



January 8, 2016

Welcome to IACT Legislative Summary! Each Friday afternoon during the legislative session you will receive an email from IACT offering a snapshot of the week's activities at the State House. As the session kicks into high gear, reading Legislative Summary will be a vital resource as you prepare to see lawmakers back in the districts on the weekends. Not at your desk on Friday afternoon? That's ok! You can download the IACT free mobile app, IACTGo!, for a copy of Legislative Summary and any calls to action issued during the session.



Road Funding

- Each legislative caucus and the Governor has stressed the need to fix Indiana's broken road funding methods.
- IACT is appreciative of all proposals and we look forward to continuing the discussion on how we properly fund our infrastructure needs.
- Transportation funding bills HB 1001 and SB 67 will be heard in committees next week. IACT members need to continue talking with lawmakers and expressing gratitude and support for more discussions on long-term funding of city and town infrastructure.

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Fiscal Transparency

- Representative Ober's bill will allow cities and towns to consolidate funds being used for similar or overlapping purposes.
- Having this flexibility will allow more transparency of local government revenue.
- Work has begun to convince Chairman Brown to hear HB 1059 in his committee, House Ways and Means.

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Annexation

- Three bills that we know of so far have been introduced or will be introduced dealing with annexation.
- IACT is working on a bill that makes clean-up changes to last year's sweeping annexation law, SEA 330.
- SB 143 requires county commissioner approval to annex; SB 298 removes the economic development exception for annexations. IACT will continue to monitor all annexation bills and inform you immediately with new information.

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Fighting Meth Production

- This session, several different proposals will be brought forward to continue to fight against meth, including legislation that would require a prescription for products containing pseudoephedrine (a key ingredient in meth).

- Despite past efforts to curb meth production in Indiana, Indiana still leads the nation in the number of clandestine meth labs.
- The Chairwoman of the House Public Health Committee has told stakeholders she plans to consider four different meth-related bills together on Wednesday, January 20th.

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Food & Beverage Tax

- HB 1191 would allow cities and towns to adopt a food and beverage tax for their communities without first receiving authorization from the General Assembly.
- Cities and towns should have the ability to decide for themselves whether this option is right for their communities without legislative approval – saving cities, towns and legislators the time and complexity of considering authorizations on a piecemeal basis.
- We will be working over the next weeks to get the bill a hearing in the House Ways and Means Committee, where it has been assigned.

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Road Funding Options Clearly a Top Legislative Priority This Season

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

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

Infrastructure funding has taken the spotlight for state legislators as one of the top legislative issues in the 2016 short session. There have been four major proposals introduced which all include increased funding for local roads and streets and each plan has a decidedly different outcome for locals.

The two proposals that have drawn the most attention so far are the Senate Republican plan, SB 67, authored by Senator Hershman (R-Buck Creek) and the House Republican plan, HB 1001, authored by Representative Soliday (R-Valparaiso).

SB 67 will include a supplemental distribution of the LOIT trust accounts returning \$418M in reserves to the local entities that have implemented the tax. SB 67 will require 75% of the distribution to be used on LRS purposes or to be placed into the Rainy Day Fund for LRS uses in future years. The remaining 25% of the distribution may be utilized for any purpose. This proposal distributes a large one time infusion of funds but serves as a short term fix to continue the funding conversation in 2017. SB 67 will be heard in the Senate Tax and Fiscal Policy Committee on Tuesday January 12th.

HB 1001 will formally be announced on Monday January 11th as the House Republicans unveil their top priority bill for the 2016 session. Rep Soliday has worked closely with stakeholders to prepare a bill focused on a long term fundamental change in how we fund infrastructure in Indiana. There are many aspects of the plan that will provide more local control and flexibility to fund our roads and streets but the final details will be seen early next week. Currently the plan calls for tax increases, both state and local, as well as increased flexibility for municipalities to implement the wheel/excise tax. HB 1001 will be heard in the House Transportation Committee on Wednesday January 13th.

IAC's Position or Proposed Position: Supportive of increased road funding

IAC Initiative to allow Fund Consolidation will Create Greater Efficiency and Transparency

[HB 1059 City and Town Fiscal Matters \(Ober, R-Albion\)](#)

In order to promote efficiency in local government accounting, IACT seeks legislation that will permit consolidation of funds that are being used for similar or overlapping purposes. Additional flexibility with revenue uses must now be matched with removing requirements on allocation of funds distributed to cities and towns.

This language works to remove constraints on fund allocation and reduce the bureaucracy tied to revenue distributions. HB 1059 has been assigned to the House Ways and Means Committee and now the work begins to schedule the bill for a hearing.

IACT's Position or Proposed Position: Support

Annexation Likely to be Discussed Again This Year

SB 143 Annexation (Buck, R-Kokomo)

SB 298 Annexation Involving an Economic Development Project (Boots, R-Crawfordsville)

Bill # TBA (Preliminary Draft 4010) (Negele, R- Attica)

Three bills that we know of so far have been or will be introduced dealing with annexation. IACT worked with the Indiana Farm Bureau and the Association of Indiana Counties to come to consensus on some needed changes in order for a clean-up bill to be introduced by Rep. Sharon Negele. This bill has not yet been filed, so we don't have a bill number. Senator Buck has introduced SB 143 which voids an annexation if any county commissioner objects. The annexation cannot proceed unless a majority of the commissioners pass a resolution approving the annexation. Senator Boots has introduced SB 298 which repeals the law which allows an annexation involving an economic development project to proceed to a court hearing, even if a remonstrance is filed that would otherwise result in voiding the annexation.

IACT's Position or Proposed Position: Oppose SB 143 and SB 298; Support Negele's bill (an IACT initiative)

Public Health Committee to take up Four Meth-Related Bills

Further action is needed to stop homemade meth cooks. Local government officials know all too well the costs of cleaning these labs up – about \$1,793 per lab which doesn't even account for the social costs when there are children involved.

Legislators are bringing forward proposals that take different approaches to dealing with the problem. At this time, we know of at least two bills that would require individuals to obtain a prescription in order to access products containing pseudoephedrine (PSE). Another bill decreases the amount of PSE that can be legally purchased without a prescription. There is also a bill that would prevent anyone with a drug-related felony from purchasing over-the-counter PSE.

We will know more in the next few days after the bill filing deadlines have passed and all proposals are officially introduced publicly.

We will be following these bills closely throughout the session and will continue to support efforts to move PSE products to prescription-only.

Uniform Municipal Authority for Food & Beverage Tax Introduced in the House

HB 1191 Uniform Municipal Food and Beverage Tax (Price, R-Greenwood)

Currently, 14 municipalities have a food and beverage tax. Each of these cities and towns had to travel to Indianapolis and lobby individually for authorization to levy this tax which they felt was appropriate for their

communities. When municipalities have to seek authorization in this way, legislators from every corner of the state get to decide what is best for an individual community that is not their own.

HB 1191 would give uniform authority to levy a food and beverage tax to every municipality in Indiana that does not already have one or that is already receiving county food and beverage tax revenue. The tax can be levied at a rate of 0.25%, 0.5%, 0.75% or 1%, but cannot exceed 1%.

We have seen in other communities how food and beverage tax revenue benefits important local projects and efforts. We will continue fighting for every municipality to have that same opportunity. The bill has been assigned to the House Ways and Means Committee, where Rep. Tim Brown (R-Crawfordsville) will decide whether the bill will receive a hearing.

IAC's Position or Proposed Position: Support



Indiana House & Senate Deadlines: January 2016

- January 8: Senate Bill Filing Deadline
- January 12: House Bill Filing Deadline
- January 28: House & Senate Committee Report Deadline

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