



January 30, 2015

## Next Week will be Packed with Hearings of Interest to IACT Members

While much happened during this week, the upcoming week's schedule is already packed with committee hearings on many bills of interest to IACT members. We strongly encourage you to read the summaries below to see where your help is needed on electric service territories, police reserve officer benefits and other bills of concern.

The topic of TIF will be discussed in committee on Wednesday, Feb. 4 in Ways & Means. The bill being heard is HB 1018 (Cherry, R-Greenfield) that mandates a 50% pass-through of assessed value to all units. We will be in committee to express our opposition and concerns about this mandate and could use your help in talking with your legislators to reinforce how important TIF is in your communities. We have also been working to address misconceptions around TIF. Please view more information about TIF [HERE](#). Especially, if you have a legislator who serves on Ways & Means, we ask that you to reach out and encourage their support of TIF and concerns regarding HB 1018.

Members of Ways & Means include: T. Brown (R-Crawfordsville), Cherry (R-Greenfield), Karickhoff (R-Kokomo), Baird (R-Greencastle), Truitt (R-West Lafayette), Thompson (R-Linton), Leonard (R-Huntington), Braun (R-Jasper), Davisson (R-Huntington), Huston (R-Fishers), Mayfield (R-Martinsville), Negele (R-Attica), Ober (R-Albion), Slager (R-Schereville), Sullivan (R-Evansville), Ubelhor (R-Bloomfield), Porter (D-Indianapolis), DeLaney (D-Indianapolis), Goodin (D-Austin), Klinker (D-Lafayette), Niezgodski (D-South Bend), Pryor (D-Indianapolis), Riecken (D-Evansville) and Stemler (D-Jeffersonville).

Other bills up for a hearing in Ways & Means next week include the Governor's Regional Cities Initiative (HB 1403) as well as the Food & Beverage Bills for Rockville and Greenwood, and we will be there to encourage statewide authority for all!

## IACT Initiatives

### IACT Assessment Notification Initiative Heard in Committee

#### [HB 1603](#) Property Tax Assessment Appeals (Smaltz, R-Auburn)

HB 1603 clarifies that when a deadline is imposed on a city or town that is not a business day, the last day for the city or town to take the required action is the first business day after the stated deadline. It also requires the local assessor to notify the county auditor when they receive a request for an informal hearing from a taxpayer. The county auditor is then required to notify the affected city or town of the informal hearing. The county auditor is also required to send a quarterly notice to each affected city or town with current information about any pending appeals. HB 1603 sets up a new account called the assessment appeals account to help fight unjustified appeals. When a taxpayer pays the property tax based on the original assessment, the portion of the payment attributable to the disputed assessment will be deposited into the account rather than distributed to the taxing units. Money in this account is to be used to defend appeals and to provide refunds due to prevailing taxpayers. IACT will continue to work with Rep. Smaltz to fine tune this bill as it will most likely be voted out of committee next week.

IACT Position: Support

## **Bills We're Engaged In**

### **Bill Restricting the Growth of Municipal Electric Utilities Scheduled on February 4**

#### **SB 309 Electricity Suppliers' Service Areas (Crider, R-Greenfield)**

When one of the seventy-two municipal electric communities annex, the Rural Electric Membership Cooperatives (REMC) and Investor Owned Utilities (IOU) believe they should be entitled to provide electric service to the newly annexed territory, despite the fact that the municipality provides all other municipal services to residents in the annexed area. If SB 309 passes in current form, it would be a costly detriment not only to the residents living in the annexed area but to businesses and potential development as well. Click [here](#) for more information on this issue. Contact your legislators today and ask that they oppose SB 309 in its current form.

IACT Position: Oppose

### **Voluntary Water Study Passes Out of Committee**

#### **SB 473 Voluntary Monitoring of Water Resources (Charbonneau, R-Valparaiso)**

This bill requires the Indiana Department of Natural Resources (DNR) to establish a program for volunteers to monitor ground and surface water in order to report the data to DNR. DNR is required to train the volunteers on the proper collection and transmission of the data, determine the location of monitoring wells and independently verify the data provided by the volunteers. Priority is given to those volunteers in which temporary failures of non-significant ground water withdrawal facilities have been confirmed and areas in which the potential exists for ground water withdrawals to exceed the natural replenishment of the aquifer.

IACT Position: Support

### **Bill to Address Long Term Water Needs Passed out of Committee**

#### **SB 474 Analysis of Water Utility Planning and Needs (Charbonneau, R-Valparaiso)**

SB 474 requires the Indiana Finance Authority (IFA) to prepare an analysis of the planning and long range needs of water utilities serving the fifteen most populous cities in Indiana and five other water utilities that serve fewer than 10,000 customers. IFA may contract with professionals or with a state educational institution for the analysis. The findings of the analysis must be reported to the Legislative Council not later than November 1, 2015.

IACT Position: Support

### **Unfunded Mandate to Cities and Towns Heard in Committee**

#### **HB 1490 Police Reserve Officers (Mayfield, R-Bloomington)**

This unfunded mandate requires a county, city, or town to furnish without charge to a police reserve officer who is injured or contracts an illness in the course of or as the result of performing duties as an officer all necessary physician, surgical, hospital, and nursing services and supplies. This obligation supersedes any obligations that another medical insurance carrier has to pay the police reserve officer's medical expenses. Under current law, cities and towns are given the discretion on what benefits they can afford to provide for these volunteers. If you

have police reserve officers, what type of benefits do you provide and at what cost? Please contact Justin Swanson with this information via email: [jswanson@citiesandtowns.org](mailto:jswanson@citiesandtowns.org).

IAC Position: Oppose

## **Process for Selling Municipal Water Utilities Modified**

### **HB 1505 Sale of Surplus Municipal Utility Property (Van Natter, R-Kokomo)**

HB 1505 requires the municipal legislative body to hold the required hearing on the sale or disposition of its water utility not later than 90 after the return of the appraisal of the water utility. It also provides that the legislative body may adopt an ordinance providing for the sale or disposition not less than 30 days or more than 60 days after the date of the required hearing on the proposed sale or disposition. Under current law, the ordinance for the sale or disposition of the water utility may be adopted at the hearing. HB 1505 provides that not later than 30 days after an ordinance is adopted, registered voters of the municipality may submit a signed petition opposing the proposed sale or disposition. Under current law, registered voters may submit such a petition within the 30 day period from the date of notice of the hearing to the date of the hearing on the proposed sale or disposition. Finally, it increases the threshold for the required number of signatures for a petition opposing a sale or disposition based on the number of registered voters in a municipality.

IAC Position: Neutral

## **Bill Makes Common Sense Change to Controlled Projects for Local Government**

### **SB 251 – Controlled Projects (Kenley, R-Noblesville)**

Under current law, if a city, town or county wishes to pay for a controlled (capital) project by issuing bonds to be paid by property taxes, a referendum vote will be required if the total cost of the project exceeds \$2 M or 1% of the unit's total gross AV (whichever is less; \$1 M minimum). SB 251 changes the threshold so that the trigger for a referendum is the total amount to be borrowed versus the total cost of the project, which is in line with how schools calculate their capital projects. This proposal stems from a situation in Hamilton County and will allow a unit to take into account funds that have been set aside for a project as well as private donations when figuring the cost to be borrowed. This bill was heard in Senate Tax & Fiscal Policy on Tuesday. During committee, an amendment was added that specifies how the funds must be dedicated and provides a process for a taxpayer to appeal to the DLGF if there is a question about the funds. The bill passed unanimously and is eligible for third reading in the Senate.

IAC Position: Support

## **State Board of Accounts Bills Moving But More Work to Be Done**

### **SB 326 – State Board of Accounts (Head, R-Logansport)**

### **HB 1104 – State Board of Accounts (Lehman, R-Berne)**

HB 1104 and SB 326 are “sister bills” that give the SBOA authority to move to a “risk and needs-based” criteria for determining whether a unit receives an annual audit versus review. Both bills passed out of committee this week un-amended with commitments from the authors to continue to work on language in the bills. We especially appreciate the commitment and work of House author Rep. Lehman. Our goal is to amend the bills to further define “risk” and “needs” in the proposal and provide for greater transparency of the process. We have also asked for an opt-out provision, so that units may have the choice to hire a private firm to conduct the audit, if needed or desired. The other SBOA proposal for an increased auditing fee (from \$45 to \$175 per day per auditor) will be included in the budget bill (HB 1001). One especially important stipulation we have requested

around the fee language was included in the Governor's proposed budget, and provides for protection of the fees paid by units so that the state's appropriation does not go down. We will continue to work on these bills throughout session.

Position: IACT Board of Directors voted to support the fee increase, as long as certain assurances for funding levels by the state and quality audit needs are met.

## **Anti-Home Rule Provisions on Building Codes Removed in Committee**

### **HB 1507 – State Building Commissioner (VanNatter, R-Kokomo)**

As originally filed, HB 1507 would have eliminated the ability for local units to set stricter building standards than the state's standards. It also prohibited local units from passing ordinances regulating certain building, and made all prior ordinances in effect void. IACT worked with Rep. VanNatter to amend the bill significantly in committee. Now HB 1507 only makes changes to the required qualifications of the state building commissioner. We appreciate Rep. VanNatter's amendment and time working with our team. HB 1507 passed out of the House 88-7 and heads to the Senate for consideration.

IACT Position: Neutral as amended.

## **Bill Gives Locals Administrative Authority to Determine Abandonment**

### **SB 415 – Vacant and Abandoned Housing and Mortgage Servicing (Merritt, R-Indianapolis)**

SB 415 aims to speed up the process of getting an abandoned property to tax sale and allows a local hearing authority to make a determination of abandonment, similar to how a court makes such a determination today. It also changes the redemption period for abandoned properties to *prior* to tax sale, so that the buyer takes the deed at time of sale. Recognizing that some abandoned properties are not suitable for sale, such as environmentally unsafe properties or properties that have a record of public safety problems, this bill provides a process for a court to deem an abandoned property unsuitable for sale so that the unit may dispose of the property in a different manner, as specified in the bill. SB 415 makes various administrative changes to provide proper notifications to property owners and clarifies that a property must be tax delinquent to go to tax sale. Additionally, the bill addresses various mortgage and foreclosure statute that is purported to bring the state's language in line with federal requirements. We appreciate the leadership of Sen. Merritt and his time bringing all stakeholders together to work on this important legislation. The bill passed out of Senate Local Government Committee on Wednesday unanimously and is eligible for 2<sup>nd</sup> Reading in the Senate. Several other legislators have been added to the bill as co-authors including senators: Raatz (R-Richmond), Bassler (R-Washington), Broden (D-South Bend), Breaux (D-Indianapolis) and Taylor (D-Indianapolis).

IACT Position: Support

## **Public Integrity Commission Promotes Bill that Gives Towns Options for Filling Clerk-Treasurer Vacancies**

### **SB 514 – Clerk Treasurer Vacancy (Charbonneau, R-Valparaiso)**

SB 514 is a result of the Public Integrity Commission, which met last summer and fall under the direction of the Attorney General's office. During the commission's meetings, they dealt with the question of what to do if a town clerk treasurer leaves office for any reason and the council is unable to fill the vacancy, after proper effort and public notice is provided. SB 514 gives towns options to fill such a vacancy by allowing a town council member to serve as ex-officio town clerk treasurer for the remainder of the term, without additional compensation. If a council member is serving as ex-officio town clerk treasurer, then it allows the town to either: 1) Enter into an inter-local agreement with another town clerk-treasurer, or 2) Contract with a CPA to assist the town legislative body member with the clerk treasurer duties for the remainder of the term. The bill passed out of Senate Local Government Committee unanimously and is now eligible for 2<sup>nd</sup> Reading in the Senate.

IACT Position: Support

## **Resolution Leading to Constitutional Right to Hunt and Fish Clears Senate Committee**

### **SJR 2 – Right to Hunt, Fish and Harvest Wildlife (Steele, R-Bedford)**

SJR 2 is a measure that has been coming up in the General Assembly for many years. It's an attempt to eventually amend the Indiana Constitution declaring Hoosiers have the right to hunt, fish and harvest wildlife subject to the laws of the Indiana General Assembly. Having cleared both houses during the 2014 Session, SJR 2 passed 7-1 in the Senate Natural Resources Committee this week, making it one step closer to becoming eligible for the ballot during the next statewide election in 2016. While the language in this bill is improved over what was last considered in 2013, there still may be code enforcement or public safety concerns with this measure. IACT is investigating and seeking some clarification from the authors.

IACT Position: Likely opposed due to anti-home rule concerns.

## **Town Marshals and Deputies PERF Mandate**

### **SB 419 Town Marshals (Boots, R-Crawfordsville; J. Arnold, D-LaPorte)**

The Senate amended [SB 419](#) before passing it on 3<sup>rd</sup> reading (48-2) this week. The 2<sup>nd</sup> reading amendment by Senator Boots did narrow the unfunded mandate beginning January 1, 2016 in two ways. First, the town marshal and deputies to be eligible for mandatory PERF membership must normally perform 1,750 hours of service during a year (over 32 hours a week) and second, the marshal/ deputies are not already participating in another pension or retirement plan. The Town Marshals Association asked for this bill as a step to professionalize the town marshal system.

IACT Position: Opposed as an unfunded mandate.

## **Changes to PERF Pension Plan Offerings; Defined Contribution Plan**

### **SB 492 Various Pension Matters (Boots, R-Crawfordsville)**

SB 492 is the Senate's bill to address some of the topics heard last week in the House with regard to pensions. The Senate Committee on Pensions and Labor amended SB 492 twice at the hearing this week and then passed it out of committee (8-1). It is recommitted to Senate Appropriations. The major provisions of the bill are that it: 1) reverses the presumption for *new STATE* employees who fail to elect PERF's Defined Benefit Plan (it has a component providing the participant with a monthly benefit at retirement with usually no cost to the participant and another component part from the participant's contribution in an annuity savings account hereinafter "DB") to membership in the Defined Contribution (ASA only-- like a 401k hereinafter "DC") plan; 2) establishes a procedure by which a political subdivision may participate in the DC plan and choose whether the political subdivision's employees participate in PERF's DB plan, the DC plan, or may elect whether to participate in either of the plans; 3) permits a political subdivision that allows its employees to make an election to choose a default option for employees who fail to make an election, but if a political subdivision does not choose a default option then default option is the DC plan; 4) permits a political subdivision to establish its employer contribution rate to the DC plan and to elect to match a percentage of its employees' additional contributions at 0% or 50%; 5) requires INPRS to assess an employer a supplemental contribution to PERF, if necessary, to fund the employer's share of the actuarial accrued liability that is unfunded because the employer's employees are members of the DC plan rather than PERF's DB plan; 6) requires the Office of Management and Budget to report each year concerning information received from political subdivisions about the subdivisions' retirement plans other than plans administered by INPRS; 7) establishes a procedure for a miscellaneous participating entity (entity) or political subdivision to withdraw or freeze participation in PERF or TRF and requires a withdrawing or freezing employer to fully fund PERF or TRF benefits attributable to the entity's or political subdivision's employees' PERF or TRF service with the entity or political subdivision through a sharing of information and collaboration; 8)

requires an entity or political subdivision that withdraws from or freezes participation in PERF and thereafter offers its employees a retirement benefit to participate in the DC plan; 9) requires any other public employer that is eligible but not required to participate in PERF and that wishes to offer a retirement benefit to an employee after June 30, 2015, to participate in either PERF's DB or the DC plan; 10) grandfathers participation in another defined contribution plan for entities, political subdivisions, and other public employers participating in another plan on July 1, 2015; 11) provides that after December 31, 2015, members and beneficiaries of any public pension fund administered by INPRS may receive monthly benefits only by direct deposit or another method approved by the board and 12) permits a retired member of the 1977 police officers' and firefighters' pension and disability fund (1977 fund) who is at least 55 years of age to: (a) be rehired by the same unit that employed the member in a position covered by the 1977 fund for a position not covered by the 1977 fund without a minimum period of separation from employment; and (b) continue to receive the member's retirement benefit from the 1977 fund.

IAC Position: Investigating and supporting flexible options.

## **Statewide Regulations for Uber and Taxi Cabs**

### **HB 1090 Expanded Background Checks for Drivers for Hire (Hale, D-Indianapolis)**

HB 1090 was amended and then passed the House Employment, Labor and Pensions

Committee by a 7 -4 vote. The bill requires a transportation network company (like Uber), a taxicab company, or a taxicab service company to request and receive an expanded criminal history check and a certified copy of the driving record of a driver or taxicab driver before a driver begins employment or association with the company.

The bill also makes it a Class A infraction for a company to allow a driver to operate a motor vehicle or taxicab if the driver has been convicted of: (1) certain felonies or misdemeanors; or (2) certain motor vehicle offenses and a Class A infraction for a driver to operate a motor vehicle or taxicab if the driver has been convicted of: (1) certain felonies or misdemeanors; or (2) certain motor vehicle offenses. Periodic updates of the background checks for a driver is required for continued employment or association with the company. If your municipality regulates taxi cabs you may want to review your ordinances. The Senate's introduced version of the regulation of transportation network companies, [SB 347](#), is scheduled for a hearing next Tuesday and includes a more detailed permitting process at the state level, excludes taxicabs and preempts home rule for transportation network companies.

IAC Position: Investigating concerns with anti-home rule provisions.

## **Other Pension Bill Action this Week**

### **HB 1466 Winding up Plan Participation (Carbaugh, R-Fort Wayne)**

HB 1466 was amended on the floor of the House and passed 97-0. The amendment added language that PERF would have to share the actuarial method and report and collaborate with the entity that freezes out newly-hired employees from entering PERF so as to determine the unfunded liability to PERF caused by the participating entity that is freezing PERF membership and offering its newly-hired employees a Defined Contribution Plan (like a 401k plan or ASA only plan) instead of PERF's Defined Benefit Plan.

IAC Position: Support to aid a more secure pension fund.

### **HB 1481 Public Retirement Plans (Burton, R-Greenwood)**

The amended HB 1481 is now in House Ways and Means. It provides that a political subdivision that participates in the public employee retirement fund (fund) may participate in the public employees defined contribution plan (plan), if the governing body adopts an ordinance or resolution that is filed with and approved by INPRS. It also provides that an individual who begins employment in a covered position with a political subdivision that participates in the plan may elect to become a member of the plan. It provides that, if an individual does not make

an election to become a member of the plan, the individual becomes a member of the fund. It also establishes the teacher's defined contribution plan and provides that a school corporation may adopt a resolution to have some or all of its teachers participate in the teacher's defined contribution plan. Additionally the bill grants cost of living adjustments in 2015 and 2016 for certain members of the: (1) public employees' retirement fund among other funds. Note the cost of living formula in this bill is different than what was passed onto the House floor by the House Committee in [HB 1493](#). For more information view the linked media report entitled

[Debate Ahead over Proposed State Pension Plan Shift WISHTV 8](#) .

IACT Position: Investigating and supporting flexible options.

## **Save the Date! Statehouse Road Funding Day Set for March 17**

IACT is partnering with several other associations to continue to educate lawmakers on the need to bridge the road-funding gap experienced by cities and towns by holding a Road Funding Day at the Statehouse on March 17. IACT's Legislative Day is scheduled the day before, so IACT is encouraging members to stay the night in Indianapolis in order to join IACT and our partners on March 17. More information to come!

## **2015 Legislative Dates & Deadlines**

Thursday, February 19

Deadline for committee reports in house of origin

Tuesday, February 24

2nd Reading deadline in house of origin

Wednesday, February 25

3rd Reading deadline in house of origin

Thursday, April 9

Deadline for committee reports in second house

Tuesday, April 14

2nd Read deadline in second house

Wednesday, April 15

3rd Reading deadline in second house and concurrence deadline for conference committee reports

Wednesday, April 29

Last day of session



**REGISTER ONLINE!**

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IACT  
LEGISLATIVE DAY

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March 16, 2015  
Hyatt Regency, Indianapolis