

Legislative Summary



Indiana Association of Cities & Towns

January 18, 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.

Legislators Hit the Ground Running

The race of the 2013 long session has begun at a sprint pace. Already, committees have heard bills on personal property taxes and a food and beverage tax for the town of Nashville. Many thanks to Mayors Duke Bennett (Terre Haute) and Steve Croyle (Winchester) for serving as Mayor of the Day and providing testimony on these important city and town matters. Also this week, Governor Pence delivered his budget blueprint to legislators. The proposal includes \$14.4 billion in spending in 2014 and \$14.6 billion in 2015, a 1.4% increase each year. The details contained a 10% state income tax cut and a 1% increase in money for K-12 schools and state universities, in addition to a proposal to plug the looming transportation funding gap (following the end of Major Moves monies) by diverting some state pension funds toward transportation projects for two years. Governor Pence will have an opportunity to make his case during next Tuesday's State of the State address.

Coming next week: Mass Transit will have its day in committee. [House Bill 1011](#), the Central Indiana Mass Transit legislation by Rep. Jerry Torr (R-Carmel), is scheduled to be heard Wednesday, January 23 in the House Roads & Transportation Committee at 3:30 pm in the House Chambers. This long awaited bill would allow Central Indiana residents to hold public referendums on whether to fund the expansion of mass transportation options.

Read on for more city and town bills of concern, IACT initiatives and other legislative action pertinent to cities & towns!

Bills of Concern

Two Bills Receive A Hearing Which Would Reduce Tax Base

SB 353 County Option Exemption on Personal Property (Hershman, R-Buck Creek)
SB 375 Depreciable Personal Property Assessment (Buck, R-Kokomo)

Two bills were heard in the Senate Tax and Fiscal Policy Committee this week which would

reduce local government property tax base. SB 353 allows a county council to make a decision to entirely eliminate property taxes on depreciable personal property in the county. SB 375 changes the minimum personal property tax depreciation floor from 30% to 20% for assessment dates after 2013.

These two bills are supported by the Indiana Chamber of Commerce and the Indiana Manufacturers Association. IACT testified in opposition to the bills and noted that any further reduction in operating revenue could not be sustained without replace revenue. IACT also noted that cities and towns, not the county councils, should be in control of decisions about exemptions within municipal limits.

IACT Position: Opposed.

Links to Bills: <http://www.in.gov/legislative/bills/2013/PDF/IN/IN0353.1.pdf>
<http://www.in.gov/legislative/bills/2013/PDF/IN/IN0375.1.pdf>

Link to Umbaugh Analysis Letter: [Click here to view a PDF of the Letter](#)

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

Bill Filed Would Eliminate Cities & Towns' Ability to Regulate and Inspect Rental Properties

HB 1313 Regulation of Residential Leases (Speedy, R-Indianapolis)

The Apartment Association is trying again to eliminate municipal inspection programs of rental properties. The bill this year goes further than ever before. As filed, HB 1313 prohibits cities and towns from adopting ordinances and enforcing existing ordinances which regulate residential rental properties. This would destroy the ability for a city or town to have an effective rental inspection program. Specifically, the bill prohibits a municipality from requiring owners and landlords to obtain a license or permit, participate in a government program as a condition for lease, or impose a fee or other assessment related to the construction.

Making sure rental properties are safely maintained is critical to the economic vitality of a community's downtown. For college communities, especially, parents want to know their children will be living in safe and healthy environments. They depend on their local elected officials to maintain quality living. This bill hits at the heart of one of the most challenging issues cities and towns face: unmaintained and abandoned properties. Now is not the time to take away local tools for addressing these challenges.

Bill Status: The bill has been assigned to the House Local Government Committee, chaired by Rep. Tim Neese (R-Elkhart). Rep. Eric Turner (R-) and Rep. Terri Austin (D-Democrat) have signed onto the bill as co-authors.

IACT Position: Opposed

Link to Bill: <http://www.in.gov/legislative/bills/2013/PDF/IN/IN1313.1.pdf>

For more information, please contact Leah McGrath, IACT Director of Communication & Research at 317-237-6200 or lmcgrath@citiesandtowns.org

Several Bills Filed Dealing with Government Reorganization

HB 1066 Local Government Reorganization (Cherry, R-Greenfield)
HB 1287 Local Government Reorganization (Thompson, R-Danville)
SB 19 Local Government Reorganization (Tomes, R-Wadesville)
SB 343 Local Government Reorganization (Head, R-Logansport)
SB 459 Local Government Reorganization (Miller, R-Avon)

Five bills have been filed so far dealing with local government reorganization under the Government Modernization Act. IACT will be watching all of these bills closely. SB 19 was heard this week in the Senate Local Government Committee. SB 19 requires (rather than allows) the use of a "rejection threshold" in the case of a proposed local government reorganization involving a county and a municipality. (Under current law, the use of a rejection threshold that must be satisfied by both the voters of the municipality and by the county voters outside the municipality is optional.) Specifies that in such a proposed reorganization, the rejection threshold (the percentage of the vote needed to reject the proposed reorganization) may not exceed 50% of the vote in the municipality or 50% of the vote in the area of the county outside the municipality.

In past years, several reorganization bills have been introduced which were meant to intervene and change the outcome of a reorganization that was currently underway. IACT's position is that the ground rules of reorganization cannot be changed mid-stream for local units that are currently in the process of reorganizing.

IACT Position: Watch.

Links to Bills: <http://www.in.gov/legislative/bills/2013/PDF/IN/IN1066.1.pdf>
<http://www.in.gov/legislative/bills/2013/PDF/IN/IN1287.1.pdf>
<http://www.in.gov/legislative/bills/2013/PDF/IN/IN0019.1.pdf>
<http://www.in.gov/legislative/bills/2013/PDF/IN/IN0343.1.pdf>
<http://www.in.gov/legislative/bills/2013/PDF/IN/IN0459.1.pdf>

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

IACT Initiatives

HELP NEEDED: Call Your Legislators and Ask Them to Support Food and Beverage Tax Flexibility – House Bill 1071!

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

HB 1071 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.

Following the property tax caps legislation, municipalities need more options to diversify revenue sources. 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.

HB 1071 has been assigned to Ways and Means. We need you to contact your legislator and urge them to support this bill!

This week, HB 1133 was heard in the Ways and Means Committee which allowed the town of Nashville to change the use of their current food and beverage tax. IACT testified in support of the bill and used the opportunity to explain that if locals had our own fiscal flexibility, Nashville could change its food and beverage use without coming to the General Assembly. Also IACT made the point that all municipalities should have the authority to adopt the tax if their local community was in support.

IACT Position: INITIATIVE, Support.

Link to Bill: <http://www.in.gov/legislative/bills/2013/PDF/IN/IN1071.1.pdf>

Link to IACT information handout on HB 1071: [Click here to open F&B handout.](#)

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

Public Service Answer Points – More Transparency, Clarification and Funds Needed

HB 1304 Public Service Answering Points (Karickoff, R-Kokomo)

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. 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 public safety answering point to jointly petition the department of local government finance 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 public safety answering point, an additional county economic development income tax rate of 0.1% may be imposed to pay expenses incurred by the county to operate the public safety answering point.

IACT Position: INITIATIVE, Support.

Links to IACIR Report: http://www.iacir.spea.iupui.edu/documents/911_E911Services.pdf

Links to Bill: <http://www.in.gov/legislative/bills/2013/PDF/IN/IN1304.1.pdf>

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

Curbing the Meth Problem in Cities and Towns

Meth is a dangerously addictive drug which is harmful to those who use it, BUT it is the making of meth that is harmful to many others. IACT is supporting bills this session that seek to curb the making of Meth problem.

Meth Awareness Week: March 18-24th

We are embarking upon a Meth public awareness campaign, and we need your help and examples to tell the story to the legislature. Planning for Meth Awareness Week (March 18-24) is in development. If you have examples of how the meth problem has affected your community, please send them to our Legislative Coordinator, Mike Smith at msmith@citiesandtowns.org or call Mike at 317-237-6200.

Here is a summary of the five Meth bills which have been filed so far.

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

SB 496 has been assigned to the Committee on Corrections and Criminal Law and has been scheduled for a hearing at 10:00 am on January 22, 2013 in Room 233. The bill requires the Indiana State Police Department to establish and maintain the Indiana Methamphetamine Manufacturer Registry, an electronic data base containing information relating to persons who have been convicted of certain offenses involving the manufacture of methamphetamine. The production of a registry by the ISP is estimated to cost \$672,700 in the first year of implementation with an additional \$328,000 annually for ongoing costs (salaries for staff and database maintenance). This bill also would increase the D felony to a C felony if the person sells, transfers, distributes, or furnishes more than 10 grams of ephedrine, pseudoephedrine, or phenylpropanolamine. Additionally, the bill would establish a new D felony for possession of methamphetamine within seven years of a prior conviction for a methamphetamine offense without a prescription. This bill would limit the sale of over-the-counter products containing ephedrine or pseudoephedrine to pharmacies and would prohibit the sale of convenience packages. (Current law allows all retailers to do so, including groceries, merchandise stores, drug stores, and other similar establishments.) Senate Corrections Committee Chairman Young favors this bill and it is a strong candidate to be voted out of committee.

IACT Position: Still evaluating impact of bill.

Link to Bill: <http://www.indiananet.org/2013data/docs00/pdf/SB0496.PDF>

For more information on this bill and other Meth bills, contact Justin E. Swanson, IACT Government Affairs Specialist, at (317) 237-6200 or jswanson@citiesandtowns.org.

Other Meth Bills Filed:

HB 1063 Ephedrine and pseudoephedrine sales. (Bacon, R-Chandler)

HB 1063 is a local option bill that allows a local government unit to adopt an ordinance that requires a prescription for the purchase of ephedrine, pseudoephedrine, or both. This bill also makes it a Class C misdemeanor for a person to knowingly or intentionally purchase drugs containing more than 28.8 grams of ephedrine or pseudoephedrine, or both, in a one year period. Under current law, it is a Class C misdemeanor for a person to knowingly or intentionally purchase more than 3.6 grams in one day or more than 7.2 grams in a 30 day period.

HB1063 has been assigned to Courts and Criminal Code where it is unlikely to be called down. Representatives McNamara (R-Mt. Vernon), Riecken (D-Evansville), and Kubacki (R-Syracuse)

have signed on as co-authors.

IACT Position: Still evaluating impact of bill.

Link to Bill: [HTTP://WWW.INDIANANET.ORG/2013DATA/DOCS00/PDF/HB1063.PDF](http://WWW.INDIANANET.ORG/2013DATA/DOCS00/PDF/HB1063.PDF)

SB 277 Methamphetamine vehicle information disclosure (Zakas, R-Granger)

SB 277 requires a dealer or seller who knows or reasonably should know that a motor vehicle has been used to manufacture methamphetamine to disclose this fact, in writing, to a buyer or prospective buyer of the motor vehicle before the sale. This bill has been assigned to the Committee on Civil Law. Although a date to hear testimony has not been set, the author of the bill is the Chairman of the committee and will likely be scheduled for a hearing.

IACT Position: Neutral

Link to Bill: <http://www.indiananet.org/2013data/docs00/pdf/SB0277.PDF>

SB 419 Pilot program requiring prescription for pseudoephedrine (Becker, R-Evansville)

SB 419 permits a county or municipality to adopt an ordinance to establish a pilot project to prohibit the sale of ephedrine or pseudoephedrine without a prescription. The pilot program must expire no later than two years after the ordinance is enacted. Under current law, only ordinances passed prior to February 1, 2005, can be more stringent than the limitations of state law concerning the purchase of ephedrine or pseudoephedrine. Only Vigo County had such an ordinance in place prior to the passage of [SEA 444](#). This bill has been assigned to the Committee on Corrections and Criminal Law where it is unlikely to receive a hearing.

IACT Position: Still evaluating impact of bill.

Link to Bill: <http://www.indiananet.org/2013data/docs00/pdf/SB0419.PDF>

SB 498 Ephedrine or pseudoephedrine (Head, R-Logansport)

SB 498 would classify materials, compounds, mixtures, or preparations that contain ephedrine or pseudoephedrine as schedule III controlled substances and available only with a prescription. SB 498 has been assigned to the Committee on Corrections and Criminal Law where it is unlikely to receive a hearing.

IACT Position: Still evaluating impact of bill.

Link to Bill: <http://www.indiananet.org/2013data/docs00/pdf/SB0498.PDF>

For more information on this bill and other Meth bills, contact Justin E. Swanson, IACT Government Affairs Specialist, at (317) 237-6200 or jswanson@citiesandtowns.org.

Several Bills Filed Addressing Abandoned Homes Problem

SB 308 Abandoned Structure Mortgage Liens (Broden, D-South Bend)
SB 433 Abandoned Property (Paul, R-Richmond)
HB1189 Open Burning (Mahan, R-Hartford City)

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.

Several bills have been filed addressing the abandoned homes problem. Specifically, IACT is working with Rep. John Price (R-Greenwood) on an abandoned housing bill that is yet to be filed.

In addition, SB 308 has been filed which allows a local government unit to extinguish a mortgage lien on an abandoned structure under certain circumstances. HB 1186 has been filed which allows a local unit of government to burn the wooden debris from a demolition outside of the city/town limits. SB 433 has been filed and has a hearing set for Wednesday of next week which establishes a procedure to allow a county to dispose of certain properties which didn't sell at tax sale. It also authorizes a municipality or county to bring an action to collect unpaid expenses relating to the abatement of high weeds and grass. (Under current law, the municipality or county may obtain only a lien on the property containing the high weeds and grass.)

IACT Position: INITIATIVE, Support.

Links to Bills: <http://www.in.gov/legislative/bills/2013/PDF/IN/IN1189.1.pdf>
<http://www.in.gov/legislative/bills/2013/PDF/IN/IN0308.1.pdf>
<http://www.in.gov/legislative/bills/2013/PDF/IN/IN0433.1.pdf>

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

More Work to Be Done on the Problem of Utility Companies that Won't Move Their Lines in a Timely Manner

SB 365 Utility Facility Relocation (Crider, R-Greenfield)

It has become apparent that many city and town taxpayers are paying thousands more dollars than necessary for public works projects due to delays caused by utility companies that won't move their lines by the date they agreed upon with the city/town. In addition, local businesses suffer when roads and streets are closed for long periods.

Last year, IACT was successful in getting a bill passed which required INDOT to keep a web-based system of utility contacts. Therefore, when a city or town has a project which requires moving "facilities" we can consult the website for the appropriate utility contact person to handle the job. The bill also requested that more study be done on the issue through the Regulatory Flexibility interim study committee. However, this study was not assigned to the interim committee by the Legislative Counsel.

This year, we are going to revisit the issue again. New Senator Mike Crider has introduced SB 365. IACT has been working closely with Senator Merritt (who chairs the Senate Utilities Committee) and Senator Crider on this issue and we are hopeful to have a discussion with utility company representatives as to how we can all resolve these costly delays.

IACT Position: INITIATIVE, Support.

Links to Bill: <http://www.in.gov/legislative/bills/2013/PDF/IN/IN0365.1.pdf>

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

IACT Continues to Push for Increased Road & Street Funding, Supports Two Bills Filed

HB 1076 State police and BMV funding (Ober, R-Albion)

HB 1076 removes references to funding from the Motor Vehicle Highway (MVH) account fund for the state police and the BMV. Currently, the state police receive 65% of its total budget from the MVH fund. By removing the state police and BMV, it is estimated that this bill will increase MVH funding to counties and cities and towns by \$0.3 million. This bill also diverts the deposit of various motor vehicle related fees and penalties from the motor vehicle highway account fund to the state general fund as well as the deposit of part of the court fees from the motor vehicle highway account fund to the state general fund.

HB 1076 has been assigned to the Ways and Means Committee and has not been assigned a date for a hearing.

IACT Position: INITIATIVE, Support

Link to Bill: <http://www.indiananet.org/2013data/docs00/pdf/HB1076.PDF>

For more information on this bill, contact Justin E. Swanson, IACT Government Affairs Specialist, at (317) 237-6200 or jswanson@citiesandtowns.org.

HB 1126 Highway funding (Saunders, R-Lewisville)

HB 1126 removes the requirement that one-half of the amount appropriated for the state police department be deducted from the MVH account fund before the statutory allocation to cities, towns, counties, and INDOT is made and leaves references to the BMV in the equation. In FY 2012, there would be \$90.5 M in additional MVH funding for INDOT, counties, and cities and towns. [Click here](#) to view a table, which represents proposed increase in funding for INDOT, counties, and cities and towns.

HB 1126 has been assigned to the Ways and Means Committee and has yet to be scheduled for a hearing. Representative Hamm (R-) has been added as a co-author.

IACT Position: Supports

Link to Bill: <http://www.indiananet.org/2013data/docs00/pdf/HB1126.PDF>

For more information on this bill and other Meth bills, contact Justin E. Swanson, IACT Government Affairs Specialist, at (317) 237-6200 or jswanson@citiesandtowns.org.

Fair Distribution of Local Income Tax Dollars

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” made up of mainly state government employees was assembled to map the revenues coming into the state and the subsequent distribution to locals. Mayor Allan Kauffman of Goshen represented IACT and participated in the numerous Tax Working Group meetings.

The Tax Working Group 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. IACT is working on bills that will be filed by Rep. Wes Culver, Rep. David Ober and Rep. Mark Messmer.

IACT Position: INITIATIVE: Support.

Links to Bills: Bills are yet to be filed.

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

Other Bills

Bill Would Change the Process to Create a New Town

HB 1186 Incorporation of towns (Price, R-Greenwood)

On Thursday the House Local Government Committee considered HB 1186. After taking testimony the bill was held for further consideration. The bill removes the County Commissioners from final approval or disapproval of a petition to incorporate a new town and places the final decision to incorporate on the registered voters of the proposed town through a public question election. A written petition signed by at least 10% of the owners of land in the area of the proposed town must be filed with the county executive (commissioners) of the county that contains all or most of the area of the proposed town. If the county executive finds that the petition satisfies the statutory requirements, the county executive shall adopt a resolution to place a public question concerning incorporation on the ballot and file the resolution and the petition with the circuit court clerk. Petitioners are to publish notice of the contents of the petition. If a majority of voters vote "yes" on the public question, the county executive of each county in which the proposed town is located shall adopt an ordinance to incorporate the area as a town. If the vote is "no new town" then a petition to incorporate may NOT be filed again within two years

after the incorporation election at which a majority of voters voted "no". The bill repeals the provision in which the county executive, after a public hearing, approves or disapproves a petition to incorporate a town and the provision requiring the proposed town to provide at least 6 of 11 type of local government services.

IACT Position: Still evaluating impact of bill

Link to Bill: <http://www.in.gov/legislative/bills/2013/IN/IN1186.1.html>

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

IURC Review of Rates Bill Amended in Committee

HB 1137 IURC review of extraterritorial water rates (Frizzell, R-Indianapolis)

HB 1137 requires petitions for review by the IURC of extraterritorial water rates must be signed by each individual seeking review or by an attorney representing the individuals. As introduced, the IURC may extend the deadline for approving or disapproving a petition for good cause.

Under current law, a petition is dismissed if the IURC fails to act by the deadline. When [HEA 1126](#) was passed last session, IACT was assured that 120 days was ample time to make a decision. However, HB 1137 allows the IRUC to delay a decision for "good cause" and such broad language translates into the possibility of indefinite delay. This uncertainty in the decision making process may result in delays in the construction of new upgrades to infrastructures and increased costs for cities and towns.

After being amended, HB 1137 passed out of the Utilities and Energy Committee 11-0. The amendment allows the IRUC to extend the 120 day deadline for *up to 60 days if all parties to the petition agree* or for good cause. Representative Battles (R-) has been added as a co-author.

IACT Position: Oppose

Link to Bill: <http://www.indiananet.org/2013data/docs04/pdf/HB1137.001.PDF>

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

Accrual Accounting Versus Cash Based Accounting for Local Units of Government

SB 190 Accrual Accounting Requirement (Delph, R-Carmel)

SB 190 will require after December 31, 2013, that state agencies, state educational institutions, and political subdivisions switch to the accrual based accounting method and, after December

31, 2014, include information prepared on an accrual basis in budgets and financial reports. The State Board of Accounts will also be required to prescribe a plan for state agencies, state educational institutions, and political subdivisions to follow to convert to an accrual based accounting method for budgeting and financial reports. The plan must be prescribed by the State Board of Accounts before October 1, 2013.

Many municipalities use a modified accrual accounting method as is. The State Board of Accounts has asked IACT for input on this bill. Even though this would be a learning curve for the fiscal officers, should IACT support accrual based accounting in order to provide a better and more accurate financial or economic picture of the city or town?

IACT Position: Need input from IACT members

Links to Bill: <http://www.in.gov/legislative/bills/2013/IN/IN0190.1.html>

For more information, contact Ann Cottongim, IACT Deputy Director and CFO at (317) 691-7486 or acottongim@citiesandtowns.org.

EDIT Cash Transfer Approval by County, City or Town Executive

HB 1077 EDIT Fund Transfers (Soliday R - Valparaiso)

This bill allows the executive of a county, by resolution or ordinance, or the executive of a city or town, without the adoption of a resolution or ordinance, to transfer money from the unit's County Economic Development Income Tax (CEDIT) fund to any other fund. After the transfer and an appropriation by the appropriate fiscal body, the money may be used for the purposes of the debited fund. This bill would have no net fiscal impact but could impact appropriations dedicated for specific purposes and projects. HB 1077 specifies that a unit may not make such a transfer if it would impair the unit's ability to satisfy any debts, liabilities, or obligations for which CEDIT revenue is pledged. Remember that CEDIT funds can be used for any governmental purpose already.

IACT Position: Support

Link to Bill: <http://www.in.gov/legislative/bills/2013/IN/IN1077.1.html>

For more information, contact Ann Cottongim, IACT Deputy Director and CFO at (317) 691-7486 or acottongim@citiesandtowns.org.

Regional Sewer District Boards to be Elected

SB 205 (Jean Leising, R-Oldenburg)

Newly formed regional sewer district (RSD) will have to have an elected board of trustees and current RSD boards that did not have elected trustees (e.g. board members who were appointed by elected officials) will have to have the RSD plan amended to systematically replace appointed officials with elected ones. The Senate Elections Committee took testimony and the Chair held the bill for later action.

IACT Position: Still evaluating impact of bill

Link to Bill: <http://www.in.gov/legislative/bills/2013/IN/IN0205.1.html>

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

Two Bills Filed Would Exempt Specific Populations From Fees & Taxes

HB 1062 Storm Water Fees (Bacon, R- Chandler)

As introduced, HB 1062 provides that, subject to the approval of the county executive, the board of directors of a department of storm water management (board) may exempt property owned by certain individuals who are 65 years or older, blind, or disabled from the assessment and collection of storm water fees. In order to receive the exemption, the individual who is 65 years or older must not have a combined AGI of more than \$25,000 and an assessed value of more than \$182,430.

This is a local option providing flexibility to localities that must be vetted at the local level. This bill was amended in the Local Government Committee to ensure the fiscal body of a municipality for a board of a municipality had to approve of the exemption. The amended bill passed out of committee with a vote of 11-0. Representative Crouch has been added as a co-author.

IACT Position: Neutral

Link to Bill: <http://www.indiananet.org/2013data/docs00/pdf/HB1062.PDF>

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

SB 165 Assessed value cap for veteran's deduction (Holdman, R-Hartford City)

As introduced, SB 165 Eliminates the assessed value cap of \$143,160 that applies to the property tax deduction for a veteran who: (1) has a total disability; or (2) is at least 62 years of age and has at least a 10% disability.

SB 165 was amended in the Tax and Fiscal Committee to increase the assessed value cap from \$143,160 to \$195,600. Beginning with taxes payable in 2014, this amended bill could result in an estimated additional 3,700 deductions for totally disabled veterans. The additional deduction amount would annually shift about \$950,000 in taxes statewide from disabled veterans to all other taxpayers. After the amendment was adopted, this bill was voted out of committee 13-0.

IACT Position: Neutral

Link to Bill: <http://www.indiananet.org/2013data/docs04/pdf/SB0165.001.PDF>

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



IACT LEGISLATIVE DAY

Register Today for IACT Legislative Day!

MARCH 19, 2013
INDIANAPOLIS

Join fellow municipal officials in Indianapolis for a legislative briefing at the OneAmerica building, followed by a luncheon with legislators at the Statehouse.

[Details and Registration](#)
[Download the Registration Form](#)

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