



Indiana Association of
Cities and Towns

LEGISLATIVE SUMMARY



MARCH 4, 2016

The 2016 legislative session will come to a close next week – which means this week has been a complete frenzy of activity! Conference committees started on Monday and serious negotiating on key legislative and administration priorities is clearly in high gear. This week's IACT Legislative Summary offers highlights on several key bills and a [tracking list](#) of how other important, municipal related bills are faring. When you see your lawmakers this weekend it is important to talk with them about road funding, meth and some very restrictive language regarding redevelopment commissions. We also encourage you to express your thanks and support for language that is moving which will return income tax reserves to municipalities.

As soon as session ends, you'll need to know exactly what passed and how it will impact your city or town. Attend the free 2016 IACT Legislative Session Recap webinar on Wednesday, March 23, to hear directly from the IACT government affairs team. Attendees will learn about new laws, study committees and close calls that might return next session. This is one of our most popular webinars each year. Reserve your spot today at www.citiesandtowns.org/webinars.

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

Annexation

- SB 1298 is an IACT initiative bill, however, two bad amendments were added in the Senate committee. These bad amendments were removed in conference committee this week.
- We are now awaiting a vote on the Conference Committee Report by both the House and Senate.
- Because the bad amendments passed at least one house, the language could be added to another bill during the conference committee process. We will be watching closely for this language to reappear.
- [Click for more](#)

Road Funding

- As legislators return home for one final weekend before the conclusion of session, IACT asks that our members reach out to show continued support for all of the road funding bills being discussed. Providing legislators with data on short and long term needs is critical as we enter the final days of this General Assembly.
- IACT members responded loud and clear that restrictions on current MVH uses will be detrimental to preserving safe road ways and that locals need more flexibility to better maintain our streets. As you make contact with legislators be sure to convey how harmful this language will be to addressing infrastructure needs. **Information for your talks with lawmakers can be found [here](#).**
- Currently, leadership is focusing on end goals for next week and Speaker Bosma said at the end of session on Friday he is confident they will announce a "mutually acceptable proposal" next week.
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Omnibus Tax Bill

- SB 308 passed the House by a 92-1 vote this week and will go to conference committee. The bill contains various tax matters including language to begin addressing the dark store assessment problem.
- The IACT initiative provision in SB 308 to allow fast growing communities to increase their levy was narrowed. Now, it only applies to one community, but the issue may be considered again in an interim study committee.
- HB 1290 now contains concerning language that requires units to keep redevelopment commission funds in a separate checking account. We are working to get this provision removed or modified during conference committee.
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Body Cameras

- As more municipalities consider adopting police body camera programs, we want to ensure there is a uniform framework in place to appropriately deal with public records requests for these recordings.
- One of the most important aspects of this legislation for cities and towns is the requirement that departments retain law enforcement recordings for a set amount of time – 190 days. The bill also contains provisions that detail circumstances under which a local department must release a recording for copying or inspection, and establishes the burden of proof that must be met in court when an individual is denied access to a recording sues to get a copy.
- The four conferees and the advisors on the conference committee had a good discussion at the public hearing on Friday afternoon. One conferee in particular expressed some concerns about removing the language that requires automatic release of recordings that pertain to civil rights violations or the use of excessive force, but the stakeholders are committed to working



toward an agreeable compromise as we head into the last week of session.

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Anti-Meth Legislation

- SB 80 is an anti-meth bill that will go a long way toward eliminating domestic meth labs for good. The typical law-abiding consumer will still have access to over-the-counter pseudoephedrine, but bad actors will be turned away.
- The approach envisioned by SB 80 has faced opposition from some special interest groups, but the author and sponsor of this legislation have worked very hard to strike an appropriate balance with these interests without jeopardizing the ultimate goal of keeping PSE out of the hands of meth cooks.
- The bill is currently under consideration by a conference committee, but the conferees believe they are close to an agreement. Once an agreement is reached, the final version will be voted on by the full House and Senate. Both chambers have approved similar bills throughout the process.
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Conference Committee on Annexation Bill Takes the Bill Back

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

HB 1298 is an IACT initiative bill to make clean-up changes to the statute after the passage of last year's comprehensive annexation reform legislation, SEA 330-2015. When the bill was heard in the Senate Local Government Committee two very bad amendments were added (one removes the economic development exception and the other would make all annexations voluntary). We are happy to report that these bad amendments were removed by the conference committee for HB 1298. We are now awaiting votes by the House and Senate on the conference committee report.

Because the two bad amendments passed one house, however, the language is now eligible to be added to another bill during the conference committee process. We will be watching all bills closely to try to prevent this from happening.

IACT's Position or Proposed Position: Support

Road Funding Bills Are Parked in Conference Committee

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

Road funding bills took a wild ride this week as the House Republicans and Senate Republicans worked to improve their positions prior to next week's conference committee showdown. Speaker Bosma and House Republicans have not budged from their stance that 2016 will be the year for long term, fundamental improvements to funding Indiana's infrastructure needs. In an effort to harness more support for their road funding plan the House amended SB 302, Regional Cities and PERF 13th check funding, into SB 333. Both the Regional Cities Program and 13th check will be funded by the 2015 tax amnesty program and both of these items are of significant importance to IACT members past and present.

Senate Republicans made a minor adjustment this week to their version of HB 1001 by replacing road salt and snow removal as a valid use for MVH funds, however, the restrictions previously added to the bill remain extremely concerning. MVH uses for tree maintenance, painting of road way surfaces and law enforcement purposes are still prevented by this bill. These purposes are vital for maintaining and preserving our streets as well as providing Hoosier drivers with safe roadways. HB 1001 conference committee is scheduled for Monday morning at 9:00am though we don't anticipate any major announcements at that time.

The conversation between leadership will continue over the weekend and IACT is heavily engaged with all sides to insure locals have the best result possible.

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

IACT Continues to Monitor Two Omnibus Tax Related Bills

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

[HB 1290 State and Local Finance \(T. Brown, R-Crawfordsville\)](#)

SB 308 passed the House this week by a 92-1 vote. The author of the bill dissented with the changes made in the House, therefore, the bill will go to conference committee. The bill is home for various local property tax matters.

The House removed language that said 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. The assessed value must return to the base.

The House also narrowed a provision allowing levy growth for fast growing communities (an IACT initiative) so that it only applies to one community -- the City of Westfield. The bill now requests that this issue be considered during interim study.

The provision regarding farmland assessments was more favorably modified by the House. Under the previous proposed calculation, local governments stood to lose \$4.2 billion for taxes payable in 2018 and \$8.9 billion for taxes payable in 2019.

The bill still contains language on market segmentation to address the problems with assessments of big box retail stores.

In addition, a provision was added to SB 308 setting an expiration date of 2046 for the Indianapolis legacy TIF area, however, this week, the date was extended further to 2051 via a second reading amendment.

HB 1290 also contains several fiscally related matters. In the Senate committee, a provision was added to the bill which would require a unit to keep redevelopment commission funds in a separate checking account. We are currently working to get this provision removed or modified in conference committee as it would be burdensome to clerk-treasurers and controllers.

IACT's Position or Proposed Position: SB 308: Neutral; Support dark store language. HB 1290: Have concerns about RDC fund language.

New Framework for Public Access to Law Enforcement Recordings

[HB 1019 Law Enforcement Recordings \(Mahan, R-Hartford City\)](#)

As more municipalities move to adopt police body camera and dashboard camera programs, it is important to have a framework in place to give local departments guidance while ensuring appropriate public access to these recordings. Final details to establish this framework are now being worked out in the HB 1019 conference committee.

Although there is still one important issue to resolve, the 190-day storage requirement for law enforcement recordings will be included in any final version of the bill. The rationale here is that Indiana's Statute of Limitations for tort claims is 180 days; the extra 10 days gives a potential plaintiff some additional time to make the public records request.

The major issue to resolve at this time is some language in the current version that requires a department to release a recording if it pertains to a civil rights violation, a tortious act, or the excessive use of force. Requiring the department to make a determination here is concerning. The good news is that at the conference committee meeting, the Chairman of the committee and the author of the bill (Representative Mahan) said he was taking that language out of the bill. One of the conferees is uncomfortable with taking this language out, so additional work may still need to be done to get everyone on the same page.

IACT will continue to work with the stakeholders to ensure an acceptable compromise is reached.

IACT's Position or Proposed Position: Support bill while continuing to work on the finer details.

Fighting Domestic Meth Production

[SB 80 Ephedrine and Pseudoephedrine \(Head, R-Logansport\)](#)

There is no question that Indiana has a serious domestic meth production problem, but finding a way to keep pseudoephedrine out of the hands of meth cooks while still ensuring that the law-abiding consumer has access to this medicine has been a difficult challenge. However, SB 80 meets that balance and it is urgent that the General Assembly acts to pass this bill.

If passed, SB 80 will be a giant step toward eliminating domestic meth labs for good. Here's how it would work: if a person has a relationship on record with a pharmacy, the pharmacist can sell them over-the-counter PSE, up to the daily limit allowed under current law. If the person has no relationship on record, the pharmacist would offer either a "tamper-resistant" PSE product that cannot easily be used for meth making or offer only a small pack of PSE. If the person will not accept either of those alternatives, then a prescription is required. Regardless, if a pharmacist suspects a person is buying the medicine to divert for meth-making, that pharmacist can refuse to sell the product.

This approach has faced opposition from the manufacturers of pseudoephedrine who seek only to protect their market share and from corporate pharmacies who don't have to deal with the devastation that meth labs wreak on communities. Representative Smaltz and Senator Head have worked hard to bring everyone together over the past weeks in order to find an agreement that does not unduly burden any particular special interest while never forgetting the ultimate goal is to get these labs out of our communities.

The conference committee conferees will hopefully sign the final report by Monday afternoon. IACT will continue to advocate for this bill along the way.

IACT's Position or Proposed Position: Support

[Click for More Bills of Interest](#)

Upcoming Indiana House & Senate Deadlines:

- March 14: Sine Die

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