



Indiana Association of
Cities and Towns

2013 IACT Legislative Initiatives

CORNERSTONE:

1. 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.

2. 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.

OPERATIONAL:

1. 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.

2. 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.

3. 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.

4. 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.

5. 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.

6. 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.

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