

Legislative Summary



Indiana Association of Cities & Towns

February 1, 2013

The *Legislative Summary* is a weekly e-newsletter intended to provide you with a sampling of important bills being debated at the Statehouse. For additional information about the legislative session, continue monitoring [IACT's Legislative webpage](#), or contact us directly at (317) 237-6200.

Action This Week: Top 5 Things to Know

1. Statewide Authority for Food & Beverage Tax (HB 1071) Gets a Hearing Date: Tuesday, Feb. 5
2. Momentum for Local Infrastructure Support Continues, As Ways & Means Hears Bills to Increase Local Roads & Streets Funding. Coalition Sets "Road Funding Day" for 2/19 at Statehouse. Please Plan to Attend!
3. Anti-Meth Bill Passes Out of Committee; Needs Work But Discussion Continues
4. Mass Transit Bill Passes Out of Committee & Gives Locals Chance to Have Discussion at Home
5. Your Help is Needed! Please Call Your Legislators: Oppose Bad Apartment Bill (HB 1313, Now in NEW Committee) & Oppose Elimination of Local Franchise Fees (HB 1432)

Read on for more city and town bills of concern, IACT initiatives and other legislative action pertinent to cities & towns!

Top IACT Initiatives Gain Momentum – Call Your Legislators Today!

Food and Beverage Tax Bill Scheduled for Hearing!

HB 1071 Municipal Food and Beverage Tax (Baird, R-Greencastle)

HB 1071, one of IACT's initiative bills will be heard in the Ways and Means Committee on Tuesday, February 5 at 9:00 a.m. We are so pleased that this bill has been granted a hearing and we hope that it will continue to move through the legislative process. The bill authorizes a municipal legislative body to impose an ordinance to implement a municipal food and beverage tax not to exceed 1% of the gross retail income received from retail food and beverage transactions.

Following the property tax caps legislation, municipalities need more options to diversify revenue sources. HB 1071 would allow a municipality to have a local discussion and hear from local taxpayers as to whether this revenue source is right for them. Several local governments have passed the municipal food and beverage tax in the past, but it required getting a bill passed at the General Assembly. This bill provides an option for a local law to be passed without getting special state legislative authority.

Please continue to talk to your legislators and tell them to support this bill!

IACI Position: INITIATIVE: Support.

Links to Bill:

<http://www.in.gov/apps/lsa/session/billwatch/billinfo?year=2013&request=getBill&docno=1133>

[IACI informational handout on HB 1071](#)

For more information, contact Rhonda Cook, IACI Director of Government Affairs at (317) 694-1451 or rcook@citiesandtowns.org.

House Ways and Means Committee Hears Testimony on Road Funding Bills That Would Increase Funding for Cities and Towns

HB 1117 Wheel Tax Adoption (Karickhoff, R-Kokomo)

HB 1126 MVH Fund (Saunders, R-Lewisville)

HB 1353 MVH Fund (Huston, R-Fishers)

HB 1141 Sales Tax & MVH Fund (Soliday, R-Valparaiso)

[HB 1117](#) provides local municipalities a voice in the enactment of motor vehicle excise surtax and wheel tax by allowing the COIT Council the option to enact it (currently only the County Council has this authority). Both [HB 1126](#) and [HB 1363](#) end the practice of using motor vehicle highway account (MVHA) monies to fund the BMV and State Police. And [HB 1141](#) diverts 50% of sales tax revenue collected on gasoline purchases to the MVHA.

Special thanks go to Kokomo Mayor Greg Goodnight and Fishers' Town Manager Scott Fadness for attending the Committee. Mayor Goodnight's excellent testimony highlighted the reduction in road funding going to local communities while road repair costs continue to rise. His remarks were echoed by many other public officials in attendance. Their support was combined with private enterprises, trade associations and organizations such as the Indiana Chamber of Commerce, Build Indiana Council, and the Indiana Farm Bureau. The W&M members seemed receptive and acknowledged the road funding problems local governments are wrestling with and the fact that Major Moves monies are drying up. Not a single person testified in opposition.

IACI Position: Support, IACI Initiative

Link to Bills: Please click on the links above.

****Notice of Local Road Funding Day:** On February 19, a coalition (including IACI) will join together at the Statehouse to demonstrate need for increased local road funding dollars. We hope you will be able to join us! RSVP to Mike Smith at msmith@citiesandtowns.org.

For more information, contact Rhonda Cook, IACI Director of Government Affairs at (317) 694-1451

or rcook@citiesandtowns.org.

Bills of Concern

Extra Territorial Water/Sewer Rates Bill Heard in Utilities Committee

HB 1307 Extraterritorial Utility Rates and Charges (Braun, R-Zionsville)

You may remember that last year, HEA 1126 passed into law. Under that bill, ratepayers living outside of the municipal limits who receive water or sewer services from a city or town were given the authority to petition the Indiana Utility Regulatory Commission for review of rates when their rates were 15% higher than rates that the inside customers pay. This opportunity to petition occurs, however, only at the time when a municipality is proposing a new rate increase.

HB 1307 goes farther. This bill says that if water or sewer rates are 50% higher for outside users, petitioners can have a review of rates by the IURC. This applies to all existing rates – not just rates that are proposed to be increased. Problem: this proposed law subjects municipal utilities to the potential cost of doing a new rate study (thousands of dollars) in addition to the legal and professional fees that would need to be spent to defend the rate structure before the IURC.

Also, petitioners can inadvertently subject cities and towns to extra legal costs by filing a petition that is not warranted. As an example, in the Utilities Committee on Wednesday, the author of the bill, Rep. Steve Braun, brought a local resident to testify about his high water rates. The local resident lived outside of the town of Whitestown. However, Whitestown does not have extraterritorial water rates. The local resident living on the outside pays the same as the users who live inside the town in the town's southern water district. The local resident also noted that he pays a hydrant rental fee, however, hydrant rental fees are not part of water rates.

IACT Position: Oppose.

Links to Bills:

<http://www.in.gov/apps/lisa/session/billwatch/billinfo?year=2013&session=1&request=getBill&docno=1307>

For more information, contact Rhonda Cook, IACT Director of Government Affairs at (317) 694-1451 or rcook@citiesandtowns.org.

Talk in the Halls Continues on Bill to Eliminate Cable Franchise Fees. Contact Your Legislators ASAP!

HB 1432 Elimination of Cable Franchise Fees (Lutz, R – Anderson)

No formal action was taken on HB 1432 this week, but talk in the hallways continues. Please contact your legislators on this bill, which would eliminate all cable franchise fees by June 30, 2015. We urge you to reach out to them today to explain why this legislation is bad for cities and towns. The best information you can offer is to explain in detail, using exact dollar amounts, how the elimination of these fees will impact your community. A link to more talking points is provided below.

Please act to help us stop HB 1432 from advancing. Even if this bill does not get a hearing in

committee, it could appear in an amendment later on the floor. Therefore, your participation - regardless of whether your state representative is a member of the House Utilities and Energy Committee - is vital to our success at the Statehouse.

Link to bill: <http://www.in.gov/legislative/bills/2013/IN/IN1432.1.html>

[Cable Franchise Fees Bill Talking Points](#)

For more information, contact Rhonda Cook, IACT Director of Government Affairs at (317) 237-6200 or rcook@citiesandtowns.org

***NEW Committee Assigned for HB 1313, Bill To Eliminate City & Town Rental Inspection Programs**

HB 1313 Regulation of Residential Leases (Speedy, R-Indianapolis)

Your efforts were successful in contacting House Local Government Committee members! But, now the bill has been moved to a new committee, House Government & Regulatory Reform, chaired by Rep. Kevin Mahan (R-Hartford City). This bill would destroy the ability for a city or town to have an effective rental inspection program. Supporters of this bill erroneously claim that the fees municipality's collect are going to "pad their general funds." We know that is not true. In fact, in most cases (if not all), we know the fees collected do not even cover the cost of the program.

Rental property inspection programs are about preserving beautiful neighborhoods and keeping our communities safe. They are not money-makers for cities and towns. If you have a rental inspection program, the time to get involved is now! Contact us to learn more about getting involved by contacting Leah McGrath (lmcgrath@citiesandtowns.org) or Mike Smith (msmith@citiesandtowns.org). Reach Leah or Mike at 317-237-2600.

IACT Position: Opposed

[Link to House Government & Regulatory Reform Committee](#)

Link to bill: <http://www.in.gov/legislative/bills/2013/PDF/IN/IN1313.1.pdf>

For more information, please contact Leah McGrath, IACT Director of Communication & Research at 317-237-6200 or lmcgrath@citiesandtowns.org

IACT Legislative Initiatives

Work Continues on All IACT Initiatives!

[Click here](#) to view a PDF of our 2013 IACT Legislative Initiatives.

Thanks to all of our members who have helped this session at the Statehouse. This week we were joined by Kokomo Mayor Greg Goodnight, Whiting Mayor Joe Stahura, Fishers Town Manager Scott Fadness, and numerous others who have been in contact with your state legislators and our staff.

Anti-Meth Bill Passes Out of Committee; Needs Work But Keeps Conversation Going

SB 496 (Yoder, R-Middlebury)

The Senate's attempt at tackling the meth manufacturing epidemic in Indiana took a turn for the worse during the Committee on Corrections & Criminal Law this week. A watered-down version of the bill was passed out of committee with a vote of 10-0. As introduced, SB 496 charged the Indiana State Police (ISP) with creating and maintaining the Methamphetamine Manufacturer Registry (MMR), an electronic database containing information relating to persons who have been convicted of certain offenses involving the manufacture of methamphetamine. As amended, ISP is no longer charged with creating and maintaining the MRR.

As introduced, SB 496 permitted only pharmacies to sell over-the-counter products containing ephedrine or pseudoephedrine. Current law allows any retailers to do so, including groceries, merchandise stores and other similar establishments. As amended, the bill maintains the status quo and permits any retailer who submits certain information to the National Precursor Log Exchange to sell ephedrine and pseudoephedrine products.

Although SB 496 was amended to lower the annual limit of ephedrine and pseudoephedrine an individual may purchase and a pharmacy or retailer may sell from 72 grams to 61.2 grams, it is a far cry from the House's proposed annual limit of roughly 28 grams.

Unfortunately, SB 496 still does not address the true evil to be remedied and that is the easy access to the precursors for the manufacturing of methamphetamine. The destructive consequences of manufacturing methamphetamine are not limited to just the cooker; entire communities, families and properties are destroyed. In 1995, Indiana reported 6 meth lab busts. In 2012, Indiana reported 1,726 meth lab busts, a number that puts Indiana in the top three nationally for the number of meth lab busts across the nation. In the month of January alone, there were at least 36 separate incidences involving meth reported statewide.

IACT Position: Neutral

Link to Bill: <http://www.in.gov/legislative/bills/2013/PDF/SB/SB0496.1.pdf>

Meth Lab Data:

[Lab Incidents](#)

[Lab Stats](#)

[Labs Seized](#)

[Meth Stories in the News.](#)

For more information, contact Justin E. Swanson, IACT Government Affairs Specialist at (317) 237-6200 or jswanson@citiesandtowns.org.

Mass Transit Bill Passes Out of Committee & Gives Locals Chance to Have Conversation at Home

HB 1011 (Torr-Carmel)

The push for expanding central Indiana's mass transit system was amended and passed out of the Roads and Transportation Committee with a vote of 11-1. The most substantial change delays the local public question from Fall 2013 to no earlier than November 2014 on whether or not voters in a county want to participate in the mass transit system. This delay allows the question to be put on the general election ballot and eliminates the possibility of taxpayers having to pay for a special election in 2013. Because HB 1011 has a fiscal impact statement of more than \$50,000, it has been assigned to the House Ways and Means Committee where the actual cost of the expansion will be discussed in depth.

IACT Position: Support

Link to bill: <http://www.in.gov/legislative/bills/2013/PDF/HB/HB1011.1.pdf>

For more information, contact Justin E. Swanson, IACT Government Affairs Specialist at (317) 237-6200 or jswanson@citiesandtowns.org.

More Work Done on Abandoned Homes Bills

HB 1537 Abandoned Houses (Price, R-Greenwood)
SB 433 Abandoned Property (Paul, R-Richmond)

Following the mortgage foreclosure crisis, cities and towns have been left with numerous houses that are sitting empty and deteriorating as each day goes by. Neighbors are unhappy and taxpayers are footing the bill to maintain these properties. When the properties are allowed to sit long enough, they are in such a state of deterioration that cities and town taxpayers are then burdened with the cost to have them demolished. Several bills have been filed addressing the abandoned homes problem. We are working with Rep. John Price (R-Greenwood) on HB 1537 to address the problem of abandoned housing in our communities. SB 433 is another bill moving that creates a procedure to allow a county to dispose of certain properties which didn't sell at tax sale. SB 433 awaits 2nd Reading, and HB 1537 awaits committee action. We will keep you posted as further action occurs.

Links to Bills:

<http://www.in.gov/apps/lsa/session/billwatch/billinfo?year=2013&request=getBill&docno=1537>

<http://www.in.gov/apps/lsa/session/billwatch/billinfo?year=2013&session=1&request=getBill&docno=433>

PSAPs – More Transparency, Clarification and Funds Needed

HB 1304 Public Service Answering Points (Karickhoff, R-Kokomo)

While drastic changes were made to PSAP funding last year in SEA 345, there were some issues that required more study. Particularly, more study was needed on the issue of revenue sharing to fund PSAPs (these E911 call centers) between counties and cities and towns. The Indiana Advisory Commission on Intergovernmental Relations took up the issue and released a final report prior to session. While IACT will continue to work on more clarification of city/town and county responsibilities for PSAPs, we will support HB 1304. This bill authorizes the fiscal bodies of a county and another political subdivision that are parties to a contract under which the county has assumed the responsibility of operating a public safety answering point to jointly petition the department of local government finance to adjust the maximum permissible ad valorem property tax levies of the respective units. The bill also provides that in a county that operates a public safety answering point,

an additional county economic development income tax rate of 0.1% may be imposed to pay expenses incurred by the county to operate the public safety answering point.

Link to IACIR Report: http://www.iacir.spea.iupui.edu/documents/911_E911Services.pdf

Link to Bill: <http://www.in.gov/legislative/bills/2013/PDF/IN/IN1304.1.pdf>

All Parties Came Together Last Week to Discuss the Problem of Utility Companies that Won't Move Their Lines in a Timely Manner

SB 365 Utility Facility Relocation (Crider, R-Greenfield)

It has become apparent that many city and town taxpayers are paying thousands more dollars than necessary for public works projects due to delays caused by utility companies that won't move their lines by the date they agreed upon with the city/town. In addition, local businesses suffer when roads and streets are closed for long periods. Last year, IACT was successful in getting a bill passed which required INDOT to keep a web-based system of utility contacts. Therefore, when a city or town has a project which requires moving "facilities" we can consult the website for the appropriate utility contact person to handle the job. The bill also requested that more study be done on the issue through the Regulatory Flexibility interim study committee. However, this study was not assigned to the interim committee by the Legislative Counsel.

This year, we are going to revisit the issue again. New Senator Mike Crider has introduced SB 365. IACT has been working closely with Senator Merritt (who chairs the Senate Utilities Committee) and Senator Crider, who last week brought all parties together, including representatives from the private industry as well as municipalities.

Links to Bill: <http://www.in.gov/legislative/bills/2013/PDF/IN/IN0365.1.pdf>

Fair Distribution of Local Income Tax Dollars

This issue continues to garner attention. Last year, the state Director of the Office of Management and Budget announced that the state made some serious accounting errors which affected the distribution of local revenues. Since that revelation, an accounting firm was hired to do a state audit and a "Tax Working Group" found when a county adopts a local option income tax, employers are required to collect and submit the tax to the state along with the state income tax. However, the Department of Revenue's system is such that locals are currently only receiving distributions of the local income tax based on tax returns filed. Many taxpayers don't file returns. For those taxpayers that don't file returns, their payment of local option income tax is kept by the state as un-reconciled cash. Several legislators have now been made aware of this problem and are asking for a correction and more transparency. IACT is working with legislators, including Rep. Wes Culver, Rep. David Ober and Rep. Mark Messmer.

For more information on our initiatives, contact Rhonda Cook, IACT Director of Government Affairs at (317) 694-1451 or rcook@citiesandtowns.org.

Other Bills

Limitation on Home Rule Bill Discussed in House Local Government Committee

HB 1388 Limitation on Home Rule (Speedy, R-Southport)

HB 1388 stems from a local debate in Marion County regarding the rights of business owners versus the rights of employees. The bill prohibits local governments from being able to adopt an ordinance which requires businesses (i.e. hotel and restaurant owners) to meet certain local standards for employee wages and benefits that are above the federal minimums. It also prohibits locals from being able to deny a license to businesses when they are not in compliance with the local policy.

IACT testified in opposition to the bill because of its limits on home rule authority. Also, we believe the language in the licensing portion of the bill is very open-ended and vague and could have unintended consequences.

IACT Position: Oppose.

Links to Bills:

<http://www.in.gov/apps/lisa/session/billwatch/billinfo?year=2013&request=getBill&docno=1388>

For more information, contact Rhonda Cook, IACT Director of Government Affairs at (317) 694-1451 or rcook@citiesandtowns.org.

Senate Local Government Committee Debated Online Publishing of Legal Notices In Lieu of Newspaper Ads

SB 458 Electronic Notices by Political Subdivisions (Sen. Jim Banks, R-Columbia City)

IACT supports legislation allowing cities and towns to publish legal notices on a web site instead of purchasing a newspaper advertisement. We appreciate Senator Banks's efforts to decrease or eliminate unnecessary spending of tax dollars on advertising legal notices in the newspaper while still providing timely and transparent postings of all legal notices. The bill sets requirements regarding the availability and accessibility of the notice web site along with requiring the municipality to publish an advertisement in a newspaper once a week that states the Internet address of the notice web site and information regarding Internet accessibility.

IACT testified in strong support of this legislation along with the Association of Indiana Counties and the Indiana Township Association. This bill makes sense in times where there is a proven decline in newspaper readership over the past 10 years with a shift to people obtaining news and researching inquiries online. The Hoosier Press Association vehemently opposed the legislation stating that this was not a tax payer friendly bill shifting the burden to citizens to go to multiple websites to get public notices. The Hoosier Press Association also stated that local units of government cannot provide accessible records, arguing that local units of government cannot archive and provide preservation of public notices appropriately and made negative accusations that local taxing units cannot prove the public notice will not be altered from the initial notice or disappear from the online web posting site too soon. We made it clear that cities and towns have archived documents and have made them accessible to the public as long as municipalities have been in existence. No vote was held on this bill.

IACT encourages you to contact members of the Senate Local Government Committee asking for their support of the SB 458. Senator Holdman (R-Markle) is also offering amendments to find a

middle ground between what taxing units should advertise and what makes sense to be able to post online and reduce advertising costs. Chairman Head (R-Logansport) held the bill meaning he did not allow a vote by the committee. IACT will ask the Senate to keep this discussion moving forward.

IACT Position: Support

Link to bill: <http://www.in.gov/legislative/bills/2013/PDF/IN/IN0458.1.pdf>

For more information, contact Ann Cottongim, Deputy Director and CFO at (317) 691-7486 or acottongim@citiesandtowns.org

City and Town Courts May Be Allowed To Collect Late Fees For Handicapped Parking And Seat Belt Tickets

HB1124 - City and town court late payment fees (Mahan, R-Hartford City)

Representative Kevin Mahan sponsored HB 1124 at the request of city and town court judges. The bill would allow city and town courts to collect a late fee from a defendant who is found to have committed a violation constituting a Class D infraction or Class C infraction for unlawfully parking in a space reserved for a person with a physical disability if the fine has not been timely paid. The State Board of Accounts had ruled that since Class D Infractions (including seat belt violations) and handicapped parking violations did not assess court costs but only a fine then the city and town courts could not assess late fees. The Circuit and Superior Courts did not have the same code provision. After testimony by Judges Leib (Mooresville) and Wheeler (Cumberland) the committee voted 9-0 to pass the bill without amendment.

IACT Position: Support

Link to bill: <http://www.in.gov/legislative/bills/2013/HB/HB1124.1.html>

Link to general page that could access the bill and the fiscal:

<http://www.in.gov/apps/lisa/session/billwatch/billinfo?year=2013&session=1&request=getBill&docno=1124>

For more information, contact Rhonda Cook, IACT Director of Government Affairs at (317) 237-6200 or rcook@citiesandtowns.org or Jodie Woods, IACT General Counsel at jwoods@citiesandtowns.org.

Bill Expands Power of Redevelopment Commissions to Aid Commercial Properties

SB 346 Redevelopment Commissions (Head, R-Logansport)

SB 346 passed out of the Senate Tax and Fiscal Policy Committee this week. The bill provides that a redevelopment commission may, subject to prior approval by the unit's fiscal body, provide financial assistance to the owner of commercial property within a redevelopment project area or economic development area designated by the redevelopment commission, to assist the owner in constructing, rehabilitating, or repairing the commercial property.

IACT Position: Support. Still working on tweaks to the bill.

Links to Bills:

<http://www.in.gov/apps/lisa/session/billwatch/billinfo?year=2013&request=getBill&docno=346>

For more information, contact Rhonda Cook, IACT Director of Government Affairs at (317) 694-1451 or rcook@citiesandtowns.org.

Insurance Bill Makes Cities/Towns Vulnerable for Unfunded Pollutant Clean-Up Costs**HB 1269 Environmental Coverage (Carbaugh, R-Fort Wayne)**

IACT doesn't normally spend a lot of time in the House Insurance Committee, but this week we were there to testify on HB 1269.

The Insurance Institute is pushing 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.

IACT's concern is that property owners (especially those with higher pollutant risk such as gas stations, certain manufacturers) may not know that damage by pollutants is not covered under their insurance policy. If the property owners are not required are not even notified that they need buy an additional policy, cities and towns may be left with the cost of expensive environmental cleanups. Several cities and towns have benefitted from insurance proceeds which have been used to clean-up pollutants and spills. This bill overturns current case law.

IACT Position: Have strong concerns.

Links to Bills:

<http://www.in.gov/apps/lisa/session/billwatch/billinfo?year=2013&request=getBill&docno=1269>

For more information, contact Rhonda Cook, IACT Director of Government Affairs at (317) 694-1451 or rcook@citiesandtowns.org.

Reorganization Bill Passes Out of Senate Local Government Committee**SB 343 Local Government Reorganization (Head, R-Logansport)**

SB 343 revamps many provisions in the Government Modernization Act. For instance, it requires additional reviews by the Department of Local Government Finance of reorganization plans and ballot questions. It also removes the requirement that a reorganizing committee be formed to oversee a proposed reorganization and places this task in the hands of the units' legislative bodies.

IACT's concern with the bill is about the voting procedures for a proposed reorganization and taking away flexibility at the local level to determine how the vote would be handled. In current law, the voting blocks can be determined locally as part of the reorganization plan. Also, the voting threshold (the number of votes needed to pass the reorganization plan) can be set at the local level. In this bill, however, the voting blocks would be set in statute and the voting threshold must be between 50 and 55% to pass.

As an example, for a reorganization between a city and county, under this bill, the city residents would

be required to vote as one block and the residents in the unincorporated area of the county would be required to vote as one block. If both blocks approve the reorganization plan by a threshold permitted under statute, the reorganization plan is passed. Under current law, the flexibility was given to design the voting blocks differently. For instance, local could choose to have all the residents in the county vote the plan up or down instead having separate voting blocks. In addition, under current law, a higher voting threshold could be set. The local reorganization plan could require, for instance, a 75% vote of approval for the proposed reorganization plan.

IACT Position: Neutral on most of the bill. Oppose the section on voting blocks and thresholds.

Links to Bills:

<http://www.in.gov/apps/lsa/session/billwatch/billinfo?year=2013&request=getBill&docno=343>

For more information, contact Rhonda Cook, IACT Director of Government Affairs at (317) 694-1451 or rcook@citiesandtowns.org.

SB 459 Improves Local Government Reorganization Statute and Removes Obstacles Preventing Taxing Units from Consolidating

SB 459 Local Government Reorganization (Sen. Pete Miller, R-Avon)

Senator Miller filed SB459 to fix holes in the local government reorganization statute. The Town of Avon and Whitewater Township are considering a consolidation; however, the following three items hindered their ability to complete the merger and keep current services and financing measures in place. While this bill was filed to help these two entities, SB 459 applies to 135 townships that contain more than one municipality. IACT supports the following measures to encourage and advance consolidation efforts.

Cumulative Firefighting Building and Equipment Fund

In the case of a reorganization under the government modernization statutes that includes a township and another political subdivision, the rate-controlled property taxes imposed by the reorganized political subdivision for a cumulative firefighting building and equipment fund remain outside of the property tax levy limits.

Township Assistance/Poor Relief

Currently, the reorganization statute does not provide for township assistance for the residents once a consolidation has been completed. In the case of a reorganization that includes a township and one or more municipalities in the township, but does not include all municipalities within the township, the following will now be in place with SB 459:

- (1) the township's powers and duties concerning township assistance are transferred to the county; and
- (2) the county fiscal body shall impose a uniform tax rate throughout the entire township that is sufficient to meet the estimated cost of township assistance in the township.

Fire-Related and Emergency Borrowing Repayment

Emergency loans are also an item not currently covered in the reorganization statutes and law does not give the new entity the power to repay emergency loans over a five year period if needed.

- (1) If the township borrowed money from a township fund to pay the operating expenses of the township fire department or a volunteer fire department before the reorganization, the reorganized political subdivision may repay the loan in installments during the following five years.
- (2) If the township borrowed money to meet an emergency or to meet the township's current expenses, the fiscal body of the reorganized political subdivision may renew the loan for a period not

to exceed five years.

IACT Position: Support

Link to bill: <http://www.in.gov/legislative/bills/2013/PDF/IN/IN0459.1.pdf>

For more information, contact Ann Cottongim, Deputy Director and CFO at (317) 691-7486 or acottongim@citiesandtowns.org

Accrual Accounting Versus Cash Based Accounting for Local Units of Government

SB 190 Accrual Accounting Requirement (Delph, R-Carmel)

It is IACT's understanding that SB 190 will be amended to go to a summer study committee to review the requirement of accrual based accounting for local units of government. As initially filed, SB 190 will require 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. The bill also requires the State Board of Accounts to prescribe a plan for the local taxing units and state agencies to follow to convert to an accrual based accounting method for budgeting and financial reports before October 1, 2013. Again, IACT is hearing that this legislation will not move forward and it will likely become a summer study initiative.

IACT Position: Oppose as filed.

Links to Bills: <http://www.in.gov/legislative/bills/2013/IN/IN0190.1.html>

For more information on this bill, contact Justin E. Swanson, IACT Government Affairs Specialist, at (317) 237-6200 or jswanson@citiesandtowns.org.

Alcoholic Beverage Permit Allowance Expanded from Riverfront Projects to Lake Michigan Lakefront Developments

SB0173 - Lakefront Development Project Alcohol Permit (Randolph, D-East Chicago)

SB 173 as amended in the Senate Public Policy Committee will allow the alcohol and tobacco commission to issue a three-way, two-way, or one-way permit to sell alcoholic beverages for on-premises consumption to an applicant who is the proprietor, as owner or lessee, or both, of a restaurant on land or in a historic lake vessel within a municipal lakefront development project funded by local, state or federal money. The bill does require the boundaries of the lakefront development project to border on Lake Michigan. Mayor Stahura was there to testify. The amended bill passed 9-0.

IACT Position: Support

Link to bill: <http://www.in.gov/legislative/bills/2013/PDF/SB/SB0173.1.pdf>

Link to general page that could access the bill and the fiscal:

<http://www.in.gov/apps/lsa/session/billwatch/billinfo?year=2013&session=1&request=getBill&docno=173>

For more information, contact Rhonda Cook, IACT Director of Government Affairs at (317) 237-6200 or rcook@citiesandtowns.org or Jodie Woods, IACT General Counsel at jwoods@citiesandtowns.org.

Don't Forget to Register for the IACT Statewide Town Roundtable!

February 7, 2013

Join fellow town officials from around the state at this casual gathering that will highlight issues important to your community. Listen to IACT staff and representatives from a number of state agencies, including Charlie Pride from the State Board of Accounts, as they discuss the latest in legislative action and policy. Legislators will also attend to give their perspective on the 2013 legislative session. Thank you to IACT Town Roundtable sponsors, Midwestern Engineers, Inc. and Umbaugh.

Special guest speakers include: **Charlie Pride** from the State Board of Accounts and State Lawmakers **Sen. John Broden, Sen. Michael Crider, Rep. Sharon Negele & Rep. Tom Saunders.**

[Registration Flyer.](#)

[Town Roundtable Webpage.](#)



IACT LEGISLATIVE DAY

Register Today for IACT Legislative Day!

MARCH 19, 2013
INDIANAPOLIS

Join fellow municipal officials in Indianapolis for a legislative briefing at the OneAmerica building, followed by a luncheon with legislators at the Statehouse.

[Registration Brochure.](#)

[Legislative Day webpage.](#)

Legislative Summary *is sponsored by:*



[Contact IACT](#)