



Indiana Association *of*  
Cities and Towns

**2013 Mid-Session  
IACT Legislative Report**

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# 2013 Mid-Session Statehouse Report

March 5, 2013

Dear IACT Member,

The Indiana General Assembly has reached the mid-way point of the 2013 legislative session, when bills that have passed the House now head to the Senate for consideration and bills that have passed the Senate now head to the House. At the start of session, more than 1,000 legislative proposals were filed, today only 390 remain. Several of the bills moving would have a significant impact on cities and towns. It is my privilege to provide for you the 2013 IACT Mid-Session Report.

The 2013 Legislative Session has been an interesting one, to say the least. With a new Governor and dozens of new legislators, the tone in the Statehouse has changed. There is something different in the air. We have been encouraged by the receptiveness this year from legislators to the call for increased investment in our infrastructure. The House's proposed budget contained in HB 1001 appropriates an additional \$56.8 M over two years for local roads and streets, which is admittedly not enough, but it is a start we appreciate. For the first time in decades, our cornerstone initiative on statewide municipal authority for a food and beverage tax was heard and voted upon. Although it did not pass in committee, Ways and Means Chair Tim Brown voted in favor of the bill, which is encouraging for future efforts. In key committees in both chambers, legislators are talking about the need to provide local cities and towns more tools to address economic and public safety needs – from abandoned housing to meth to business development.

There are, however, bills moving that would impact cities and town negatively, including a group of proposals being discussed that would result in less revenue for cities and towns. One proposal (SB 528) would result in a \$20 million loss statewide for cities and towns receiving gaming tax revenues. Another bill (HB 1544) reduces the assessment rate on certain business property, resulting in \$17 million less in property tax revenues for local units. Although no specific bills are moving, the chatter among legislators on eliminating personal property taxes and video service franchise fees without a replacement revenue source is cause for concern.

In other bills moving, there seems to be a continued push to move municipally-owned utilities under IURC review, including for the first time sewage. This added bureaucratic oversight comes at a high legal and administrative cost. Adding insult to injury, are bills that limit our ability to grow (SB 376 annexation caps) and to keep our communities attractive and safe (HB 1313 moratorium on rental inspection programs). We are also closely monitoring bills which could impact the way our Redevelopment Commissions work (SB 325 and SB 346). Legislators need to hear from you on these bills of concern.

If we want our voice to be heard on hometown matters being discussed at the Statehouse, then we must speak up! It is up to each one of us to keep the conversation going – to stay engaged in the legislative process. Please feel free to contact any member of our staff and legislative team with questions.

Sincerely,

Matthew C. Greller  
Executive Director and CEO

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# Stay Up to Date on Legislative Happenings



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## IACT's Legislative Day on Tuesday, March 19<sup>th</sup>

Join municipal officials from around on March 19<sup>th</sup> in Indy for a legislative briefing at the OneAmerica Building, followed by a legislator luncheon at the Statehouse. Special guests: Governor Mike Pence and State Agency Leaders. Registration information available at: [www.citiesandtowns.org](http://www.citiesandtowns.org).

For questions or information on legislation, please contact our Legislative Team or any [IACT Staff Member](#).



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# Bills of Concern

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## **[SB 528](#) – Gaming (Sen. Boots, R-Crawfordsville; Rep. Davis, R-Portland)**

HB 528 changes current distributions of gaming revenue resulting in significant losses of revenue to gaming communities and a 20% drop in revenue to non-gaming communities. It passed the Senate 32-18 and now heads to the House for consideration.

IACT Position: Oppose

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## **[HB 1544](#) – Various Tax Matters (Rep. Turner, R-Cicero; Sen. Hershman, R-Buck Creek)**

HB 1544 was amended on third reading of the House to remove problematic language which provided counties, cities and towns with a local option to exempt personal property. The bill still contains language which changes the caps on the common areas of rental properties from 3% to 2% which results in a loss of \$17 M in property taxes statewide. The bill passed the House by a 65-30 vote and now heads to the Senate for consideration.

IACT Position: Oppose

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## **[SB 376](#) – Gross Assessed Value Limits on Annexation (Sen. Buck, R-Kokomo; Rep. Mahan, R-Hartford City)**

SB 376 prohibits a municipality from annexing territory that would result in an increase in the total assessed value of the municipality by more than 15% in the ensuing calendar year. It passed the Senate 44-5 and now heads to the House for consideration.

IACT Position: Oppose

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## **[SB 385](#) – Regional Sewer Districts (Sen. Charbonneau, R-Valparaiso; Rep. Wolkins, R-Winona Lake)**

SB 385 allows a purchaser of wholesale sewage service to petition the IURC for the settlement of a dispute (currently, going to court is the only option). It passed the Senate 48-2 and now heads to the House for consideration.

IACT Position: Oppose

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## **[HB 1307](#) – Extraterritorial Utility Rates and Charges (Rep. Braun, R-Zionsville; Sen. Merritt, R-Indianapolis)**

HB 1307 allows ratepayers of water and sewer that reside outside of the municipality boundary to petition the IURC for review of rates when their rates are 50% higher than inside users. It passed the House 70-28 and now heads to the Senate for consideration.

IACT Position: Oppose

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## **[HB 1313](#) – Regulation of Residential Leases (Rep. Speedy, R-Indianapolis; Sen. Holdman, R-Markle)**

HB 1313 puts a one year moratorium on the start of any new rental housing inspection programs which require a landlord to obtain a permit or license or pay a fee. It sends the issue of rental housing inspections programs to summer study. It passed the House 60-33 and now heads to the Senate for consideration.

IACT Position: Oppose

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**[SB 325](#) – Redevelopment Commissions and Authorities (Sen. Kenley, R-Noblesville; Sen. Cherry, R-Greenfield)**

SB 325 makes various changes to the redevelopment statute. It passed the Senate 44-5 and now heads to the House for consideration.

IACT Position: Oppose

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**[SB 346](#) – Redevelopment Commissions (Sen. Head, R-Logansport; Rep. Friend, R-Macy)**

SB 346 provides that redevelopment commissions may provide financial assistance to the owner of commercial property within a redevelopment or economic development area to assist the owner in constructing, rehabilitating or repairing commercial property. Such financial assistance would require approval by the unit's fiscal body. It passed the Senate 44-5 and now heads to the House for consideration.

IACT Position: Support the Concept

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**Video Services Franchise Fees**

HB 1432 (Lutz) contained language that would eliminate cable franchise fees. The bill did not receive a hearing, but we are still keeping a close watch on this issue.

IACT Position: Oppose

## IACT Legislative Initiatives

### *IACT's Cornerstone Initiatives*

**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.

There is no bill moving this session to address this initiative.

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**Statewide authority to adopt food and beverage taxes:** Level the playing field for food and beverage taxes by allowing all cities and towns statewide to have their own food and beverage tax which can be used for any municipal purpose.

HB 1071 which would have provided for municipal food and beverage tax adoption failed in the Ways and Means Committee. However, HB 1070 passed in the House by a 65-31 vote. It allows the Town of Cloverdale to adopt the tax.

### *2013 Operational Initiatives*

Every year, the IACT Legislative Committee meets and hears recommendations from policy committees on possible legislative operational initiatives. After discussion and debate, the committee makes a recommendation to the IACT Board of Directors. The 2013 initiatives are a result of their work and include the following.

**Clean-up of Problem Properties – Hold Mortgage Companies Responsible:** The residential foreclosure problem has taken a toll on cities and towns. Many properties are under control of a bank or mortgage company and are unmaintained, which hurts neighborhood quality, assessed value 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 the banks and mortgage companies should reimburse 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.

IACT will be working in the second half to get language amended into SB 433 to address some issues with abandoned homes.

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**Fair Distribution of Local Income Tax Revenue:** Recently, it was made known that local units are not receiving all of the local income tax revenue that is collected by the state. The state collects the income tax from employers based on the county rate, but the state is only distributing the revenue to locals when a tax return is filed. The state is keeping these local dollars for itself and the dollars are counted as un-reconciled cash which goes into the state general fund. Locals should receive all of its collected revenues and the distribution should occur upfront, based on the taxes collected, not based on returns filed.

IACT is asking the state to insure that locals are getting their full distribution of local option income taxes. We are told that in order to rectify the problem, the Department must buy a costly computer system. IACT is urging the state to rectify this problem by taking any necessary steps.

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**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 necessary to have private utility companies move their lines out of the way to accommodate construction. Private utilities are required to move their lines. However, it is becoming a common problem for municipalities that the utility companies are not responding to requests to move lines in a timely manner or the utilities will agree to have the lines moved by a certain date and they fail to meet this date. The problem causes project delay, possible penalty fees owed to the contractor, project timing problems and ultimately more cost to the taxpayer. Local businesses also suffer when road projects are delayed and customers lose road access to the businesses. Utilities should be required to move their lines in a timely manner when requested or face penalties.

**[SB 365 - Utility Lines \(Sen. Crider, R-Greenfield\)](#)**

This 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. It also specifies that a unit that is responsible for relocation costs shall pay the costs in arrears in accordance with the procedures of the state board of accounts. SB 365 has been referred to the Committee on Utilities and Energy with Representative Koch as a House sponsor.

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**Keep Gas Tax Revenue for Roads and Streets - Remove BMV and State Police Funding from Gas Tax Revenue:** The gas tax is a user fee that is collected for the purpose of funding improvements to roads and streets. In recent years, however, 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. In fact, the state police now receives 63% of its total budget from the MVH Fund. In FY 2011, \$157 Million was allocated from the MVH Fund for non-road agencies and activities. As local roads and streets are crumbling and improvements need to be made, gas tax user fee revenue should be used and distributed for its intended purpose.

**[HB 1001 – Budget Bill \(Rep. T. Brown, R-Crawfordsville\)](#)** The General Assembly recognizes the shortfall of funding for local governments to maintain our streets and roads but have yet to come to a consensus on a sustainable solution to this issue. HB 1001 addresses the funding shortfall by removing the requirement that the Motor Vehicle Highway Account pay one-half the amount appropriated to the

State Police operations before the statutory allocation to municipalities. This provision is estimated to add an additional \$12.0 M to \$13.5 M annually to cities and towns. Another provision of the bill diverts 1.5% of the sales and use tax state revenue to the MVHA fund, which would mean an additional \$16.1 to \$16.2 M annually for cities and towns. HB 1001 now heads to the Senate for revision.

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**Public Service Answer Points – County Should be Responsible / More Transparency with Revenues:** A state law requires that, with a few exceptions, all counties should have no more than two Public Service Answering Points (PSAPs or E911 Call Centers) by December 31, 2014. In 2012, the state legislature passed a law setting a uniform monthly fee of \$.90 on all land line telephones and all monthly-contract cell phones. The fee for prepaid cell phone products is set at \$.50 per product. The revenue generated from these fees is collected by the state and distributed to the counties for purposes of running the PSAPs and funding E911 within the county. Because county government receives and is in charge of the revenue to fund the PSAPs within its county, the county should be responsible for paying for the operations so that E911 calls can be received and emergency response can be dispatched. City and town taxpayers should not be required by their county to pay an additional amount over and above what a county resident pays for their E911 service. If it determined through an inter-local agreement that a city or town-operated PSAP would best serve the area, then the county should be required to pass the revenue intended for the PSAP to the city or town that operates the PSAP. In addition, more transparency is needed to see that E911 fees are collected and distributed properly.

HB 1304 dealing with Public Service Answer Points did not get a hearing in the House Ways and Means Committee. IACT may find it possible to have language added to another bill to address some needed clarifications.

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**Make Pseudoephedrine a Controlled Drug to Curb the Meth Problem:** Pseudoephedrine is a main ingredient in cold and allergy medicines. It is also a main ingredient in Methamphetamine, which is an illegal drug made by combining and “cooking” certain ingredients together. “Meth” has a devastating effect on its users and others. The making, using and selling of Meth creates enormous problems for municipalities – crime increases, buildings and houses where Meth labs have been located become environmental contaminated, municipal sanitation workers are often exposed to contamination when meth labs equipment is placed in public trash receptacles, and overall, there is a tremendous expense to a city or town. Currently, cold and allergy products that contain Pseudoephedrine are kept behind the pharmacists’ counter at the drug stores and one must show identification in order to purchase the product, so that the purchase can be logged. Despite the attempt to track and arrest people who are buying large quantities of cold and products to make Meth, there is still a rampant problem. Because of the Meth problem, IACT supports measures to require drugs containing Pseudoephedrine to be available for purchase only with a doctor’s prescription.

**[SB 496](#) – Meth (Sen. Yoder, R-Middlebury)** This bill specifies that only a pharmacy or a retailer that uses the National Precursor Log Exchange system may sell ephedrine and pseudoephedrine products. It also prohibits a pharmacy or retailer to sell more than 61.2 grams of ephedrine or pseudoephedrine to an individual in a 365-day period. Unless dispensed under a prescription, individuals convicted of certain offenses involving methamphetamine are prohibited from possessing ephedrine, pseudoephedrine, or phenylpropanolamine within seven years of the person's conviction. It also increases the penalties for causing bodily injury or property damage while in possession of more than ten grams of ephedrine, pseudoephedrine, or phenylpropanolamine. SB 496 has been assigned to the Committee on Courts and Criminal Code with Representative McMillin as the House sponsor.



# Local Road Funding & Budget Update



In February, IACT participated in a Road Funding Day along with a broad coalition organized by Build Indiana Council. The General Assembly recognizes the shortfall of funding for local governments to maintain our streets and roads but have yet to come to a consensus on a sustainable solution to this issue.

There were a total of 15 pieces of legislation introduced this year that attempted to deal with local road funding (see [150](#), [440](#), [441](#), [505](#), [612](#), [613](#), [1072](#), [1076](#), [1117](#), [1125](#), [1126](#), [1141](#), [1286](#), [1292](#), [1363](#)). These 15 pieces of legislation either failed to get a hearing, were heard but not acted on, or were killed on the floor.

However, there is light at the end of the tunnel going into the second half of session. As IACT has previously reported, the off the top allocation to the State Police from the Motor Vehicle Highway Account will be removed through the budget writing process. Furthermore, Representative Karickhoff (R-Kokomo) has an opportunity to pass [SB 389](#), which is a mirror image of [HB 1117](#) and permits a county income tax council to impose a motor vehicle excise surtax and a wheel tax for a county.

Representative Soliday's (R-Valparaiso) [HB 1366](#) has moved over to the Senate and has been assigned to the Committee on Tax and Fiscal Policy. This bill authorizes the Department of Transportation to develop a pilot program to explore alternative highway and street funding methods. Specifically, any pilot program may not last more than 24 months and must include vehicle miles traveled component.

Senator Walker's (R-Columbus) [SB 479](#) passed out of the Senate and has been assigned to the Committee on Ways and Means. Under current law, the gasoline Sales Tax collection point is at retail. This bill moves the point of collection to gasoline distributors. This bill also provides a new collection procedure for remitting Use Tax on gasoline. Under this bill, the gasoline Use Tax owed is the number of gallons sold multiplied by the gasoline Use Tax rate, which is equal to 7% of the statewide average retail price per gallon.

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**[HB 1001](#) – Budget Bill (Rep. T. Brown, R-Crawfordsville)** On February 25, 2013, the House passed their proposed two-year \$30 billion budget with a 68-28 vote, and it has been assigned to the Committee on Appropriations in the Senate. HB 1001 does not include Governor Pence's reduction in Indiana's individual income tax rate from 3.4% to 3.06%, which would reduce state tax collections by about \$520 million annually. Under this proposed budget, K -12 education spending will be increased by 2% in the first year and another 1% in the second year. It also requires the Auditor to transfer \$150 M from the General Fund to the Tuition Reserve Fund on July 1, 2013 and another \$150 M on July 1, 2014.

HB 1001 also addresses the funding shortfall for maintaining local government road infrastructure by removing the requirement that the Motor Vehicle Highway Account pay one-half the amount appropriated to the State Police operations before the statutory allocation to municipalities. This provision is estimated to add an additional \$12.0 M to \$13.5 M annually to cities and towns.

The bill also changes the distribution of Sales and Use Taxes by reducing the amount deposited in the General Fund and moves these funds into the Motor Vehicle Highway Account. This provision results in additional funds to cities and towns estimated to be \$16.1 M for FY 2014 and \$16.7 M for FY 2015.

These provisions mean a combined total of \$56.8 M more over two years for cities and towns. It is important to note that HB 1001 is just a proposal that may change in reaction to the annual revenue forecast report that is released this April.

# Administration

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## **[HB 1219](#) - Privacy of Law Enforcement Officer Addresses (Rep. Karickhoff, R-Kokomo; Sen. Crider, R-Greenfield)**

HB 1219 requires local governments to operate a public database containing the names and addresses of property owners to establish a procedure to permit law enforcement officers or victims of domestic violence to restrict disclosure to the general public of the person's home address. It passed the House 96-4 and now heads to the Senate for consideration.

IACT Position: Neutral

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## **[HB 1589](#) - Ports of Indiana Procurement and Public Works (Rep. Ober, R-Albion; Sen. Head, R-Logansport)**

HB 1589 increases the threshold at which the Ports of Indiana (Ports) is required to publicly bid construction projects or purchases of equipment, materials, and supplies from \$25,000 to \$150,000. The bill specifies how the Ports can declare an emergency, and if done, how they may contract for a construction project or the purchase of equipment, materials, or supplies, without advertising for bids. The bill passed the House 94-0 and heads to the Senate for consideration.

IACT Position: Support

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## **[SB 4](#) - Altering Historic Preservation Districts (Sen. Arnold, D-LaPorte; Rep. Dermody, R-LaPorte)**

SB 4 provides a method for removing the designation of a historic district by having the property owners file a request with the legislative body who then must submit the petition to the local unit's Historic Preservation Commission. The Commission must then conduct a public hearing and make a recommendation to grant or deny the petition. The bill passed the Senate 46-0 and now heads to the House for consideration.

IACT Position: Support

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## **[SB 213](#) - Employee Benefits (Sen. Boots, R-Crawfordsville; Rep. Speedy, R-Indianapolis)**

SB 213 provides that, unless federal or state law provides otherwise, a county, city, town, or township (unit) may not establish, mandate, or otherwise require an employer to provide to an employee who is employed within the jurisdiction of the unit: (1) a benefit; (2) a term of employment; (3) a working condition; or (4) an attendance or leave policy; that exceeds the requirements of federal or state law, rules, or regulations. The bill passed the Senate 38-12 and now heads to the House for consideration.

IACT Position: Opposed

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## **[SB 226](#) - Suspension of Local Officeholders (Sen. Glick, R-LaGrange; Rep. Heuer, R-Columbia City)**

SB 226 provides that local elected officeholder may be suspended from office if they are charged with certain felonies or misdemeanors and a 2/3 majority of the legislative body finds that the offense is relevant to the officeholder's suitability for office, and it is in the best interests of the governmental unit that the officeholder be suspended from office. The bill passed the Senate 40-9 and now heads to the House for consideration.

IACT Position: Neutral

# Community and Economic Development

## **[HB 1317](#) - Land Banks and Tax Sales (Rep. Clere, R-New Albany; Sen. Holdman, R-Markle)**

HB 1317 was amended in committee to provide for a summer study on the issue of land banks. The bill passed the House 93-1 and now heads to the Senate for consideration.

IACT Position: Support

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## **[SB 91](#) - Motorsports Investment District (Sen. R. Young, R-Indianapolis)**

This bill provides that the Indiana Finance Authority (IFA) may adopt a resolution establishing a Motorsports Investment District (MID). Sales and Use Tax and the Individual Adjusted Gross Income Tax generated in the MID will be allocated to the IFA. The bill specifies that the maximum amount of covered taxes that may be captured from the MID and allocated to the IFA in a state fiscal year may not exceed \$5 M and may be captured from the MID only for 20 years. SB 91 passed out of the Senate and Representative T. Brown has been added as the House sponsor.

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## **[SB 173](#) - Lakefront Development Project Alcohol Permit (Sen. Charbonneau, R-Valparaiso; Rep. Davis, R-Portland)**

SB 173 allows the Alcohol and Tobacco Commission (ATC) to issue a one-way, two-way, or three-way permit to sell alcoholic beverages to restaurant owners on land or in a historic lake vessel within a municipal lakefront development project funded in part with state, local, and federal money. The bill requires the boundaries of the lakefront development project to border on Lake Michigan. The bill passed the Senate 41-8 and now heads to the House for consideration.

IACT Position: Support

# Finance

## **[HB 1077](#) - Fund Transfers (Rep. Soliday, R-Valparaiso; Sen. Charbonneau, R-Valparaiso)**

HB 1077 designates the county, city, or town executive as the governing body authorized to transfer money from an economic development income tax. It provides that after appropriation and transfer, the money may be used for the purposes of the fund to which it is transferred to. Stipulates that a unit may not transfer money if the amount transferred would impair the unit's ability to satisfy any debts, liabilities, or obligations. The bill passed the House 97-0 and heads to the Senate for consideration.

IACT Position: Support

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## **[HB 1124](#) - City & Town Court Late Payment Fees (Rep. Mahan, R-Hartford City; Sen. Holdman, R-Markle)**

HB 1124 provides that a defendant who is found to have committed a Class D infraction or Class C infraction for unlawfully parking in a handicap spot shall pay a late payment fee of \$25 if the defendant: (1) Is required to pay a fine or civil judgment; (2) Is not determined by the court imposing the fine or civil judgment to be indigent; and (3) Fails to pay the fine or civil judgment on time. The bill passed the House 99-0 and now heads to the Senate for consideration.

IACT Position: Support

**[HB 1145](#) - Various Local Government Matters (Rep. Candelaria Reardon, D-Hammond; Sen. Paul, R-Richmond)**

HB 1145 authorizes a political subdivision or municipally owned utility to charge a reasonable fee when accepting a credit card or bank card for payments. Unused and unencumbered funds from any fiscal year may be transferred to a political subdivision's Rainy Day Fund. Affects mobile home registry and inspections. The bill passed the House 67-27 and now heads to the Senate for consideration.

IACT Position: Support

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**[SB 169](#) - Fire Insurance Proceeds Escrow Account (Sen. Head, R-Logansport; Rep. Lehman, R-Berne)**

SB 169 applies the law concerning insurance proceeds escrow deposits to all cities and towns, phased in over three years. (Current law applies only to first and second class cities.) The bill passed the Senate 47-1 and now heads to the House for consideration.

IACT Position: Support

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**[SB 229](#) - Adjustment for Township Firefighting Fund Levy (Sen. Boots, R-Crawfordsville; Rep. Negele, R-Attica)**

SB 229 provides that in the case of a township and a municipality in the township in which: (1) the township provides fire protection to the municipality; and (2) the municipality does not pay the township for any part of the township's cost in providing fire protection services; DLGF shall make an adjustment to the maximum property tax levies of the township and municipality, if the adjustment is agreed to by the fiscal bodies of the township and municipality. The bill passed the Senate 50-0 and now heads to the House for consideration.

IACT Position: Support (as long as the requirement remains that both parties must agree)

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**[SB 349](#) – Municipal Utility Funds and Economic Development (Sen. Head, R-Logansport; Rep. Friend, R-Macy)**

SB 349 authorizing a municipal legislative body, with the approval of the board of the municipality's municipally owned utility, to donate surplus utility earnings to a local economic development organization. The bill passed the Senate 47-0 and now heads to the House for consideration.

IACT Position: Support

## **Local Government Reorganization**

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**[HB 1186](#) – Incorporation of Towns (Rep. Price, R-Greenwood; Sen. Bray, R-Martinsville)**

HB 1186 changes the process for incorporation of a town, allowing a petition signed by at least 10% of owners of land in the proposed area to be submitted to the county executive, who may then either adopt an ordinance incorporating the town or adopt a resolution to place a public question on the ballot. The bill passed the House 96-0. Sen Bray of Martinsville will sponsor the bill in the Senate.

IACT Position: Support

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**[HB 1287](#) – Local Government Reorganization (Rep. Thompson, R-Linton; Sen. Miller, R-Avon)**

Provides that in the case of a governmental reorganization involving municipalities and townships that are participating units in a fire protection territory, on the date the reorganization is approved by voters, the

fiscal body of the reorganized political subdivision may establish an equipment replacement fund and impose a property tax for the fund in the same manner as participating units in a fire protection territory.

IACT Position: Support

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**HB 284 – Annexation by Town Outside City Boundaries (Sen. Buck, R-Kokomo; Rep. Cherry, R-Greenfield)**

HB 284 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 passed the Senate 43-6 and now heads to the House for consideration.

IACT Position: Oppose

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**SB 285 – Waiver of Right to Remonstrate Against Annexation (Sen. Buck, R-Kokomo; Rep. Karickhoff, R-Kokomo)**

SB 285 passed the Senate 49-0. For annexation waivers as part of a contract signed after June 30, 2013 with a municipality to receive sewer service, to be binding on future property owners, the successor in title must have (1) actual notice of the release (annexation waiver); or (2) constructive notice of the release because the contract has been entered and recorded in the chain of title of the property.

IACT Position: Neutral

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**SB 343 – Local Government Reorganization (Sen. Head, R-Logansport; Rep. Richardson, R-Noblesville)**

SB 343 passed the Senate 46-3 and amends the process for local government reorganization involving a county and municipality or a municipality and a township. The bill requires (rather than allows) the use of an “approval threshold.” Requires that in such a reorganization, the number of voters voting to approve the reorganization must equal or exceed the approval thresholds set in the reorganization plan, which must be greater than 50%, but not more than 55%.

IACT Position: Watching

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**SB 459 – Local Government Reorganization (Sen. Miller, R-Avon; Rep. Steuerwald, R-Danville)**

In the case of reorganization between a township and another political subdivision, this bill specifies how certain township services and township/volunteer fire department loans and cumulative building and equipment funds shall be handled. The bill passed the Senate 37-13

IACT Position: Watching

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**SB 621 – Local Government Issues (Sen. M. Young, R-Speedway; Rep. Speedy, R-Indianapolis)**

This bill makes several changes to Indianapolis’ unigov statute, including: reducing the number of council members in Indianapolis from 29 to 25 (eliminating at-large members), changes residency requirement for mayor candidates from five years to one year of residence, eliminates the requirement that the council approve mayor’s director appointments, in addition to other provisions. The bill passed the Senate 33-14, with all Democrats voting no.

IACT Position: Watching

# Transportation

## [HB 1011](#) - Mass Transit (Rep. Torr, R-Carmel)

The bill authorizes the establishment of a metropolitan transit district (MTD) by specified eligible counties through local public questions and provides for an appointed board to govern the MTD. It also provides that in a county that has approved the local public question, an additional County Economic Development Income Tax rate of not more than 0.3% may be imposed in that part of the county included in the MTD to pay the county's contribution to the funding of the MTD. HB 1011 has been referred to the Committee on Local Government with Senators Pat Miller, Kenley and Merritt added as Senate sponsors.

IAC Position: Support

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## [HB 1523](#) - Moped Operation and Licenses (Rep. M. Smith, Sen. Becker)

HB 1523 would require mopeds to be registered with the Bureau of Motor Vehicles (BMV) with fees equal to that of a motorcycle, and mopeds would be subject to motor vehicle excise taxes. Moped operators will be limited to 30 mph, and it would require dealers who sell at least 12 mopeds a year to register with the Secretary of State. The bill passed House 3<sup>rd</sup> reading 75-13 and now heads to the Senate for consideration.

IAC Position: Neutral

# Utilities

## [HB 1137](#) - IURC Review Of Extraterritorial Water Rates (Frizzell, R-Indianapolis; Merritt, R-Indianapolis)

The Bill passed the House by a vote of 94-0 and is assigned to the Senate Utilities Committee. It deletes the provision to require the IURC to act within 120 days on a petition filed to review rates for users outside of the municipality and allows the IURC to extend the 120 days for up to 60 days by agreement of the parties or for good cause.

IAC Position: Opposed

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## [HB1169](#) - Drainage Issues (Heuer, R-Columbia City; Wyss, R- Ft. Wayne)

The Bill passed the House by a vote of 96-0 and is assigned to the Senate Agriculture and Natural Resources Committee. In a platted subdivision it allows the County Drainage Board to reduce a tiled drain, including a tiled urban drain, easement to no less than 7 feet on each side of the center line of the said drain or no less than recommended by the County Surveyor.

IAC Position: Neutral

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## [HB1497](#) - Regional Water, Sewage, and Solid Waste Districts (Zent, R-Angola; Charbonneau, R-Valparaiso)

On February 19<sup>th</sup> the House passed HB 1497 (88-2). It has been assigned to Senate Environmental Affairs Committee and will be heard on March 4, 2013. The bill outlines steps to be taken to determine if there is or is not a failing septic system which would then determine whether a sewer utility (not a municipal sewer department or district) could force a sewer connection and it amends certain regional districts' notice requirements and board of directors eligibility requirements.

IAC Position: Neutral

### **[HB1536](#) - Solid Waste Management Districts (Wolkins, R-Warsaw; Charbonneau, R-Valparaiso)**

On February 19<sup>th</sup> the House also passed HB 1536 (88-2). It has been assigned to Senate Environmental Affairs Committee and will also be heard on March 4, 2013. A solid waste management district will no longer be allowed to impose a fee for registering, issuing a permit for, or licensing a vehicle as a condition of allowing a solid waste hauler to render services within the solid waste district and if the district currently charges a fee it must stop January 1, 2015.

IACCT Position: Neutral

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### **[SB0205](#) - Regional Sewer Districts (Leising, R-Oldenburg; Wolkins, R-Warsaw)**

This bill passed the Senate unanimously (50-0). It now allows a district ratepayer to be eligible to serve as a trustee on the Board of Directors of regional sewage, water or solid waste district. This same language is in HB 1497.

IACCT Position: Neutral:

## **Bills That Died in the First House**

Note: Although the bill numbers have died, most of these proposals are still eligible for amendment.

### **[HB 1062](#) - Storm Water Fees (Bacon, R-Chandler)**

This bill was not called for a third reading. It would have allowed for the council to adopt an ordinance to exempt property owned by a person over the age of 65, blind, disabled, or partially disabled veteran from paying storm water fees.

IACCT Position: Opposed

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### **[HB 1189](#) – Open Burning (Mahan, R-Hartford City)**

This bill would have changed the law to allow for certain open burning in unincorporated areas without a permit from IDEM or any other local unit of government. The bill never received a hearing.

IACCT Position: Watching

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### **[HB 1269](#) – Environmental Coverage (Carbaugh, R-Fort Wayne)**

The Insurance Institute advocated for this bill, which would exclude coverage for pollutants from any general insurance policy. In order to be covered for damage done by pollutants, property owners would have to buy a separate policy. The bill was heard in committee but never received a vote.

IACCT Position: Have Concerns

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### **[HB 1281](#) – LOIT Laws (Thompson, R-Linton)**

HB 1281 replaces the County Adjusted Gross Income Tax, the County Option Income Tax, and the County Economic Development Tax with a Local Income Tax (LIT) law. House Ways & Means Committee ran out of time to vote on the bill. However, there are indications that this bill may be amended into a Senate Bill in the second half.

IACCT Position: Support

### **HB 1388 – Limitation of Home Rule Power (Speedy, R-Indianapolis)**

HB 1388 was voted down in House Local Government Committee by a vote of 4-6. It would have changed 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 Position: Oppose

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### **SB 190 – Accrual Accounting (Delph, R-Carmel)**

As initially filed, SB 190 would have required state agencies, state educational institutions, and political subdivisions switch to the accrual based accounting method by January 1, 2014 and, after December 31, 2014, include information prepared on an accrual basis in budgets and financial reports. There was discussion that the bill was to be amended to send the issue to study committee, however, the bill was never heard in committee.

IACT Position: Oppose

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### **SB 313 - Advisory Commission on Intergovernmental Relations (Smith, R-Charlestown)**

This bill would have removed IACT's appointment to the Commission on Intergovernmental Relations and instead required the legislature to make the appointments. The bill was never voted on in committee.

IACT Position: Oppose

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### **SB 321 – Volunteer Firefighters Holding Elected Office (R. Young, D-Milltown)**

This bill would have amended the recently passed conflict of interest law by allowing volunteer firefighters to hold an elected office of a unit that receives fire protection services from the volunteer fire department or fire department in which the volunteer firefighter serves. The bill was never voted on in committee.

IACT Position: Neutral

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### **SB 353 – Personal Property Taxes (Hershman, R-Buck Creek)**

SB 353 would have allowed a county council to make a decision to entirely eliminate property taxes on depreciable personal property in the county

IACT Position: Oppose

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### **SB 375 – Personal Property Taxes (Buck, R-Kokomo)**

SB 375 would have changed the minimum personal property tax depreciation floor from 30% to 20% for assessment dates after 2013.

IACT Position: Oppose

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### **SB 458 – Electronic Notice by Political Subdivisions (Banks, R-Columbia City)**

This bill would have allowed cities and towns to publish legal notices on a web site instead of purchasing a newspaper advertisement. The bill never received a vote in committee.

IACT Position: Support

***\*\*IACT emails and posts on the IACTGo! Iphone App a weekly Legislative Summary each Friday during the Legislative Session. If you would like to receive the summary or any of IACT's communications, please contact Katelyn Storms at [kstorms@citiesandtowns.org](mailto:kstorms@citiesandtowns.org) or call 317-237-6200.***