



Indiana Association of  
Cities and Towns

# LEGISLATIVE SUMMARY



**FEBRUARY 12, 2016**

This week's Legislative Summary highlights a few bills that currently have or may soon have both positive and not-so-positive language included in them. This means a willingness to negotiate and demonstrating flexibility will be key in the remaining weeks. As always, please let us know if you need more information on any piece of legislation and we look forward to seeing you this coming week at [IACT Legislative Day](#). Wait, what? You're not registered? It's not too late!

## THIS WEEK: THE TOP **5** THINGS YOU NEED TO KNOW

### Road Funding

- There are two weeks left for the House and Senate committees to move bills from the opposite house. IACT will remain engaged to protect as much of HB 1001 and SB 67 as possible.
- As we transition into the final weeks of committee hearings and compromises start to take place, this is the perfect time to ask for additional resources to help meet our infrastructure needs. IACT would love to hear from our membership on additional resources that would help your community address infrastructure needs.
- As the politics within the debate intensify, local officials can be very helpful by contacting their legislators and discussing the long term need for infrastructure funding. Legislators continue to ask for accurate data on local need and budgeting shortfalls for road funding.
- [Click for more](#)

### Annexation

- IACT's initiative annexation bill, HB 1298, will be heard in the Senate Local Government Committee on Wednesday, February 17.
- The bill contains clean-up measures to the drastic annexation reform legislation that passed last year, SEA 330-2015. The changes we are asking for in HB 1298 are ones that IACT could gain consensus on with the Farm Bureau and Association of Indiana Counties.
- We hope the bill will stay clean, but there is a possibility that "bad" annexation language will be added. If this occurs, we may have to lobby to kill HB 1298.
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### Mixed Property Tax Matters

- SB 308 contains several local property tax reform measures – some of which are favorable and some are not. It contains levy growth language for fast growing communities (an IACT initiative), however, there is concerning language to reduce farmland assessed value, which affects all units in a county because of tax caps. Click [here](#) to see how much your unit is projected to lose.
- SB 308 contains TIF language that prohibits the capture of tax increment from an abated property when the abatement is granted before the TIF area is created.
- The bill also contains a measure to help address the "dark store" problem where big box retailers challenge their tax assessments on the basis that their buildings should be compared in value to a vacant box store. SB 308 will be heard next Wednesday in the House Ways & Means Committee.
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### Body Cameras

- This week, the Senate Judiciary Committee considered a bill by Rep. Mahan that sets out the framework and standards for public records requests for law enforcement recordings (e.g. from police body cameras or dash cams). This legislation originated from an interim study committee that spent a significant amount of time this summer talking with stakeholders and examining the various issues surrounding public access to these records.
- One of the most important aspects of this legislation for municipalities is the requirement that departments retain records for a set amount of time. It was originally 180 days, but then 270 days was proposed. We believe the number will end up being around 190 days in the bill's final form.
- The Chairman of the Senate Judiciary Committee named a subcommittee to continue working through the finer details of the legislation to ensure it is in its best shape. We will continue to advocate for a recording retention time of not more than 190 days and will monitor any changes to the bill to ensure that locals still have appropriate discretion to respond to public records requests in the best manner for their communities.
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### Fees for Plan Review

- SB 324 is a bill dealing with time for state plan review, however, it currently contains language that would prohibit cities and towns from charging a fee for plan review.
- We believe that the language prohibiting fees for plan review is not the true intent of the authors. We are working to get the language modified.
- Local units that are certified by the state will soon be able to do design releases. The intent of the language in the bill is to make sure the applicant is charged only one fee for a design release – either by the state or by the locals.
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## IACT LEGISLATIVE DAY IS FEBRUARY 17, 2016

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### Detour Ahead on Current Road Funding Bills

#### [SB 67 Supplemental Distribution of Local Income Tax \(Hershman, R-Buck Creek\)](#)

#### [HB 1001 Road Funding \(Soliday R-Valparaiso\)](#)

On the first day of session most political insiders would have told you that the road funding debate would not only be political divisive but it would very likely end up in conference committee where a last minute compromise will be struck. As the first week of the second half is wrapping up all signs point that will indeed be the case. HB 1001 was heard in Senate Appropriations Committee on Thursday where Mayor Scott Fadness of Fishers and Mayor Joe McGuinness of Franklin provided testimony in support of HB 1001 and the long term funding mechanisms within the bill. The bill was held in committee and will be brought back next week to amend and vote. While there have been no announcements on what the committee intends to do with the bill, signs indicate the bill will be drastically changed. SB 67, which distributes more than \$425 million from the LOIT Trust reserve account to be used for road funding, is not yet scheduled for committee but will likely be heard in House Ways and Means next week. Depending on the actions taken by the Appropriation Committee on HB 1001 we may see some drastic changes to SB 67 as well. Keep in mind HB 1110 which has language very similar to SB 67, though it has no restrictions on the distribution, is also waiting to be scheduled in the Senate Tax and Fiscal Committee. All sides remain very confident in their position which means our local officials need to continue voicing their support for local fiscal control and additional long term funding sources.

**IACT's Position or Proposed Position:** Supportive of increased local road funding

### IACT Initiative Annexation Bill to Be Heard in Committee Next Wednesday

#### [HB 1298 Annexation \(Negele, R-Attica\)](#)

IACT's initiative bill, HB 1298, passed the House a couple of weeks ago by a 93-0 vote. Now, it is the Senate's turn to consider the bill. HB 1298 will be heard in the Senate Local Government Committee next Wednesday, February 17. The bill makes clean-up changes that are needed following the passage of SEA 330-2015. IACT worked with the Indiana Farm Bureau and the Association of Indiana Counties to reach an agreement on the language in the bill. In addition, the bill was amended in the House committee to also allow the town of Syracuse to annex its non-contiguous industrial park. We are hopeful that the bill will stay clean and that negative amendments will not be added.

**IACT's Position or Proposed Position:** Support HB 1298 – An IACT Initiative Bill

### Omnibus Property Tax Bill Will be Heard in Ways & Means

#### [SB 308 Property Tax Matters \(Hershman, R-Buck Creek\)](#)

SB 308 passed the Senate last week by a 50-0 vote. Next week, on Wednesday, the bill will be heard in the House Ways & Means Committee. SB 308 is home for various local property tax matters – some are good and some are bad for IACT members. We will discuss five of the important ones. 1) TIF: The bill contains language regarding TIF and tax abatements. If a property in a TIF area was receiving a tax abatement before the TIF area is created, a local unit is not allowed to capture the increment due to the abatement rolling off. This assessed value must return to the base. 2) Levy Growth: The bill contains language which allows levy increases for fast growing communities. 3) Agricultural Assessments: The bill makes changes to the way farmland is assessed. It is projected that the new calculation will result in a reduction of farmland assessments of \$4.2 Billion for taxes payable in 2018 and \$8.9 Billion for taxes payable in 2019. (Click on the link to see how your unit may be affected.) 4) Dark Stores: The bill contains language on market segmentation to address the problems with assessments of big box retail stores.

**IACT's Position or Proposed Position:** 1) Concerns about TIF language; 2) Support levy growth language (an IACT initiative); 3) Oppose farmland assessment language; 4) Support dark store language.

### New Framework for Public Access to Law Enforcement Recordings

**HB 1019 Law Enforcement Recordings (Mahan, R-Hartford City)**

In recent years, we have heard a national discussion take place concerning the use of police body cameras. Many municipalities in Indiana have already started their own body camera programs and several others are considering it. As more municipalities move to adopt programs, it is important to have a framework in place that gives local departments guidance and ensures appropriate public access to these recordings.

There is no mandate for local departments to begin using body cameras, but HB 1019 does contain a recording retention requirement for any municipality that chooses to adopt a program. The interim study committee tasked with studying this issue recommended 180 days to match Indiana's Statute of Limitations for tort suits, but more days beyond that to give a potential plaintiff some additional time to make the public records request has been proposed. The sponsor of the bill has suggested 190 days.

Apart from the recording retention requirement, the bill also contains provisions that detail when a person must be allowed to inspect a recording and establishes the burden of proof that must be met in order for an individual that has been denied a copy of a recording by the local department to gain access to a recording through the court.

The Chairman of the Senate Judiciary Committee appointed a subcommittee of legislator-attorneys to work through legal technicalities to ensure that the public's right of access to government records is adequately protected. The bill likely will be amended and voted on in committee next week.

**IACT's Position or Proposed Position:** Support

**The Ability to Collect Fees for Plan Review is in Question****SB 324 Construction Permits and Regulation (Messmer, R-Jasper)**

SB 324 will be heard in the House Government Reduction Committee next Wednesday. The bill mainly addresses timing for the state to issue building permits. However, an amendment was added on the Senate side that greatly concerns us. The bill currently states that for Class 1 structures, a fee based plan review may not be a prerequisite or condition for the issuance of a building permit, improvement permit, or any other permit issued by a state agency or a political subdivision. The way this language is written, a city or town could not charge a fee for plan review – this is problematic, but we don't think it was the intent of the authors of the language.

Based on legislation passed in 2014, locals units will soon be able to get certified by the state to do design releases. Currently, only the state can do design releases. We are told that the intent of the legislation we are concerned with was to clarify that an applicant could choose to go to the state for a design release or to the local unit for a design release, however, the applicant would only be subject to one fee regardless as to whether additional reviews were completed by the state or locals. We are working to get the bill modified to reflect what we think is the true intent.

**IACT's Position or Proposed Position:** Concerns about prohibition of plan review fee language that is currently in the bill

[Click for More Bills of Interest](#)

**Upcoming Indiana House & Senate Deadlines:**

- February 25: Senate Committee Report Deadline
- February 29: House Committee Report Deadline

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