

# Legislative Summary



Indiana Association of Cities & Towns

January 25, 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.

## Pence's First State of the State, Cursive Writing & Mass Transit Dominate the Week

Indiana residents and lawmakers watched Governor Mike Pence outline his goals during his first State of the State address on Tuesday. During his speech, the Governor promoted his 10% personal income tax cut while also calling for improvements to vocational training and the expansion of Indiana's school voucher system – extending it to military and foster families and special needs children. In other news, cursive writing proponents celebrated a victory as their bill requiring cursive writing instruction in our schools passed out of Senate Committee. We had several mayors in town this week to help promote cities and towns at the Statehouse. Special thanks goes to Lebanon Mayor Huck Lewis for testifying in the Senate Local Government Committee while serving as our “Mayor of the Day.” We also appreciate the efforts of central Indiana mayors working to make Mass Transit a local option. As Mayor John Ditslear of Noblesville put it, “All we’re asking for is local control.”

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

### **Increased Local Roads & Infrastructure Funding a Top Priority -- Talk to Your Legislators!**

An IACT Initiative this session is to push for more funding for local infrastructure, which is critical to the economic vitality of our communities. Specifically, we have asked lawmakers to re-dedicate the gas tax revenues to its intended purpose of funding local roads and streets. In recent years, 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. That diversion of funds added up to \$157 M in FY 2011.

**We will keep the discussion going at the Statehouse. Please keep the pressure on at home!** As always, the most compelling case you can make is your own. Tell your legislators

the situation in your own community: How much revenue do you get for local roads & streets? How long has it been at that level of funding? (i.e. same level of funding since 1990?) How much have your costs for materials, such as asphalt and concrete, gone up in that time period?

## **Two Bills Have Been Filed To Remove State Police & BMV From MVH Fund**

**HB 1126 Highway funding (Saunders, R-Lewisville)**

**HB 1076 State police and BMV funding (Ober, R-Albion)**

Both bills have been assigned to the Ways and Means Committee. Neither have been scheduled for a hearing.

**IACT Position:** INITIATIVE, Support

**Link to Bills:** <http://www.indiananet.org/2013data/docs00/pdf/HB1076.PDF>  
<http://www.indiananet.org/2013data/docs00/pdf/HB1126.PDF>

[Click here](#) to view a handout compiled by The Build Indiana Council (BIC) on this issue.

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

## **Bills of Concern**

### **Bill to Eliminate Cable Franchise Fees Filed. Contact Your Legislators ASAP!**

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

This week Representative Jack Lutz (R-Anderson) filed HB 1432 to eliminate all cable franchise fees by June 30, 2015. This bill has not yet been scheduled for a hearing in the House Utilities and Energy Committee; your immediate action is needed NOW. 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. Below are some additional talking points.

- **This bill should NOT receive a hearing.** This issue was debated extensively and in 2006 an agreement was reached between IACT, House leadership and the cable industry to end the threat of eliminating franchise fees. (In short, this arrangement eliminated local cable board regulatory functions while leaving current cable franchise fees in place).
- **If a committee hearing takes place – please VOTE NO!** Unless the General Assembly wants to start appropriating funds to cities and towns to replace dollars they are taking away, this has to stop.
- Franchise fee dollars are general fund dollars that are being lawfully spent to support the functions of city and town government.
- **If Indiana wants to grow our economy and remain competitive among our Midwestern competitors, the General Assembly cannot continue to use municipal government as the scapegoat for more cuts.** The quality of life in our cities and towns is the among most

important economic development tools we have. Creating and maintaining vibrant, livable communities simply cannot happen without adequate funding.

**Please act to help us stop HB 1432 from advancing.** Your participation is vital to our success at the Statehouse. Regardless of whether your state representative is a member of the House Utilities and Energy Committee, please contact your House member(s) today and let them know your position on HB 1432. As always, let any member of our legislative team know how we can support you. Click here for team contact information.

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

[Utility and Energy Committee Members and Contact Information.](#)

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

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## **Bill Filed Would Eliminate City & Towns' Ability to Regulate and Inspect Rental Properties**

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

The Apartment Association is trying again to eliminate municipal inspection programs of rental properties. The bill this year goes further than ever before. As filed, HB 1313 prohibits cities and towns from adopting ordinances and enforcing existing ordinances which regulate residential rental properties. This 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 not money-makers for cities and towns. They are about preserving beautiful neighborhoods and keeping our communities safe. 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](mailto:lmcgrath@citiesandtowns.org)) or Mike Smith ([msmith@citiesandtowns.org](mailto:msmith@citiesandtowns.org)). Reach Leah or Mike at 317-237-2600.

**Bill Status:** The bill has been assigned to the House Local Government Committee, chaired by Rep. Tim Neese (R-Elkhart). Rep. Eric Turner (R-) and Rep. Terri Austin (D-Democrat) have signed onto the bill as co-authors.

**IACT Position:** Opposed

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](mailto:lmcgrath@citiesandtowns.org)

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## **IACT Legislative Initiatives**

### **More Work Done on Abandoned Homes Bills**

**HB 1537 Abandoned Houses**  
**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. Specifically, IACT is working with Rep. John Price (R-Greenwood) on HB 1537. IACT met this week with Rep. Price and Rep. Woody Burton (chair of the House Financial Institutions Committee) along with representatives from the Bankers' Association. New/additional language for HB 1537 is in the works. Thanks to Ann-Carol Nash, City Attorney from South Bend, for joining the meeting at the statehouse!

Also this week, SB 433 was heard in the Senate Local Government Committee which is a bill authored by Senator Allen Paul. The bill establishes a procedure to allow a county to dispose of certain properties which didn't sell at tax sale. It also authorizes a municipality or county to bring an action to collect unpaid expenses relating to the abatement of high weeds and grass. (Under current law, the municipality or county may obtain only a lien on the property containing the high weeds and grass.) SB 433 contained language which would have added additional notice requirements for local governments when we were required to mow the grass of an un-kept property. IACT was able to get this language removed in committee. There is an additional burdensome notice requirement in the bill under the unsafe building statute. IACT is working with Senator Paul to streamline this provision in the bill on a second reading amendment.

**IACT Position:** INITIATIVE: Support.

**Links to Bills:**

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

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

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

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**Meth Bill Hearing Reveals Need For Continued Education on Problem**

**SB 496 (Yoder, R-Middlebury)**

This week the Committee on Corrections & Criminal Law heard SB 496, which proposes to limit the annual sale and purchase of ephedrine/pseudoephedrine to 72 grams and charges the Indiana State Police (ISP) with creating and maintaining the Methamphetamine Manufacturer Registry, an electronic database containing information relating to persons who have been convicted of certain offenses involving the manufacture of methamphetamine. The bill also charges the Division of State Court Administration (DSCA) to provide advice and assistance to the ISP concerning data collection for the methamphetamine registry.

However, this bill was amended during committee to remove language relating to DSCA's data collection duties. Furthermore, Chairman Young, who has been added as a co-author, suggested removing ISP's duties of creating and maintaining the database. Senator Yoder plans to meet with ISP to discuss this and will report back next week to the committee.

Essentially, IACT anticipates the only thing left in this bill by next week is the annual limit of 72 grams. Senator Yoder appeared open to lowering this threshold but stated that Representative Bacon's annual limit of 28.8 grams is too low for him.

**IACT Position:** Oppose

**Link to bill:** <http://www.in.gov/legislative/bills/2013/PDF/IN/IN0496.1.pdf>

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

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## **Mass Transit Supporters Filled Committee Room**

### **HB 1011 (Torr, R-Carmel)**

The Committee on Roads and Transportation took 4.5 hours of testimony this week in a packed House Chamber with 50 proponents testifying in favor and only 2 opposed to the bill. The committee took testimony only and held the bill until next week. IACT anticipates amendments to this bill. Representatives Kirchofer, Porter, Pryor have joined as co-authors.

HB 1011 authorizes the establishment of a Metropolitan Transit District (MTD) by specified eligible counties through local public questions. It authorizes the MTD to: (1) construct or acquire any public transportation facility; (2) provide public transportation service by operating public transportation facilities; and (3) issue bonds and otherwise incur indebtedness. It provides that in a county that has approved the local public question, an additional CREDIT rate of not more than 0.3% may be imposed to pay the county's contribution to the funding of the metropolitan transit district.

The eligible counties that may opt into the MTD include: Boone, Delaware, Hamilton, Hancock, Hendricks, Johnson, Madison, Marion, Morgan and Shelby. However, Irrespective of the approval of the public question in any of the eligible counties, the MTD is only created if one of the following combinations of counties opt into the MTD: (1) Marion County only; (2) Marion County plus at least one contiguous eligible county; (3) Marion County, Madison County and one of either Hamilton or Hancock counties; or (4) Delaware County, Madison County, Marion County and one of either Hamilton or Hancock Counties.

**IACT Position:** Support

**Link to bill:** <http://www.in.gov/legislative/bills/2013/PDF/IN/IN1011.1.pdf>

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

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## **HELP NEEDED: Call Your Legislators and Ask Them to Support Food and Beverage Tax Flexibility – House Bill 1071!**

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

HB 1071 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.

HB 1071 has been assigned to Ways and Means. We need you to contact your legislator and urge them to support this bill!

Last week, HB 1133 was heard in the Ways and Means Committee which allowed the town of Nashville to change the use of their current food and beverage tax. IACT testified in support of the bill and used the opportunity to explain that if locals had our own fiscal flexibility, Nashville could change its food and beverage use without coming to the General Assembly. Also IACT made the point that all municipalities should have the authority to adopt the tax if their local community was in support. HB 1133 passed out of the Ways and Means Committee on Thursday of this week.

**IACT Position:** INITIATIVE: Support.

**Links to Bills:**

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

[IACT informational handout on HB 1071](#)

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

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## **Public Service Answer Points – 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.

**IACT Position:** INITIATIVE, Support.

**Links to IACIR Report:** [http://www.iacir.spea.iupui.edu/documents/911\\_E911Services.pdf](http://www.iacir.spea.iupui.edu/documents/911_E911Services.pdf)

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

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

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## **All Parties Came Together This 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 this week brought all parties together, including representatives from the private industry as well as municipalities. We are pleased the dialogue is happening and will continue to work toward a resolution of these costly delays.

**IACT Position:** INITIATIVE, Support.

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

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

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## **Fair Distribution of Local Income Tax Dollars**

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" made up of mainly state government employees was assembled to map the revenues coming into the state and the subsequent distribution to locals. Mayor Allan Kauffman of Goshen represented IACT and participated in the numerous Tax Working Group meetings.

The Tax Working Group found that 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 on bills that will be filed by Rep. Wes Culver, Rep. David Ober and Rep. Mark Messmer.

**IACT Position:** INITIATIVE: Support.

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

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## Other Bills

### Bill Changes Process for Becoming a New Town

#### HB 1186 Incorporation of Towns

Rep. John Price of Greenwood introduced a bill which allows incorporation of a new town to be done through a referendum instead of by a decision made by the county commissioners. IACT did not initiate this bill, however, we did work with Rep. Price to improve its language. The bill now offers an alternative process for incorporation by referendum. It allows the commissioners to make the decision as to which process will be used – the current process (a bit modified) or a referendum process.

**IACT Position:** Neutral.

**Links to Bills:**

<http://www.in.gov/apps/lsa/session/billwatch/billinfo?year=2013&request=getBill&docno=1186>

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

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### Annexation Bill Receives a Hearing in the Senate Local Government Committee

#### SB 285 Waiver of the Right to Remonstrate Against Annexation (Buck, R-Kokomo)

Senator Buck's bill deals with waivers to the right to remonstrate during an annexation. When a municipality extends sewer lines to homeowners or to a new housing development outside of the municipal limits, the city or town usually requires the property owner to sign a contract stating that in return for the sewer service provided, the property owner will not remonstrate against a future annexation. Senator Buck's concern is that many times these contracts are signed by the subdivision developer and the home buyer is not aware of their lack of a right to remonstrate when they buy the property. Senator Buck's bill seeks to add the waiver language to the property deed. IACT has no problem with providing clear notification to the property owner. While the bill passed out of committee, we continue to work with Senator Buck on the language. In addition, Senator Buck has agreed to offer a second reading amendment which makes the requirement for the language to be on the deed prospective -- on a going forward basis.

IACT Position: Concerned, but working on language improvements.

**Links to Bills:**

<http://www.in.gov/apps/lsa/session/billwatch/billinfo?year=2013&request=getBill&docno=285>



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

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## **Bill Provides Method for Removing Historic District Designation**

### **SB 4 Altering historic preservation districts (Arnold, D-LaPorte)**

The Committee on Local Government passed SB 4 out of committee with a 6-0 vote and is on its way to the Senate floor for third reading. This bill provides for an exclusive petition process of removing the designation of a historic district.

As introduced, this method requires filing a petition with the legislative body of the unit by the owners of: (1) a building, structure, or site designated as a single- site historic district; or (2) in the case of a historic district with two or more parcels, at least 51% of the owners of the real property of the historic district. This 51% threshold was increased to 60% by amendment in committee.

Once this threshold is met, the legislative body must submit the petition to the historic preservation commission (commission) of the unit and the commission then must conduct a public hearing on the petition not later than 60 days after receiving the petition. The commission is required to make findings and a recommendation to grant or deny the petition not later than ten days after the public hearing.

The commission's findings and recommendations are then sent back to the legislative body of the unit, which must grant or deny the petition not later than 45 days after receiving the petition from the commission. The legislative body may adopt an ordinance granting a petition by: (1) a majority vote, if the recommendation of the commission is to grant the petition; or (2) by a two-thirds vote, if the recommendation of the commission is to deny the petition. If no decision is made after 45 days, the petition is granted or denied based on the recommendation of the commission. If a petition is granted, the legislative body must adopt an ordinance to remove the designation of the historic district and record the ordinance with the county recorder.

**IACT Position:** Neutral

**Link to bill:** <http://www.in.gov/legislative/bills/2013/PDF/SB/SB0004.1.pdf>

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

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## **Local Government Officials Could Be Suspended If Charged with a Felony**

### **SB 226 - Suspension of local officeholders (Glick, R- LaGrange)**

This week the Senate Local Government Committee took testimony on the proposal that seeks to instill confidence in local government by removing a local elected official from office if the official is charged with certain felonies or a misdemeanor breach of the peace while performing official duties. The charge can be either by the prosecutor or the grand jury. The suspension must be by a resolution finding that the offense with which the officeholder is charged is relevant to the officeholder's suitability for office and adopted by a 2/3 majority of the legislative body. In addition the super majority has to also find that it is in the best interests of the governmental unit that the officeholder be suspended from office. The suspension would be without pay but health insurance benefits would still

be required. A member of the legislative body who is charged with an offense is not eligible to vote on the member's suitability for office, and also provides that certain relatives of the member are likewise ineligible to vote. If the officeholder is acquitted or the charges are dropped the local elected officeholder would receive the back pay and would be reinstated to his/her office as long as his/her term has not ended. The bill also provides for a court review of the suspension findings. Discussion in committee concerned the possibility of "witch hunts", whether suspension should be with pay unless and until guilt is proven, the legal reason that state officials were not included in the bill, and just what was the meaning of "breach of the peace" among other issues. The chairman, Senator Head, held the bill to see if there were any further compromises that could be reached.

**IACT Position:** Neutral

**Link to bill:**

<http://www.in.gov/apps/lsa/session/billwatch/billinfo?year=2013&session=1&request=getBill&docno=226>

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

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## **Bill Clarifies Uses of Municipal Utility Funds**

### **SB 349 Municipal Utility Funds and Economic Development (Head, R-Logansport)**

The City of Peru asked their legislator, Senator Randy Head, to introduce legislation which would permit their municipal utility to make a grant to their local economic development organization so that a promotional logo for the city could be placed on the utility's water tower. The logo had always existed, but due to painting of the water tower the logo needed to be replaced. The State Board of Accounts had informed the utility that it could not technically use surplus funds in this way without a tweak in the state law. IACT worked with the Indiana Municipal Power Agency and Ice Miller to get the bill into better form. The bill was amended with the new language and passed out of the Senate Utilities Committee this week.

**IACT Position:** Support.

**Links to Bills:**

<http://www.in.gov/apps/lsa/session/billwatch/billinfo?year=2013&request=getBill&docno=349> (Note: the language of the introduced bill was removed and inserted with new language which accomplished the same goal, but in a different way).

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

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## **Bill Allows New Method for Adoption of County Excise Surtax/Wheel Tax**

### **SB 389 County Excise Surtax and Wheel Tax (Boots, R-Crawfordsville)**

When cities and towns have voiced our concerns at the statehouse about not having enough road funding, legislators usually ask, "Well, has your county adopted the wheel tax?" Forty-five counties have not adopted the excise surtax/wheel tax. One of the main reasons that it doesn't get adopted is that the county council must vote the tax in, however, the distribution of the tax benefits cities and

towns more than the county. It is not politically favorable to a council member to pass a tax that doesn't favor the county.

SB 389 allows the excise surtax/wheel tax to be adopted by the "COIT council" method. This allows all units in the county and the county council to have some decision-making authority. Under this method, there are 100 votes total which are divided based on population to each city and town within the county and to the unincorporated area if the county. The legislative body of each city or town determines whether to cast their votes in favor of the tax by passing a resolution. The county council is the acting body for county vote allotment which is based on the population of the unincorporated area.

Example: Within County A, there is City X, City Y and Town Z. There are 100 votes total.

- City X has forty percent of the population in the county, so City X has 40 votes.
- City Y has 10 percent of the population in the county, so City Y has 10 votes.
- Town Z has 5 percent of the population in the county, so Town Z has 5 votes.
- The remainder of the population resides in the county (45 percent), so the county council has 45 votes.

A simple majority is needed to pass the tax. When enough units adopt a resolution supporting the tax so that the vote total is at least 51, the excise surtax/wheel tax is put into place in that county. SB 389 passed out of the Senate Tax and Fiscal Committee this week.

**IACT Position:** Support.

**Links to Bills:**

<http://www.in.gov/apps/lisa/session/billwatch/billinfo?year=2013&request=getBill&docno=389>

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

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## **Bill Extends Fire Insurance Escrow Laws to Third Class Cities**

### **SB 169 (Head, R-Logansport)**

The Committee on Insurance took testimony on a proposal to extend the requirement that an insurer that issued an insurance policy covering a building or structure and that building or structure is damaged by fire or explosion to remit a certain amount of insurance proceeds to third class cities. Current law extends this requirement to only first and second class cities. Senator Head stated that fires happen everywhere and plans to offer a second reading amendment to extend this requirement to towns as well. SB 169 received a vote of 8-0 and is on its way to the Senate floor.

**IACT Position:** Support

**Link to bill:** <http://www.in.gov/legislative/bills/2013/PDF/SB/SB0169.1.pdf>

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

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## **IURC Review Bill Passes House**

### **HB 1137 (Frizzell, R-Indianapolis)**

This week HB 1137 was passed out of the House with a 94-0 vote and is on its way over to its Senate sponsor, Senator Merritt. Representatives Price and Pierce were added as co-authors as well. This bill requires petitions for review by the IURC of extraterritorial water rates to be signed by each individual seeking review or by an attorney representing the individuals. It also allows the Indiana Utility Regulatory Commission (IRUC) to extend the 120 day deadline for up to 60 days if all parties to the petition agree or for good cause. The specific language of the 60 day extension is ambiguous and open to interpretation, which could lead to unnecessary delay and litigation. Therefore, IACT plans to meet with Senator Merritt to offer clarifying language to ensure the IRUC is prohibited from delaying a decision indefinitely.

**IACT Position:** Oppose

**Link to bill:** <http://www.in.gov/legislative/bills/2013/PDF/HB/HB1137.1.pdf>

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

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## **Easements of Tiled Legal Drains Including Urban Drains in Platted Subdivisions May Be Reduced in Size**

### **HB1169 - Drainage issues (Heuer, R- Columbia City)**

The House Local Government Committee by a 9-0 vote passed HB 1169 to the House Floor without amendment. The bill allows the drainage board of a county, upon the recommendation of the county surveyor, to further reduce any tiled drain, including a tiled urban drain, in a platted subdivision to be less than 15 feet from the center line as measured at right angles but not less than seven feet from each side of the center line or not less than the recommendation made by the county surveyor

**IACT Position:** Support

**Link to bill:**

<http://www.in.gov/apps/lsa/session/billwatch/billinfo?year=2013&request=getBill&docno=1169>

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

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## **Town Officials: Don't forget to register for the IACT Statewide Town Roundtable on February 7!**

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.

[Click here](#) for more information and to register.

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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.

[Details and Registration](#)  
[Download the Registration Form](#)

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