



JANUARY 22, 2016

With three weeks under our belts, lawmakers and the IACT legislative team have reached that point in the legislative session where amendments and new developments are swirling faster than a toupee in a hurricane. In addition to the Top Five Things You Need to Know, we encourage you to review the [tracking list highlighting 25 additional bills](#) of interest or concern to municipal government.

Another important note for all municipal leaders, consider attending [Road Funding Day](#) this coming Monday. This important gathering will give you the latest on the many road funding options being debated at the State House and will show lawmakers you support the extraordinary effort they are making to ensure move funding for vital local infrastructure. See below for more details and to register for the event. It's not too late!

THIS WEEK: THE TOP 5 THINGS YOU NEED TO KNOW

Road Funding

- SB 67 and HB 1001 are distinctly different approaches to meeting local road funding needs and we remain in support of both bills. This is a great opportunity for local leaders to pass resolutions urging legislators to address our immediate and long term road funding needs.
- The main point of contention between the two bills is what each side believes is the fiscally responsible method of addressing our infrastructure needs. While that discussion must take place the focus must remain on our immediate need and there must be large scale results this session. If this is yet another year where we proverbially kick the can down the road it likely end up inside in a pothole.
- As the debate between legislators intensifies we need to remain engaged at the state house and back home to inform our legislators of our local needs. Providing legislators with data and information on local needs and shortfalls provides them with ammunition as they debate the topic and fight for us.
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Annexation

- IACT's initiative annexation bill, HB 1298 passed out of committee.
- HB 1298 makes clean-up changes to last year's sweeping annexation law, SEA 330. A provision allowing Syracuse to annex its industrial park was amended into HB 1298.
- IACT opposes two other annexation bills. SB 143 requires county commissioner approval to annex; SB 298 removes the economic development exception for annexations. So far, neither bill has been scheduled for a hearing.
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Tax Increment Financing

- Multiple TIF bills have been filed and a few are moving through the process.
- IACT opposed HB 1180 in Ways and Means Committee this week. It prohibits local units from charging churches or schools PILOTs when they choose to locate in areas designated for economic development.
- SB 280 which allows TIF revenue to be given to public transportation corporations and now school corporations was passed out of committee. SB 308 was amended to include SB 340. This bill prohibits capturing increment on a parcel that has received a tax abatement.
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Anti-Meth Legislation

- There are a variety of different proposals currently moving through both the House and the Senate that seek to fight domestic meth production.
- Although the General Assembly has made several legislative attempts to stop homegrown meth production, Indiana continues to lead the nation in the number of clandestine meth labs.
- SB 80 (allowing pharmacists to deny the sale of pseudoephedrine to individuals they believe will divert the medicine for meth-making) and SB 161 (blocking the sale of PSE to convicted drug offenders) passed out of committee in the Senate this week. Both bills will now be considered by the full Senate. On Monday, January 25, the House Public Health Committee will hear testimony on three other meth bills.
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Public Safety Local Option Income Tax

- SB 311 and HB 1063 would require a mandatory "off the top" distribution of public safety LOIT revenue to townships. Under current law, only counties and municipalities receive a mandatory distribution of this revenue.
- If either of these bills pass, cities and towns that receive public safety LOIT revenue would receive less than they currently do if a township within their county provides public safety services.
- To date, HB 1063 has not been scheduled for a hearing in the House Ways and Means Committee, but SB 311 will be heard in the Senate Tax and Fiscal Policy Committee on Tuesday, January 26. IACT will be opposing this bill, and we encourage you to contact your senator soon to express your concerns.
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Local Road Funding Bills Are On the Move

[SB 67 Supplemental Distribution of Local Income Tax](#) (Hershman, R-Buck Creek)

[HB 1001 Road Funding](#) (Soliday R-Valparaiso)

At the conclusion of week three the Senate Republican and House Republican road funding plans are both accelerating forward. SB67 was voted out of the Senate this week 49-1 and will now move on to the House Ways and Means Committee. HB1001 was voted out of the House Roads & Transportation committee on Wednesday and will move to the House floor next week. While the House vote on HB1001 will not be as concrete as SB67, it appears Representative Soliday feels comfortable he has the votes to move the bill over to the Senate. We will see some enthusiastic debate on the House floor next week as there are both Republican and Democrat legislators opposing the revenue raising mechanisms in the bill.

While the two bills are addressing different aspects of our needs there is one characteristic they have in common. Both SB67 and HB1001 are calling for additional flexibilities and local control of how we address our infrastructure needs. This is a great opportunity to remind our legislators that this flexibility and local decision making is vital to Cities and Towns.

Local government is in a great position as we move on to the next phase of the process. As the debate heats up we will need to be more vocal on our support for a long term comprehensive funding plan as well as receiving funding to address our immediate infrastructure needs. As the negotiations on SB67 and HB1001 intensify we will likely see some give and take with both proposals. The coming weeks will be vital for local officials to contact their legislators and relay our support for immediate and sustained infrastructure revenue.

IACT's Position or Proposed Position: Supportive of increased road funding

IACT Initiative Annexation Bill Passes Out of Committee / Update on Other Annexation Bills

[HB 1298 Annexation](#) (Negele, R-Attica)

[HB 1086 Assessment Appeals](#) (Nisly, R-Goshen)

[SB 143 Annexation](#) (Buck, R-Kokomo)

[SB 298 Annexation Involving an Economic Development Projects](#) (Boots, R-Crawfordsville)

IACT's initiative bill, HB 1298, passed out of the House Government and Regulatory Reform Committee on Tuesday. Committee Chairman, Rep. Kevin Mahan, complimented IACT, the Association of Indiana Counties and the Indiana Farm Bureau for working together on the bill. The bill makes clean-up changes that are needed following the passage of SEA 330-2015. In committee, HB 1086 was amended into HB 1298. That bill allows the town of Syracuse to annex its non-contiguous industrial park. Two other negative TIF bills have been filed, but so far, have not been scheduled for a hearing. Senator Buck's SB 143 voids an annexation if any county commissioner objects. The annexation cannot proceed unless a majority of the commissioners pass a resolution approving the annexation. Senator Boots has introduced SB 298 which removes the economic development exception in last year's SEA 330. The exception allows an annexation to be considered by a court even if a remonstrance is filed by 65% or more of the taxpayers.

IACT's Position or Proposed Position: Oppose SB 143 and SB 298; Support HB 1298 and HB 1086

Movement on TIF Bills

[SB 280 Public Transportation Corporation Funding](#) (Brown, R-Fort Wayne)

[SB 308 Property Tax Matters](#) (Hershman, R-Buck Creek)

[SB 340 TIF District Base Assessed Value](#) (Walker, R-Columbus)

[SB 389 Tax Increment Financing Districts](#) (Bassler, R-Washington)

[HB 1180 PILOTS and Fees on Tax Exempt Property](#) (Burton, R-Indianapolis)

Multiple TIF bills have been filed and a few are moving. SB 280 allows a Redevelopment Commission, with approval of the legislative body, to provide TIF money to a public transportation corporation and school corporation. It passed out of committee this week. SB 340 deals with capturing tax increment when a tax abatement has been offered prior to the creation of the TIF area. This week, the content of SB 340 was amended into SB 308 and the bill passed out of committee. SB 389 provides that a taxing unit that is wholly or partly in a newly created TIF area may choose to participate in the TIF area or not. SB 389 has not received a hearing. HB 1180 was heard in the Ways and Means Committee this week and IACT testified in opposition. It prohibits local governments from charging PILOTS (Payments in Lieu of Taxes) if a church or school chooses to located in a TIF area or other restricted areas.

IACT's Position or Proposed Position: Neutral on SB 280; Concerns about SB 340 and SB 308; Opposed to SB 389 and HB 1180.

Fighting Domestic Meth Production

[SB 80 Pharmacists and Ephedrine](#) (Head, R-Logansport)

[SB 161 Methamphetamine Matters](#) (Young, R-Speedway)

[HB 1390 Ephedrine and Pseudoephedrine](#) (Smaltz, R-Auburn)

[HB 1157 Methamphetamine Matters](#) (Frizzell, R-Indianapolis)

[HB 1160 Ephedrine and Pseudoephedrine Sales](#) (McNamara, R-Evansville)

In 2015, another 1,452 meth labs were busted by the Indiana State Police. Although it is great news that law enforcement officials are busting these labs, the fact that these meth cooks still have such easy access to the medicines they need to make meth is unacceptable.

There is a wide array of opinion in the General Assembly on how to continue the fight against domestic meth production. IACT has been consistent in our support of requiring a prescription for pseudoephedrine (PSE). However, a number of compromise proposals have emerged.

One of these compromises – House Bill 1390, authored by Rep. Ben Smaltz – would allow a person who is a “patient of record” with a pharmacy to access PSE over-the-counter after a pharmacist interview. If not a patient of record, the pharmacist would offer either a “tamper-resistant” product that cannot easily be used for meth making or offer only a small amount of PSE.

This bill will be heard on Monday in the House Public Health Committee, along with two other bills that would block drug offenders from buying PSE at the point of sale (HB 1157) and another that would further limit the amount of PSE that an individual can buy monthly and annually (HB 1166).

In the Senate, SB 80 requires pharmacists to interview customers who want to purchase PSE and gives them civil immunity for declining to sell a PSE product if, in their professional judgment, the person is diverting the medicine for meth-making. SB 161 is the companion bill to HB 1157 that would block those convicted of drug-related offenses from buying PSE at the point of sale. Both bills are now eligible for consideration by the full Senate.

Major Changes Proposed to Public Safety LOIT Distribution

SB 311 Distributions of Public Safety Income Tax Revenue (Niemeyer, R-Lowell)

HB 1063 Distributions of Public Safety Income Tax Revenue (Aylesworth, R-Hebron)

In the 47 counties that currently impose a public safety LOIT, only the county and the cities and towns within that county are eligible to receive a mandatory distribution of the revenue. However, fire departments, volunteer fire departments and EMS service providers in unincorporated areas have the ability today to go to the county council and request an “off the top” distribution of this revenue. If the county council grants this request, the cities and towns within that county already don’t have a say and will see their distribution of the revenue reduced. SB 311 and HB 1063 would make this situation even worse by making this distribution to townships mandatory, so even the county council has no discretion to approve or deny the request.

If public safety LOIT revenue is taken “off the top” in this manner, the distribution will be expanded to include another 465 civil taxing units – a \$37.5 million revenue shift away from counties, cities and towns.

Although HB 1063 has not been scheduled for a hearing in committee to date, SB 311 has. Chairman Hershman has scheduled the bill for a hearing in the Senate Tax and Fiscal Policy Committee for Tuesday, January 26. If this impacts your city or town, call your senator and explain your concerns soon! IACT will continue lobbying against this harmful legislation.

IACT’s Position or Proposed Position: Oppose

[Click for More Bills of Interest](#)



IACT LEGISLATIVE DAY

IS FEBRUARY 17, 2016

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Indiana Association of
Cities and Towns

Upcoming Indiana House & Senate Deadlines:

- January 28: House & Senate Committee Report Deadline
- February 2: House & Senate 2nd Reading Deadline
- February 3: House & Senate 3rd Reading Deadline

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