduced, [HB1497](#) would have had a negative impact on municipally owned sewer utilities. This bill provides that a district may not require property owners to connect to and may allow them to disconnect from a sewer system if: (1) The property owner demonstrates that the sewage disposal system is not failing and will protect human health and the environment; (2) The waste stream from the property is limited to domestic sewage from a residence or business; and (3) The property owner, at the property owner's expense, receives a certification that the sewage disposal system is not failing from a qualified inspector. The bill also provides that, after June 30, 2013, a municipality may not require property outside its corporate boundaries to connect to its sewer system.

During the House Committee on Environmental Affairs on February 6th, Chairman Wolkins announced that there is an amendment being drafted to exempt municipally owned sewer utilities.

IACT Position: Neutral

Link to Bill: <http://www.in.gov/legislative/bills/2013/PDF/IN/IN1497.1.pdf> (note: this is the introduced version)

For more information, contact Justin E. Swanson, IACT Government Affairs Specialist at (260) 615-1528 or [jswanson@citiesandtowns.org](mailto:jswanson@citiesandtowns.org).

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## Annexation by Town Outside City Boundaries

### **SB 284 (Buck, R- Kokomo)**

[SB 284](#) was heard in the Senate Local Government Committee on February 7, 2013 and was passed out with a vote of 8-1. This bill removes a requirement that a town obtain the consent of a second or third class city before annexing within three miles of the city. It provides that a town can annex within one mile of the corporate boundaries of a second or third class city only if the town is located in a different county than the city or the annexation is obtained by consent of the landowners. It also allows a town to annex within an area that extends more than one mile outside the boundaries of a second or third class city and

less than three miles if any annexation by the town does not extend more than one mile outside the corporate boundaries of the town.

IACT has concerns about this bill and is still researching any potential unintended consequences. For example, it would allow those in the one mile fringe, who are most likely heavy users of city services, to avoid future annexation. This situation has the potential to lead to greater fragmentation of local government services in a time when consolidation of services is being incentivized by the General Assembly.

IACT Position: Have concerns, still researching bill

Link to Bill: <http://www.in.gov/legislative/bills/2013/PDF/SB/SB0284.1.pdf>

For more information, contact Justin E. Swanson, IACT Government Affairs Specialist at (260) 615-1528 or [jswanson@citiesandtowns.org](mailto:jswanson@citiesandtowns.org).

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## Another Attempt to Limit Annexation Powers

### **SB 376 (Buck, R-Kokomo)**

[SB 376](#) provides that for annexations adopted after June 30, 2013, a municipality may not annex territory that would result in an increase in the total gross assessed value of the municipality by more than 15% in the ensuing calendar year (as compared to the total gross assessed value of the municipality before the effective date of the annexation ordinance). This provision applies regardless of whether the increase in assessed value results from one or more than one annexation.

This 15% cap has negative implications for municipalities because any increase in assessed valuation of over 15% will result in the municipality having to provide services in the annexed area without receiving commensurate tax revenue from that area.

SB 376 also changes the effective date of an annexation. Under current law, the effective date of an annexation ordinance in some annexations may be postponed for not more than three years. This bill provides that for annexations adopted after June 30, 2013, the effective date of an annexation ordinance may not be more than one year after the date the annexation ordinance is adopted.

IACT Position: Oppose

Link to Bill: <http://www.in.gov/legislative/bills/2013/PDF/SB/SB0376.1.pdf>

For more information, contact Justin E. Swanson, IACT Government Affairs Specialist at (260) 615-1528 or [jswanson@citiesandtowns.org](mailto:jswanson@citiesandtowns.org).

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## IN Announcements



Here's to a great Annual Statewide Town Roundtable last night! Thanks to Rep. Negele, Rep. Saunders, Sen. Stoops & Sen. Crider for being there.



**Register for IACT Legislative Day!**  
MARCH 19, 2013 | INDIANAPOLIS  
[Details and Registration](#)  
[Download Registration Form](#)

**Road  
Funding  
YES!** 

Road Funding Day  
February 19 | Indianapolis  
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[Register to Attend](#)

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