



Indiana Association of
Cities and Towns

LEGISLATIVE SUMMARY



FEBRUARY 5, 2016

It's nearly impossible for you to spend your days in city or town hall tracking the hundreds of bills being debated at the State House, so IACT does that for you! Including today's Top 5, our tracking list includes [25 bills impacting municipal government](#) you'll want to review. You will learn a lot by reading through these reports each week. For a more extensive briefing, however, please plan to attend [IACT Legislative Day](#) on February 17th in Indianapolis. Registration information can be found below. We look forward to seeing you there!

THIS WEEK: THE TOP 5 THINGS YOU NEED TO KNOW

Road Funding

- As legislators work to find compromises between two vastly different beliefs on the precise answer to our infrastructure needs, IACT will work to preserve as much local control and additional revenue as possible.
- We are moving into a critical time over the next three weeks where local officials need to increase outreach with their legislators to show their support for additional local infrastructure funding.
- The most important thing local officials can do at this time is provide legislators with concrete information and data on local needs and shortfalls with the current funding mechanism. Inability to pass a meaningful adjustment for road funding will mean another year Hoosier roadways are falling into disrepair.
- [Click for more](#)



Fees for Plan Review

- Language was added to SB 324 which could prohibit locals from charging fees for plan review.
- IACT is currently evaluating the language to determine its impact. You need to read this bill to determine how this would impact your community and email Rhonda Cook at rcook@citiesandtowns.org with your assessment.
- IACT will be watching this bill closely and may be seeking your assistance with lawmakers very soon.
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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.
- 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. This bill has many complex components and IACT is actively engaged.
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Anti-Meth Legislation

- There are a variety of different proposals currently moving through both the House and the Senate that seek to fight domestic meth production.
- Although the General Assembly has made several legislative attempts to stop homegrown meth production, Indiana continues to lead the nation in the number of clandestine meth labs. A new approach is necessary.
- HB 1390, which passed the House 92-7, is currently the best proposal. It contains a prescription component while providing sufficient alternatives for the law-abiding PSE consumer. There are 3 other meth bills still moving: SB 80 allows pharmacists to deny the sale of pseudoephedrine to individuals they believe will divert the medicine for meth-making, and companion bills SB 161 and HB 1157 block the sale of PSE to convicted drug offenders.
- [Click for more](#)

Sanitary Sewer Extensions

- HB 1075 prevents a municipality that is extending sanitary sewer service outside of its municipal boundaries from requiring a property owner to join the sewer service if they provide documentation of a functioning septic system.
- HB1075 is a far-reaching bill to regulate local utility operations by restricting local decision making as well as mandating additional requirements without municipal input.
- Member engagement with your Senator, especially if they are on the bill's assigned committee, will be critical in defeating this bill.

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IACT LEGISLATIVE DAY IS FEBRUARY 17, 2016

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Pedal to the Metal on Road Funding

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

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

We have reached the halfway point of the session and everyone is eagerly awaiting to see how legislative leadership plans to move forward with the two primary road funding bills. HB 1001 passed out of the House this week by a vote of 61-36, with all Democrats opposing and a handful of Republicans voting no in opposition to the tax increases in the bill. "House Republicans worked diligently to develop and pass a comprehensive road funding package, which spurs economic growth and is fiscally responsible," said House Speaker Brian Bosma. HB1001 has been assigned to the Senate Appropriations Committee where the bill will be heard next Thursday. IACT Legislative Committee Chair, Mayor Scott Fadness of Fishers, will be testifying in support of HB1001 along with Mayor Joe McGuinness of Franklin. HB1001 addresses the long term funding needs and will provide locals with increased funding as well as additional tools to meet local needs. SB 67 has not yet been assigned to a committee but will likely move to the House Ways and Means Committee. House Roads and Transportation Chairman Ed Soliday has signed on as a sponsor along with House Ways and Means Chairman Tim Brown. SB 67 will result in a distribution of \$430 million from the LOIT trust reserve with a requirement that \$325 million be spent over the next several years on local roads and bridges. While SB 67 does not provide a long term mechanism to fund our infrastructure needs, this will provide an immediate injection to address our current needs.

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

Bill Contains Measure Which Could Affect Fees for Plan

[SB 324 Construction Permits and Regulation \(Messmer, R-Jasper\)](#)

SB 324, a bill dealing with construction permits and regulation, was amended last week in the Senate Local Government committee and it passed the Senate this week by a 48-1 vote. IACT is working to better understand the ramifications of the amendment added in committee. The language added states that 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. In essence, we believe this to mean that a unit would be prohibited from charging a fee for plan review if later it intended to issue a permit, however, a unit could have a non-fee based plan review.

We would like to have your input on this subject and how it would affect your community. Please email rcook@citiesandtowns.org with your comments.

IACT's Position or Proposed Position: Concerns about fees for plan review language

Omnibus Property Tax Bill Passes Senate 50-0

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

SB 308 passed the Senate this week by a 50-0 vote. Chairman of Ways and Means, Representative Tim Brown, was named as the House sponsor. 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 was amended with language from SB 340. 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 from SB 303 which allows levy increases for fast growing communities. 3) Agricultural Assessments: The bill makes changes to the way farm land 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. 4) Dark Stores: The bill contains language on market segmentation to address the problems with assessments of big box retail stores (note: HB 1290 which is also moving contains market segmentation language as well).

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

Fighting Domestic Meth Production

[SB 80 Pharmacists and Ephedrine \(Head, R-Logansport\)](#)
[SB 161 Methamphetamine Matters \(Young, R-Speedway\)](#)
[HB 1390 Ephedrine and Pseudoephedrine \(Smaltz, R-Auburn\)](#)
[HB 1157 Methamphetamine Matters \(Frizzell, R-Indianapolis\)](#)

There are several moving bills aimed at fighting domestic meth production, though IACT believes one bill in particular represents a very agreeable compromise – HB 1390.

HB 1390 contains a pseudoephedrine prescription component while still providing alternatives to law-abiding citizens who need access to over-the-counter PSE. This bill would allow a person with a relationship on record with a pharmacy to access PSE over-the-counter after a pharmacist makes a professional judgment that the person is in legitimate medical need. If a patient does not have a relationship on record, the pharmacist would offer either a “tamper-resistant” product that cannot easily be used for meth making or offer only a small 24-pack of PSE. If the person will not accept either of those alternatives, then a prescription is required. This bill passed the House 92-7.

The other moving bills are SB 80 and companion bills SB 161 and HB 1157. SB 80 requires pharmacists to interview customers who want to purchase PSE and gives them civil immunity for declining to sell a PSE product if, in their professional judgment, the person is diverting the medicine for meth-making. The other two companion bills would block those convicted of drug-related offenses from buying PSE at the point of sale.

Any bill that passes this session to fight meth production likely won't be finalized until the last days of session in conference committee. IACT will continue to advocate for the provisions in HB 1390.

IACT's Position or Proposed Position: Support

Most Concerning Utility Bill of the Session

[HB 1075 Sewage Fees and Municipal Sanitary Sewer \(Beumer, R- Modoc\)](#)

HB 1075 authored by Representative Beumer and sponsored by Senator Becker will now prevent municipalities from requiring property owners to connect onto a municipal sanitary service that has been extended outside of the municipal boundaries, potentially as long as 20 years. At the end of this unknown time period the municipality will then be forced to allow these property owners to connect on to the municipal system. Cities and Towns that have extended their utility, often at the request of property owners or developers, will now be forced to reserve operational capacity for an undetermined amount of time. HB1075 passed out of the House this week by a vote of 72-23 and will now move to the Senate where it will likely be assigned to the Environmental Committee.

Another major concern with HB1075 is a requirement for all utilities, including those regulated by the IURC, to transition their sewer billing to a consumption based system for community rental units. Not only will this have a fiscal impact on municipal utilities but this will drastically reduce our ability to place liens on customers for unpaid expenses.

This bill drastically reduces local control of our utilities and places municipalities in a difficult position moving forward that may require more units to look at annexation prior to extending services.

IACT's Position or Proposed Position: Oppose restrictions and mandates on local decision making for utility service.

[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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