

2007 IACT STATEHOUSE REPORT

The 2007 General Assembly accomplished a great deal in this year's legislative session, and the Indiana Association of Cities and Towns (IACT) was there every step of the way to ensure that municipalities remained at the forefront. We were able to accomplish many of our legislative initiatives, including a fix for the 2% Circuit Breaker (HEA 1478), an automatic levy adjustment for property tax shortfalls (SEA 287), an extension of pension relief for "old fund" members (HEA 1001), and some elements of our *Hometown Matters* proposal (HEA 1478).



**Indiana Association of
Cities and Towns**
Your Partner in Good Government

Following is a summary of the over 100 bills that were passed by the General Assembly which have some type of municipal impact. For more information on each of these bills, please visit the State of Indiana's legislative webpage at <http://www.in.gov/apps/lisa/session/billwatch/billinfo>.

Unless otherwise noted, legislation takes effect on July 1, 2007.

As always, feel free to contact the IACT legislative team at (317) 237-6200 if you have any questions.

TOP 12 Legislative Issues with Municipal Impact	
1.	HEA 1478 – Taxes and Control Boards
2.	HEA 1001 – Pension Relief and Distribution of Gaming Revenue
3.	SEA 287 – Levy Shortfalls
4.	SEA 102 – Serial Meetings
5.	SEA 9 – Fireworks
6.	HEA 1731 – Public Purchasing
7.	SEA 129 – Meet and Confer
8.	SEA 211 – Bonds for Public Works Projects
9.	HEA 1278 – Local Government Investment Pool
10.	HEA 1237 – Motor Vehicle Restraints
11.	HEA 1192 – Brownfields
12.	SEA 286 – Environmental Law

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LACT is a coalition of municipal officials who seek to improve the quality of life in Indiana through effective government. LACT advocates for municipalities as the official voice of municipal government in Indiana, and promotes good government through education, training and leadership.

ADMINISTRATION

Minimum Wage (HEA 1027, P.L. 165-2007)

Author: John Day

Sponsor: Richard D. Bray

- This bill ties the amount of Indiana's minimum hourly wage to the Federal Minimum Wage. The impact would depend on future changes in the Federal Minimum Wage. The current state and Federal Minimum Wage is set at \$5.15, however a measure was recently passed by Congress and signed by the President that increases the minimum wage to \$7.25 in three stages over the next two years.
- Increases from \$800 to \$6,000 the amount of the maximum wage claim for which the Commissioner of the Department of Labor may take an assignment.

Military Service Benefits (HEA 1092, P.L. 151-2007)

Author: Dennis T. Avery

Sponsor: Mike Delph

- Establishes an unpaid leave of absence of up to 10 working days for the spouse, parent, grandparent or sibling of a person ordered to active duty in the United States armed forces or the National Guard. These days can include anywhere from 30 days prior to active duty, during the time of active duty or 30 days after active duty. Refers to an employer which has at least 50 employees and an employee who has been employed by the employer for at least 12 months. Requires an employee to provide written notice and a copy of the active duty orders, if available, before taking the leave. Provides that an employee taking leave is permitted, or may be required, to use certain paid leave to which the employee is entitled. Requires an employee to be restored to the position that the employee held before the leave or to an equivalent position. Requires an employer to permit an employee who is taking a leave to continue the employee's health care benefits at the employee's expense. Provides equitable remedies for violations.
- Provides for grants from the Military Family Relief Fund for child care assistance.
- Provides that a person who furnishes lodging for compensation commits a class C infraction if the person refuses to rent a room to an individual who is (1) under 21 years of age; and (2) on active military duty.
- Exempts an individual on active military duty from serving on a jury.

Jury Selection (HEA 1287, P.L. 118-2007)

Author: Kathy Kreag Richardson

Sponsor: Richard D. Bray

- Consolidates provisions concerning jury selection procedures and administration into one chapter of the Indiana Code that conforms to jury selection rules adopted by the Indiana Supreme Court. Repeals provisions outside this chapter concerning jury selection. Moves and consolidates provisions relating to the loss and restoration of the right to possess a firearm by a person convicted of a crime of domestic violence.
- Provides that if a county, city or town fiscal body adopts an ordinance for the payment of juror parking fees, the county, city or town may pay the parking fees incurred by a juror instead of paying for mileage.

- Allows a county to use unencumbered money in a jury pay fund to maintain and improve the jury system in the county. Under current law, the money in the Jury Pay Fund is restricted to supplementing the costs of paying jury fees. This provision will permit the court to use any money left over at the end of each month to maintain and improve the court's jury system.
- Specifies that city court jurors are to be selected in the same manner as other jurors. Under current law, the clerk of a city or town court selects persons to serve on a jury from the registered voters who are residents of the city or town. As proposed, the clerk would be able to select potential jurors from a master list approved by the Supreme Court or a combination of other sources. The master list includes county residents identified in data received from the Bureau of Motor Vehicles and the Department of Revenue. If the person selecting the jury pool uses a list of registered voters, the person must also supplement this source with BMV records, property tax payers, utility customers or persons listed in telephone directories.

Valuable Metal Dealers (HEA 1324, P.L. 170-2007)

Author: David L. Crooks

Sponsor: Brandt Hershman

- Adds copper, copper alloy, brass, aluminum or aluminum alloy that is readily used or useable on residential or commercial property to the definition of "valuable metal." Requires valuable metal dealers to make and retain copies of government issued photographic identification used to verify the identity of persons from whom the dealers purchase valuable metal.
- Provides that a valuable metal dealer may not accept a damaged or an undamaged metal beer keg if: (1) the keg is clearly marked as the property of a brewery manufacturer; or (2) the keg's identification markings have been made illegible.
- Requires the Superintendent of the State Police Department to prepare and distribute a list to each valuable metal dealer describing the valuable metal products of interest for use on residential or commercial property.
- Removes certain notification requirements for valuable metal dealers.

Changeable Message Signs (HEA 1373, P.L. 66-2007)

Author: Dan Charles Stevenson

Sponsor: Brent Steele

- Effective April 25, 2007.
- A permit issued may not otherwise violate state or federal law or local ordinances or regulations.
- Allows the Department of Transportation (INDOT) to adopt rules to provide for the issuance of permits for changeable message signs.
- Allows a person to erect and operate a changeable message sign in the absence of rules adopted by INDOT.
- Allows the operator of an electronic billboard to enter into a contract with the Clearinghouse for Information on Missing Children to display Amber Alerts.

Copying and Certification of Documents (HEA 1379, P.L. 215-2007)

Author: George Philip Hoy

Sponsor: Connie Lawson

- Increases the fee (from five to seven cents) that the county recorder can charge a bulk user for bulk form copies.
- Specifies that money in the Records Perpetuation Fund may not be deposited in the county general fund and does not revert to the county general fund at the end of a fiscal year.
- Provides that a local government agency may charge a fee of not more than \$5 for certifying a document instead of the actual cost to the agency (specifically excludes the copying and certification charges of a health and hospital corporation and a local department of health's charges for certificates of birth, death or stillbirth registration).
- Provides that a local government agency may charge a fee for copying a document that does not exceed the greater of: (1) 10 cents per page (for noncolor copies) or 25 cents per page (for color copies); or (2) the actual cost to the agency (specifically excludes the charges of a health and hospital corporation and a local department of health's charges for certificates of birth, death and stillbirth registration).
- Removes the definition of "actual cost" in the current law allowing local agencies to charge the "actual cost" of copying, certifying or facsimile transmission of a document. Removes a provision in the current law that allows a local agency to charge the actual cost of facsimile transmission of a document.

Juvenile Delinquency and Criminal Law Information (HEA 1382, P.L. 67-2007)

Author: Linda Lawson

Sponsor: Vaneta Becker

- Requires the parent of a student who is at least 18 years of age to be notified by the following persons if the student is interrogated on school property by a law enforcement officer regarding an incident in which the student is a suspect: (1) the school principal, if the school does not have a policy concerning parental notification; (2) the individual designated to notify parents under a school policy concerning parental notification, if the school has adopted a policy.
- Requires a law enforcement agency to notify the chief administrative officer of the primary or secondary school, including a public or nonpublic school, or the superintendent of the school district in which a child is enrolled if the child is taken into custody for allegedly committing certain crimes.
- It provides that a juvenile court may release court records to certain entities without a court order. It also provides that certain agencies and entities may exchange certain information about a juvenile (this includes courts, law enforcement agencies, departments of correction, departments of child services, primary or secondary schools, etc.).
- Provides that a judge shall give written notice of a conviction to the chief administrative officer of a primary or secondary school or the superintendent of the school district in which a child is enrolled if the child is convicted of certain felonies or if the child has been adjudicated as a delinquent child for an act that would be certain felonies if committed by an adult.

Various Vehicle Matters (HEA 1425, P.L. 191-2007)

Author: Terri Jo Austin

Sponsor: Victor Heinold

- Provides that a farm truck, farm trailer, or farm semitrailer and tractor may be operated intrastate for the transportation of certain seasonal crops to the first point of processing for certain periods in a registration year.
- Revises the definition of "motor vehicle" to include semitrailers for purposes of persons required to be licensed to engage in the business of buying or selling motor vehicles and their unfair practices.
- Returns proceeds from the sale of an abandoned vehicle by the person who removed, towed or stored the vehicle to the previous owner of the vehicle if the proceeds exceed all removal, towing, and storage expenses. (Current law returns proceeds in excess of storage expenses to previous owner.)
- Provides that a municipal corporation that operates a storage yard may dispose of an abandoned vehicle to an automobile scrapyards or salvage recycler. This provision could reduce storage expenses for a municipal corporation that operates a storage yard because the municipal corporation could dispose of the abandoned vehicle to an automobile scrapyards or automotive salvage recycler upon removal of the vehicle.
- Revises language concerning certain procedures to be used by a public agency or towing service concerning notice of an abandoned vehicle to have more aggressive requirements for attempting to obtain the name and address of the person who owns or holds a lien on the vehicle and to notify the owner of the vehicle.
- Removes the Bureau of Motor Vehicles (BMV) from the process of disposing of abandoned vehicles. In FY 2006, the BMV reported expenditures of approximately \$575,000 for this process. This removal is an unfunded mandate to local government to take over the costs of disposing of abandoned vehicles. However, over the last five fiscal years, revenue from abandoned vehicles has averaged approximately \$461,000 per year, which would ease the costs of disposal.
- Repeals the BMV Abandoned Motor Vehicle Fund and transfers the balance to the Motor Vehicle Highway Account (MVHA).
- Permits third class cities and towns to dispose of abandoned vehicles. (Current law permits only a consolidated city, a second class city or a county to dispose of abandoned vehicles.) This could require additional expenditures by the municipality. This becomes effective July 1, 2007.

Health and Hospital Corporation; Real Property Issues (HEA 1663, P.L. 194-2007)

Author: Lawrence Lee Buell

Sponsor: Patricia L. Miller

- Adds: (1) municipal corporations as local units for purposes of providing group health insurance for public employees; and (2) hospitals and the Health and Hospital Corporation of Marion County as facilities for purposes of voluntary and involuntary treatment of mentally ill individuals.

- Provides and specifies certain actions for the Health and Hospital Corporation of Marion County.
- Increases the maximum amount that constitutes a lien against property when employees or contractors of a municipal corporation enter onto that property and take action to bring the property into compliance with an ordinance. The maximum lien amount to bring a property into compliance with a local ordinance is raised from \$2,500 to \$10,000 for any real property that: contains one or more occupied or unoccupied single/double family dwellings and any additions; or is unimproved. The bill would also raise the maximum lien amount from \$10,000 to \$20,000 for liens on any other type of real property that is not a single or double family dwelling. This provision could allow municipalities to recoup costs from compliance work on properties where the cost for the work exceeds the current maximum lien amounts.
- Provides that if the mailing address on a conveyance of real property is not a street address or rural route address of the grantee, the conveyance must also include a street address or rural route address of the grantee after the mailing address. Provides that a conveyance may not be recorded after June 30, 2007, unless the conveyance meets this requirement.
- Amends notice requirements for unsafe building orders. Provides that if an unsafe building order is issued to a person regarding a premises that is: (1) owned by the person or is being purchased by the person under a contract; and (2) leased to another person; the person must provide to the department administering the unsafe building law the person's name, street address (excluding a post office box address), and phone number.

Health Matters (HEA 1678, P.L. 218-2007)

Author: Charlie Brown

Sponsor: Patricia L. Miller

- Provides for a tax credit related to small employer qualified wellness programs.
- Increases the cigarette tax by 44 cents per pack to fund various health related expenses.
- Allows an employer to take a tax credit for making a health benefit plan available to the employer's employees for the first two taxable years that the employer makes the health benefit plan available.
- Increases the income limit for Medicaid eligibility for pregnant women.
- Makes funding changes to the Hospital Care for the Indigent program, the Municipal Disproportionate Share program, and the Medicaid Indigent Care Trust Fund.
- Provides for continuous eligibility of a child under Medicaid and the Children's Health Insurance Program (CHIP) until the child becomes three years of age.
- Establishes the Indiana Check-up Plan and the Indiana Check-up Plan Trust Fund. Specifies requirements for the plan, including coverage, financial assistance, eligibility and enrollment, contracting, financial obligations and funding requirements.
- Increases the CHIP eligibility family income limit.
- Requires the State Department of Health to establish standards for and certify a small employer qualified wellness program.
- Requires health insurers and health maintenance organizations (HMOs) to cover children up to 24 years old upon request.

- Allows certain small employers to join together to purchase group health insurance and allows the Insurance Commissioner and the Office of the Secretary of Family and Social Services to develop a program to provide for such purchases.
- Requires the Indiana Comprehensive Health Insurance Association to administer plan benefits for high risk individuals insured under the plan.
- Requires application for necessary federal Medicaid approvals, including approval for presumptive eligibility for certain pregnant women and implementation of the plan.
- Establishes a plan task force.
- Requires the Health Finance Commission to study and report concerning several issues.
- Makes appropriations.

State and Local Administration (HEA 1731, P.L. 195-2007)

Author: Phil GiaQuinta

Sponsor: Tim Lanane

- Increases the thresholds for small purchases for Indiana state and local government agencies (from \$75,000 to \$150,000). This bill also increases from \$25,000 to \$50,000 the small purchases that can be made by a unit under small purchase policies adopted by a governmental unit.
- Increases the threshold for small public works projects for political subdivisions. It increases the threshold from \$75,000 to \$100,000 for public works projects for a consolidated city, a second class city, a third class city with a population of 15,000 or more, a county containing a consolidated or second class city, or a regional water or sewage district that can be let by inviting quotes from at least three persons known to deal in the class of work proposed. The invitations must be by mail and be at least 7 days before quotes are due. The project could also be done by the unit's own workforce. Provides that all purchasing agencies may award a contract under the request for proposal provisions of the law without making certain written determinations. This bill would allow the soliciting of quotes on projects under \$25,000 to be done by soliciting at least three quotes by telephone or facsimile transmission and the 7-day waiting period on the quotes would not apply.
- Removes a provision that requires that when conducting discussions with an offeror, information derived from a proposal submitted by a competing offeror may not be disclosed. Extends to all purchasing agents, and not just executive branch agencies, the ability to discuss competing offers. Provides that governmental entities may make purchases from other governmental entities, or under another governmental entity's written contract and, in certain circumstances, with a nonprofit entity if the requirements of the public purchasing statutes are met.
- Allows any county to adopt an ordinance creating a public safety communications systems and computer facilities district. Under current law, only Marion County and Elkhart County may create these districts. Each district would encompass the unincorporated portion of the county plus any municipalities and townships that choose to join the district. Prohibits a county from imposing an ad valorem property tax levy to fund the operation or implementation of a public safety district and therefore the provision would not affect property tax levies.

Northwest Indiana Regional Bus Authority (HEA 1742, P.L. 70-2007)

Author: Scott Pelath

Sponsor: Victor Heinold

- Provides that LaPorte County or a second class city in LaPorte County shall become a member of the Northwest Indiana Regional Bus Authority if the fiscal body of the county or city adopts a resolution authorizing the county or city to become a member of the Authority and the Board of the Bus Authority approves the membership of the county or city.
- Provides that if the county or a city becomes a member of the Bus Authority, the executive of the county or city shall appoint a member to the Bus Authority's Board and a member to the Citizens Advisory Council.

Professions and Occupations; Criminal Background Checks by Certain Entities (HEA 1821, P.L. 197-2007)

Author: Sheila Johnston Klinker

Sponsor: Patricia L. Miller

- Requires: (1) a licensed home health agency and licensed personnel services agency to apply for determinations concerning national criminal history background checks for employees (current law requires a limited criminal history check); and (2) the licensure of occupational therapists (current law requires certification).
- Provides that: (1) an occupational therapist may not provide certain services unless the patient has been referred by specified providers; (2) a holder of a license, registration or certificate may be subject to civil penalties under certain circumstances; (3) the Professional Licensing Agency may delay reinstating a license, certificate or registration for 90 days to investigate an applicant; (4) a holder of a license, registration or certificate is subject to disciplinary sanctions in specified circumstances; (5) the Board may summarily suspend the license of a real estate appraiser under certain circumstances; (6) an individual may obtain a beauty culture instructor license and instruct in areas of beauty culture in which the individual holds a license; and (7) a registration to distribute controlled substances is automatically suspended under specified circumstances. Provides for reinstatement of a tanning facility license.
- Removes: (1) semi-professional elimination contests from the boxing and sparring laws; and (2) a provision that requires certain organizations to supply information concerning continuing education of land surveyors.
- Allows: (1) an individual who holds a valid CPA certificate from any state with substantial equivalency standards to perform quality reviews; (2) the state board of cosmetology examiners to establish standards for mobile salons; and (3) individuals who meet certain requirements to obtain a license in speech-language pathology.
- Changes the: (1) fee for issuance of a duplicate license, registration, or certificate from \$10 to \$25; (2) limitation on course work hours for students in barber school or cosmetology school from eight to ten hours per day; and (3) clinical experience required for marriage and family therapists from three to two years.
- Removes: (1) the psychology board's authority to establish a list of restricted psychology tests; and (2) the prohibition of certain individuals, including marriage and family

therapists, licensed clinical social workers, and mental health counselors, from administering or interpreting a restricted psychological test.

- Repeals provisions concerning: (1) the requirement for a person to complete a cosmetology school program again if the person fails the examination by the state board of cosmetology examiners; (2) esthetics and electrology instructors licenses, which are replaced with the beauty culture instructor license; and (3) inactive cosmetology professionals' licenses.

Individuals with Disabilities (SEA 94, P.L. 99-2007)

Author: Sue Landske, Howard “Luke” Kenley, Anita O. Bowser

Sponsor: Trent Van Haften

- Multiple effective dates.
- Changes terms used to describe individuals with disabilities. (The introduced version of this bill was prepared by the Code Revision Commission.)

Serial Meetings and Public Access Issues (SEA 103, P.L. 179-2007)

Author: Beverly J. Gard

Sponsor: Russell L. Stilwell

- ***Visit the IACT website at www.citiesandtowns.org for additional information.***
- Provides that, absent express statutory authorization, a member of the governing body of a public agency who is not physically present at a meeting but communicates with other members of the governing body during the meeting by an electronic means of communication may not participate in a final action taken at the meeting or be considered to be present at the meeting. Specifies the contents of the memoranda of a meeting that a member participates in by using an electronic means of communication.
- Allows the governing body of a joint agency of a municipal utility program, and a board, committee, or commission administered by the Indiana professional licensing agency to conduct meetings by electronic means.
- Provides, with certain exceptions, that members of the governing body who participate in a series of gatherings either in person or by electronic means (excluding electronic mail) violate the Open Door Law if: (1) one of the gatherings is attended by at least three members but less than a quorum of the members of the governing body and the other gatherings include at least two members of the governing body (for the city-county council of a consolidated city, one of the gatherings must be attended by at least five members and the other gatherings must include at least three members); (2) the total sum of different members attending all gatherings at least equals a quorum of the governing body; (3) all the gatherings concern the same subject matter and are held within a period of not more than seven consecutive days; and (4) the gatherings are held for the purpose of taking official action on public business.
- Excludes certain gatherings from the definition of "meeting" under the Open Door Law. These include (1) any social or chance gathering not intended to avoid this chapter; (2) any onsite inspection of any project, program or facilities of applicants for incentives or assistance from the governing body; (3) traveling to and attending meetings of organizations devoted to betterment of government; (4) a caucus; (5) a gathering to discuss an industrial or a commercial prospect that does not include a conclusion as to recommendations, policy, decisions or final action on the terms of a request or an offer

of public financial resources; (6) an orientation of members of the governing body on their role and responsibilities as public officials, but not for any other official action; (7) a gathering for the sole purpose of administering an oath of office to an individual.

- Provides that negotiations (in addition to "interviews" as provided in the current law) may be held in executive session between industrial or commercial prospects and the following: (1) The Indiana Economic Development Corporation; (2) the Indiana Finance Authority; (3) an economic development commission; (4) a local economic development organization; (5) a governing body of a political subdivision.
- Exempts, at the discretion of the public agency, records from public access relating to negotiations between industrial, research or commercial prospects and a local economic development organization or a governing body of a political subdivision.
- Requires the terms of a final offer of public financial resources communicated by a governing body of a political subdivision to be available for inspection and copying after negotiations have terminated.
- Exempts from the Open Door Law and the Access to Public Records Law an entity that: (1) receives public funds through an agreement with the state, county or municipality to provide services, goods or other benefits in exchange for fees; and (2) is not required by statute, rule, or regulation to submit to an audit by the State Board of Accounts.

Town Park and Recreation Board Membership (SEA 113, P.L. 128-2007)

Author: Beverly J. Gard

Sponsor: Scott Reske

- Provides that the town legislative body (and not the town executive) appoints members of the town park and recreation board.
- Allows a town legislative body to waive the requirement that: (1) a town park and recreation board member be affiliated with a political party; and (2) not more than two of the four park and recreation board members be of the same political party.
- Provides that a town legislative body may waive the requirements by majority vote if there is an absence of persons who are willing to serve on the town park and recreation board and who would satisfy the requirements.

Health Provider Reimbursement Agreements (SEA 114, P.L. 74-2007)

Author: Beverly J. Gard

Sponsor: Trent Van Haften

- Effective April 26, 2007.
- Prohibits certain provisions in health provider reimbursement agreements.
- The bill provides that an agreement between an insurer or a health maintenance organization (HMO) and a provider may not contain a provision that requires the provider to offer to the insurer or the HMO a reimbursement rate that is equal to or lower than the lowest reimbursement rate that the provider offers to any other insurer or HMO. The bill provides that contract provisions that are entered into after the effective date of the bill and that violate this prohibition are null and void.

Automated External Defibrillators in Health Clubs (SEA 134, P.L. 129-2007)

Author: Patricia L. Miller

Sponsor: Dennis Tyler

- Requires that before July 1, 2008 the owner or operator of a health club: (1) have a defibrillator available on the health club premises; (2) employ at least one individual who is trained to use the defibrillator and administer cardiopulmonary resuscitation; (3) have a trained employee on the health club premises during business hours when staff is present at the health club; (4) meet certain requirements if staff are not on the premises; (5) post a sign indicating the location of the defibrillator; and (6) comply with other defibrillator requirements.
- Provides that a person who violates the health club defibrillator requirements commits a Class C infraction.
- Allows inspection of a health club to determine compliance. Authorizes fire departments to inspect health clubs for compliance with the defibrillator requirements.
- Provides certain immunity from liability for acts or omissions involving defibrillators in health clubs.

Employment Protection for Civil Air Patrol Members (SEA 166, P.L. 10-2007)

Author: David C. Ford

Sponsor: Scott Reske

- Provides that a member of the Indiana wing of the Civil Air Patrol (CAP) may not be disciplined by an employer for leaving or being absent from work for certain emergency service operations if the member: (1) has notified the employer that the employee is a CAP member; and (2) in the case of a nongovernmental employee, is not designated by the employer as an essential employee.

Wage Payments (SEA 276, P.L. 51-2007)

Author: Ryan D. Mishler and Dennis K. Kruse

Sponsor: Duane Cheney

- Effective April 25, 2007
- Requires an employer to pay all wages earned to a date not more than ten business days before the payment date. (Current law does not state the requirement in terms of business days. Under current law, if the wages are not paid within the 10 days, there is a 10% penalty of the unpaid wages per day for each day the wages remain unpaid. The employer pays the penalty to the employee. This bill could give the employer up to four additional days to pay employees before the 10% penalty is assessed.)
- Defines business day for the purpose of wage payments, and applies the term to claims for wages earned before, on or after July 1, 2007.

Proof of Mailing (SEA 310, P.L. 208-2007)

Author: Brandt Hershman

Sponsor: F. Dale Grubb

- Provides that if a law or a rule requires a mailing by registered mail or certified mail, a person may use: (1) any service of the United States Postal Service or any services of any designated private delivery service (as defined by the United States Internal Revenue

Service) that: (A) tracks the delivery of mail; and (B) requires a signature upon delivery; or (2) delivery by an employee of the unit of government sending the notice. Provides required notice procedures to follow if the mailed notice is returned undelivered.

Restrictive Covenants Regarding Modular Homes (SEA 334, P.L. 139-2007)

Author: Marvin D. Riegsecker

Sponsor: Winfield C. Moses, Jr.

- Provides that certain rules concerning the fire safety, building and equipment laws are not subject to the requirement that the adopting agency prepare a statement that describes the annual economic impact of the rule on all small businesses after the rule is fully implemented.
- Provides that a deed restriction or restrictive covenant recorded after June 30, 2007, may not prohibit or restrict the erection of an industrialized residential structure on real property.
- Provides that a deed restriction, restrictive covenant or agreement that applies uniformly to all homes and industrialized residential structures in a subdivision may impose the same aesthetic compatibility requirements on an industrialized residential structure in the subdivision that apply to all residential structures in the subdivision.

Social Security Number Disclosures (SEA 412, P.L. 160-2007)

Author: Brandt Hershman

Sponsor: Joe Micon

- Effective May 4, 2007 and July 1, 2007.
- Specifies the circumstances under which a state educational institution may disclose a Social Security number to a contractor, state, local or federal agency, or other person.
- Specifies that the statement on a recorded instrument regarding redaction of Social Security numbers must be located at the conclusion of the instrument and immediately preceding or following the name of the person who prepared the instrument.

GIS Data Standards (SEA 461, P.L. 198-2007)

Author: David C. Ford

Sponsor: Scott Reske

- Repeals the law establishing the Intelenet Commission. Requires the Office of Technology to assume the functions of the Intelenet Commission.
- Creates the position of state Geographic Information Systems (GIS) Officer to be appointed by the Governor.
- Requires the state GIS officer to adopt or veto the GIS Data Standards and the Statewide Data Integration Plan recommended by the Indiana Geographic Information Council (IGIC). Provides that the State Data Center of the State Library shall be the state's depository for GIS data. Assigns duties to the State GIS Officer and the State Data Center in implementing and enforcing the state GIS Data Standards.
- Provides that a political subdivision maintains the right to control the sale, exchange, and distribution of any GIS data or framework data provided by the political subdivision to the state. Provides that the State GIS Officer may require, as a condition of a data exchange agreement, that a political subdivision follow the GIS Data Standards and the

Statewide Data Integration Plan when the political subdivision makes use of the GIS data or framework data provided by the state.

- Prohibits the IGIC, the state GIS officer, or the state data center from recommending or restricting standards for GIS hardware or software that a proprietary vendor provides to a political subdivision. Provides that the "Buy Indiana Presumption" shall be observed in all procurement decisions related to the state GIS Data Standards.

Disproportionate Share Hospitals and Health (SEA 503, P.L. 212-2007)

Author: Patricia L. Miller and Vaneta Becker

Sponsor: Charlie Brown

- Effective May 10, 2007 and July 1, 2007.
- Makes changes to the disproportionate share program.
- Requires the Department of Insurance and the Office of the Secretary of Family and Social Services to study and make final recommendations to the Legislative Council not later than November 1, 2008, concerning: (1) a plan to provide health insurance to specified uninsured individuals; and (2) a health insurance program that would require local units of government, school corporations, and other public employees to join together to purchase health insurance.
- Requires the Health Finance Commission, during the 2007 interim, to study specified issues concerning the Indiana Tobacco Use Prevention and Cessation Program and certain health coverage reimbursement rates and premium costs. Requires the Office of the Secretary of Family and Social Services to study and make final recommendations to the legislative council not later than November 1, 2008, concerning the viability of keeping families who are eligible for different state health care assistance plans together under the same health care plan.

Authorization Procedures for Disinterment (SEA 562, P.L. 113-2007)

Author: Ryan D. Mishler

Sponsor: Vanessa Summers

- For municipal cemeteries, specifies procedures for exhumation and disposal of abandoned burial spaces.

COMMUNITY AND ECONOMIC DEVELOPMENT

Tourist Attraction Signage (HEA 1012, P.L. 30-2007)

Author: Eric Koch

Sponsor: Mike Delph

- Effective April 23, 2007 and July 1, 2007.
- Requires criteria established jointly by the Indiana Department of Transportation and the Office of Tourism Development for tourist attraction signage to include a category for a tourist attraction that: (1) is a trademarked destination brand; and (2) encompasses sites listed on the National Register of Historic Places or the Register of Indiana Historic Sites and Historic Structures; regardless of the distance of the tourist attraction from the highway on which the signage is placed.
- Establishes the Tourism Signage Study Commission.

Certified Technology Parks (HEA 1424, P.L. 154-2007)

Author: Terri Jo Austin

Sponsor: David C. Ford

- Provides that a certified technology park is subject to the review of the Indiana Economic Development Corporation and must be recertified every four years.
- Provides that the failure of any party to comply with the terms of an agreement to establish a certified technology park may result in the termination or rescission of the designation of the area as a certified technology park. (Current law provides that noncompliance does not result in the termination or rescission of a designation.)
- Background: There are currently 18 certified technology parks (CTP) in Indiana. A CTP is authorized to capture incremental property taxes and incremental revenue from state income taxes, local option income taxes, and sales tax generated in the CTP. However, a CTP is prohibited from capturing more than \$5 million over its life in incremental income and sales tax revenue generated in the park.

Airport Authorities (SEA 254, P.L. 97-2007)

Author: Robert J. Deig and Vaneta Becker

Sponsor: Trent Van Haften

- Effective April 27, 2007 and July 1, 2007.
- Provides that the Evansville-Vanderburgh County Airport Authority and any county contiguous to Vanderburgh County may enter into a cooperative agreement involving any functions of the authority.
- Allows certain excess property tax proceeds to be allocated by the board of an airport authority to pay: (1) principal and interest payments on a loan contract; and (2) expenses incurred for a qualified airport development project in the airport development zone.

IFA and IEDC Programs (SEA 524, P.L. 162-2007)

Author: Brandt Hershman

Sponsor: Carolene Mays

- Provides that the definitions in the law establishing the Indiana Finance Authority (IFA) apply throughout all the other laws administered by the IFA. Abolishes the Indiana Health and Educational Facility Financing Authority and transfers its powers and duties

to the IFA. Replaces references to the "secretary" or "secretary-treasurer" of the IFA with "public finance director."

- Transfers the following programs from the IFA to the Indiana Economic Development Corporation (IEDC): (1) Shovel Ready Site Development Center; (2) Capital Access Program; (3) Industrial Development Loan Guaranty Program; (4) Agricultural Loan and Rural Development Project Fund; and (5) Business Development Loan Fund.

COURTS

Animal Cruelty (HEA 1387, P.L. 171-2007)

Author: Linda Lawson

Sponsor: Tim Lanane

- Specifies that the definition of "crime involving domestic or family violence" includes certain crimes involving animal cruelty used to threaten, intimidate, coerce, harass or terrorize a family or household member.
- Defines certain terms used in the animal cruelty statute.
- Exempts: (1) destruction of or injury to a fish; and (2) destruction of an animal that is threatening or harming livestock, a domestic animal or property from the animal cruelty statute.
- Permits a court to prohibit or impose conditions on the right of a person convicted of certain animal cruelty offenses to possess an animal.
- Specifies that animal cruelty based on abandonment or neglect may only be committed by the animal's owner, and creates a defense if the owner reasonably believed that the animal was capable of surviving on its own.
- Makes purchasing an animal with the intent to use the animal in an animal fighting contest a Class D felony.
- Requires the State Veterinarian or the designee of the State Veterinarian to investigate the condition of a mistreated animal if the owner is criminally charged with an offense relating to the animal's mistreatment and make a recommendation concerning the animal's confiscation.
- Makes killing an animal with the intent used to threaten, intimidate, coerce, harass or terrorize a family or household member a Class D felony, and makes sexual intercourse or deviate sexual conduct with an animal a Class D felony.
- Requires a court to consider requiring a person who commits animal cruelty to receive counseling as part of the sentence or dispositional decree.

Court Costs, Fees, and Fines (SEA 125, P.L. 156-2007)

Author: Gary Dillon

Sponsor: Robert D. Kuzman

- Allows a court to suspend payment of court costs and court imposed fines until a convicted person has completed all or part of the person's sentence. Grants a court continuing jurisdiction over the convicted person until the costs and fines are completely paid. Allows a court to use contempt proceedings or wage garnishment to enforce its order for payment. Consequently, courts would be able to collect more fee revenue from criminal defendants if they are able to suspend payments and use contempt proceedings and wage garnishments until a defendant is able to pay the fee. Counties and municipalities can receive a portion of some of the fees that are collected.
- Specifies that the \$13 service of process fee that a sheriff is required to collect from a party requesting service of a writ, an order, a process, a notice, a tax warrant or any other paper completed by the sheriff may be collected only one time per case for the duration of the case. Fee revenue is deposited in either a pension trust fund, if established by the county, or in the county general fund.

Next of Kin Control of Bodies in Murder Cases (SEA 271, P.L. 102-2007)

Author: Tim Lanane and Connie W. Sipes

Sponsor: Linda Lawson

- Provides that if a coroner, after consultation with law enforcement, determines that there is a reasonable suspicion that a person committed murder, voluntary manslaughter or another criminal act resulting in the death of the decedent, the person is prohibited from making certain determinations concerning the remains of the decedent. Excludes certain criminal acts involving the operation of a motor vehicle.
- Requires the coroner, in consultation with law enforcement, to notify a cemetery owner, a crematory authority or a seller of prepaid funeral and burial services that the person is barred from making the determinations concerning the remains of the decedent. Specifies the order of priority among individuals, including an individual who possesses a health care power of attorney, who are permitted to authorize the interment, entombment or inurnment of the body or cremated remains of a deceased human.
- Provides that, when a coroner investigates a death, the coroner may hold the remains of the decedent until the investigation is concluded. Permits the parent or adult child of a decedent to receive a full autopsy report and, with certain exceptions, prohibits the parent or adult child from publicly disclosing the contents of the full autopsy report. (The introduced version of this bill was prepared by the interim Study Committee on Criminal Justice Matters.)

Massage Therapists Certification (SEA 320, P.L. 200-2007)

Author: Patricia L. Miller

Sponsor: Sheila Johnston Klinker

- Establishes the State Board of Massage Therapy to certify massage therapists.
- Specifies certification requirements. Establishes guidelines for the certification by endorsement of a massage therapist who holds a certification or license in another state.
- Establishes penalties for the unauthorized use of the titles “certified massage therapist” or “massage therapist.” Violations of the massage therapy certification provisions would constitute a Class C misdemeanor.
- The bill repeals the fee involved for the required fingerprinting of massage therapists. Local law enforcement units were involved with fingerprinting and fee collection. Localities would lose revenue as a result of the removal of the fee, but would have a corresponding reduction in expenditures.
- Provides that state law relating to massage therapy supercedes an ordinance or regulation adopted by a municipality or county related to the licensing or registration of massage therapists. However, state law does not affect local regulation relating to occupational certification fees adopted by a municipality or county pertaining to massage therapists.

Notaries (SEA 445, P.L. 85-2007)

Author: John E. Broden

Sponsor: David L. Niezgodski

- Requires a non-attorney who advertises as a notary public or *notario publico* to include a disclosure stating that the person is not an attorney.

- Makes it *notorio publico* deception, a Class A misdemeanor, to (1) advertise as a notary without the required disclosure; (2) advertise as an expert in immigration matters without being a federally designated entity; or (3) accept payment for legal advice.
- Provides for the permanent revocation of a notary public's commission if the notary public is convicted of *notario publico* deception.

ENVIRONMENTAL

Community and Noncommunity Water Systems (HEA 1017, P.L. 61-2007)

Author: Scott Pelath

Sponsor: Victor Heinold

- Provides that for purposes of the safe drinking water law, a community water system is a public water system: (1) that serves at least 15 service connections used by year-round residents or regularly serves at least 25 year-round residents; and (2) in which all the service connections are located on the same parcel of real estate or all the components of the system are connected.
- Requires the Department of Environmental Management (IDEM) to pay certain costs of well water testing incurred by a nontransient noncommunity water system operated by a nonprofit center for advocacy for abused and neglected children that does not provide overnight care on site. Sets forth procedures by which a specified nonprofit center may apply to IDEM for reimbursement for amounts paid by the center for well water testing.

Board of Sanitary Commissioners (HEA 1145, P.L. 17-2007)

Author: Clyde Kersey

Sponsor: Richard D. Bray

- Provides that the board of sanitary commissioners in a second class city (other than a city in Lake County or LaPorte County) that establishes a department of sanitation may consist of not less than three or more than five members. One commissioner is the civil city engineer. All other commissioners shall be appointed by the city executive. Not more than two of the commissioners may be of the same political party, unless the board consists of five commissioners, in which case not more than three of the commissioners may be of the same political party.
- The impact to local expenditures would depend on local action. Additional appointed commissioners would be allowed a salary not less than \$3,600 per year, during a year which construction occurs, and not less than \$600 per year in other years.

Environmental Matters (HEA 1192, P.L. 221-2007)

Author: John Ulmer

Sponsor: Beverly J. Gard

- Multiple effective dates.
- Requires the Department of Environmental Management (IDEM) to provide notice of a release from, a spill from or an overfill of a underground storage tank (UST) system to the county health officer of each county in which the release, spill or overfill occurred. Requires a county health officer that receives notice from IDEM to: (1) publish notice of the release, spill or overfill in a newspaper of general circulation in the county health officer's county; and (2) provide any other notice of the release, spill or overfill the county health officer considers necessary or appropriate.
- Adjusts limitations on payments from the Excess Liability Trust Fund.
- With respect to the prohibition against installation of certain USTs before the effective date of certain rules, adds to the criteria for exception from the prohibition the requirement that all newly installed or replaced piping connected to the tank meets the secondary containment requirements adopted by the Solid Waste Management Board.

With respect to USTs that contain alcohol blended fuels composed of greater than 15% alcohol: (1) excepts the USTs from that prohibition if they meet certain standards; and (2) provides that the USTs are subject to certain release response and detection requirements. Adds effective date provisions.

- Broadens permissible uses of the Environmental Remediation Revolving Loan Fund. This will allow more funds to go to municipalities for remediation projects and will allow funds to be used for demolition of structures on brownfield properties.
- Increases from 10% to 50% the amount of money available in the fund that may be loaned by the Indiana Finance Authority (IFA) to any one political subdivision in a state fiscal year.
- Allows the IFA to: (1) undertake activities to make private environmental insurance products available to encourage and facilitate the cleanup and redevelopment of brownfield properties; (2) enter into agreements with political subdivisions for various purposes related to environmental investigation and remediation; and (3) provide services to and collect fees from any person in connection with financial assistance, liability clarification, and technical assistance. Requires the deposit of fee revenue in the fund.
- Provides governmental immunity to the IFA with respect to investigation and remediation of brownfields under agreements with political subdivisions.
- Allows redevelopment commissions to enter into agreements with the IFA and to carry out environmental investigation and remediation.
- Provides that no activity of a political subdivision related to investigation or remediation on a brownfield site will be considered to contribute to the contamination at the site unless caused by gross negligence or willful misconduct.
- Provides that a nonprofit corporation that supports a political subdivision is not liable to the state for certain environmental remediation costs and damages unless the corporation causes or contributes to the environmental contamination.
- Eliminates the requirement that a person that brings an environmental legal action (ELA) be a private person. Specifies that a person may bring an ELA regardless of whether the person caused or contributed to the hazardous substance release or petroleum release that is the basis for the ELA.
- Requires a regional sewage district (RSD) that seeks to require connection to the RSD's sewer system of property that is: (1) located outside the RSD's territory; and (2) within 300 feet of the system; to provide the property owner with a letter of recommendation from the local health department that the connection is necessary to protect the public's health. Prohibits the RSD from requiring the property owner to connect if the property is already connected to a sewer system that: (1) has received an NPDES permit; and (2) has been determined to be functioning satisfactorily. Requires a RSD that adopts an ordinance to increase rates and charges more than 5% per year to give notice to affected users.

Sales Tax Exemption for Wastewater Utility (HEA 1193, P.L. 88-2007)

Author: William A. Crawford

Sponsor: Patricia L. Miller

- Defines "public utility," "collection plant and expenses," "system pumping plant and expenses," and "treatment and disposal plant and expenses" in the statute that exempts certain expenditures by a wastewater utility from sales tax.
- Exempts certain purchases by a public utility from sales tax. Provides that public utility in this statutory provision means "a public utility (as defined in IC 8-1-2-1(a)) or any person that contracts with a municipality to operate, manage, or control any plant or equipment owned by the municipality for the collection treatment, or processing of wastewater."

Bioproducts Initiative (HEA 1281, P.L. 19-2007)

Author: Eric Koch

Sponsor: Victor Heinold

- Requires governmental bodies and state educational institutions to purchase biobased products under certain circumstances. Provides that all governmental bodies shall whenever possible purchase biobased products if (1) the product is available, (2) it is economically feasible to purchase, and (3) the purchase is not inappropriate because of federal regulations or the special requirements of scientific uses. It is estimated that the provisions in this bill will increase expenditures.
- Establishes the Indiana Biobased Products Advisory Commission (IBPAC). Provides that the Department of Agriculture shall provide staff and pay the expenses for the IBPAC. Provides that the IBPAC is made up of 11 members all appointed by the Governor with not more than 6 members from the same political party. Charges the IBPAC with studying and recommending policies to encourage use, manufacturing, and development of biobased products by Indiana government and the private sector.

Use of Outside Water Resources by Water Utilities (HEA 1738, P.L. 231-2007)

Author: Peggy Welch

Sponsor: Beverly J. Gard

- Effective May 11, 2007 and July 1, 2007.
- Requires a person holding an existing contract with the Natural Resources Commission for water from the reservoir to provide notice of the request to any water utility or other person to whom it sells water for resale and this entity or person must in turn provide notice of the request to any water utility or other person to whom it sells water for resale.
- Specifies that for purposes of the statute making poisoning a public water supply a Class B felony, a person must act with the intent to cause serious bodily injury. Provides that for purposes of the statute making it a Class A infraction to litter in, on, or within 100 feet of a body of water under the jurisdiction of the: (1) DNR; or (2) U.S. Army Corps of Engineers; a judgment of not more than \$1,000 (rather than a judgment of at least \$1,000, as in current law) may be imposed.
- Requires the Water Resources Study Committee to study and make findings and recommendations concerning: (1) current processes and methods for water resource allocation and distribution in Indiana; and (2) appropriate policies governing future water

resource allocation and distribution planning in Indiana. Requires the committee to report its findings and recommendations to the Legislative Council not later than November 1, 2007.

Permits for Work on Ditches and Drains (HEA 1762, P.L. 28-2007)

Author: William C. Friend

Sponsor: Robert N. Jackman, D.V.M.

- Provides that a person is not required to obtain a permit from the Department of Natural Resources before conducting certain work on a ditch or drain from which water empties into a lake if: (1) the ditch or drain continues to empty into the lake at the same location after the work is completed; and (2) the work is conducted using best management practices for soil and erosion control.

Environmental Matters (SEA 154, P.L. 204-2007)

Author: Beverly J. Gard

Sponsor: Ryan Dvorak

- Effective May 10, 2007 and July 1, 2007.
- Allows an environmental rulemaking board to adopt an emergency rule to comply with a date provided by federal law. Establishes a special environmental rulemaking process for adoption or incorporation by reference of federal provisions or for technical or clarifying amendments. Requires the Environmental Quality Service Council to study environmental rulemaking and recycling issues.
- Changes the name of the Indiana Recycling and Energy Development Board to the Indiana Recycling Market Development Board (IRMDB), reduces membership from thirteen to nine, and adjusts the subject areas that must be represented by members. Provides for administration of the IRMDB by the Division of Pollution Prevention of the Department of Environmental Management instead of the Lieutenant Governor. Terminates the terms of the members of the former board, and directs the Governor to appoint the IRMDB members before July 1, 2007. Deletes references to IRMDB activities concerning energy resources and substitutes activities concerning recycling and uses of solid waste.
- Adjusts the permitted uses of the Waste Tire Management Fund, eliminating use of the fund by the Lieutenant Governor.

Environmental Law (SEA 205, P.L. 205-2007)

Author: Beverly J. Gard

Sponsor: Ryan Dvorak

- Provides that a person that: (1) holds a valid solid waste landfill construction permit that authorizes construction for a facility that has not been substantially developed; and (2) has not commenced construction within five years after the date of the permit or another period established by rule or statute; must apply for a new construction permit and meet the requirements of all applicable environmental laws existing at the time the new permit is sought.
- Provides that a person that: (1) holds a valid solid waste landfill construction permit that authorizes construction at an operating facility; and (2) has not commenced construction within five years after the date of the permit or another period established by rule or statute; must meet the requirements of all applicable environmental laws existing at the

time construction is substantially commenced. Provides that the construction periods are tolled pending administrative appeals or judicial reviews concerning the construction permit.

Environmental Crimes and Infractions (SEA 286, P.L. 137-2007)

Author: John E. Broden and Howard "Luke" Kenley

Sponsor: Ryan Dvorak

- Makes violations of certain environmental statutes or permits Class D felonies. Makes certain environmental crimes Class C felonies if the crimes result in the death of a person. Requires a court to consider any improper economic benefit received by a defendant, including unjust enrichment, in determining the level of fine to impose.
- Provides that a person who makes a material misstatement in an application for a permit or for certain forms of financial assistance commits a Class D felony.
- Makes poisoning a water supply or tampering with a water supply with intent to cause serious bodily injury a Class B felony.
- Allows a prosecuting attorney to appoint the Attorney General or a Deputy Attorney General as a special deputy prosecuting attorney to assist in criminal proceedings related to a violation of environmental law. Repeals current provisions establishing offenses that are superseded by this bill.
- Makes: (1) disposing of sewage accumulated in a holding tank or any other container on a watercraft in a manner that the sewage reaches or may reach public waters; or (2) depositing litter, filth, a putrid or unwholesome substance or the contents of a toilet, catch basin, or grease trap from a watercraft into or upon public waters or the banks of public waters; a Class A infraction instead of a Class B infraction.
- Makes littering a Class A infraction instead of a Class B infraction if refuse is placed or left in, on or within 100 feet of a body of water that is under the jurisdiction of the: (1) Department of Natural Resources; or (2) United States Army Corps of Engineers. Requires that a civil judgment of at least \$1,000 be imposed for these Class A infractions.
- Clarifies that combined sewer overflow (CSO) related discharges are not subject to criminal prosecution if they are anticipated in a municipality's long term control plan.

FINANCE

State Budget (HEA 1001, P.L. 234-2007)

Author: William A. Crawford

Sponsor: Robert L. Meeks

- Multiple effective dates.
- *Biennial Budget:* This bill appropriates money for state agencies and makes other distributions.
- *Pension Relief:* It also extends the Pension Relief Fund. One of IACT's initiatives, this extends the 50% relief mechanism to cities and towns with "old fund" retirees. The relief is now set to expire on January 1, 2011.
- *Gaming:* The \$33 million appropriation to non-gaming counties and the cities and towns within them has been extended another 2 years.
- *K-12 Education:* The bill specifies a school funding formula. The bill changes references from vocational education to career and technical education. It also creates a prekindergarten pilot program. It also extends the period in which pension bonds may be repaid.
- *Higher Education Provisions:* This bill provides a review procedure for state university tuition increases. The bill makes changes concerning Double Up and Fast Track college credit programs. The bill indicates that money in certain student loan funds remains available for expenditure after the year in which the money is appropriated. The bill also approves bonding for capital projects.
- *Studies:* It requires a study of the efficiency and effectiveness of charter schools, requires a coordination of benefits study, establishes the Sentencing Policy Committee, establishes the School of Public Health, and establishes the Commission on Disproportionality in Youth Services.
- *State Agency Contracts:* The bill requires review of certain private contracts.
- *Reversal of Payment Delays:* The bill repays delayed payments to political subdivisions and universities.
- *Court Issues:* This bill also requires the state to reimburse a county for trial costs related to certain remanded cases. The bill also extends the court fee uses to fund a court computerization program. It also authorizes additional courts and magistrates.
- *Tax Issues:* It increases the distribution of Sales Tax revenue to mass transit purposes. The bill increases the Tobacco Products Tax to provide an additional distribution to the Affordable Housing Trust and Community Development Fund. The bill makes conforming changes to conflicting versions of the bad debt Sales Tax deduction. The bill terminates a property tax investment deduction. The bill also provides a tax exemption for certain activities related to the conduct of a Super Bowl in Indiana. It also updates references to the Internal Revenue Code. The bill also provides for a refund of property taxes paid for a homestead in 2007 and an additional homestead credit in 2008.
 - *Investment Deductions for Real and Personal Property [SECTIONS 38-39]* - Under current law, the increase in assessed value (AV) from certain real and personal property additions may qualify for property tax deductions over a period of three years. The deduction may apply if the property owner creates or retains jobs because of the project. The deduction applies to qualifying real and personal property that is first assessed on March 1, 2006, 2007, 2008, or 2009. It equals

75% of the AV increase in the first assessment year, 50% in the second year, and 25% in the third year. Each property owner is limited to \$2M AV in real property deductions plus \$2M AV in personal property deductions within each county. This bill limits qualifying property to property that is first assessed on March 1, 2006, or 2007. It eliminates the deduction for property first assessed in 2008 or 2009.

- *State Employee Provisions:* The bill makes changes in certain salary matrices.
- *Riverboats:* This bill makes changes in the Orange County riverboat and historic hotel district preservation law. It also provides for the change of a riverboat redevelopment agreement in East Chicago.
- *Medicaid Notice and Coordination of Benefits Study* - The bill requires OMPP to conduct a study of the percentage of Medicaid claims eligible for payment by a third party. It also allows the Office to notify an insurer electronically or by mail.
- *DNR Property Sales, Leases, and Transfers:* The Department of Natural Resources (DNR) may not sell, lease, exchange, or transfer property or an interest in a property to another person for the purpose of allowing the selling of water out of Indiana from Charlestown Water Wells located on park property without the prior approval of River Ridge Development Authority.
- *Elimination of Funds Transfer into the Rainy Day Fund:* The bill eliminates the authority of the State Budget Agency to transfer \$100 M from the state General Fund into the Counter-Cyclical Revenue and Economic Stabilization Fund during FY 2007.
- *Update of References to the Internal Revenue Code [SECTION 41]* – The IRC update could potentially affect taxable income of individual taxpayers. The impact on counties imposing local option income taxes (CAGIT, COIT, and/or CEDIT) is indeterminable and would vary across counties.
- *NFL Tax Exemption [SECTION 42]* - The bill exempts the NFL and its affiliates from all local taxes in connection with or resulting from a Super Bowl held in Indiana. The bill also provides that the Marion County Admission Tax (equal to 6% of the price of admission to events at certain venues, including Lucas Oil Stadium once it is open) does not apply to a Super Bowl. The amount of local taxes from the NFL and its affiliates and the amount of admission tax that could potentially be foregone due to these provisions is indeterminable. However, this could be offset by a potentially significant increase in other tax revenue generated from this event.
- *Miscellaneous Provisions:* This bill provides for the funding of the Department of Insurance from fees. The bill establishes the Spinal Cord and Brain Injury Trust Fund. The bill also permits a convention hotel to be included in an allocation area. It exempts election workers from Social Security withholding. This bill also expands the uses of the Postwar Construction Fund. It designates the use of a recovery from United Airlines. It also makes other changes.

Motor Fuel Tax Exemption (HEA 1051, P.L. 24-2007)

Author: David L. “Dave” Crooks

Sponsor: Thomas J. Wyss

- Effective July 1, 2007 and January 1, 2008.

- Provides a motor fuel tax exemption for a pickup truck that: (1) has been modified to include a third free rotating axle; (2) is not greater than 26,000 pounds; and (3) is used solely for personal use and not for commercial use.
- Expands tax exemption from the aircraft registration requirements for nonresidents who leave their planes with a dealer for repair, remodeling, or refurbishing to include those owning repair shops certified by the Federal Aviation Administration.

Semitrailer Registration Renewal Fee (HEA 1085, P.L. 63-2007)

Author: Robert D. Kuzman

Sponsor: Johnny Nugent

- Specifies that the registration of a permanently registered semitrailer must be renewed on an annual basis.
- Requires the Bureau of Motor Vehicles (BMV) to adopt rules to prescribe the manner and form in which a person must annually renew the registration of a permanently registered semitrailer.
- Specifies that the amount of a fee increase imposed by rule for the Crossroads 2000 Fund must be collected after the elimination of the underlying fee.
- Eliminates the \$2 annual fee to renew the permanent registration of a semitrailer. The total annual revenue loss is estimated at approximately \$260,919, which affects the Motor Vehicle Highway Account (MVHA) and the Anti-Terrorism Fund. Elimination of this fee will reduce annual revenue by approximately \$210,500 to the MVHA, which will affect local units who receive MVHA distributions.

Tax Sales (HEA 1211, P.L. 89-2007)

Author: Trent Van Haften

Sponsor: Phil Boots

- Effective April 26, 2007 and July 1, 2007.
- *Termination of Tax Sales and Refunds*- Limits the circumstances under which a tax sale purchaser may terminate the purchase before conclusion and receive a refund of a part of the purchase price. Reduces the amount of the refund. Requires reinstatement and collection of any remaining delinquencies after the terminated purchase. The bill prohibits a tax sale purchaser who fails to make payment and complete the sale from participating in the next succeeding tax sale in the county.
- *Delinquent Property Taxes*- The bill provides a procedure for searching the records for an alternative mailing address when service of notice of an order for the sale of property for delinquent property taxes is initially unsuccessful.
- *Obsolete References*- The bill eliminates an obsolete reference to the dates when a tax sale must be held.
- *Reduction of Period of Sale*- The bill reduces the period before a tax sale may be conducted when property has been offered at sale without success.
- *Electronic Tax Sales*- The bill permits a tax sale to be conducted by electronic means.
- *Civil Penalties for Failed Bids*- The bill provides that any civil penalty collected because a purchaser fails to pay the bid must be deposited in the county general fund and not the Common School Fund.

- *Additional Costs of Tax Sale*- The bill requires a purchaser of property at a tax sale to certify certain additional costs that must be paid by a redeeming property owner not earlier than 30 days after the tax sale.
- *Serving of Motions and Pleadings*- The bill requires pleadings and motions related to a defense to a judgment and order of sale to be served on the county auditor and county treasurer.
- *Extension of Expedited Second Sales*- The bill permits a county before August 1, 2007, to use the expedited sale procedures repealed by HEA 1102-2006 for property that failed to sell at a tax sale conducted before 2007.
- *Second Sales of Brownfields*- The bill would allow a county executive to re-offer for sale a property determined to be a brownfield by the executive that was offered for sale and did not sell during 2006. This provision would allow county executives to receive a lien on the brownfield properties in question, to have the same rights as a purchaser, and taxing units with interest in the taxes on the property would be charged with the full amount of the delinquent taxes due those units.

Motor Vehicle Restraint Systems (HEA 1237, P.L. 214-2007)

Author: David Orentlicher

Sponsor: Thomas J. Wyss

- Requires occupants of motor vehicles to wear safety belts, with certain exceptions. Based on CY 2004 registrations, approximately 1.4 million additional vehicles (an approximate 37% increase) would be subject to the seat belt law, a violation of which is a Class D infraction.
- Repeals conflicting laws concerning stopping, inspecting, or detaining vehicles to determine compliance with safety belt laws. A vehicle may be stopped to determine compliance, however a vehicle, the contents of a vehicle, the driver of a vehicle or a passenger in a vehicle may not be inspected, searched or detained solely because of a violation of this law.
- Reinserts at a different location the statute concerning primary enforcement of safety belt laws. Provides that a law enforcement agency may not use a safety belt checkpoint to detect and issue a citation for failure to wear a safety belt.
- As Indiana has now enacted a law that enforces a conforming primary safety belt use law for all passenger motor vehicles, the state is now eligible for a federal grant. Section 406 of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) allows for one-time New Primary Law State grants with the maximum potential grant for Indiana of \$15.7 M. The grants may be used for any safety purpose, including behavioral and infrastructure safety programs or for any project that corrects or improves a hazardous roadway location or feature or proactively addresses highway safety problems. SAFETEA-LU stipulates that a state must expend at least \$1 M of the grants received for safety activities.
 - According to the Indiana Criminal Justice Institute (CJI), Indiana cities and towns will benefit from the federal funds received. This will be through grant programs offered by the CJI. They are currently working on funding strategies and the best use of the dollars, but municipalities and counties should receive much of this.

Local Government Investment Pool (HEA 1278, P.L. 117-2007)

Author: Terri Jo Austin

Sponsor: David C. Ford and Jeff Drozda

- Establishes the Local Government Investment Pool (investment pool) within the office of the Treasurer of State to provide a mechanism for local units of government to pool their investable dollars for investment purposes. Local government investment pool's have been in existence around the country for nearly 30 years and virtually every state in the union has one.
- Allows local units of government to pay money into the investment pool for the purpose of deposit, investment and reinvestment of the money by the Treasurer of State on behalf of the units. Requires the Treasurer of State to invest the funds in the investment pool in the same manner, in the same type of instruments, and subject to the same limitations provided for the deposit and investment of state funds.
- The Treasurer of State shall invest the money pursuant to the Indiana public funds law in a manner that (1) guarantees the safety and preservation of the principal, (2) maintains the liquidity necessary so any unit of government can get any (or all) of their money back at any time; and (3) achieves the superior investment yield that directly results from economies of scale, leveraging the robust investment technology present in the Treasurer of State's office that does not exist in any other local investing official's office, and the ability to invest every penny at a market rate of return.
- Authorizes the Treasurer of State to contract with accountants, legal counsel, regulated investment advisors, money managers and other finance and investment professionals to make investments and provide for the public accounting and legal compliance necessary to ensure and maintain the safety, liquidity and yield of the investment pool. Requires the Treasurer of State to establish and make public the policies that the Treasurer of State will follow in the administration of and accounting for the investment pool.
- Requires the policies to provide the following: (1) There is not a minimum time for which funds must be retained by the investment pool. (2) The administrative expenses of the investment pool shall be paid from the earnings of the investment pool. (3) The earnings of the investment pool in excess of administrative expenses shall be credited to the state and each unit of government participating in the investment pool in a manner that equitably reflects the different amounts and terms of the state's investment and each unit's investment. (4) There is not a limit on the number of accounts that the state or a unit of government participating in the investment pool may establish within the investment pool. (5) The state and each unit of government participating in the investment pool shall receive certain daily and monthly reports. (6) The investment pool shall be audited annually by an independent auditing firm. (7) At least 50% of the funds available for investment must be deposited in banks qualified to hold deposits of local government entities.
- Local units of government could receive an increase in interest revenue if they elect to participate in the investment pool and the Treasurer of State is able to generate a higher rate of return on a larger pool of funds. Over the last five years local governments have budgeted interest revenue from \$72 M to \$184 M. The average has been about \$110 M. The amount budgeted may be different than the amount actually received. If the State Treasurer could earn 10% more in interest with the investment pool than the local units of governments are currently earning, the additional revenue to local units could range

from \$7.2 to \$18.4 M. Funds invested by the Treasurer of State earned on average about 4% for FY 2006, with individual funds ranging from 2.39% to 6.56%.

Tax Exemptions and Credits (HEA 1461, P.L. 223-2007)

Author: Brian Bosma

Sponsor: David C. Ford

- Multiple effective dates.
- *Tax Exemption for Patent-Derived Income:* The bill exempts from taxation certain income derived from qualified patents and earned by a taxpayer. It defines qualified patent to include only utility patents and plant patents. The bill provides that the total amount of exemptions claimed by a taxpayer in a taxable year may not exceed \$5,000,000. The bill provides that a taxpayer may not claim an exemption for income derived from a particular patent for more than ten taxable years. It provides that the exemption percentage begins at 50% of income derived from a qualified patent for each of the first five taxable years and decreases over the next five taxable years to 10% in the tenth taxable year. It also specifies that a taxpayer is eligible to claim the exemption only if the taxpayer is domiciled in Indiana and is: (1) either an individual or corporation with not more 500 employees; or (2) is a nonprofit organization or corporation. The bill requires the Department of State Revenue to file an annual report concerning the exemption.
 - The maximum exemption translates into a \$170,000 reduction in tax liability for an individual taxpayer and a \$425,000 reduction in tax liability for a corporate taxpayer or financial institution
 - Since 1995, an average of about 1,500 patents of all types (utility, plant, design, and other patents) have been granted annually to persons or entities in Indiana. However, annual patent totals for Indiana persons or entities have declined in recent years from a high of 1,745 in 2002 to 1,246 in 2005. The annual patent total is attributable primarily to utility patents. In addition, data is unavailable describing the typical income generated by patents granted to persons or entities in Indiana.
 - Because the exemption for individuals receiving patent-related income would decrease taxable income, counties imposing local option income taxes (CAGIT, COIT, and/or CEDIT) may, as a result, experience an indeterminable decrease in revenue from these taxes.
- *Alternative Fuel Vehicle Manufacturer Tax Credit:* The bill establishes the Hoosier Alternative Fuel Vehicle Manufacturer Tax Credit. It provides that the Indiana Economic Development Corporation (IEDC) may award such a tax credit to businesses that make certain qualified investments in Indiana for the manufacture or assembly of alternative fuel vehicles. It also provides that the IEDC determines the percentage of the tax credit, which may not exceed 15%.
- *Lake County Convention and Visitors Bureau:* The bill makes changes to membership qualifications for members of the Lake County Convention and Visitors Bureau (Bureau). It also specifies that the Bureau is a political subdivision for purposes of tort claims against the bureau or its employees.
 - The bills amends a provision regarding the distribution of a portion of the Lake County Innkeepers Tax.

Taxation (HEA 1478, P.L. 224-2007)

Author: Robert D. Kuzman

Sponsor: Howard "Luke" Kenley and Frank Mrvan, Jr.

- Multiple effective dates.
- Local Option Income Taxes (LOIT)
 - Authorizes additional rate of CAGIT or COIT (using current adoption mechanisms) to fund "levy growth" up to a maximum rate of 1%; rate will actually be determined by DLGF, and will apply for two year periods
 - In the first year, the rate is to be twice the rate actually needed to generate the amount of revenues necessary for levy growth.
 - If county chooses to fund levy growth with income taxes, property tax levy is frozen at current levy.
 - If county chooses to fund levy growth with income taxes, a portion of the tax revenues must be used to fund welfare increases (family and children's fund, etc.)
 - Establishes a county stabilization fund in each county that imposes the additional tax rate. Levy growth revenues in excess of the amount needed to actually fund levy growth are deposited in the stabilization fund. Money is distributed from the stabilization fund if certified distributions in a subsequent year are less than the amount required for levy growth in that year.
 - Authorizes additional rate of CAGIT or COIT (using current adoption mechanisms) to fund property tax relief, either as uniform property tax replacement credits for all taxpayers in the county, to provide additional homestead credits, or as uniform property tax replacement credits for all qualified residential property in the county. Maximum rate is 1%
 - Authorizes additional rate of CAGIT or COIT (using current adoption mechanisms) for public safety costs, but ONLY if the county has imposed an additional rate of CAGIT or COIT for property tax relief. Maximum rate is the LESSER of 0.25% or the rate imposed for property tax relief. This revenue must be distributed to the county and municipalities in the county and is to be used for public safety purposes
 - For taxing units in Lake County, the levy growth quotient for 2008 is zero unless the county adopts an income tax at 1%.
- Property Tax Reduction/Homestead Credits
 - Homestead Credit for Pay 2007 taxes and after is frozen at 20%.
 - The standard Homeowner's deduction in 2008 will be the lesser of 50% of AV or \$45,000. Beginning in 2009, the maximum deduction decreases \$1,000 each year until it reaches the lesser of 50% AV or \$40,000.
 - Extends deadline for municipalities to provide 2007 residential homestead credits from December 31, 2006 to June 1, 2007. The provision sunsets on December 31, 2008.
- County Board of Tax and Projects Review
 - Creates a County Board of Tax and Projects Review in every county.
 - The board has the authority to review and revise budgets, tax rates and levies of all political subdivisions, unless the county adopts an ordinance to prevent them from doing so.

- The board must approve or disapprove capital projects of all schools and other municipal buildings with a cost of \$7M or greater that would be backed by property taxes, but excluding most infrastructure types (water projects, wastewater projects, highway or road projects or bridge projects).
- Requires political subdivisions to prepare 5 year capital projects plans every two years and, after a public hearing, to submit them to the new control board for review.
- Membership includes a nine member board in each county. There will be 7 fiscal body members from schools, counties and municipalities, plus 2 members who will be elected at nonpartisan elections beginning in 2008. In Marion County the board composition is slightly different.
- Allows schools/civil units to reverse an adverse Board decision thru Petition & Remonstrance.
- Circuit Breaker
 - Provides that the 2% circuit breaker applies only for homesteads in 2008 and beyond (2007 for Lake County). There will be a 3% circuit breaker for all other residential property and for all other real and personal property in 2010 and beyond.
 - School corporation's tuition support property tax levy collections are not reduced as a result of the circuit breaker and revenue is made up at the county level.
 - The actual circuit breaker amount must be adjusted by the proportion the school tuition support levy bears to the total county level.
 - Creates an appeal process for political subdivisions that would experience a revenue loss of at least 2% of its levy under the Circuit Breaker. These counties may seek relief from a state circuit breaker board and they must enter into a fiscal plan proposed by the circuit breaker board. This board may reduce the circuit breaker percentage in the county and may increase the threshold at which the circuit breaker applies. This Circuit Breaker Relief Appeal Board will have 9 members, 1 from each of the following: Office of Management and Budget (Chairperson), Department of Local Government Finance, Department of Revenue, State Board of Accounts, Association of Counties, Association of Cities and Towns, Association of School Superintendents, Library Federation and Township Association.
- Annexations
 - Creates a study committee to revise current municipal annexation laws (excluding Marion County statutes) and to review whether a maximum levy appeal of 15% is sufficient to raise adequate property taxes for an annexing municipality.
 - There will be 16 members of this committee – 8 legislators, 2 city council members, 2 town council members (non-Marion County), 2 township government persons (non-Marion County), and w persons experienced in annexation remonstrance.
 - Report is due to Legislative Council by November 1, 2007.
- Miscellaneous
 - Simplifies the Levy Appeal Process by which civil units request increased levies. Reduces categories of appeals from 14 to 4 – levy shortfall, emergency,

correction of errors and AV growth. Moves the approval point from State DLGF to the County Review Board.

- Expands eligible participants in the remonstrance process to include registered voters.
- Provides that the circuit breaker does not apply to automatic TIF replacement levy.
- What this bill does not do
 - Does not eliminate PTRC distributions to local governments.
 - Does not fund increases in welfare with state money.
 - Does not have state taking over funding of school tuition support levies.
 - Does not have a municipal option for adopting an income tax.
 - Does not place any limitations on the purposes for which EDIT may be used.
 - Does not create a Property Tax Reduction Trust Fund (immediate property tax relief is addressed in the budget bill).

Prudent Management of Institutional Funds (HEA 1505, P.L. 226-2007)

Author: Jeb Bardon

Sponsor: Richard D. Bray

- *DOR Claims Submitted to Financial Institutions:* This bill removes provisions concerning claims submitted to financial institutions by a special counsel or collection agency on behalf of the Department of State Revenue (DOR) or a county treasurer. The bill requires the DOR to operate a data match system with financial institutions.
- *Prudent Investment Provisions:* The bill specifies that: (1) certain records concerning alternative investments made by an institutional investment fund of a state educational institution are not subject to disclosure under the public records law; and (2) certain information in the records is subject to disclosure and is not confidential financial information. The bill also permits a bank, trust company or savings bank that holds funds or property as a fiduciary to use the funds or property to purchase products, services and securities from the bank, trust company, savings bank, affiliate or a selling group or syndicate that includes the bank, trust company, savings bank or affiliate. The bill sets forth procedures for a bank, trust company or savings bank to: (1) give notice of; and (2) obtain consent for; such a transaction with respect to specified fiduciary relationships. This bill amends the Uniform Management of Institutional Funds Act to conform to the Uniform Prudent Management of Institutional Funds Act. The bill repeals nonconforming provisions.
 - This bill could impact state and local units of government that hold and invest funds for a charitable purpose. The impact will ultimately be determined by the possible administrative expenses incurred in being required to follow the investment procedures set forth in this bill. It is estimated that the provisions of this bill can be implemented through the use of existing staff and resources.

Northwestern Indiana Regional Planning Commission (HEA 1595, P.L. 39-2007)

Author: Chester F. Dobis

Sponsor: Victor Heinold and Frank Mrvan, Jr.

- Allows weighted voting to continue to be used by the Northwestern Indiana Regional Planning Commission (NIRPC) after June 30, 2007. Expands the NIRPC executive

board from eight members to 11 members. Provides that the immediate past chairperson of NIRPC shall serve as a nonvoting member of the executive board, if that individual is not otherwise a member of the executive board.

- Provides that a participating county's share of NIRPC's budget may also be paid from any local revenue other than property taxes. (Current law allows the participating counties' shares to be paid from property taxes.)
- Authorizes NIRPC to make loans or issue notes. Requires a loan or note to mature in the calendar year in which the loan is made or the notes are issued. Provides that the total amount of all outstanding loans and notes in a particular year may not exceed the total amount of the NIRPC budget apportioned to participating counties for that year.
- The bill changes the membership of a plan commission operating under a joinder agreement in a certain county. It provides that the joinder agreement expires if a township that is a part of the joinder agreement is completely annexed by the municipality subject to the joinder agreement. It also allows the municipality to terminate the joinder agreement if: (1) the municipality adopts an ordinance terminating the agreement; (2) the municipality conducts a public hearing; and (3) the municipal executive provides written notice to the township executive of the township subject to the joinder agreement that states the reason for terminating the joinder agreement.
 - The bill could affect a joinder agreement to operate a plan commission between the Town of Westfield and Washington Township (Hamilton County). A joinder agreement between Westfield and Washington Township would be terminated if Westfield were to annex the entire area of Washington Township. The joinder agreement for operation may also be terminated if Westfield adopted an ordinance to terminate the joinder agreement. The bill also changes the appointment authority of some of the commission members, however, the bill does not change the total number of members allowed by law.

Property Taxes (HEA 1767, P.L. 196-2007)

Author: Vernon G. Smith

Sponsor: Howard "Luke" Kenley

- Multiple effective dates.
- Extends the period during which certain property tax exemptions apply to a tract of land pending construction of a building to be used for exempt purposes. Provides for repayment of property taxes if certain exempt property is sold within four years after purchase. (Current law states that the owner has three years to show progress toward building). The assessed value of property that loses its exemption is added to the tax base which causes a reduction in the tax rate. This provision would either eliminate that addition to the tax base or delay it for one year. The number of properties that have lost exemptions because of the three-year rule is not known.
- Provides that for purposes of determining eligibility for the levy appeal for excessive assessed valuation growth, the first year of the annual adjustment of the assessed valuation of real property ("trending") is excluded.
 - Currently, a civil taxing unit's maximum levy each year equals [the previous year's actual levy PLUS 50% of the unused levy authority in the previous year] plus growth applied at the six-year average growth rate in Indiana nonfarm personal income. The growth factor (AVGQ) is 4.0% in 2007. The AVGQ is appealable

- to the DLGF if the three-year average growth in assessed value (AV) for a unit is at least 2% higher than the AVGQ.
- The formula for calculating the three-year AV growth currently excludes the AV growth experienced in years in which a general reassessment takes effect. This bill would also exclude the AV growth experienced in the initial year of trending. The initial trending adjustment reflects six years worth of market changes. After the initial year, each annual trending adjustment will reflect only one year of market change.
 - Without the exclusion, many taxing units will most likely qualify for maximum levy increases for taxes payable in 2008, 2009 and 2010. By excluding the initial trending year, the effect of the six year adjustment on the AV growth rates for 2008, 2009, and 2010 taxes would be nullified.
- Provides a property tax exemption for certain property in Vermillion County.
 - Validates amended personal property tax returns filed by certain taxpayers. Affects 2 known taxpayers – one in Marion County and one in Vanderburgh County.
 - Under current law, these taxpayers do not qualify for the inventory exemptions on the added AV since they were not claimed on timely filed original or amended returns. These taxpayers must pay the entire \$2.3 M and \$1.3 M additional tax bills, plus interest at 10% per year. Under this provision, these taxpayers would only be required to pay the portion of the tax bill that applies to the non-exempt portion (if any) of the added AV. This payment would be without interest. The Marion County taxpayer's additional tax liability would be reduced from \$2.3 M to \$69,000 if the amended return is allowed by this bill. The Vanderburgh County taxpayer would have no additional liability. Since the additional assessments for the two identified taxpayers are due to audits completed after property tax rates were established for the years in question, the tax rates in those years were not based on this AV. The additional tax that results from the added assessments, therefore, was not a part of the original tax levy. While this provision would result in a reduction of revenues as compared to current law, these revenues are in addition to the normal tax levy. Taxpayers who file amended returns under this provision would not be entitled to any refunds.
 - Allows the Department of Local Government Finance, with the approval of the Attorney General and local officials, to compromise the amount of property taxes owed by certain educational, literary, scientific, religious or charitable entities. Allows such entities that meet certain requirements and that failed to timely file an application for property tax exemption for assessment dates after 2000 to retroactively file for and be granted the property tax exemption.
 - Under this provision, a nonprofit corporation organized for educational, literary, scientific, religious or charitable purposes would retroactively receive property exemptions for taxes payable in any year or years from CY 2002 through CY 2008 if:
 - 1) The taxpayer failed to timely file an exemption application;
 - 2) The taxpayer would have qualified for the exemption if the application had been timely filed;
 - 3) The taxpayer owned other property in the same county that was exempt in the year or two prior to the assessment date of the missed filing.

- If the taxpayer has already paid the tax, then the taxpayer would be entitled to a refund without interest. This provision would apply to an unknown number of taxpayers. If a taxpayer has not paid the tax, then the tax liability would be eliminated and the affected taxing units would not receive a part of past or current levies. If a refund of taxes already paid is issued, then the refund could be paid from each affected taxing unit's levy excess fund balance, if any. If insufficient balances exist, the refunds would reduce current property tax collections.

Regional Development Authorities (HEA 1774, P.L. 232-2007)

Author: Trent Van Haften

Sponsor: Marvin D. Riegsecker

- Effective May 11, 2007 and July 1, 2007.
- *Summary:* The bill provides a mechanism for funding development projects through regional development authorities. The fiscal impact of the development authorities will depend on the project undertaken, financing terms for the project, and the effectiveness of project management by the regional development authority.
- *Background on Regional Development Authority:* Among its duties, a regional development authority may finance, improve, construct, reconstruct, renovate, purchase, lease, acquire, and equip land and projects of regional importance. The development authority may lease land or a project to an eligible political subdivision. Also, the development authority may finance and construct additional improvements, construct or reconstruct highways, roads, and bridges; acquire land from a political subdivision and lease back the land or project; acquire a project from a political subdivision to fund or refund indebtedness on the project; make loans, loan guarantees, and grants on behalf of commuter transportation districts, an airport authority, or a regional transportation authority. A regional development authority may provide funding to assist a railroad providing commuter services, an airport authority, intermodal transportation projects, regional trails and greenways projects and economic development projects.
- *Leasing:* The regional development authority may enter into a lease of land or a project with an eligible political subdivision, if the political subdivision finds that the lease rental is fair and reasonable. The term of the lease may not exceed 40 years and payments may not be required prior to the project being complete and ready for occupancy or use. The lease may allow for an additional term equal to or less than the original term and it must contain an option for the political subdivision to purchase the project.
- *Regional Development Authority Established:* Authorizes the establishment of not more than two regional development authorities (development authorities) in each economic growth region designated by the Department of Workforce Development. Authorizes counties and second class cities to establish the development authorities.
- *Regional Development Authority Membership:* Specifies that if a county becomes a member of a development authority, each municipality in the county is also a member of the development authority. Provides that a county may be a member of a development authority only if the county is contiguous to at least one other county that is a member of the development authority. Provides that a second class city may be a member of a development authority only if the county in which the second class city is located is contiguous to at least one other county that is a member of the development authority.

- *Regional Development Authority Governance:* Specifies that a development authority is a separate body corporate and politic. Provides that a development authority is governed by a board consisting of one individual appointed by the executive of each county and each second class city that is a member of the development authority. Provides that if a development authority receives or will receive an appropriation, grant or distribution of money from the state, the development board may adopt a resolution to add one or more members appointed by the governor to the development board.
- *Regional Development Authority Finance:* Requires each county and each municipality that is a member of a development authority to pay annually to the development authority the amount that would be distributed to the county and the municipality as certified distributions of County Economic Development Income Tax (CEDIT) revenue raised from a tax rate of 0.05% in the county. Provides that if a county is a member of a development authority, the county may impose an additional CEDIT at a rate of 0.05%. The CEDIT rate allowed by this bill would generate an estimated \$61 M in CY 2008, \$62 M in CY 2009, and \$64 M in CY 2010 if all counties were to impose the additional rate. All proceeds would be deposited into the county regional development authority fund.
- *County and Municipality Payments:* Requires revenue from the additional tax to be used to satisfy the obligations of the county and municipalities to make payments to the development authority. Provides that, except in a county in which the additional CEDIT has been imposed, a county's or municipality's required payments to the development authority may be made from any local revenue (other than property tax revenue) of the county or municipality, including excise tax revenue, income tax revenue, local option tax revenue, riverboat tax revenue, distributions, or incentive payments, or money deposited in the county's or municipality's local Major Moves Construction Fund.
 - If a county or municipality of a regional development authority fails to transfer the amounts required and the regional development authority has bonds outstanding, the State Treasurer will reduce the next distribution of property tax replacement credits and instead pay the amount withheld to the regional development authority.
- *Issue Bonds:* Authorizes the Indiana Finance Authority to issue bonds and use the proceeds of the bonds to acquire any obligations issued by the development authority.
 - The regional development authority may issue bonds to obtain money to pay the costs of acquiring real or personal property; acquiring, constructing, improving, reconstructing or renovating projects; funding or refunding bonds issued. Bonds are payable from the revenues from lease of the project or insurance proceeds and revenue received by the regional development authority in the development authority fund. The terms of the bonds are set out by the development authority board in a resolution approving the bonds and the bonds must mature within 40 years. The bonds may be secured by a trust indenture between the development authority and a corporate trustee.
- *Terms of Membership:* Provides that a county or second class city shall be a member of the development authority for five years after the date the county or second class city becomes a member of the development authority. Specifies that at least 12 months and not more than 18 months before the end of a five year period, the fiscal body of a county or second class city that is a member of a development authority must adopt a resolution that either commits the county or second class city to an additional five years

as a member of the development authority or withdraws the county or second class city from membership in the development authority.

- *Regional Development Authority Responsibilities:* Authorizes a development authority to: (1) make loans, loan guarantees, and grants to or on behalf of a county, a municipality, a commuter transportation district, an airport authority, an airport development authority and a regional transportation authority; (2) issue bonds to the Indiana Finance Authority; (3) lease land or projects to a commuter transportation district, an airport authority, an airport development authority, or a regional transportation authority; (4) use the development authority's funds to match federal grants; and (5) take other actions to carry out its purposes.
- *Project Requirements:* Requires projects funded by a development authority to be of regional importance. Requires a development authority to comply with the common construction wage law, the public purchasing laws, the public works laws, and any applicable federal bidding statutes and regulations. Requires a political subdivision that receives a loan, grant, or other financial assistance from the development authority to comply with applicable federal, state and local public purchasing and bidding laws and regulations.
- *Oversight:* Requires a development authority to submit to the budget committee and to the director of the Office of Management and Budget for approval a comprehensive strategic development plan that includes detailed information concerning: (1) the proposed air, rail, transportation, and other economic development projects to be undertaken or financed by the development authority; and (2) the timelines, budgets, returns on investment, projected need for ongoing subsidies and projected federal matching funds for each project.
- *Reporting:* Requires a development authority to issue an annual report to the Legislative Council, the Budget Committee, and the governor concerning the operations and activities of the development authority during the preceding state fiscal year.
- *Joint Agreements:* Authorizes a development authority to enter into an agreement to jointly equip, own, lease and finance projects and facilities or otherwise carry out the purposes of the development authority.
- *Other Requirements:* Requires a development authority to: (1) assist in the coordination of local efforts concerning airport development projects and transportation projects; (2) assist a commuter transportation district and an airport authority in coordinating regional transportation and economic development efforts; and (3) fund various projects and facilities, including intermodal transportation projects and facilities and regional trails and greenways.

Preference for Domestic Foundry Products (SEA 96, P.L. 6-2007)

Author: Robert L. Meeks

Sponsor: David L. Niezgodski

- Requires that foundry products produced in the United States must be used in state and local public works projects unless certain conditions apply. Foundry products means products cast from ferrous and nonferrous metals by foundries in the United States.
- There is currently a requirement to use United States steel in public works projects if the cost of the steel is within 15% of the cost of foreign steel. This bill would extend the

requirement to include foundry products. The increase in costs due to the addition of the foundry products would probably be minor.

- It is estimated that there is a 10% premium for the use of domestic steel products. For CY 2005 the Department of Local Government Finance approved about \$693.6 M in new school construction and addition projects. Steel costs are about 15% of the project costs, so the additional cost of the use of domestic steel is about \$10.4 M. The use of foundry products in public works projects as compared to steel products is probably significantly less.

Bonds for Public Works Projects (SEA 211, P.L. 133-2007)

Author: David C. Ford

Sponsor: William A. Crawford

- Effective June 30, 2007 and July 1, 2007.
- Requires the Department of Administration to offer instruction at least annually to small businesses, minority business enterprises and women's business enterprises with regard to bonding requirements and securing bonding for public works projects.
- Increases the threshold from \$150,000 (or \$100,000) to \$200,000 for which bid, performance and payment bonds are required for state and local public works projects. Sets a minimum required retainage on public works projects of at least 6% until 50% of the work is done and at least 3% until the public work is substantially complete.

Flexible Fuel Vehicle Incentives (SEA 270, P.L. 182-2007)

Author: Victor Heinold and Brandt Hershman

Sponsor: F. Dale Grubb

- This bill: (1) increases the amount of the additional Sales Tax allowance for Sales Tax collected on the sale of E85 from \$0.10 per gallon to \$0.18 per gallon; (2) reduces the maximum amount of increased allowances that may be allowed from \$2,000,000 to \$1,000,000; (3) extends the period of time in which the additional E85 allowance may be claimed; (4) provides a monthly incentive payment to a political subdivision of \$33.33 per motor vehicle if 75% of the fuel used in the political subdivision's E85 compatible motor vehicles is E85; (5) establishes an E85 fueling station grant program; and (6) appropriates \$1,000,000 to the Department of Agriculture for the grant program.
- The Bureau of Motor Vehicles reports that there are 75,414 vehicles statewide registered as city police, sheriff, or municipally owned vehicles. It is unknown how many of these vehicles are E 85 compatible or how many political subdivisions may qualify for this incentive payment. For every one percent of qualified vehicles, (e.g., 750 E 85 vehicles), Local Road and Street Fund revenues in the amount of \$25,000 monthly would be shifted from those units who do not qualify to those units who meet the qualification with qualified E 85 vehicles and fuel usage.
- *Background Information:* E85 is the term for motor fuel blends of up to 85% ethanol and 15% gasoline. E85 is an alternative fuel as defined by the U.S. Department of Energy, and the ethanol component is made from corn.

Various Property Tax Matters (SEA 287, P.L. 219-2007)

Author: Howard "Luke" Kenley

Sponsor: Robert D. Kuzman

- Multiple effective dates.
- Adjusts the procedures for administrative and judicial appeal of a property tax assessment or exemption. Exempts the Indiana Board of Tax Review from the Administrative Orders and Procedures Act with respect to appeals to the Indiana Tax Court.
- Revises the procedure for filing and review of sales disclosure forms. Directs the Legislative Council to assign sales disclosure topics to a study committee.
- Delays the property tax due dates if notices of assessment for the immediately preceding year are not issued at least 45 days before May 10 of the year the tax is due.
- Requires a person to be a certified level two assessor-appraiser to qualify to take office as county assessor or elected township assessor, or to qualify to perform assessment functions as a township trustee-assessor. Allows assessment duties to be transferred from a particular township if for a general election after June 30, 2008, the person elected to the office has not attained the certification of a level two assessor-appraiser. Provides that a township trustee-assessor whose assessment duties are transferred to the county assessor retains other trustee duties. Provides that salary increases for assessors, deputies, and employees who obtain certification as a level two assessor-appraiser apply if the certification was obtained before assuming office or becoming employed by the assessor. Provides that the additional amount a township assessor or employee receives on becoming a certified level two assessor-appraiser is in addition to and not part of the person's annual compensation.
- Repeals an obsolete provision in the commercial vehicle excise tax concerning the filing of information returns in May 2000.
- Provides that the county assessor shall review and may audit personal property tax returns that are currently reviewed by the Department of Local Government Finance (DLGF).
- Provides that an appeal of an assessment of the real property of an industrial facility made by the DLGF is subject to appeal to the Indiana Board of Tax Review, and establishes requirements for the findings of the board.
- Creates a level three Indiana assessor-appraiser certification to be administered by the DLGF. Provides that a person who attains a level three certification is eligible for positions and for pay increases for which a level two is eligible.
- Provides for annual adjustment of maximum property tax rates to account for the change in assessed value of real property that results from an annual adjustment of the assessed value of real property.
- Requires most political subdivisions to adopt a budget by September 30.
- Requires the county assessor instead of the DLGF to order the reassessment of property destroyed in a disaster.
- Sets May 15 as the deadline to apply for a property tax exemption.
- Requires political subdivisions to submit financing data to the DLGF by December 31.
- For the various types of property tax abatement, provides a procedure to correct an understatement of an assessed value deduction that results from an error by the taxpayer by the application of a separate deduction after the regular abatement schedule expires.

- Provides that an appropriation from the property reassessment fund must be approved by the fiscal body of the county after the review and recommendation of the county assessor.
- Provides under certain circumstances that the 5% delinquency penalty applies to delinquent property taxes if the taxes are paid within 30 days after the due date and the taxpayer is not liable for delinquent property taxes due in a previous installment (rather than due in a previous year, under current law), and provides that the 5% penalty applies to both real and personal property.
- Provides that, in the case of a civil taxing unit that has a levy excess for a particular year, experienced a shortfall in property tax collections in the preceding year, and did not receive permission to increase its property tax levy to make up the shortfall, the amount the civil taxing unit must transfer to its levy excess fund is reduced by the amount of the civil taxing unit's shortfall in the preceding calendar year.
- Retroactively amends the definitions of property eligible for certain property tax abatement.
- Allows registered voters and owners of real property to participate when a political subdivision conducts a petition and remonstrance process to approve a bond issue or a lease rental. (Current law allows only the owners of real property to sign a petition or a remonstrance.) Requires the petitions to be filed with the county voter registration office, rather than the county auditor. Specifies the dates by which an individual must be a registered voter in order to participate in the petition and remonstrance process. Specifies that whenever the name of an individual who signs a petition or remonstrance as a registered voter contains a minor variation from the name of the individual as set forth in the records of the county voter registration office, the signature is presumed to be valid and there is a presumption that the individual is entitled to sign the petition or remonstrance. Specifies that in determining whether an individual is a registered voter, the county voter registration office shall apply the requirements and procedures used under the election law, but provides that an individual is not required to comply with the provisions concerning providing proof of identification. Provides that if a petition is presented to a county voter registration office within 35 days of an election, the county voter registration office may defer acting on the petition until after the election.
- Extends the assessment appeal deadline for a taxpayer that receives a tax statement based on the 2006 assessment.
- Increases the assessed valuation eligibility limits for certain property tax deductions.

Filing for Property Tax Deductions (SEA 416, P.L. 183-2007)

Author: Richard D. Young, Jr.

Sponsor: Nancy Dembowski

- Multiple effective dates.
- This bill provides for the following consistent application filing deadlines for property tax deductions: (1) June 10 for real property; and (2) March 30 for mobile homes or manufactured homes that are not assessed as real property. It changes the filing deadline for the homestead credit with respect to mobile homes or manufactured homes that are not assessed as real property from March 1 to March 30.
- Under current law, several different filing deadlines apply to Indiana's various property tax deductions. Beginning with 2007 payable 2008 property taxes, this proposal would

set the same filing deadlines for all deductions except for ERA abatements and investment deductions.

Military and Veterans' Benefits (SEA 480, P.L. 144-2007)

Author: Mike Delph, Thomas J. Wyss, and Earline S. Rogers

Sponsor: Scott Reske

- Multiple effective dates.
- Exempts active duty military pay earned by members of the National Guard and Reserves from the individual income tax. Increases the military pay income tax deduction from \$2,000 to \$5,000. Provides that a taxpayer may not claim both the new exemption and the existing deduction for military income.
 - Because the proposed increase in the military service income deduction would decrease taxable income, counties imposing local option income taxes (CAGIT, COIT, and/or CEDIT) may, as a result, experience an indeterminable decrease in revenue from these taxes.
- Establishes employment criteria for employees of the Indiana Department of Veterans' Affairs and local service officers.
- Provides that a power of attorney for prosecution of veterans' benefits runs to an agency or individual authorized by the Department.
- Establishes the Veterans' Affairs Trust Fund and the Military and Veterans' Benefits Board. Provides that the Board (rather than the Veterans' Affairs Commission) administers the Veterans' Affairs Trust Fund and the Military Family Relief Fund.
- Specifies that active duty military personnel stationed in Indiana and their dependents are eligible for resident tuition rates at state educational institutions.
- Expands the high school diploma program for eligible veterans to include veterans of the Korean and Vietnam conflicts.
- Establishes the National Guard Scholarship Extension Fund to provide scholarships to certain former National Guard members. Requires the State Student Assistance Commission to transfer on June 30, 2007, the National Guard Scholarship Program reserves to the National Guard Scholarship Extension Fund.
- Authorizes the: (1) advisory board of the Division of Professional Standards of the Department of Education; and (2) various professional licensing boards; to adopt rules to expedite the licensure of individuals whose spouses are stationed on active duty in Indiana.

Various Economic Matters (SEA 500, P.L. 211-2007)

Author: Howard "Luke" Kenley

Sponsor: Robert D. Kuzman

- Multiple effective dates.
- Authorizes county fiscal bodies to adopt an ordinance authorizing a recording fee of \$2.50 for the first page and \$1 for each additional page. Specifies that 60% of the fee shall be deposited in affordable housing funds in the county (or the housing trust fund in Marion County) and that 40% of the fee shall be distributed to the Treasurer of State for deposit in the Affordable Housing and Community Development Fund. Provides that money in the State Affordable Housing and Community Development Fund may not be used for rent supplements.

- Restricts a sales tax exemption available under current law for an electric utility that purchases distribution equipment or transmission equipment. Restricts a sales tax exemption available under current law for a hotel or restaurant that purchases electricity, water, gas, or steam. Restricts a sales tax exemption available under current law for an aircraft lessor that purchases an aircraft for rental or leasing.
- Provides for a graduated three-tier sales and use tax collection allowance for retail merchants.
- Provides that a taxpayer is not entitled to a venture capital investment tax credit for providing investment capital after December 31, 2012. (Current law provides that a taxpayer is not entitled to a credit for providing investment capital after December 31, 2008.)
- Provides that an energy savings tax credit may not be awarded for taxable years beginning after December 31, 2010.
- Specifies conditions under which a professional tax return preparer must file client returns electronically.
- Decreases various periodic tax liability thresholds at which taxpayers are required to make tax payments by electronic funds transfer from \$10,000 to \$5,000. Provides that a tax payment made by electronic funds transfer is considered made on the date the taxpayer issues the payment order for the electronic funds transfer.
- Provides for the accrual of interest at the rate of 6% per annum on inheritance tax refunds that are not processed within 90 days by the Department of State Revenue.
- Provides that the cigarette stamp discount to distributors is one and two-tenths cents per individual package of cigarettes. Provides that when a taxpayer claiming a refund requests a hearing on the claim, the Department of State Revenue must hold the requested hearing.
- Repeals a provision of the sales tax statute that requires certain out-of-state merchants making sales to customers in Indiana to register as retail merchants and remit sales and use tax.
- Provides a cigarette tax credit to a cigarette distributor for an uncollectible debt to the extent that the uncollectible debt: (1) is included in the cost of cigarette tax stamps purchased by the distributor; and (2) resulted from a transfer of cigarettes to a retailer. Provides a tobacco tax deduction to a tobacco products distributor from the tobacco products tax for uncollectible debts resulting from wholesale sales of tobacco products.
- Provides a tax exemption for the National Football League Super Bowl and related activities.
- Provides that for county wheel taxes adopted after June 30, 2007, an owner of a commercial motor vehicle paying an apportioned registration to the state under the International Registration Plan shall pay an apportioned wheel tax calculated by dividing in-state actual miles by total fleet miles generated during the preceding year.
- Requires a partnership to file a composite adjusted gross income tax return on behalf of all nonresident individual partners. Requires an S corporation to file a composite adjusted gross income tax return on behalf of all nonresident individual shareholders.
- Makes changes concerning enterprise zones.
- Requires corporations to add back dividends paid to shareholders of a captive real estate investment trust.

- Increases the thresholds for mandatory estimated income tax payments.
- Provides that an account owner of a college choice 529 education savings plan must repay a portion of a tax credit if any nonqualified withdrawal is made from the plan. Includes as nonqualified withdrawals any withdrawals made from an account that is terminated within 12 months after the account is opened, rollovers to another qualified tuition program under Section 529 of the Internal Revenue Code that is not a college choice 529 education savings plan account, and other withdrawals that do not meet the requirements of a qualified withdrawal.
- Provides a limited use tax exemption for an aircraft that is titled or registered in another state or country and is temporarily brought to Indiana to be repaired, refurbished, remanufactured, or subjected to a prepurchase evaluation. Expands the limited sales tax exemption under current law for a transaction involving an aircraft to include transactions in which an aircraft that is purchased by a nonresident remains in Indiana for up to 30 days after the aircraft is repaired, refurbished, or remanufactured. Expands the exemption from the aircraft registration requirements under the aircraft license excise tax statute for a nonresident who bases an aircraft with a dealer while the aircraft is being repaired, remodeled, or refurbished to include aircraft that are based with a person that has been issued a repair station certificate by the Federal Aviation Administration.
- Provides that a retail merchant may verify that the sale of property used or consumed in providing public transportation is exempt from sales tax by obtaining certain information from the purchaser. Allows a retail merchant that sold property to a person that used or consumed the property in providing public transportation to verify that the sale was exempt from sales tax by using the information contained in form ST-135 for the transaction.
- Allows a corporation to use its annualized income to calculate the amount of its estimated adjusted gross income tax payments.
- Allows the State Board of Education to loan money to an eligible school corporation that has experienced a shortfall of at least 5% in the collection of property tax levies for the eligible school corporation's general fund because of certain actions.
- Specifies that the rate of interest paid by the Department of State Revenue on excess tax payments must be the same as the rate of interest paid by a taxpayer for failing to pay the full amount of tax by the due date for a tax return.
- Reallocates Lake County innkeeper's tax revenue.

Streamlined Sales Tax Conformance (SEA 502, P.L. 145-2007)

Author: Howard “Luke” Kenley

Sponsor: Robert D. Kuzman

- Multiple effective dates.
- Provides various Sales and Use Tax definitions, changes and additions to conform with the Streamlined Sales and Use Tax Agreement. Repeals obsolete provision concerning software that may be used concurrently in more than one jurisdiction.
- Requires the Governor and the Commissioner of the Department of State Revenue to take the steps necessary for Indiana to become an associate member of the Multistate Tax Commission.

Various Financial Institution Matters (SEA 559, P.L. 213-2007)

Author: Allen E. Paul

Sponsor: Jeb Bardon

- Makes various changes to the laws concerning: (1) financial institutions; and (2) persons licensed under the Uniform Consumer Credit Code.

GAMING

Gaming (HEA 1510, P.L. 227-2007)

Author: Trent Van Haften

Sponsor: Vi Simpson and James W. Merritt, Jr.

- Effective May 11, 2007 and July 1, 2007.
- Makes numerous changes to the laws concerning charity gaming licenses and the participants in charity gaming.
- Establishes the license control division and the gaming control division within the Gaming Commission. Authorizes the Gaming Commission to issue an annual license permitting a qualified organization to sell pull tabs, punchboards, and tip boards at any time on the premises owned or leased by the qualified organization and regularly used for the activities of the qualified organization.
- Authorizes an annual charity game night license. Specifies that pre-elementary childhood development programs and state educational institutions are qualified organizations.
- Specifies the conditions for conducting raffles and door prize drawings applicable to a candidate's committee.
- Makes certain changes concerning manufacturers and distributors of charity gaming supplies.
- Permits certain rent expenses to be deducted from gross revenues for purposes of calculating fees for renewing charity gaming licenses.
- Makes certain changes concerning the Gaming Commission's administration of charity gaming.
- Authorizes the revocation of a lottery retailer's contract with the Lottery Commission, a charity gaming license, a retail merchant's certificate, a tobacco sales certificate or an alcoholic beverage permit for certain criminal violations.
- Provides that a second unrelated conviction for professional gambling, maintaining a professional gambling site, or promoting professional gambling is a Class C felony rather than a Class D felony.
- Authorizes the possession of an antique slot machine that is used for decorative, historic, or nostalgic purposes.
- Provides that possessing an electronic gaming device is a Class A infraction.
- Provides that knowingly or intentionally accepting or offering to accept, for profit, money or other property risked in gambling on an electronic gaming device maintained by the person is maintaining a professional gambling site, a Class D felony.

Gaming (HEA 1835, P.L. 233-2007)

Author: Trent Van Haften

Sponsor: Robert N. Jackman, D.V.M.

- Multiple effective dates.
- *Racetrack Slot Machine Facilities:* The bill authorizes slot machines at racetracks. It provides that a licensee may not install more than 2,000 slot machines without the approval of the Indiana Gaming Commission. It also limits a horse racetrack permit holder who offers slot machines to the number of satellite facility licenses issued to the permit holder before January 1, 2007. The bill specifies certain powers and duties of the Indiana

Gaming Commission for the purpose of administering, regulating, and enforcing the system of slot machine gambling at racetracks. It also provides that a license is null and void if the licensee fails to obtain and maintain a horse racing permit and satisfy the racing requirements of the horse racing law.

- *Initial Slot Machine Licensing Fee:* The bill requires from each licensee an initial licensing fee of \$250 M payable in two annual installments. It also requires the Indiana Gaming Commission to deposit the initial licensing fees into the Property Tax Reduction Trust Fund.
- *Slot Machine Wagering Tax:* The bill imposes a graduated Slot Machine Wagering Tax equal to: (1) 25% of the first \$100 M of adjusted gross receipts received during the state fiscal year; (2) 30% of the adjusted gross receipts in excess of \$100 M but not exceeding \$200 M received during the state fiscal year; and (3) 35% of the adjusted gross receipts in excess of \$200 M received during the state fiscal year. It also provides that all Slot Machine Wagering Taxes are deposited into the Property Tax Reduction Trust Fund.
- *County Slot Machine Wagering Fee:* The bill imposes a 3% County Slot Machine Wagering Fee on a licensee that offers slot machine wagering. It provides that a licensee is not required to pay more than \$8 M of fees in any state fiscal year. It also provides that the fees are distributed to the county auditor of the county in which the licensee's racetrack is located for distribution to the county and cities and towns in the county. The bill requires a licensee to pay the fee to the IGC, with revenue from the fee to be deposited in a separate account of the state General Fund. The bill requires the fee revenue collected at Hoosier Park to be distributed to Madison County, and the fee revenue collected at Indiana Downs to be distributed to Shelby County. Within each county the revenue is to be distributed on a per capita basis to the county, and cities and towns within the county. In state FY 2009, the distribution could potentially total about \$4.4 M for Madison County and \$2.9 M for Shelby County. The distribution could potentially total about \$5.9 M for Madison County and \$3.9 M for Shelby County annually beginning in FY 2010.
- *Gaming Integrity Fee:* The bill requires a licensee that offers slot machine wagering to annually pay to the Indiana Gaming Commission a Gaming Integrity Fee of \$250,000.
- *15% AGR Set Aside for Horse Racing Purposes:* The bill requires a licensee in each state fiscal year to devote to horse racing purses and certain other purposes an amount equal to the lesser of 15% of the adjusted gross receipts from slot machine wagering or \$85 M plus inflation. The bill specifies the distribution of this money. It provides that the first \$250,000 (from each racetrack) of the money is to be deposited in the Gaming Integrity Fund. It provides that money distributed to a horsemen's association may not be expended unless the expenditure is for the purposes specified in statute and is either for a purpose promoting the equine industry or equine welfare or is for a benevolent purpose that is in the best interests of horse racing in Indiana. It also requires a horsemen's association to: (1) annually file a report with the Indiana Horse Racing Commission concerning the use of the money; and (2) register with the Indiana Horse Racing Commission.
- *Riverboat Admission Tax Distribution to Horse Racing:* The bill specifies that beginning with the first year in which slot machine wagering is allowed, the Riverboat Admissions Tax revenue otherwise distributed to the Indiana Horse Racing Commission is reduced each state fiscal year by the money that is dedicated to purses, breed development and horsemen's associations.

- *Problem Gambling Fee:* The bill requires a licensee that offers slot machine wagering at racetracks to annually pay to the Division of Mental Health and Addiction a Problem Gambling Fee equal to \$500,000 for each racetrack at which the licensee offers slot machine wagering.
- *French Lick Casino Subsidy:* The bill provides that in state fiscal years beginning after June 30, 2007, and ending before July 1, 2012, a licensee that offers slot machine wagering shall pay to the Indiana Gaming Commission a supplemental fee equal to 1% of the adjusted gross receipts received from slot machine wagering. It provides that the supplemental fees are distributed to each licensed owner or operating agent that commences gaming operations with respect to an initial owner's license or the initial term of an operating agent contract after June 30, 2006.
- *Local Development Agreements:* The bill prohibits local development agreements between the permit holders who operate slot machine facilities and political subdivisions.
- *Live Racing Days:* The bill provides that the Indiana Horse Racing Commission shall require at least 140 but not more than 165 live racing days at each racetrack. It provides that a permit holder may not conduct more than 14 races on a racing day.
- *Alcohol Beverage Licenses for Slot Machine Facilities:* The bill allows a slot machine facility to be licensed under the alcoholic beverage laws under the same conditions as a riverboat.
- *Minority and Women's Business Enterprise Provisions:* The bill provides that the Indiana Gaming Commission shall establish goals for permit holders concerning contracts for goods and services with minority business enterprises and women's business enterprises. It also requires these goals to be equal to goals set by the Commission for riverboat gaming licensees.
- *Riverboat Casino Locations:* The bill specifies the five counties in which a riverboat is currently operating as the Ohio River counties for which a riverboat owner's license may be issued. It provides that a person holding a riverboat owner's license may not move the person's riverboat from the county in which the riverboat was docked on January 1, 2007.
- *Riverboat Admissions Tax:* The bill provides that the Indiana Gaming Commission may by rule determine the point at which a person is considered to be admitted to a gambling excursion or admitted to a riverboat, for purposes of collecting the Riverboat Admissions Tax.
- *Riverboat Wagering Tax:* The bill increases the Riverboat Wagering Tax rate on adjusted gross receipts exceeding \$600,000,000 to 40%.
- *Riverboat Property Tax Assessments:* The bill provides alternative property tax assessment methodologies for riverboats. Under current law, gaming riverboats are assessed as real property. For the 2002 Pay 2003 tax year, the boats were assessed according to schedules published in the real property assessment guideline incorporated into the DLGF's real property assessment rule. Beginning with taxes payable in 2007, the assessment is covered by the DLGF's annual real property adjustment (trending) rule. Under the trending rule, assessors may use comparative sales to value the property. This bill would require assessment of gaming riverboats at the lesser of three methods: (1) Reproduction cost less depreciation; (2) Comparable sales; or (3) Capitalization of income. The bill specifies that the sales data used in the sales approach must exclude the value attributable to licenses, fees, and personal property. The assessor would not be required to appraise

the property under all three methods if the assessor and taxpayer can agree on one approach.

- *Property Tax Reduction Trust Fund:* The bill establishes the Property Tax Reduction Trust Fund to be administered by the Treasurer of State. Money in the Fund is to be used for providing property tax relief in any manner prescribed by the General Assembly. The bill requires revenue from initial Slot Machine Licensing Fees, the Slot Machine Wagering Tax, and excess money from the racetrack owners' 15% set aside of slot machine adjusted gross receipts to be distributed to the Fund. The Fund is nonreverting, and money in the Fund may not be transferred, assigned, or otherwise removed by the State Board of Finance, the State Budget Agency, or any other state agency.

PENSIONS

Transfers from the 1977 Fund to PERF (SEA 128, P.L. 180-2007)

Author: R. Michael Young

Sponsor: Dennis Tyler

- Allows a participant in the State Excise Police, Gaming Agent, and Conservation Enforcement Officers' Retirement Plan (Plan) to receive creditable service for the time a plan participant receives benefits under the state's long-term disability plan.
- Allows a plan participant to purchase service credit for service earned in the Public Employees' Retirement Fund (PERF), the Indiana State Teachers' Retirement Fund (TRF), the State Police Pension Trust, or the 1977 Police Officers' and Firefighters' Pension and Disability Fund (1977 Fund).
- Increases the plan participant's contribution from 3% of the first \$8,500 to 4% of the participant's annual salary.
- Authorizes an employer to pay all or a part of the plan participant's contribution;
- Increases from 1% to 1 2/3% the percentage of average salary used in computing a plan participant's annual retirement allowance for years of service greater than 25.
- Allows a plan participant who is at least 50 years of age and has at least 25 years of creditable service to retire with a normal (unreduced) benefit.
- Provides that a plan participant receiving a line-of-duty disability benefit is entitled: (A) to receive a disability benefit for the remainder of the participant's life; and (B) to have the benefit recomputed as a normal benefit when the participant becomes 60 years of age.
- Allows a participant in the 1977 Judges' Retirement System to receive credit in the 1977 Judges' Retirement System for service as a full-time referee, full-time commissioner or full-time magistrate after the participant leaves an elected term on the bench.
- Authorizes the transfer from the 1977 Fund to PERF of service credit and contributions for certain appointed police and fire chiefs and waives all credit for the service in the 1977 Fund if the transfer to PERF is made. PERF has identified four police chiefs and no fire chiefs who would currently be affected by this proposal. That is, they would not be able to earn a benefit under the 1977 Fund because of mandatory retirement provisions in effect. In addition, however, the bill permits a police chief or a fire chief appointed under a waiver at any age who terminates employment before earning a benefit from the 1977 Fund to transfer the 1977 Fund service to PERF. The fiscal impact would be minimal.
- Allows an employee beneficiary (excluding a sheriff) to authorize the trustee of a sheriff's pension trust to pay a portion of the employee beneficiary's monthly pension benefit to an insurance provider for the payment of accident, health, or long term care insurance premiums for the employee beneficiary, the employee beneficiary's spouse, or the employee beneficiary's dependents.
- Extends the pilot program for the Defined Contribution Plan of the Legislators' Retirement System until July 1, 2010.

(The introduced version of this bill was prepared by the Pension Management Oversight Commission.)

Deferred Retirement Option Plan and Public Safety Matters (SEA 561, P.L. 148-2007)

Author: Ryan D. Mishler

Sponsor: Linda Lawson

- Effective May 3, 2007 and July 1, 2007.
- *Removes Prior Service Credit Limit 1977 Fund* - This part removes a provision that limits credit for prior service to allow a firefighter to accrue 20 years of service credit in the 1977 Police Officers' and Firefighters' Pension and Disability Fund.
 - Currently, this provision applies to one entity, the town of Fishers. This will increase costs for the town by an indeterminable amount. Currently, employing units contribute 21% of covered payroll, while the employee contributes 6% of the salary of a first class patrolman or firefighter. An employer may pay part or all of a member's contribution.
- *DROP Disability 1977 Fund* - This part permits a member of the 1977 Police Officers' and Firefighters' Pension and Disability Fund who retires because of a disability more than 12 months after the date the member enters the Deferred Retirement Option Plan (DROP) to choose whether to receive a retirement benefit calculated as if the member: (A) had never entered the DROP; or (B) exited the DROP on the date the member retires because of the disability.
- *Firefighter Certification Requirements* - This part allows a person who fulfills certain firefighter certification requirements to be in compliance with minimum basic firefighter training requirements.
- *Ordinance Adoption Computer Facilities District* - This part allows any county to adopt an ordinance creating a public safety communications systems and Computer Facilities District.
- *Property Tax Levy Prohibition* - This part prohibits a county from imposing an ad valorem property tax levy to fund the operation or implementation of the district.
- *Re-submission of the DROP Application* - This part authorizes a member of the 1925 Police Pension Fund, the 1937 Firefighters' Pension Fund, the 1953 Police Pension Fund, or the 1977 Police Officers' and Firefighters' Pension and Disability Fund to resubmit, before July 1, 2007, a disapproved election to enter a DROP and to have the election approved so that the dates the member enters and exits the DROP are the dates selected by the member when the election was initially submitted.
- *Purchase of Service Public Employees' Retirement Fund (PERF)* This part provides that a member of PERF, previously employed by a state quasi-governmental entity not affiliated with PERF that is absorbed by a PERF-affiliated entity, may purchase service credit at the full actuarial cost.

PERF COLA and Thirteenth Check (SEA 568, P.L. 163-2007)

Author: Robert L. Meeks and Lindel O. Hume

Sponsor: Robert D. Kuzman

- Provides for a 2% cost of living adjustment (COLA) for a retired member of the Public Employees' Retirement Fund (PERF) (or a survivor or beneficiary of a member) payable after December 31, 2007. Current statute has no provision for a COLA in CY 2008. Consequently, the fiscal impact of the 2008 adjustment provided in this bill, over what is in current statute, is estimated to result in an additional unfunded accrued liability of \$36.3 M. This would result in an additional annual funding requirement of about \$2.8 M

in CY 2008 and years thereafter (representing approximately 0.11% of payroll) over what is provided for in current statute.

- Although a COLA for 2008 is not provided in current statute, future PERF funding requirements are currently calculated in anticipation of passage of a 1.5% COLA for CY 2008. Consequently, the budgetary impact from the 2008 adjustment provided in this bill over the COLA assumptions used in the actuarial calculations is estimated to result in an additional unfunded accrued liability of \$9.1 M. This represents an additional cost of \$0.7 M in CY 2008 and years thereafter (representing approximately 0.03% of payroll).
- Provides for a thirteenth check based on the complete years of service credited to a member at retirement, with a provision to include a member receiving disability retirement benefits with at least 5 years, but less than 10 years of service. Also provides for a 13th check to be paid on or before December 1, 2007, to any member (or survivor or beneficiary) who retired before January 1, 2007, and was entitled to receive a monthly benefit on November 1, 2007. The amount shall be equal to \$75 if the retired member had at least 10 years of service but less than 20 years, \$150 for at least 20 years of service but less than 30 years, and \$200 for at least 30 years of service. This benefit is payable only to PERF members and does not become part of the base for pension calculations.
 - The 13th Check provision results in an estimated increase in unfunded accrued liability for CY 2008 of \$4.5 M. The increase in annual funding required is \$344,000, representing 0.01% of payroll. This impact is in addition to the fiscal impact to local units for the COLA described above.
 - The inclusion of a 13th check for a member with at least 5 years, but less than 10 years of service (for a member receiving disability retirement benefits) will increase the unfunded accrued liability by an estimated \$16,103, and increase annual funding by an estimated \$1,240. This is estimated to affect 644 people. The increase in employer funding as a percent of payroll and the decrease in funded status are immaterial.

PUBLIC SAFETY

Weather Radios in Manufactured Homes (HEA 1033, P.L. 31-2007)

Author: George Philip Hoy

Sponsor: Vaneta Becker

- Requires that a manufactured home that is installed in a mobile home community be equipped with a weather radio. The bill provides that a mobile home operator is encouraged to provide a written reminder to the manufactured home owners in the mobile home community to replace batteries in a weather radio or smoke detector contained in the manufactured home. The bill provides certain immunity from civil liability concerning the functionality of weather radios supplied by manufactured home installers.

Transfer of Property to Volunteer Fire Department (HEA 1058, P.L. 188-2007)

Author: Robert J. Bischoff

Sponsor: Brent Steele

- Authorizes a political subdivision to transfer property to a volunteer fire department without consideration or for nominal consideration for the construction of a fire station or other purposes related to firefighting.
- Provides that this authority applies to all political subdivisions after June 30, 2008.
- Any local government entity with the ability to sue or be sued would be allowed to sell or transfer real, tangible, or intangible property, licenses, or interests therein to a volunteer fire department. However, there would be a one year moratorium placed on the townships within Marion County beginning on the effective date of the bill. The restriction placed on Marion County townships would exist until after June 30, 2008.
- The bill would permit the sale or transfer to occur without meeting the requirements for the transfer of real property by a political subdivision under current law. The current requirements to complete the sale or transfer of real property are: receiving appraisals, publishing notices describing the conditions of, and engaging in a bid process on the real property to be sold or transferred. The impact to local expenditures would depend on the number of transfers of property, licenses, or interests made by local government entities.
- *Background-* There are approximately 837 volunteer fire or rescue organizations in Indiana that meet the membership requirements of the Indiana Volunteer Firefighter Association.

Stray Dogs (HEA 1115, P.L. 220-2007)

Author: Cleo Duncan

Sponsor: Brent Steele

- *Stray Dogs:* The bill provides that an owner of a dog commits a Class D infraction if the owner of the dog allows the dog to stray beyond the owner's premises, unless the dog is under the reasonable control of an individual or the dog is engaged in lawful hunting and accompanied by the owner or a custodian of the dog. The bill also makes the offense a Class C infraction if the owner has a prior judgment for a violation, and provides that the offense does not apply to a nonaggressive dog that goes beyond the owner's premises onto agricultural or forested land.

- *Hybrid Dogs:* The bill defines “coydog” (a coyote-dog hybrid) and “wolf hybrid,” and makes it a Class B infraction if the owner of the coydog or wolf hybrid does not keep the animal in a secure enclosure or on a leash under the control of an individual. If the owner knowingly or intentionally fails to comply with the secure enclosure or leash requirements, it is: (1) a Class B misdemeanor if the wolf hybrid or coydog causes damage to livestock or personal property; (2) a Class A misdemeanor if the owner has one prior unrelated conviction for a violation of the secure enclosure or leash provision; (3) a Class D felony if the owner has more than one prior unrelated conviction for a violation of the secure enclosure or leash provision, or if the owner's failure to comply results in serious bodily injury to a person; and (4) a Class C felony if the failure to comply results in the death of a person.
 - The bill permits a unit to prohibit the possession of a coydog or wolf hybrid, to impose more stringent conditions on the possession of a wolf hybrid or coy dog, and to provide an increased (civil) penalty for a violation of the secure enclosure or leash provisions.

VETOED – Accident Report and Response Service Fees (HEA 1274)

Author: Ron Herrell

Sponsor: Richard D. Bray

- Prohibits political subdivisions or local law enforcement agencies of political subdivisions from imposing or collecting an accident response service fee on or from the driver of a motor vehicle or any other person involved in a motor vehicle accident.
- Provides that the fee charged for an accident report must be not less than five dollars and not more than eight dollars. Provides that certain entities may not charge an accident report fee of more than five dollars unless the State Police Department has certified that the entity has submitted accident reports to the central repository within 20 days of completion.
- Requires the Superintendent of the State Police Department to biennially produce a report analyzing the costs associated with operation of a vehicle crash records system as compared to the costs of having a private vendor operate a vehicle crash records system, and authorizes the Superintendent to use the rulemaking process to increase the fee if the report analyzing the costs associated with the vehicle crash records system demonstrates the need for a higher fee.

Missing Person (HEA 1306, P.L. 92-2007)

Author: David Cheatham

Sponsor: R. Michael Young

- Requires a law enforcement agency that receives a report of a missing person to take certain steps to locate the missing person. A law enforcement agency shall accept immediately a report made in person concerning a missing person and shall attempt to gather relevant information that will assist in locating the missing person (outlines information to be taken). Defines a “high risk missing person.”
- Requires a coroner having custody of unidentified human remains to take certain steps to attempt to identify the remains.

Sex Offenders and Criminal Procedure (HEA 1386, P.L. 216-2007)

Author: Linda Lawson

Sponsor: Jeff Drozda

- Effective May 10, 2007 and July 1, 2007.
- Adds: (1) promoting prostitution as a Class B felony; (2) promotion of human trafficking if the victim is less than 18 years of age; (3) sexual trafficking of a minor; (4) human trafficking if the victim is less than 18 years of age; and (5) possession of child pornography as a first offense; to the list of offenses requiring a person to register as a sex offender.
- Specifies that registration as a sex offender is not required for: (1) a parent or guardian who is convicted of kidnapping or confining a child of the parent or a child over whom the guardian has guardianship; or (2) a person convicted of sexual misconduct with a minor as a Class C felony if the person is not more than four years older than the victim and the court finds that the person should not be required to register.
- Removes the lifetime registration requirement for sexual battery as a Class D felony, and imposes the standard ten year registration requirement.
- Specifies that, for purposes of the child pornography statute, a person may not possess certain material depicting or describing sexual conduct by a child who: (1) the person knows is less than 16 years of age; or (2) appears to be less than 16 years of age.
- Makes it a Class B felony for a person to commit child seduction by using a computer network if the person has a previous unrelated conviction for committing the offense by using a computer network.
- Specifies that a person is an offender against children if the person engages in a conspiracy to commit or attempts to commit an offense that would make the person an offender against children.
- Permits a county to adopt: (1) an annual sex offender registration fee that does not exceed \$50; and (2) a sex offender address change fee that does not exceed \$5. Provides that 90% of each fee is deposited in the County Sex Offender Administration Fund, and 10% of each fee is transferred to the state for deposit in the State Sex Offender Administration Fund. Specifies that the funds are to be used for expenses related to the operation of the Indiana Sex Offender Registry.
 - Any revenue generated will depend on the number of county councils that pass an ordinance allowing for this fee to be charged and what the fee level would be. The Department of Correction reports that in January 2007, 8,191 sex offenders were in the Sex Offender Registry statewide. If all 92 counties enact ordinances at the maximum \$50 per offender, the new revenue generated would be \$409,550. The county share of 90% would be \$368,595. This new revenue would be required to be deposited in the County Sex Offender Administration Fund. This bill would also allow a county legislative body to adopt an ordinance to charge \$5 each time that a sex offender changes their address. The added revenue from this fee is not currently able to be determined.
- Requires a sexually violent predator whose sentence does not include a commitment to the Department of Correction to be placed on lifetime parole.
- Permits the Department of Correction to report certain fingerprint information to the State Police Department, and makes certain other changes relating to fingerprinting.

- Requires the Department of Correction to maintain records on certain sex offenders who are no longer required to register in Indiana. Requires a local law enforcement authority to notify the Department of Correction and update the National Sex Offender Registry database when a sex offender registers or the registration information changes. Makes numerous other changes to sex offender registration procedures.
- Requires a court to consider expert testimony before determining that a juvenile is likely to be a repeat sex offender, and establishes a procedure for psychological evaluation of sex offenders to determine if they are sexually violent predators.
- Establishes a procedure to permit an offender against children to petition a court to have the designation removed. Permits a court to suspend the sentence of a person convicted of nonviolent child molesting who is not more than four years older than the victim, who was involved in a dating relationship with the victim, and who meets certain other conditions.
- Specifies that "school property," for purposes of the offender against children statute, does not include the property of an institution providing postsecondary education.
- Changes the name of the Sex Offender Registry to the "Sex and Violent Offender Registry" and requires persons convicted of murder or voluntary manslaughter to register on the Sex and Violent Offender Registry under the same conditions applying to registration by sex offenders.
- Prohibits the suspension of the first 30 years of the sentence for certain serious child molesting offenses.
- Provides that the mistake-of-age defense to child molesting does not apply when the offense was committed by means of violence or the use of a drug.
- Establishes a procedure to permit certain offenders required to register in accordance with older laws to register in accordance with new laws.
- Adds a culpability standard to a criminal statute relating to the use of limited criminal histories.
- Requires persons in Indiana convicted of murder or voluntary manslaughter to be placed on lifetime parole.
- Reestablishes the Sentencing Policy Study Committee to evaluate sentencing laws and policies for an additional four years.
- Provides that a juvenile court does not have jurisdiction over an individual for attempted murder.
- (The introduced version of this bill was prepared by the sentencing policy study committee.)

Protecting Undercover Officer Information (HEA 1427, P.L. 172-2007)

Author: Terri Jo Austin

Sponsor: Thomas J. Wyss

- Allows a state or local government agency to withhold records from public disclosure that contain certain information about a law enforcement officer operating in an undercover capacity.

Autism and Asperger's Training for School Personnel (HEA 1428, P.L. 122-2007)

Author: George Philip Hoy

Sponsor: Teresa S. Lubbers

- Requires every school corporation police officer or regular or special police officer assigned to a school to complete training on Autism and Asperger's syndrome.
- Allows a governing body to adjourn its schools to allow teachers, school administrators, or paraprofessionals to participate in a basic or in-service course of education and training on Autism.

Drug Free Communities Fund (HEA 1434, P.L. 26-2007)

Author: Mara Candelaria Reardon

Sponsor: Sue Landske

- Requires a county fiscal body to allocate 25% of the money in the County Drug Free Community Fund to persons, organizations, agencies, and political subdivisions to provide services and activities based on the Comprehensive Drug Free Communities Plan submitted by the Local Coordinating Council and approved by the Commission for a Drug Free Indiana. (The remaining 75% is allocated as previous statutes require.)
- Provides that a grant may not be awarded from the State Drug Free Communities Fund unless the grant application is approved by the Local Coordinating Council for the area in which the applicant is located, as well as by the Commission for a Drug Free Indiana.

Forensic Diversion and Criminal Gangs (HEA 1437, P.L. 192-2007)

Author: Ralph M. Foley

Sponsor: Richard D. Bray

- *Forensic Diversion* - Imposes additional requirements for a person to participate in a pre-conviction or post-conviction forensic diversion program. Provides that a person who has both a mental illness and an addictive disorder may participate in a forensic diversion program. (Current law allows a person who has a mental illness or an addictive disorder to participate.) Permits a court to allow a person identified by a prosecuting attorney's office or pretrial services bureau to utilize the facilities or programs offered by an alcohol and drug services program.
 - DOC reports that ten counties operate forensic diversion programs: Allen, Bartholomew, Delaware, Lake, LaPorte, Marion, Shelby, St. Joseph, Tippecanoe, and Vanderburgh Counties.
- *Criminal Gang Issues* – It changes the definition of "criminal gang", for purposes of certain criminal statutes, to provide that a criminal gang consists of at least three members (instead of five members). It makes it a Class D felony for an individual to solicit, recruit, entice or intimidate another individual to join a criminal gang. It makes criminal gang recruitment a Class C felony if: (1) the solicitation, recruitment, enticement or intimidation to join a criminal gang occurs within 1,000 feet of school property; or (2) the individual being solicited, recruited, enticed or intimidated to join a criminal gang is less than 18 years of age.
- *Criminal Gang Witness Protection Program* – It requires the Criminal Justice Institute to develop, maintain, and identify grants and other funds for the Criminal Gang Witness Protection Program. It establishes a program to assist a person who witnesses criminal gang crime with certain expenses. It requires a court to order a criminal gang member to

make restitution to a victim of a felony or misdemeanor committed by the criminal gang member.

- (The introduced version of this bill was prepared by the Forensic Diversion Study Committee.)

Child Deaths and Coroners (HEA 1503, P.L. 225-2007)

Author: David Orentlicher

Sponsor: Connie Lawson

- Requires the state Department of Health to adopt rules for hospitals and physicians to identify suspicious deaths of children. Provides that the Medical Licensing Board may certify certain physicians as a child death pathologist. Provides that the Medical Licensing Board may approve an annual training program for pathologists concerning procedures for child death investigations.
- Requires a hospital, physician, coroner or mental health professional to provide certain records requested by a local child fatality review team or the statewide child fatality review committee.
- Provides that a pathologist appointed to a local child fatality review team or the statewide child fatality review committee shall be certified in forensic pathology.
- Provides that data collected regarding an investigation by a local child fatality review team or the statewide child fatality review committee shall be provided to the appropriate coroner or pathologist who performed an autopsy.
- Requires a child death pathologist (CCDP) to: (1) consult with the coroner; (2) conduct certain autopsies; and (3) perform certain duties.
- Requires a coroner to notify a local child fatality review team or the statewide child fatality review committee of: (1) certain deaths of children; and (2) a possible SIDS death.
- Provides procedures to be followed if a coroner and a CCDP do not agree on whether an autopsy of a person less than 18 years of age is necessary.
- Increases the coroners continuing education fee to \$1.75 and raises the fee by \$0.25 in 2013 and every five years thereafter.
- Provides that a coroner shall file a certificate of death with a county health department within a specified time frame.
- Removes a provision allowing a coroner to employ the services of the medical examiner system.
- Provides that a parent or guardian of a child who died shall receive a copy of the autopsy report upon request.
- Provides that an autopsy report provided to the Department of Child Services, a local child fatality review team, or the statewide child fatality review team is confidential.
- Provides that if a local child fatality review team or the statewide child fatality review committee requests certain records from a hospital, physician, coroner, or mental health professional, the requested records are subject to laws concerning privileged communications of health care provider peer review committees.
- Provides that, upon request, a hospital shall provide to a coroner a blood or tissue sample of an individual who is admitted or was admitted to the hospital and on whom the coroner performs a death investigation.

- Removes requirement that a coroner shall request the state police to ensure that persons entering certain data into certain databases have appropriate training to understand the information being entered.
- Requires a coroner to follow the Uniform Anatomical Gift Act concerning organ and tissue procurement.
- Changes knowingly or intentionally failing to notify a coroner or law enforcement agency of the discovery of the body of a person who died from violence or in an apparently suspicious, unusual or unnatural manner from a Class B infraction to a Class A misdemeanor if it is done with intent to hinder a criminal investigation.
- Makes it a Class D felony for a person, with intent to hinder a criminal investigation and without the permission of a coroner or a law enforcement officer, to knowingly or intentionally alter the scene of death of a person who has died from violence or in an apparently suspicious, unusual or unnatural manner. (Current law provides that it is a Class D felony if a person moves or transports the body.)
- Makes it a Class B infraction for a person to knowingly or intentionally fail to notify a coroner or law enforcement agency of the discovery of the body of a child less than 3 years old who has died.
- Repeals provisions: (1) allowing a coroner to issue a warrant for the arrest of an individual whom the coroner is charging with a felony; and (2) requiring a coroner or a coroner's representative to attend meetings of the Commission on Forensic Sciences when invited.

Sex Crime Victims and Polygraph Examinations (HEA 1654, P.L. 41-2007)

Author: Nancy Dembowski

Sponsor: Brent Steele

- *Polygraph Examination:* The bill prohibits a law enforcement officer from requiring an alleged victim of a sex crime to submit to a polygraph or other truth telling device. It provides that a law enforcement officer may not refuse to investigate, charge or prosecute a sex crime solely because the alleged victim of the sex crime has not submitted to a polygraph or other truth telling device.
- *Reimbursed Medical Services:* The bill removes restrictions for when the Victim Services Division of the Criminal Justice Institute (CJI) may reimburse a medical services provider for the costs in providing forensic services.
- *Secured Storage Fund:* It creates the Secured Storage Fund to assist counties with paying for the secured storage of a sample from forensic medical examinations of a sex crime victim.
- *Storage of Samples:* It requires a hospital to give notice to a victim of certain rights and to contact law enforcement. The bill requires law enforcement to transport the sample to secured storage, and it requires the sample to remain in secured storage for specified periods of time. It also requires the CJI to provide notice to victims regarding the sample.
 - Local law enforcement agencies may experience increased cost for the following: transporting samples to secured storage sites or to a crime lab, maintenance of the sample, tracking samples for discard. Costs for maintenance of samples are expected to be minimal and may be covered by funding from the Secured

Storage Fund established under the bill. There is no appropriation attached to this bill.

- *Sexual Assault Response Team:* The bill requires a prosecuting attorney to appoint a Sexual Assault Response Team (SART) if a SART is not established in a county, or to join with one or more other counties to create a regional SART. It also requires a SART to develop a plan regarding evidence of sexual assaults.
 - The Indiana Coalition Against Sexual Assault reports that sexual assault response teams existed in 22 counties in 2006. While not defined in statute, these teams generally include medical and nursing staff, prosecuting attorneys, law enforcement officers, victim service advocates, social workers, and crime lab technicians. The bill also allows these teams to be set up among one or more counties. These teams generally meet every two to four months and review protocol and systemic issues. Any added costs to local units of government or elected offices should be minimal.
- *Admissibility:* The bill provides that the failure to comply with certain statutory provisions, county plans, or SART protocols relating to the collection and preservation of evidence of a sexual assault does not, standing alone, affect the admissibility of evidence in a civil or criminal proceeding.
- *Background:* The Indiana State Police maintain samples of DNA from convicted offenders which may be similar to the way samples would need to be maintained under the bill. They report that they create slides from the sample, which must be kept dry but may be maintained at room temperature.

Fireworks Regulations (SEA 9, P.L. 177-2007)

Author: Victor Heinold, David C. Long, and Vaneta Becker

Sponsor: Winfield C. Moses, Jr.

- Effective May 8, 2007.
- Provides that counties and municipalities may adopt ordinances to regulate the time and location for the use, ignition or discharge of consumer fireworks.
- Provides that a consumer fireworks use ordinance may not limit the use of consumer fireworks on certain days during certain times of the day: (a) between the hours of 5:00 p.m. and two hours after sunset on June 29, June 30, July 1, July 2, July 3, July 5, July 6, July 7, July 8, and July 9; (b) between the hours of 10:00 a.m. and 12:00 midnight on July 4; and (c) between the hours of 10:00 a.m. on December 31 and 1:00 a.m. on January 1.

Neglect of a Dependent (SEA 43, P.L. 109-2007)

Author: Richard D. Bray

Sponsor: Linda Lawson

- Specifies that a person having the care of a dependent commits neglect of a dependent as a Class C felony if the person's abandonment or cruel confinement of the dependent: (1) deprives a child of necessary food, water, or sanitary facilities; (2) consists of confinement in an area not intended for human habitation; or (3) involves the use of handcuffs, a rope, a cord, tape, or a similar device to physically restrain the dependent. (The introduced version of this bill was prepared by the Sentencing Policy Study Committee.)

Battery by Body Waste and Criminal Procedure (SEA 45, P.L. 178-2007)

Author: Richard D. Bray

Sponsor: Linda Lawson

- Effective May 8, 2007 and July 1, 2007.
- Requires a court to issue a sentencing statement after the court has pronounced a sentence for a felony conviction. Provides that a court is not required to use an advisory sentence in imposing consecutive sentences for felony convictions that are not crimes of violence arising out of an episode of criminal conduct. Provides that an indictment or information may be amended at any time before the commencement of trial when the amendment does not prejudice the substantial rights of the defendant.
- Makes it battery by body waste, a Class D felony, for a person to knowingly or intentionally in a rude, insolent or angry manner place blood or another body fluid or waste on a probation officer, firefighter or first responder (in addition to other law enforcement officers or corrections officers) while the victim is engaged in the performance of official duties.
- Enhances the penalties for committing battery by body waste if the body waste is infected with hepatitis C. (Current law enhances the penalty if the body waste is infected with hepatitis B, HIV or tuberculosis.)
- (The introduced version of this bill was prepared by the Sentencing Policy Study Committee.)

Cruelty to Animals (SEA 108, P.L. 7-2007)

Author: Tim Lanane

Sponsor: Linda Lawson

- Requires a court to consider counseling as part of the sentence imposed on an adult or juvenile who has committed animal cruelty. Permits a court to order the adult or juvenile to receive counseling.
- To the extent that the court imposes counseling as a part of the sentence on an offender or juvenile who committed animal cruelty and who is indigent, costs for local units may increase to cover the costs of counseling. Ultimately, the costs to local units will be based on the actions of the court in sentencing offenders.

Fire Protection Territories (SEA 123, P.L. 47-2007)

Author: Jeff Drozda

Sponsor: Dan Charles Stevenson

- Effective April 25, 2007 and July 1, 2007.
- Specifies that a township must adopt a resolution (instead of an ordinance) to participate in or withdraw from a fire protection territory. Specifies that a township must adopt a resolution (instead of an ordinance) to establish an equipment replacement fund for the territory. Legalizes and validates a resolution adopted by a township before July 1, 2007.
- The bill would clarify the procedure under which townships form fire protection territories. (Under current law, only counties and municipalities can adopt ordinances.)
- There are about 48 fire protection territories that have operating certified levies totaling approximately \$14.6 M. Several of the territories' member units are townships.

Public Safety Employees (SEA 129, P.L. 48-2007)

Author: Karen Tallian and R. Michael Young

Sponsor: Dennis Tyler

- ***Visit the IACT website at www.citiesandtowns.org for additional information.***
- Applies after December 31, 2007.
- This bill requires a unit with a population of 7,000 or more to meet and confer with the representative of the unit's full-time police or fire department employees concerning pay issues and conditions of employment.
- The bill specifies that an employee may not be required to become a member of or pay dues to an employee organization.
- An employer can elect to terminate its duty to meet and confer with an employee organization if after meeting with the employees' organization they are unable to reach a written agreement and at least 50% of the members of the legislative body vote to terminate the employer's duty to meet and confer. An employee organization that receives a termination notice must wait at least one year before they can exercise the meet and confer right.
- The bill provides that: (1) employees may not engage in a strike; and (2) a recognized representative that engages in or sanctions a strike loses the right to represent employees for at least ten years from the date of the action. The bill also provides that an agreement between an employer and an employee organization may not require a unit to engage in deficit financing.
- Applies after December 31, 2007.
- There are about 321 cities, towns, and townships with a population more than 7,000.

School Safety (SEA 192, P.L. 132-2007)

Author: Teresa S. Lubbers

Sponsor: Gregory W. Porter

- ***Floor Plans:*** This bill requires a school safety committee to submit a copy of the floor plans for each building located on the school's property to the law enforcement agency and the fire department that have jurisdiction over the school.
- ***School Building Inspection Violations:*** The bill requires school corporations to abate certain school building safety violations that are not immediate safety hazards before the earlier of: (1) one year after the State Fire Marshal's determination; or (2) six months after the start of the school corporation's next budget year.
- ***Drills:*** The bill requires at least one: (1) tornado preparedness drill; and (2) manmade occurrence disaster drill; during each semester of school.
- ***School Police Force:*** The bill requires that the governing body of a school corporation (including a school city) may establish a school corporation police department staffed by police officers who have general police powers. The bill provides that the governing body of a school corporation in collaboration with local law enforcement shall establish the powers of the school corporation police officers. It provides that school corporation police officers' survivors are eligible for death benefits. The bill requires school corporation police officers to have law enforcement academy education pre-basic and basic training and to participate in local continuing education programs. It requires a school corporation police officer who was appointed before July 1, 2007, to complete the law enforcement academy education and basic training requirements not later than

July 1, 2010. It also imposes deadlines for school corporation police officers to begin law enforcement academy education and basic training requirements. The bill provides that a school corporation police department established before July 1, 2007, is considered a school corporation police department established under this legislation.

Various Motor Vehicle Matters (SEA 247, P.L. 206-2007)

Author: Frank Mrvan, Jr.

Sponsor: Linda Lawson

- Effective July 1, 2007 and January 1, 2008.
- Provides that a public passenger chauffeur's license (license) is valid for four years and that the fee for the license is \$8. (Current law provides that the license is valid for two years and that the fee for the license is \$4.)
- Authorizes the Division of Court Administration to prescribe a: (1) traffic information and summons; or (2) complaint and summons; in an electronic format, to be known as an electronic traffic ticket.
- Authorizes a law enforcement officer to issue an electronic traffic ticket instead of a paper ticket, and authorizes the transmission of an electronic traffic ticket to a court under certain conditions. Allows an electronic traffic ticket to be admissible in a court proceeding under certain circumstances.

Funding for Emergency Dispatch Centers (SEA 331, P.L. 81-2007)

Author: Connie Lawson

Sponsor: F. Dale Grubb

- Provides that, for a county other than Allen County, a county's share of hazardous waste disposal tax revenue deposited in a county fund may be used to pay costs associated with the construction, rehabilitation and equipment of a facility used for a county public safety central dispatch or a county emergency operations center. The bill prohibits the county from using for those purposes in a calendar year an amount that exceeds 10% of the fund balance as of January 1 of the year.
 - Porter and Putnam Counties collect the hazardous waste disposal tax. For FY 2006 Porter received about \$38,000 from the tax, and Putnam received \$1.3 M. The bill prohibits the county from using for certain specified purposes an amount that exceeds 10% of the fund balance as of January 1 of the year. This restriction would allow Porter to use \$3,800 and Putnam to use \$130,000 for a county public safety central dispatch or a county emergency operations center. The proposal may change how the counties spend the revenue.

Mobile Camps for Railroad Employees (SEA 371, P.L. 83-2007)

Author: Jeff Drozda, Vi Simpson and Sue Landske

Sponsor: Dennis Tyler

- Effective April 26, 2007 and July 1, 2007.
- Establishes standards for a mobile camp provided by a railroad company for maintenance of way employees.
- Requires a railroad company to provide drinking water at assembly points where at least two maintenance of way employees meet (current law applies to assembly points where at least six employees meet).

- Requires the Executive Board of the State Department of Health to adopt rules to protect the health, safety and welfare of persons living in mobile camps.
- The bill requires a railroad company to notify the appropriate local health department of the location of a mobile camp and to request an inspection of the mobile camp within specified time periods. The local health department is required to perform an inspection. The fiscal impact of this provision is dependent on the number of inspections performed by a local health department, which would be based on the frequency that mobile camps are set up in a county. Local health departments should be able to implement this provision within their existing level of resources.
 - The bill requires the State Department of Health to promulgate rules that provide for a fee to cover the cost of inspections conducted by local health departments. The fee is to be payable to the county general fund, in advance of the inspection. Revenue generated by this provision would be dependent upon the frequency that mobile camps would be established in a county and the number of inspections required to be performed by a local health department.
- *Background Information:* According to the Brotherhood of Maintenance of Way Employees Division of the International Brotherhood of Teamsters, only one railroad company in Indiana utilizes mobile camps to house its maintenance-of-way employees. It is estimated there are at least 20 to 30 locations where mobile camps are set up across the state, and depending on the types of projects undertaken at the camp locations, maintenance-of-way employees may spend between one week to a year at a site. A group of maintenance-of-way employees that remains at a location for an average of one to six weeks will usually consist of 20 to 50 employees.

Wiretap Law (SEA 411, P.L. 105-2007)

Author: Brandt Hershman

Sponsor: Vern Tincher

- Includes additional offenses as designated offenses for purposes of intercepting electronic communication. Defines "electronic communication" to include any type of communication transmitted by a wire, a radio, or an electromagnetic, a photoelectronic or a photo-optical system, and replaces references to interception of a telephonic or telegraphic communication with references to the interception of electronic communication.
- Permits the State Police Department to authorize a law enforcement agency that has requested the interception of electronic communication to operate or monitor equipment used to intercept electronic communication under the supervision of the State Police Department, and requires a law enforcement agency on whose behalf the State Police Department undertakes the interception of electronic communications to reimburse the State Police Department for the department's expenses in connection with the installation, operation, or monitoring of equipment used to intercept electronic communication.
- Establishes a procedure to permit a warrant for the interception of electronic communication to be issued without a written affidavit if certain conditions are met, and provides that a warrant issued without a written affidavit expires not more than 24 hours after it is issued.
- Repeals a provision requiring automatic appellate review of warrants issued for an intercept.

Public Safety Fund Management (SEA 472, P.L. 107-2007)

Author: Thomas J. Wyss and Earline S. Rogers

Sponsor: Scott Reske

- *State Disaster Relief Fund:* This bill allows a township or an individual who has incurred loss because of a disaster to apply for a grant from the State Disaster Relief Fund. Under existing law, the fund may be used to provide financial assistance to prosecuting attorneys; local police departments; the Indiana State Police; arson task forces; and fire departments that have arson investigating teams or arson task forces. The bill allows the funds to be used by the DHS Division of Fire and Building Safety for purposes of fire investigation. Adding an additional entity that may use the fund could reduce revenue available for local entities. However, no funds have been distributed to local units or the State Police for at least five years. As of January 2007, there was \$22,000 in the fund.
 - Allows the Indiana Department of Homeland Security to provide local units of governments with grants for the repair and replacement of public facilities damaged or destroyed during a disaster.
- *Indiana Homeland Security Foundation:* This bill requires the Department of Homeland Security (DHS) to provide staff support to the Indiana Homeland Security Foundation. The bill removes administration of the foundation from the duties of the DHS Division of Preparedness and Training.
- *Regional Public Safety Training Fund:* The bill creates the Regional Public Safety Training Fund to provide regional and advanced training for public safety service providers.
 - \$2,000,000 collected from the 2006 Public Safety Fee on fireworks is deposited in this Fund.
- *Arson Investigation Financial Assistance Fund:* The bill authorizes the DHS Division of Fire and Building Safety to receive money from the statewide Arson Investigation Financial Assistance Fund for purposes of fire investigation. The bill removes the authority of the State Fire Marshal (SFM) to distribute money from the arson fund. The bill authorizes the SFM to accept gifts for deposit in the arson fund.
- *Fire Training Infrastructure Fund:* The bill abolishes the Firefighting and Emergency Equipment Revolving Loan Fund. It establishes the Fire Training Infrastructure Fund. The purpose of this Fund is to provide grants to construct training facilities and purchase training equipment (old purpose was to provide loans for firefighting and other emergency equipment and apparatus). It would appear that local units could request grants.
 - Payment of loans outstanding from the revolving fund to the DHS must be deposited in the Fire Training Infrastructure Fund. Allows volunteer fire departments and political subdivisions access to other local funds to pay back the loans (and interest) that were provided under this Revolving Loan Fund.

Registry of Methamphetamine Manufacturing Sites (SEA 520, P.L. 186-2007)

Author: Timothy D. Skinner and R. Michael Young

Sponsor: Linda Lawson

- Requires law enforcement agencies that seize a methamphetamine laboratory to notify the Criminal Justice Institute of the laboratory's location. These agencies already report this information to the Indiana State Police, the local fire department that serves in the area that the meth lab is located, and the county health department.

- Requires the Criminal Justice Institute to operate a web site containing a list of properties that have been the site of a methamphetamine laboratory. Requires the Criminal Justice Institute to remove a listed property from the web site two years after seizure of the property, and provides that records of listed properties that have been removed are confidential. Requires a property owner to disclose to a potential purchaser if the property for sale is listed on the web site, and requires a landlord to inform a potential tenant if the rental property is listed on the web site.
- It requires the CJI to seek federal funds to establish and operate a methamphetamine precursor data base pilot project. It specifies that the pilot project must connect persons who: (1) sell a drug that contains the active ingredient of ephedrine or pseudoephedrine; and (2) record drug sales information in an electronic log under current law; to an electronic monitoring system that transfers the drug sales information to a central data base at the same time the drug sales information is recorded in the electronic log. It limits the pilot project to six counties. It allows only certain law enforcement officers to have access to information in the central data base. It requires persons who must collect and record sales information concerning drugs that contain ephedrine or pseudoephedrine in a paper or an electronic log to collect and record the information until June 30, 2012, instead of June 30, 2008.
- It permits, when necessary to avoid imminent danger to life or property, criminal intelligence assessments to be released to a government official or to: (1) another individual whose life or property is in imminent danger; (2) another individual who is responsible for protecting the life or property of another person; or (3) another individual who may be in a position to reduce or mitigate the imminent danger to life or property.

Combative Fighting (SEA 557, P.L. 112-2007)

Author: Dennis K. Kruse

Sponsor: Robert D. Kuzman

- *Definition of Combative Fighting-* The bill defines "combative fighting".
- *Unauthorized Participation in Combative Fighting-* The bill provides that a person who knowingly or intentionally participates in combative fighting commits unauthorized combative fighting, a Class C misdemeanor.
- *Unauthorized Promotion/Organization of Combative Fighting-* The bill provides that a person who knowingly or intentionally promotes or organizes combative fighting commits unlawful promotion or organization of combative fighting, a Class A misdemeanor. The bill makes unlawful promotion or organization of combative fighting a Class D felony if, within the five years preceding the commission of the offense, the person had a prior unrelated conviction for unlawful promotion or organization of combative fighting.
- *State Boxing Commission-* The bill requires the State Boxing Commission (SBC) to adopt rules to define ultimate fighting, Ultimate Fighting Championships, mixed martial arts, martial arts, including jujutsu, karate, kickboxing, kung fu, and tae kwon do and professional wrestling.

TRANSPORTATION

Worksite Work Zone Safety (HEA 1623, P.L. 40-2007)

Author: Dennis Oxley II

Sponsor: Mike Delph

- Requires the Department of Transportation (INDOT) to design and manufacture signs to inform drivers of offenses and penalties related to operating a vehicle in or near highway work zones.
- Establishes higher minimum penalties for exceeding posted highway work zone speed limits.
- Establishes various offenses related to operating a vehicle in or near highway work zones.
- Requires that funds collected as judgments for violating the speed limit in a highway work zone be transferred to the INDOT to pay the costs of hiring off-duty police officers to perform certain duties.

Transportation (SEA 105, P.L. 203-2007)

Author: Tim Lanane

Sponsor: Terri Jo Austin

- Effective May 10, 2007 and July 1, 2007.
- Requires the Indiana Department of Transportation (INDOT) to conduct a feasibility study regarding implementation of a commuter rail system with service from Muncie to Indianapolis. Authorizes INDOT to apply for any federal grants available for conducting the study.
- Establishes the Joint Study Committee on Mass Transit and Transportation Alternatives (committee). Provides that the committee consists of the members of: (1) the Senate Standing Committee on Homeland Security, Transportation, and Veterans Affairs; and (2) the House of Representatives Standing Committee on Roads and Transportation. Provides that the committee shall operate under the policies governing study committees adopted by the Legislative Council.
- Provides that INDOT shall commission six studies on mass transit in Indiana by region by December 1, 2007, and that the studies must be completed by January 1, 2009.
 - The six regions are: (1) Central Indiana, consisting of Boone, Delaware, Hamilton, Hancock, Hendricks, Johnson, Madison, Marion, Monroe, Morgan, and Shelby counties; (2) Northwest Indiana; (3) Northeast Indiana; (4) South central Indiana, including Monroe County; (5) Southwest Indiana; (6) Southeast Indiana.
- Adds passenger and freight railroad systems to the definition of "project" for purposes of public-private agreements by INDOT. Provides that "project", for purposes of public-private agreements by INDOT, does not include a passenger railroad system that is operated by the Northern Indiana Commuter Transportation District.
- Specifies that INDOT may enter into a public-private agreement for a project consisting of a passenger or freight railroad system, subject to review and appropriation by the General Assembly. Specifies that INDOT is not prohibited from conducting preliminary studies or issuing a request for qualifications or a request for proposals for such a

project. Provides that passenger and freight railroad systems projects may not receive funds from the major moves construction fund.

- Establishes the Alternative Transportation Construction Fund for funding passenger and freight railroad system projects under public-private agreements by INDOT. Requires INDOT to submit an annual report to the Legislative Council on efforts concerning the development, financing, or operation of freight railroad systems through public-private agreements.
- Creates a legislative review committee for proposals concerning the Illiana Expressway and requires INDOT to perform an independent study concerning the Illiana Expressway.

Low Speed Vehicles (SEA 163, P.L. 9-2007)

Author: Phil Boots

Sponsor: David L. Niezgodski

- Removes the maximum: (1) weight restriction; and (2) seating capacity; for low speed vehicles.

Various Transportation Matters (SEA 220, P.L. 134-2007)

Author: Dennis K. Kruse

Sponsor: Phil GiaQuinta

- *Heavy Duty Highways:* The bill provides that beginning July 1, 2007, sections of State Roads 3 and 9 and U.S. 20 are Extra Heavy Duty Highways (EHDH) and specifies that the total gross weight, with load, of a vehicle or combination of vehicles operated with a special weight permit on these highways may not exceed 90,000 pounds.
- *Annual Permit for Transporting Ocean Going Containers:* The bill provides that the Department of Transportation (INDOT) or local authorities may issue an annual permit for a heavy vehicle transporting an ocean going container under certain circumstances, and provides for an annual fee for a permit.
 - For those local units which do not have a special permits section, this proposal may require new expenditures for the issuance. The specific fiscal impact is indeterminable, but expected to be minimal.
 - Revenue will depend upon the number of annual permits issued. The fee for the annual permit is \$800.

Study of Intelligent Transportation Systems for Highways (SEA 315, P.L. 53-2007)

Author: David C. Ford

Sponsor: Terri Jo Austin

- The bill requires the Indiana Department of Transportation (INDOT) to study the feasibility of integrating intelligent transportation systems into Indiana's highway systems. It requires INDOT to report the results of its study to the public and to the General Assembly in an intermediate report due before January 1, 2008, and in a final report due before January 1, 2009.

UTILITIES

Utility Matters (HEA 1722, P.L. 175-2007)

Author: Russell L. Stilwell

Sponsor: Brandt Hershman

- Multiple effective dates.
- *Ethanol Production Tax Credit:* The bill provides that the total amount of Ethanol Production Tax Credits for taxpayers that produce at least 20,000,000 gallons of cellulosic ethanol in a year may not exceed \$20,000,000 for all taxpayers for all taxable years, and the credits may be applied only to state tax liability attributable to business activity taking place at the Indiana facility at which the cellulosic ethanol was produced. The bill also provides that a taxpayer may not sell, assign, convey, or otherwise transfer an Ethanol Production Tax Credit.
- *Coal Gasification Technology Investment Tax Credit:* The bill allows a taxpayer to assign part or all of a Coal Gasification Technology Investment Tax Credit to an electric utility that has entered a contract to purchase electricity or substitute natural gas from the taxpayer. It also provides that a facility that produces synthesis gas as a substitute for natural gas is eligible for a Coal Gasification Technology Investment Tax Credit.
- *Energy Savings Tax Credit:* The bill creates a tax credit, beginning in taxable year 2009, for the purchase of energy star heating and cooling equipment manufactured in the United States.
- *Cost Recovery for Substitute Natural Gas:* The bill requires the Utility Regulatory Commission (IURC) to allow a utility that purchases substitute natural gas (SNG) to recover any costs arising under the purchase contract through rate adjustments. The bill amends the definition of clean coal and energy projects to include a project using coal to produce substitute natural gas.
- *Substitute Natural Gas Property Interests:* The bill defines an SNG property interest as a right, title, and interest that: (1) is held by an energy utility; (2) is created by a qualified order of the IURC; and (3) entitles the energy utility to recover certain costs incurred in purchasing substitute natural gas under a qualified contract. The bill sets forth provisions governing: (1) the assignment of an SNG property interest; (2) the rights of assignees, financing entities, and SNG sellers; (3) the perfection of a lien and security interest in an SNG property interest; and (4) the obligations of an energy utility after the assignment of an SNG property interest.
 - *Cost Recovery for Substitute Natural Gas:* By allowing these rate adjustments for cost recovery this bill will impact local units of government which purchase utility service from a facility that produces substitute natural gas. The amount of the increase in costs is indeterminable.
- *Organic Biomass Definition:* The bill specifically lists certain items included in the definition of organic waste biomass for purposes of the law concerning a utility's purchase of energy from alternative sources.
- *Water Utility Territorial Disputes:* The bill provides that certain municipalities have jurisdiction over certain territorial disputes between water utilities.
 - Applies to a municipality having a population of less than 7,500 and that, as of January 1, 2007, has adopted an ordinance exercising the power to regulate the furnishing of water to the public within a four (4) mile area (4 miles of a

municipality's corporate boundaries). The commission may not determine a territorial dispute within a four mile area unless the territorial dispute concerns a geographic area located in more than one (1) four (4) mile area.

Pipeline Construction Standards (SEA 529, P.L. 110-2007)

Author: Robert N. Jackman, D.V.M.

Sponsor: Robert J. Bischoff

- Effective May 2, 2007 and July 1, 2007.
- This bill requires the guidelines to be adopted no later than September 1, 2007. The bill also requires notice of the guidelines to be sent to affected landowners. The bill also requires the director of the Division to designate one or more employees as project coordinators for each pipeline project. The bill requires the Division to make certain information available on the IURC's web site.
- The bill also provides that a public utility or a pipeline company that seeks to acquire land by eminent domain may not enter on the land for survey purposes unless the public utility or pipeline company: (1) sends notice by certified mail to the landowner of the public utility's or pipeline company's intention to enter the land for survey purposes; or (2) receives the landowner's signed consent to enter the land to perform the proposed survey.

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