

## 2019 Operational Initiatives

### Government Efficiency Bill

This year, Aim members have identified seven items that should be changed in the Indiana Code to improve local government operations by making them more efficient or to clarify vagueness. These items are:

- Allow executive sessions for selling property:
  - Currently, under the Open Door Law, executive sessions can be held for purchasing or leasing property, but not for selling property. Aim will seek legislation that would include selling property in this provision.
- Remove partisan affiliation requirement on local boards and commissions:
  - Aim members feel it is important to choose the best person for the job regardless of political party affiliation. Aim will seek legislation to remove the requirement that members of the Board of Aviation Commissioners and members of the Storm Water Board be from a certain political party.
- Eliminate residency requirements for city attorneys:
  - The person serving as corporation counsel in a second class city or city attorney in a third class city heads the department of law for that city. The statute requires that the person heading the department law must be a resident of the county where the city is located in addition to being licensed to practice law in Indiana. In order to choose from a wider pool of attorneys, Aim will seek legislation to remove the county residency requirement and replace it with a requirement that the attorney be a resident of Indiana.
- Allow locals to use electronic bidding processes:
  - The state of Indiana is permitted to use electronic bidding processes, however, this capability is not currently listed in the municipal public bidding statute. Aim will seek legislation that will allow locals the same flexibility to use electronic bidding.
- Allow more flexibility in determining note repayment dates:
  - When debt is taken out by a city or town, generally, the unit's financial officer works with advisors to set the repayment dates to coincide with cash flow or with other payments that are due. In one particular statute, however, the repayments dates are statutorily set for January 1 and July 1. Aim will seek legislation to remove these set dates, so that repayment dates can be negotiated.
- Allow fiscal officer to appropriate funds received for damaged property:
  - Currently, the fiscal officer of the unit is permitted to appropriate funds from an insurance company when the funds are received to repair damaged property. However, if private funds are received to pay for the unit's damaged property, the fiscal body must appropriate the funds. Aim would seek legislation allowing the fiscal officer to appropriate private funds as well.
- Clarify the description of "unsafe premise" in the unsafe building code:
  - The unsafe building code currently describes an unsafe premises as one where an unsafe building is located or one where no structure is located and the premise is a fire hazard, hazard to public health, a public nuisance, or dangerous to person or property. Aim will seek legislation to clarify that an unsafe premise can exist whether or not there is a structure on the property.

## Clean-up on Two Fiscal Issues

- In 2018, HEA 1263 passed which allows county councils to adopt a local income tax (LIT) rate to pay for a correctional or rehabilitation facility. Aim will seek changes in the statute to clarify that it must be a new rate applied under the current limitations or if the council intends to change the use of the existing rate, all affected units must agree.
- In 2017, HEA 1043 passed which changed the dollar amount threshold for a project to be considered a “controlled project.” A controlled project is one payable by property taxes and is subject to either the petition and remonstrance process or the referendum process. Aim seeks to remove road and street projects from being a controlled project. In addition, Aim seeks to remove the annual controlled project dollar amount cap that was added in 2017 and adjust the dollar amount thresholds in a way so that cities and towns are not negatively affected.

## Agency-Related Issues

- A clean-up provision is needed in a statute related to governance by the Indiana Department of Environmental Management (IDEM). In 2018, a provision passed in an IDEM statute which inadvertently requires water and wastewater systems to make their cybersecurity plans available to the public. Aim will work with IDEM to seek legislation to remove this provision.
- In the budget process, a problematic timing issue has been identified should the mayor choose to veto the budget and the council overrides the veto. Although it rarely happens, a change is needed with the statutory budget deadlines to allow for veto and override to occur. Aim will work with the Department of Local Government Finance (DLGF) and seek this change.
- Currently, a city or town must reset its rate for its Cumulative Capital Development (CCD) fund to adjust for a change in assessed value. Aim will work with the DLGF to allow this rate to automatically reset without council action.

## Annexation

- A problematic timing issue has been identified with the voluntary annexation process. Sixty days instead of 30 days is the window needed from the time the petition is received to the time of publication prior to the public hearing for a voluntary annexation. Aim will seek this expansion of timing.
- Annexation waivers are contracts that are signed between a property owner and a city or town when the property owner receives sewage services, yet the municipality is unable or not ready to annex the property into the municipal corporate limits. Annexation waiver contracts run with the land. The contract states that when the municipality is ready to annex the property, the current property owner will not contest the annexation. Over the past several years, annexation waivers have been discussed at the legislature and there is a broad coalition of stakeholders that want to void all waivers older than 15 years old. In an attempt to compromise while pro-actively pursuing positive changes to the annexation statute, Aim may seek to:
  - Agree to a 15-year shot clock that begins on July 1, 2019 for all pre-2015 waivers (giving municipalities 15 more years to act on old waivers).
  - Require that the existence of remonstrance waivers on properties be disclosed on real estate sales disclosure forms.
  - Allow abatements for voluntary annexations.
  - Change the “one bite at the apple” loophole that does not allow the boundary of newly annexed territory to satisfy the contiguity requirements for future annexations unless it is voluntary.