

2006 Statehouse Report



Indiana Association of Cities and Towns

Your Partner in Good Government

The 2006 session of the Indiana General Assembly resulted in many labeling it the most productive short session in recent history. While legislators weigh in on which new laws are good and which are bad, there is no question that almost every Hoosier life will be affected by decisions made at the Indiana Statehouse in 2006.

IACT's top legislative initiative, *Hometown Matters*, and the issue of property tax relief were surpassed only by *Major Moves* in terms of prominence in the media and in public debate. *Hometown Matters* didn't make it out of committee this session, but IACT will take lawmakers up on their pledge to tackle true property tax reform in 2007.

Many laws enacted by the General Assembly will have major effects on municipal government.

Most notably, HEA 1001 will mandate local government budget cuts by implementing a "2% circuit breaker". (See a complete summary of HEA 1001 on page 23). While a plan was offered that would provide an alternative source to make up the revenue that will be lost by the property tax cuts, it was blocked during the conference committee process. Legislative leaders pledged to consider a long-term strategy next year that includes alternative revenue measures. The effects of the of the 2% circuit will be devastating for many communities, and a long-term strategy that enables municipalities to replace the lost revenue *must* be implemented in 2007.

Telecommunications reform was a hot issue this year, as it was in 2005, and IACT successfully fended off threats to

Of the five legislative initiatives established by the IACT Legislative Committee for 2006, IACT successfully accomplished two, was moderately successful at two, and did not accomplish one:

✘ **Hometown Matters**

IACT's proposal to provide property tax reform did not advance (HB 1399). Gov. Daniels, Sen. Kenley, Rep. Espich and Speaker Bosma have all agreed that a long-term solution must be discussed in 2007, including alternative revenue sources.

≈ **Eminent Domain**

HEA 1010 will make it more difficult for government to use eminent domain for public projects. Public works projects will take longer and generally be more expensive, and using eminent domain for economic development projects will be much more difficult. By working closely with legislators and the governor's office, IACT was able to minimize the restrictions legislators originally wished to place upon government use of eminent domain.

✓ **Public Safety Pension Relief**

SEA 56 changes the expiration date for additional distributions from the Pension Relief Fund that ensures at least 50% of the pension liability of each unit of local government is paid from the Pension Relief Fund. The extension moves the sunset date from Jan. 1, 2008, to Jan. 1, 2009.

≈ **Recognizing Growth**

SEA 260 provides for a change in the current levy appeal in IC 6-1.1-18.5-13 for AV growth.

- Current law allows an increase to the max levy if the average assessed value growth quotient over the last three years exceeds the statewide average growth quotient by at least 3%. SB 260 changes that to 2%
 - This is a permanent increase to levy limited to the difference between the statewide average growth factor and the taxing unit's three-year assessed value growth.
- SEA 260 reinstated banking of unused levy (eliminated in 2004 through SEA 1), although it must be done over two years, with 50% of lost levy reinstated each year.

✓ **Capturing Delinquent Taxes**

SEA 260 changes existing law to allow all political subdivisions to receive prior year delinquent property taxes in the current year or subsequent years without counting the property tax settlements from delinquencies toward current year maximum levy limitations.

municipalities being able to provide telecommunications services, and to the negative affect statewide franchising would have on municipal revenues.

Major Moves, the governor’s ten-year plan for funding Indiana’s transportation system through public-private partnerships, passed the General Assembly, with much controversy and debate. Cities and towns will receive \$150M per year over two years, distributed through the MVH fund.

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Indiana Municipalities at Critical Point; You Can Help Effect Change



*Matthew C. Greller
IACT Executive
Director*

Indiana's municipal officials were not alone in many of the most difficult issues we faced during the 2006 General Session. Eminent domain, telecommunications law restructuring and fiscal reform were at the top of state legislature's agenda around the country, and have or will soon be considered in our nation's capitol.

Eminent domain entered the national spotlight when the U.S. Supreme Court handed down a ruling that reaffirmed government ability to use the Constitutionally-provided tool for economic development purposes, but left the door open for state's to set stricter limits. State legislatures around the country jumped on the issue – as did the media and public – and the Indiana General Assembly passed a law that will make it more time consuming, more expensive and more difficult to use eminent domain for public projects. Similar bills have passed nationwide.

Telecommunications reform is also a national issue as technology makes it possible for video, voice and internet service providers to offer new services, and as the lines blur between which companies provide what services and how they reach you. Indiana, again, was at the forefront of this debate, and IACT was able to influence passage of a bill that protects municipal interests by keeping municipal revenue whole, eliminating barriers to municipalities providing telecom services, and establishing build-out provisions. The bill that passed in Indiana is considered by many experts to be among the most municipal government-friendly in the nation.

IACT anticipated that property tax relief would be a top priority for legislators in this election year, and we proactively offered *Hometown Matters* as a long-term solution to property tax reform. Legislators, however, fearing that alternative revenue options would be perceived by voters as a tax increase, would not consider IACT's proposal, and instead passed a bill that will hamstring local governments by mandating budget cuts. Municipal officials vocally opposed the bill, but the legislature passed it anyway.

Municipal officials saw two of their five legislative initiatives passed this session – extension of state relief of public safety pensions and the ability to collect delinquent property taxes. And, our top initiative, *Hometown Matters*, received unprecedented attention from the press and from legislators. The stage is set for true local government finance reform next year, and legislative leaders have acknowledged publicly that it will be necessary.

This positions you and IACT well this summer and during the fall to interact with legislators. They know our issues. There is no time like an election year to make your position known – Indiana needs a long-term strategy for property tax reform that enables municipal government to provide essential public services, and alternatives to the property tax are the only viable solution.

Municipalities are at a critical point in Indiana, and you have an opportunity that has not been seen in recent years to effect change. IACT will be here to help you with that throughout the year.

Community & Economic Development

Military Bases - HEA 1259; P.L. 180-2006

Adds additional members to the military base planning council. Extends the responsibilities of the council to include Camp Atterbury and the Muscatatuck Urban Training Center (MUTC). Requires the department of environmental management to give priority to certain permit applications concerning Camp Atterbury and the MUTC. Grants civil immunity for noise pollution and telecommunications interference to Camp Atterbury and the MUTC. Provides that a county in which the Crane military base is located is a qualified military base enhancement area.

Author: Eric Koch

Sponsor: Brent Steele

Housing and Community Development Authority - HEA 1261; P.L. 181-2006

Changes references to the Indiana housing finance authority to the Indiana housing and community development authority. Specifies additional powers of the authority. Renames the low income housing trust fund the affordable housing and community development fund. Expands the uses of the fund. Changes the membership and name of the advisory committee. Repeals the law concerning the Indiana affordable housing fund. Limits the neighborhood assistance tax credit to persons who contribute to neighborhood organizations that provide neighborhood assistance. (Current law permits tax credits for persons who engage in providing assistance.) Changes many definitions in the neighborhood assistance tax credit to specifically include services provided to economically disadvantaged households that may be located outside economically disadvantaged areas. Moves the following programs from the family and social services administration to the lieutenant governor: (1) The housing assistance act of 1937. (2) Community services block grant. (3) Home energy assistance programs; (4) Weatherization assistance. (5) Food and nutrition programs. (6) Migrant and farm worker programs. (7) Emergency shelter grant programs. (8) Shelter plus care programs.

Author: Woody Burton

Sponsor: Teresa S. Lubbers

Various Economic Development Matters - HEA 1380; P.L. 137-2006

Establishes a process by which the small business coordinator may submit comments about the impact of a proposed bill to the office of management and budget (OMB). Authorizes the OMB to review the comments. Requires, after review by the OMB, the comments to be posted to the general assembly's web site by the legislative services agency. Provides that certain transactions occurring after December 31, 2006, and before January 1, 2009, and involve tangible personal property are exempt from sales tax if the person acquiring the property acquires it for the person's direct use in the direct production of a motion picture. Revises the wage standards for eligibility for an EDGE credit for retaining jobs. Provides that an applicant for an EDGE credit for the retention of jobs must employ at least 35 persons (instead of 75 as required by current law). Increases the \$5,000,000 per year cap on the amount of EDGE credits that may be granted to retain existing jobs during each state fiscal year to \$10,000,000 per year. Applies the cap to state fiscal year 2006 and each state fiscal year thereafter (current law imposes a cap only through state fiscal year 2007). Removes the January 1, 2008, deadline for making investments in machinery, equipment, or special purpose buildings used to make motion pictures or audio productions that are eligible for the Hoosier Business Investment Tax Credit (HBITC). Extends the deadline by which a qualified investment must be made in order to be eligible for the HBITC until January 1, 2012. Reduces from \$500,000,000 to \$100,000,000 the amount of annual worldwide revenue that a business must have in order to qualify for the headquarters relocation tax credit. Requires a business to employ at least 75 employees in Indiana to receive the headquarters relocation tax credit. Provides that the credit is available for taxable years beginning after December 31, 2005 (instead of December 31, 2006). Authorizes counties, cities, and towns

that receive county economic development income taxes (CEDIT) to: (1) establish local venture capital funds; and (2) establish regional venture capital funds by pooling CEDIT revenues and grant proceeds. Provides that a regional venture capital fund shall be administered by a governing board. Authorizes the governing board to make grants or loans from the fund to public or private entities for economic development purposes. Provides that a farm mutual insurance company may elect taxation under the gross premium tax.

Author: John Smith

Sponsor: David C. Ford

Courts

Reentry Courts - SEA 84; P.L. 60-2006

Establishes a reentry court under a court having felony, misdemeanor, or juvenile jurisdiction in a city or county. Grants a reentry court jurisdiction over certain persons released from the department of correction. Authorizes a reentry court to provide reintegration services to persons released from the department. Establishes a procedure for approval of a reentry court. Authorizes a reentry court to establish reasonable fees. Allows the board of directors of the judicial conference of Indiana to delegate certain rulemaking functions concerning reentry courts and drug courts to a committee of the judicial conference. Makes other changes and conforming amendments.

Authors: Richard D. Bray & David C. Long

Sponsor: Ralph M. Foley

Bail Requirements - SEA 192; P.L. 97-2006

Allows a court that admits a defendant to bail to require the defendant to post a combination of property and surety bonds as a condition of bail. Provides that if a court requires a defendant to deposit cash or cash and other security in an amount equal to the defendant's bail, the court may require the defendant and each person who makes the deposit on behalf of the defendant to execute an agreement that allows the court to retain all or a part of the cash to pay: (1) publicly paid costs of representation; and (2) fines, costs, fees, and restitution that the court may order the defendant to pay if the defendant is convicted.

Author: Richard D. Bray

Sponsor: Ralph M. Foley

Elections

Miscellaneous Election Law Matters - HEA 1011; P.L. 164-2006

Among several other provisions, the bill makes the following changes: Authorizes the secretary of state to establish a pilot program of vote centers in up to three counties for the 2007 municipal elections and provides that a voter who resides in a vote center pilot county may cast the voter's ballot at a vote center without regard to the precinct in which the voter resides. Establishes the criteria and requirements for a county that applies to be a vote center pilot county. Specifies that the pilot program expires December 31, 2009. Prohibits, for at least 20 years from the date of conviction, a person convicted of a felony or a Class A misdemeanor under IC 3-14-2 and the felony or misdemeanor relates to an election for a city, town, or school corporation office from continuing employment with, obtaining future employment with, contracting with, or being a subcontractor under a contract with a city, town, school corporation, or the agency of a city, town, or school corporation. Authorizes the attorney general to request an injunction against a person or governmental entity that violates this provision. Permits the attorney general to seek a civil penalty of not more than \$1,000 against a person who violates this provision. (24) Removes or repeals expired, superseded, or obsolete provisions of election law. Corrects erroneous cross- references. Makes technical changes. Updates election schedules.

Author: Kathy Kreag Richardson

Sponsor: Connie Lawson

Overseas Voters - SJR 2; P.L. 194-2006

Provides that the general assembly may extend the right to vote to an individual who: (1) is the child of an individual who is a registered Indiana voter; and (2) currently resides outside the United States; if the individual meets all of the constitutional qualifications for a voter other than residence in an Indiana precinct. This proposed amendment has not been previously agreed to by a general assembly.

Author: Connie Lawson

Sponsor: Kathy Kreag Richardson

Environment

Environmental Law - HEA 1117; P.L. 131-2006

Changes reporting requirements for a person transporting solid waste in a vehicle to a final disposal facility in Indiana for disposal. Makes it permissive rather than mandatory for the solid waste management board to adopt rules imposing a fee on the disposal or incineration in a final disposal facility in Indiana of solid waste generated outside Indiana. Allows a county without zoning or a municipality in the county to enter into a host agreement. With respect to a landfill or waste site located in a county without zoning for which a construction permit was issued after March 1, 2006, and for which a host agreement has not been entered into: (1) allows the county fiscal body to establish a disposal fee that does not exceed \$2.50 per ton; and (2) allows use of the revenue only for infrastructure related to the landfill. Applies the restriction that a waste disposal facility financed by Indianapolis must accept waste regardless of whether the waste was collected by the city only if the financing occurs after the term of the current Indianapolis financing.

Author: David Alan Wolkins

Sponsor: Beverly J. Gard

Drainage Assessments, Sanitation Districts, & Storm Water Districts - HEA 1212; P.L. 175-2006

Establishes water quality protection as a legislative policy. Makes changes to the membership of the soil conservation board and the advisory members. Requires the board to conduct a conservation needs inventory and hold meetings throughout the state. Allows a waiver of the ten acres of land requirement to be waived for elected soil and water conservation district supervisors. Removes the requirement that the nominees for elected supervisors must exceed the vacancies. Allows the board to appoint associate supervisors for soil and water conservation districts. Adds information that must be included in annual reports. Requires the department of agriculture to implement a geographic information system for each county. Allows the clean water Indiana program to provide financial assistance to soil and water conservation districts. Provides that the state is not exempt from drainage assessments and is not entitled to a refund of a drainage assessment paid before January 1, 2006. Makes the following changes for a department of public sanitation in a sanitation district that contains at least one city having a population of less than 100,000 and at least one town: (1) Makes the department an executive department of each municipality in the district. (2) Allows a district to perform certain functions in the name of any municipality in the district or in the name of the district. (3) Provides that fees related to property that is subject to full taxation do not take effect until the fees are approved by the legislative body of each municipality in the district or established by the utility regulatory commission. Allows an excluded city or town to withdraw from the Marion County storm water management district if the municipal legislative body adopts an ordinance withdrawing the municipality from the district. Requires certain notices to be provided as part of the withdrawal process. Provides that if there are bonds outstanding that have been issued by the board of public works of the consolidated city, the municipality is liable for and shall pay that indebtedness in the same ratio as the assessed valuation of the property in the municipality bears to the assessed valuation of all property included in the district before the municipality's withdrawal. Provides that a withdrawing municipality is entitled to receive the following: (1) An annual lump sum payment equal to the total amount of property taxes paid and allocated to the district's flood debt service fund from all

property tax payers within the municipality, to the extent the property taxes are not necessary to pay the municipality's share of outstanding indebtedness. (2) The total amount of storm water user fees collected from the lots and parcels in the municipality. Requires these payments to be deposited by the municipality in a dedicated fund and used only for purposes of storm water management in the municipality. Makes technical corrections.

Author: Richard (Dick) Dodge

Sponsor: David C. Ford

Pipeline Safety - SEA 22; P.L 118-2006

Provides that the pipeline safety laws apply to hazardous liquids and carbon dioxide fluid. Increases the maximum civil penalties that may be imposed under the pipeline safety laws. Provides that certain information concerning pipelines is confidential for purposes of the law concerning access to public records.

Author: Beverly J. Gard

Sponsor: David Alan Wolkins

Drainage Assessments and Storm Water - SEA 71; P.L. 52-2006

Provides that the state and political subdivisions are not exempt from drainage assessments. Provides that the state is not entitled to a refund of a drainage assessment paid before January 1, 2006. Requires county treasurers to send annually to the state land office a list of state property for which drainage assessments are delinquent. Establishes the procedures for and the conditions under which an excluded city or town in Marion County may withdraw from the storm water special taxing district.

Authors: Beverly J. Gard & David C. Ford

Sponsor: Richard (Dick) Dodge

Lakes Management Work Group - SEA 94; P.L. 35-2006

Establishes the lake management work group to study issues concerning public freshwater lakes.

Author: Robert L. Meeks

Sponsor: Richard (Dick) Dodge

Natural Resources Advisory Councils - SEA 157; P.L. 95-2006

Establishes a single advisory council to serve the bureau of water and resource regulation and the bureau of lands and cultural resources. (Current law creates a separate advisory council for each bureau.) Removes per diem for advisory council members. Requires the advisory council to meet at least once every two months (rather than quarterly). Repeals the requirements of a conservancy district board of directors in Lake County.

(The introduced version of this bill was prepared by the natural resources study committee.)

Authors: Thomas K. Weatherwax & James A. Lewis

Sponsor: Robert A. Hoffman

Environmental Rules and Enforcement - SEA 234; P.L. 100-2006

Establishes requirements in environmental rulemaking for disclosure of the availability of technical assistance programs and the identity of and contact information for the department of environmental management's ombudsmen and small business regulatory coordinator. States certain notice requirements for environmental rulemaking in terms of state restrictions or requirements: (1) that are more stringent than federal restrictions or requirements; or (2) that apply in a subject area where federal law does not impose restrictions or requirements. Allows for the establishment of environmental performance based programs and authorizes the adoption of rules to implement the programs. Provides that a determination of status as a member or participant in a program is not subject to the administrative orders and procedures act. Establishes a special procedure for the water pollution control board to adopt rules to

establish new water quality standards for certain communities served by combined sewers. Extends the expiration date of non-code sections that state the required level of protection of certain waters of the state and that direct the water pollution control board to amend certain water quality rules and to make certain water use category determinations. Requires the environmental quality service council to study and make findings and recommendations concerning the positive and negative aspects of enacting legislation that would prohibit environmental rules from being more stringent than corresponding provisions of federal law.

Author: Beverly J. Gard

Sponsor: David Alan Wolkins

Activities Along Shorelines - SEA 253; P.L. 152-2006

Requires that a person who performs certain activities concerning water levels, shorelines, and lake beds along a lake or within ten feet of a lake obtain a permit from the department of natural resources. Directs the natural resources commission to adopt rules. Makes conforming changes. Repeals superseded laws concerning permits to change water levels, shorelines, and lake beds.

Author: Thomas K. Weatherwax

Sponsor: Robert A. Hoffman

Drought Planning - SEA 369; P.L. 160-2006

Creates a ten member water shortage task force to develop and implement an updated water shortage plan and to address other surface and ground water issues. Provides that appointments to the task force are made by the director of the department of natural resources (DNR), and requires DNR to staff the task force. Requires certain state agencies to designate a representative to advise the task force. Permits the director of DNR to invite representatives of other state and federal agencies to advise the task force.

Author: Richard D. Young, Jr

Sponsor: David Alan Wolkins

Labor

Employment Certificates for Children - HEA 1267; P.L. 182-2006

Sets procedure for issuance of an employment certificate and specifies format of the employment certificate. Provides that a child may have more than one employment certificate at a time and specifies that if so, is subject to civil penalties from the department of labor if the child works more than the allowable number of: (1) hours in a week; or (2) days in a week. Provides that an employer of a child who holds more than one employment certificate is responsible only for excess hours or days of the week violations for the employment of the child with the employer. Makes technical corrections.

Author: Randy L. Borrer

Sponsor: Joseph W. Harrison

Worker's Compensation - HEA 1307; P.L. 134-2006

Establishes a schedule of attorney's fees for worker's compensation and occupational disease claims. Provides that the burden of proof of the element of a claim is on the employee, and that proof by the employee does not create a presumption in favor of the employee with regard to another element of the claim. Provides for increases in the: (1) average weekly wage used to calculate worker's compensation and occupational disease benefits; (2) schedule for awarding compensation for the degree of permanent partial impairment determined by the board; and (3) maximum compensation that may be paid for personal injury by accident or disablement or occupational disease. Deletes an exception to and revises the statute of limitations for the making of a modified award of worker's compensation and occupational disease benefits. Provides that a member of the worker's compensation board may not have other employment inconsistent with the discharge of the member's duties. Revises the computation for the assessment for the

second injury fund. Repeals language related to the second injury fund. Makes technical corrections.

Author: Gerald R. Torr

Sponsor: Joseph W. Harrison

Unemployment Insurance - SEA 321; P.L. 108-2006

Transfers numerous rulemaking and administrative duties of the unemployment insurance board to the department of workforce development. Reduces from 150 to 30 days the time within which a successor employer is required to file an application to assume a predecessor employer's experience account. Establishes civil penalties for an individual who fails to disclose or falsifies information to receive a benefit. Provides additional circumstances in which an administrative law judge or the review board may hold hearings by telephone. Provides that the department may not disclose to an employer the current address or location of a claimant who is the victim of family or domestic violence, and that an employer or its agent that is aware that a claim has been made shall keep that information confidential. Repeals and restates provisions concerning an individual's failure to disclose earnings and witness fees. Authorizes the department to allocate not more than \$2 million dollars annually from the special employment and training services fund to establish reemployment training accounts for dislocated department employees. Repeals language: (1) concerning board rules; and (2) requiring the board to print and distribute certain material. Makes technical corrections. Makes conforming amendments.

Author: Dennis K. Kruse

Sponsor: Gerald R. Torr

Workforce Development System - SEA 370; P.L. 161-2006

Requires the Indiana economic development corporation to establish a regional workforce system of not more than 11 regional workforce areas with oversight by a regional workforce board. Establishes the criteria and selection process for board members. Renames the local boards "workforce investment boards", and provides that the duties of the regional workforce boards include providing support and guidance to workforce investment boards. Authorizes the boards to establish, using a competitive procurement process and with a workforce investment board's consent, agreements for support, oversight, and management services in the regional workforce area. Renames the state human resource investment council as the state workforce innovation council, designates the state superintendent of public instruction or the superintendent's designee as a member of the council, and removes the requirement that the budget agency serve as the council's fiscal agent. Requires staggered terms for council members. Allows a member to participate in a meeting of the council by simultaneous communication under certain circumstances. Provides that the council is subject to the allotment system administered by the budget agency and financial oversight by the office of management and budget. Renames workforce development centers the one stop centers, requires that the centers be certified by the council, and repeals a requirement that certain providers offer services at the centers and restrictions on center funding sources. Repeals provisions concerning: (1) financial assistance for job training; (2) the state plan; (3) the establishment of workforce investment areas; (4) the one stop system and one stop partners; (5) the powers and duties of regional board and one stop partners; and (6) fiscal authority for youth, adult, and dislocated worker funds under Title 1 of the Workforce Investment Act. Removes obsolete references.

Author: Dennis K. Kruse

Sponsor: Gerald R. Torr

Local Government

Eminent Domain - HEA 1010; P.L. 163-2006

(Additional information may be found at www.citiesandtowns.org)

Requires a condemnor, before proceeding to acquire property by use of eminent domain, to: (1) establish a proposed purchase price; (2) provide the owner with an appraisal or other evidence used to establish the

proposed purchase price; and (3) conduct a good faith negotiation with the owner of the property. Extends time periods that apply to certain eminent domain procedures. Requires a condemnor, except the department of transportation (department), certain utilities, and certain other persons, to proceed to acquire the property by use of eminent domain not more than two years after the condemnor submits a written acquisition offer to the owner of the property. Requires the department, certain utilities, and certain other persons to initiate eminent domain proceedings not more than six years after the department, utility, or other person submits a written acquisition offer to the property owner. Provides that a property owner may receive litigation expenses, including reasonable attorney's fees, in an amount not to exceed the lesser of: (1) \$25,000; or (2) the fair market value of the property; if the property owner is awarded greater compensation at trial than was offered in the condemnor's last settlement offer. Specifies that certain persons authorized to exercise eminent domain may do so only to accomplish the essential delivery of services. Provides that if a condemnor fails to: (1) take possession of property the condemnor acquired through the use of eminent domain; and (2) adapt the property for the purpose for which it was acquired; not later than six years after the payment of the award or judgment for damages occurs, the condemnor forfeits all rights in the property as if the procedure to take the property had not begun. Establishes procedures for using eminent domain to transfer ownership or control of real property between private persons for uses that are not public uses, including: (1) limiting the use of eminent domain only to acquire certain types of property; (2) requiring that the acquisition of the property will accomplish more than only increasing the property tax base of a government entity; (3) requiring mediation under certain circumstances; (4) requiring the payment of more than the fair market value for certain types of property; (5) requiring the condemnor to pay the attorney's fees of certain owners; and (6) requiring the payment of certain other damages, if applicable, including business losses. Prohibits a state agency or political subdivision from requiring that a lawfully erected sign be removed or altered as a condition of issuing a permit, license, variance, or other order concerning land use or development unless the sign owner is compensated or has waived compensation in writing. Prohibits a privately owned cemetery from exercising eminent domain. Prohibits libraries from exercising eminent domain unless a specified legislative body in the library district adopts a resolution specifically approving the use of eminent domain for a particular purpose. Makes other changes and conforming amendments.

Author: David Alan Wolkins

Sponsor: Richard D. Bray

Alcohol and Tobacco Matters - HEA 1016; P.L. 165-2006

Among several other provisions, the bill Provides that any city that owns a golf course may obtain a permit for the retail sale of alcoholic beverages. Removes residency requirements for wine and beer wholesalers. Allows farm winery brandy distiller permittees to: (1) sell brandy to consumers by the glass, bottle, or both; and (2) conduct business at three additional locations apart from the distillery. Repeals provisions concerning: (1) certain certification requirements; and (2) an affidavit requirement for a holder of a farm winery permit.

Author: Ralph Donald Ayres

Sponsor: Richard D. Bray

Property Appraisers - HEA 1017; P.L. 113-2006

In certain statutes concerning the valuation of property, removes provisions requiring an appraiser to be "judicious", "reputable", or "competent". Replaces the requirement that certain appointed appraisers must be freeholders of the particular local unit in which the property is located, with the requirement that one disinterested freeholder and two disinterested licensed appraisers must be appointed. Requires that one of the disinterested licensed appraisers must reside not more than 50 miles from the property being appraised.

Author: Peggy Welch

Sponsor: Vaneta Becker

Local Government Matters - HEA 1102; P.L. 169-2006

Specifies that the annual reports filed with the state board of accounts by governmental units must show the business addresses of officers and employees. (Current law specifies only that the "addresses" must be included.) Provides that if a county auditor publishes a notice concerning a tax rate, tax levy, or budget of a political subdivision in the county and the notice contains an error or omission for which the county auditor is responsible: (1) the county auditor must publish (at the county auditor's expense) a notice containing the correct tax rate, tax levy, or budget as proposed or fixed by the political subdivision; (2) the department of local government finance may correct the error or omission at any time; and (3) the maximum amount to which the department of local government finance may increase the tax rate, tax levy, or budget is the amount originally fixed by the political subdivision and not the amount incorrectly published or omitted in the notice. Provides that certain specified facilities, such as golf courses, massage parlors, and racetracks, are not eligible for the "automatic abatement" for personal property. (Current law provides that these facilities are not eligible for the automatic abatement for real property.) Amends the county recorder fee statute to provide that the cost of furnishing a page not larger than 8 inches by 14 inches is \$1, regardless of whether or not the page is produced by a photographic process. Provides that a political subdivision has two weeks (rather than one week) to respond to the department of local government finance (DLGF) if the DLGF revises the political subdivision's budget, tax rate, or tax levy. Allows transfers to the political subdivision's rainy day fund to be made at any time. Provides that an appeal by a township board to borrow money to fund township assistance is made directly to the department of local government finance. Repeals provisions concerning appeals by townships to county commissioners and county councils for the borrowing of money for township assistance. Repeals provisions concerning county borrowing for township assistance. Repeals a provision authorizing the county fiscal body to levy property taxes and make an appropriation to advance money to a township for township assistance if the county commissioners determine that there will be insufficient money in the township assistance fund. Allows the northwestern Indiana regional planning commission to pay a claim or purchase order without obtaining a vendor's signature. Provides that a claim for reimbursement of mileage, meal, and lodging expenses to attend a state board of accounts conference may not be denied if the claim meets statutory requirements. Allows a municipality to adopt an ordinance providing for meal expense advances for a municipal employee who will be traveling on official business. Increases from \$100 to \$250 the maximum amount that a violations clerk may accept for payment of ordinance violations. Provides that the amount that may be accepted shall be set by ordinance. Increases the cost threshold at which bids are required for certain political subdivisions under the local public works statute to \$50,000. Specifies that small towns and certain other political subdivisions can use the same process that third class cities and large towns use involving requests for quotes when a public work project is estimated to cost at least \$25,000 and less than \$50,000. Eliminates the requirement that a city legislative body hold its first regular meeting of the year at 7:30 p.m. on a Monday. Establishes a deadline of September 30 for a municipality to address property tax and budget matters and to set employee compensation for the following year. Provides that, beginning July 1, 2007, the trustee of each township in Lake, Porter, and LaPorte counties shall appoint a member to the northwestern Indiana regional planning commission if the township: (1) has a population of at least 8,000; and (2) does not contain a municipality. Reestablishes the northwest Indiana transportation study commission. (The existing northwest Indiana transportation study commission expired November 2, 2005.) Authorizes a municipality to establish a sewer improvement and extension fund and impose assessments to finance the construction, repair, or improvement of a sewage works. Provides that assessments are imposed and collected in the same manner as Barrett Law assessments. Adds the following two members to the board of the regional bus authority serving Lake County and Porter County: (1) One member appointed by the township trustee of the township containing the towns of Chesterton, Porter, Burns Harbor, and Dune Acres. (2) One member appointed jointly by the township trustees of Washington, Morgan, Pleasant, Boone, Union, Porter, Jackson, Liberty,

and Pine townships in Porter County. Deletes a provision specifying that members of the board from Porter County may not vote on certain issues unless Porter County makes payments to the authority. Changes the definition of "newspaper" for purposes of the statutes concerning publication of notices. Specifies that in a year in which there is not an election of members to the township board, the township board may by unanimous vote reduce the salaries of the members of the township board by any amount. Provides that compensation of city officers and employees may be increased by the mayor during the budget year for which the compensation has been fixed. (Current law allows the mayor to decrease compensation.) Specifies certain actions that entities may take after entering into an interlocal cooperation agreement related to economic development projects. Provides that in the case of a town that has a population of less than 10,000 and that changes into a city, the ordinance dividing the town into city legislative body districts may provide that: (1) the city shall be divided into three districts; and (2) the legislative body of the city is composed of three members elected from the districts and two at-large members. Deletes the \$25 limit on postage and publication costs that can be included in the minimum bid amount and provides that the price of property sold at a tax sale includes the greater of \$25 or the amount of the postage and publication costs. Requires certain orders under the unsafe building law to also be served on persons having a present possessory interest in the premises. Specifies that a person with a property interest in an unsafe premises who does not: (1) record an instrument reflecting the interest; or (2) provide to the enforcement authority the person's name and address, and the location of the unsafe premises; is deemed to consent to reasonable action taken under the unsafe building law for which notice would be required and relinquishes a claim to notice. Provides that liens for special assessments have the same priority status as liens for property taxes. Increases the interest rate on delinquent tax payments made by mortgagees from 6% to 10% (the same rate applicable to tax sale purchasers). Specifies that real property for which any property taxes or special assessments are delinquent from the prior year's fall installment is eligible for tax sale if a county executive has certified to the county auditor that the real property is vacant or abandoned. Specifies that this property must be offered for sale in a different phase of the tax sale or on a different day of the tax sale than the phase or day at which other real property is offered for sale. Retains current law (property is eligible for tax sale if taxes or special assessments from the prior year's spring installment are delinquent) for all other real property. Provides that the statutes prohibiting certain persons from bidding at a tax sale do not prohibit the owner of a tract that is offered at a tax sale from bidding on that tract. Allows all counties to use a provision that currently allows only Marion County to designate certain delinquent properties for acquisition. Prohibits persons who have violated the unsafe building law from bidding at tax sales. Provides that a sale to an ineligible bidder is subject to forfeiture, based on the determination of the county treasurer. Provides that in the event of forfeiture, the amount of the bid will be applied to the amounts owed by the ineligible bidder and a certificate for the property shall be issued to the county executive. Repeals a provision authorizing a second tax sale. Provides that property not sold at the single tax sale shall be transferred to the county executive (or the metropolitan development commission, in the case of Marion County). Provides an alternate date (51 days after the tax payment is due) by which the county treasurer may certify to the county auditor the list of property for which taxes are delinquent. Specifies that a tax sale of a tract or item of real property must be made not later than 171 days after the list containing the tract or item of real property is certified to the county auditor. Specifies that persons prohibited from purchasing property at a tax sale are also prohibited from purchasing certificates of sale. Provides that when real property is redeemed and the certificate of sale is surrendered to the county auditor, the purchaser of the certificate of sale or the purchaser's assignee is entitled to receive from the county an amount equal to: (1) the amount received by the county treasurer for redemption; minus (2) if the certificate of sale was sold for less than the minimum bid, an amount equal to the difference between the minimum bid and the amount for which the certificate was sold. Replaces the term "county commissioners" with "county executive" in the tax sale statutes. Allows the county executive or metropolitan development commission to hold, manage, maintain, use, convey, or dispose for any redevelopment purposes those properties not sold for the minimum bid. Gives redevelopment commissions and the metropolitan redevelopment commission additional powers

concerning the disposition of tax sale properties. Allows a hearing authority under the unsafe building law to impose fines and additional civil penalties under certain circumstances. Allows the civil penalties and fines to be collected under the special assessment procedures. Increases the amount of a civil penalty that may be imposed by a court under the unsafe building law from \$1,000 to \$5,000. Provides that a hearing authority under the unsafe building law may impose additional civil penalties if the hearing authority finds that: (1) significant work on the premises to comply with the original order has not been accomplished; and (2) the premises have a negative effect on property values or the quality of life of the surrounding area or the premises require the provision of services by local government in excess of the services required by ordinary properties. Allows a court to require a performance bond from a property owner if the property owner requests additional time to comply with an order under the unsafe building law. Amends the notice requirements for certain actions under the unsafe building law. Provides that in the case of a tax sale purchase that may be forfeited because the purchaser owes delinquent taxes or assessments, the county treasurer must notify the person in writing that the sale is subject to forfeiture if the person does not pay the amounts that the person owes within 30 days of the notice. Provides that if a county executive disposes of real property, the property taxes collected for the real property in the first year the real property is subject to taxation after the year the real property is sold or otherwise conveyed shall be disbursed to the county executive that sold or otherwise conveyed the real property. Provides that the disbursements to the county executive must be deposited in the county general fund, the redevelopment fund, the unsafe building fund, or the housing trust fund. Specifies that this disbursement to the county executive terminates in the second year the item of real property is subject to taxation. Requires a local authority to make an engineering and traffic investigation before making certain speed limit changes inside and outside of an urban district. Provide that a local authority does not have to perform an engineering and traffic investigation to determine the proper maximum speed for local streets in an urban district if the local authority determines that the proper maximum speed in the urban district is not less than twenty-five (25) miles per hour. Makes other changes concerning local government.

Author: Ralph Donald Ayres

Sponsor: Connie Lawson

Automatic External Defibrillators - HEA 1106; P.L. 74-2006

Allows certain persons who provide emergency medical services to use an automated external defibrillator without requiring a certificate. Removes: (1) the use of an automatic or semiautomatic defibrillator from the definition of basic life support; and (2) the requirement that a person or entity that acquires a defibrillator ensure that the users have completed certain courses and have enlisted a physician for medical direction.

Author: Suzanne Crouch

Sponsor: Vaneta Becker

Various Property Matters - HEA 1114; P.L. 171-2006

Establishes the title insurance enforcement fund. Imposes a \$5 fee on the purchaser of a title insurance policy and requires the insurer to deposit \$3 of the fee in the title insurance enforcement fund (the insurer is allowed to retain \$2 of the fee for administrative costs). Authorizes the budget agency to augment the appropriations to the department of insurance from the title insurance enforcement fund. Specifies the language sufficient to incorporate by reference a recorded covenant, restriction, easement, or other encumbrance in a conveyance of land. Provides that an adverse possessor or claimant who wishes to establish title to land or real estate must pay the taxes and special assessments that the adverse possessor or claimant reasonably believes in good faith to be due on the land or real estate. (Current law requires the adverse possessor or claimant to pay the taxes and special assessments due on the land or real estate.) Provides the methods of payment that a county recorder may authorize that the county recorder may be paid with. Provides that a county recorder may collect a sum if it is charged a fee for the use of a financial instrument. Requires a court clerk and a county recorder to collect a fee from a person using a bank card

or credit card if there is a vendor transaction charge or discount fee. Allows a court clerk and a county recorder to contract with a payment processing company. Allows the payment processing company to collect a transaction fee from the person using the bank card or credit card. Requires redaction of Social Security numbers (unless required under other law) in documents filed with the county recorder. Requires an instrument that conveys, creates, encumbers, assigns, or otherwise disposes of an interest in or lien on property (other than a federal lien) to have the Social Security numbers redacted before recording and filing unless required by other law. Reduces the standard for the redaction of Social Security numbers in recorded or filed documents from "to the extent possible" to "to the extent practicable and as permitted by law". Adds a culpability standard for the Class A infraction that may be committed when recorded documents containing Social Security numbers are disclosed by the county recorder's office. Provides that a county recorder shall charge a county identification security protection fee for recording or filing a document. Amends the affirmation regarding redacting a Social Security number that must be attached to a document that is recorded or filed. Provides that, for purposes of the law concerning credit services organizations: (1) the definition of "credit services organization" includes a person that sells the service of obtaining a delay or forbearance of a buyer's obligation under a mortgage; (2) the definition of "extension of credit" includes the right to delay or avoid foreclosure on a buyer's mortgage; (3) it is a deceptive act to take power of attorney from a buyer for any purpose other than inspecting documents as provided by law; and (4) a credit service organization must obtain a surety bond in the amount of \$25,000 instead of \$10,000 before doing business in Indiana.

Author: Ralph M. Foley

Sponsor: Brent Steele

Small Claims, Civil Actions, and Sheriff's Fees - HEA 1158; P.L. 174-2006

Provides that the small claims service fee and civil action service fee do not apply to garnishee defendants. Creates a \$10 small claims garnishee service fee and a \$10 garnishee service fee, and provides that these fees are to be collected in small claims and civil actions involving more than three garnishees or garnishee defendants. Distributes the fees in the same manner as the small claims service fee and the service fee are distributed. Increases fees a county sheriff may charge for reports issued by the sheriff's office and for service of process for civil actions. Provides that for each verified claim filed by a sheriff for service of writs, orders, process, notices, tax warrants, or other papers completed by the sheriff: (1) a \$13 service of process fee is imposed; and (2) the amount that a county fiscal body must appropriate to the sheriff is increased. Adds county sheriffs to the list of county officers entitled to appoint a chief deputy and other deputies and employees. Permits the superintendent of the state police department to charge a fee of at least \$5 for an accident report and for the inspection and copying of other data related to an accident report without having the fee fixed by a local ordinance. Increases the DNA sample processing fee from \$1 to \$2 and permits the state police department to use the funds for DNA analysis. Specifies that the garnishee service fees service of process fees only apply to cases filed after June 30, 2006. Renames certain small claims courts. Makes conforming amendments.

Author: Kathy Kreag Richardson

Sponsor: Richard D. Bray

Motor Carrier Enforcement - HEA 1214; P.L. 176-2006

Provides that the prepayment rate used in determining prepayment amounts of sales tax on certain wholesale sales of gasoline may not exceed 125% of the prepayment rate in effect on the day before the prepayment rate is re-determined by the department of state revenue. Requires certain reports and returns filed with the department of state revenue concerning gasoline tax and special fuel tax to be filed in an electronic format. Requires a motor carrier to file a claim for a proportional use credit for a calendar quarter on or before the due date of the motor carrier's quarterly motor fuel tax return. Allows the department to deny the issuance of or to suspend or revoke certain registrations, permits, or certificates of authority if the owner or operator of a commercial motor vehicle does not file all tax returns or reports or

pay all taxes, penalties, and interest for a listed tax. Provides civil penalties for a motor carrier operating without required credentials or operating with altered credentials. Specifies conditions under which the department or the state police department may impound a motor vehicle of a motor carrier that is not authorized to transport passengers for hire. Increases the application fees paid to the department's motor carrier services division. Specifies that certain registration requirements do not apply to a person exclusively engaged in the private transportation of non-hazardous property. Provides that the department may not register or title a motor carrier if the motor carrier fails to comply with certain federal regulations or the motor carrier's authority to operate has been terminated or denied by a federal agency. Specifies certain penalties for motor carriers that violate the permitting provisions for oversize and overweight vehicles.

Author: Bill Davis

Sponsor: David C. Long

County Drug Free Community Fund - HEA 1249; P.L. 44-2006

Provides that the criminal justice institute may de-obligate funds to a local government entity if the entity fails to comply with the fund requirements. Provides a process to reinstate the funds. Provides that a local coordinating council shall be appointed and approved by the commission for a drug free Indiana. Requires a council to submit a comprehensive drug free community's plan for the approval of the commission before a county fiscal body appropriates county drug free community funds. Requires a council to determine the amount of funds that a county fiscal body shall appropriate to implement the objectives set forth in the plan. Provides that if a plan is not approved by the commission, the county fiscal body may not appropriate funds as set forth in the plan. Provides that if a county legislative body allocates funds without the approval of the plan by the commission, the commission may: (1) appoint a new council; (2) freeze funds allocated by the county legislative body; or (3) reevaluate the plan.

Author: Luke Messer

Sponsor: Dennis K. Kruse

Local Government Reorganization - HEA 1362; P.L. 186-2006

Establishes a uniform procedure for the reorganization of political subdivisions. Provides that "political subdivision" does not include a local hospital authority or corporation. Provides that the reorganization process may be initiated by the legislative bodies of the reorganizing political subdivisions or by a petition signed by 5% of the voters in the reorganizing political subdivisions (as determined by the vote cast in the political subdivision for secretary of state at the most recent general election). Requires the reorganizing political subdivisions to appoint individuals to a reorganization committee to develop a plan for reorganization. Provides that political subdivisions and reorganization committees acting under the reorganization statute are subject to the open door law and the public records law. Specifies the elements that must be included in the plan. Provides that the proposed reorganization shall be submitted to the voters for approval if the plan is approved by the legislative bodies of the political subdivisions or, in some circumstances, if at least 10% of the voters in a political subdivision (as determined by the vote cast in the political subdivision for secretary of state at the most recent general election) submit a petition approving the plan of reorganization and requesting the public question to be held. Provides that reorganization may occur only if the voters of the reorganizing political subdivisions approve the reorganization in the public question. Provides that in the case of a proposed reorganization between a county and a municipality, the legislative bodies of the reorganizing political subdivisions must agree on whether the public question on the proposed reorganization shall be: (1) conducted on a county-wide basis, without a rejection threshold; or (2) conducted on a county-wide basis, with a rejection threshold. Provides that in the case of a proposed reorganization between a county and a municipality, the reorganization committee shall include in the reorganization plan the percentage of voters voting on the public question regarding the proposed reorganization who must vote in favor of the proposed reorganization, on a county-wide basis, for the public question to be approved (the "county-wide vote approval percentage"). Provides that if the

legislative bodies agree that the public question shall include a rejection threshold, the reorganization committee shall determine that rejection threshold percentage. Specifies that the rejection threshold must be the same for each municipality that is a party to the proposed reorganization and to the county that is a party to the proposed reorganization. Provides that in the case of a proposed reorganization between a county and a municipality, the reorganization is approved only if: (1) the percentage of voters voting on the public question who vote, on a county-wide basis, in favor of the proposed reorganization is at least equal to the county-wide vote approval percentage included in reorganization plan; and (2) if the legislative bodies have agreed to include a rejection threshold, the percentage of voters of the county (excluding the voters of the reorganizing municipalities) voting on the public question who vote against the reorganization is less than a rejection threshold specified in the final reorganization plan and the percentage of voters of each reorganizing municipality voting on the public question who vote against the reorganization is less than the rejection threshold specified in the final reorganization plan. Requires the department of local government finance to adjust the maximum property tax levies, maximum property tax rates, and budgets of political subdivisions that reorganize. Provides that: (1) indebtedness that was incurred by a political subdivision before the reorganization may not be imposed on taxpayers that were not responsible for payment of the indebtedness before the reorganization and must be paid by the taxpayers that were responsible for payment of the indebtedness before the reorganization; and (2) pension obligations existing as of the effective date of the reorganization may not be imposed on taxpayers that were not responsible for payment of the pension obligations before the reorganization and must be paid by the taxpayers that were responsible for payment of the pension obligations before the reorganization. Provides that when the reorganization is effective, all the participating political subdivisions except the remaining reorganized political subdivision cease to exist. Makes related changes. Establishes a procedure for political subdivisions to enter into cooperative agreements and provide for the transfer of functions of an employee or department of the political subdivision (including an elected office) to another employee or department of any political subdivision that has entered into the cooperative agreement. Provides that the cooperative agreements must be initiated and approved in the same manner that is set forth in the bill for the reorganization of political subdivisions.

Author: James Russell Buck

Sponsor: Mike Delph

Kennel Licenses - HEA 1418; P.L. 116-2006

Requires inspection of a major kennel before a township assessor issues a license.

Author: Ralph Donald Ayres

Sponsor: Victor Heinold

Employee Tobacco Use - HEA 1420; P.L. 136-2006

Allows an employer to implement financial incentives related to employer provided health benefits to reduce employee tobacco use.

Author: Tim Brown

Sponsor: Beverly J. Gard

Zoning Ordinance Changes - SEA 35; P.L. 49-2006

(Additional information may be found at www.citiesandtowns.org)

Specifies that the provisions concerning application of laws, rules, and regulations in effect at the time of application for a permit do not apply if the development or other activity to which the permit relates is not completed within seven years after the development or activity is commenced.

Author: David C. Long

Sponsor: David Alan Wolkins

Property Transfer Disclosure Form - SEA 146; P.L. 15-2006

Repeals the statute that prescribes the form of the disclosure document for transfers under the responsible property transfer law. Directs the department of environmental management to prescribe a form for that purpose. Specifies the type of information that must be elicited in the form.

Author: Beverly J. Gard

Sponsor: David Alan Wolkins

Manufactured Home Installation - SEA 201; P.L. 21-2006

Allows an existing location within a mobile home community that is valid under a local ordinance to be expanded to provide support and utilities for the installation of a manufactured home in the mobile home community.

Author: Marvin D. Riegsecker

Sponsor: Jacqueline Walorski Swihart

Disclosure of Electronic Mail Account Addresses - SEA 205; P.L. 22-2006

Provides that a public agency: (1) is not required to create or provide lists of electronic mail account addresses unless required by statute; (2) is not required to allow a person to inspect and make memoranda abstracts from a list of electronic mail account addresses; (3) may not disclose certain lists (including electronic mail account addresses) to commercial entities for commercial purposes; and (4) may not disclose certain lists (including electronic mail account addresses) to any individual or entity for political purposes. Provides that if a prohibited disclosure nevertheless occurs, a commercial entity may not use the disclosed information for commercial purposes and any individual or entity may not use the disclosed information for political purposes. Defines political purposes.

Author: Jeff Drozda

Sponsor: Eric Koch

Jury Service Exemptions - SEA 232; P.L. 4-2006

Eliminates automatic exemptions from jury service. Permits a person called for jury service to receive one deferral for up to one year if the juror selects an alternate date and the deferral is necessary due to hardship, extreme inconvenience, or necessity. Protects a person called for jury service from being subjected to adverse employment actions. Prohibits employers from requiring or requesting employees to use annual vacation or sick leave for jury service. Repeals a provision concerning jury service exemptions in Lake County.

Author: Beverly J. Gard

Sponsor: Ralph M. Foley

Offsite Vehicle Sales - SEA 264; P.L. 63-2006

Changes the criteria for an automobile dealer to obtain a license for an offsite sale.

Author: Thomas K. Weatherwax

Sponsor: Cleo Duncan

Genesis Convention Center Board of Managers - SEA 277; P.L. 7-2006

Provides that the Gary city council may adopt an ordinance providing for the payment of a salary or a per diem to members of the board of managers of the Genesis Convention Center who do not hold another lucrative office.

Forestry Issues - SEA 354; P.L. 66-2006

Allows land to be classified as wildlands for purposes of property taxation. Requires a classified forest plantation to have at least 400 trees per acre. Requires a classified native forest land to have at least 1,000 trees per acre. Removes the requirement that certain open areas must be excluded from the classified land. Prohibits certain non-timber crops from being cultivated on classified land. Establishes procedures and

requirements for revised applications for classified lands. Establishes penalties for withdrawal from the classified land program. Provides that environmental impact statements do not apply to forestry management practices of the division of forestry. Establishes the forest restoration fund. Amends the definition of "merchantable timber". Provides that a county legislative body may allow more than \$1,000 to be distributed to volunteer fire departments from timber sales. Repeals: (1) provisions concerning assessment of classified lands; (2) the assessment of certain wildlife habitats; and (3) the prohibition of certain reclamation sites from enrolling in the classified land program. Transfers land classified as wildlife habitats to land classified as wildlands.

Author: Thomas K. Weatherwax

Sponsor: John Ulmer

Procurement and State Public Works - SEA 359; P.L. 160-2006

The bill among other provisions repeals the statute that prohibits the use of a reverse auction to purchase certain construction equipment over \$10,000.

Author: Brandt Hershman

Sponsor: Luke Messer

Pensions

PERF and TRF Cost of Living Adjustments - HEA 1368; P.L. 115-2006

Provides a 2% cost of living adjustment for all members, survivors, and beneficiaries of the public employees' retirement fund (PERF) who were retired or disabled before January 1, 2006, beginning in 2007. Provides cost of living adjustments for certain members, survivors, and beneficiaries of the teachers' retirement fund (TRF) beginning in 2007. Provides for a thirteenth check in 2006 for PERF members, survivors, and beneficiaries based on the complete years of service credited to a member at retirement.

Author: Tim Neese

Sponsor: Robert L. Meeks

Public Safety Deferred Retirement Option Plan - SEA 55; P.L. 51-2006

For members of the 1925 fund, the 1937 fund, or the 1953 fund, ties the expiration of the public safety deferred retirement option plan (DROP) to the expiration of distributions from the pension relief fund that ensure that at least 50% of the pension liability of each unit of local government is paid from the pension relief fund. For members of the 1977 fund, eliminates the expiration of the DROP. Provides that the death benefits for an employee beneficiary of a county retirement plan established by the sheriff's department who dies in the line of duty are calculated under the provisions of the county's retirement plan as if the employee beneficiary had never entered a DROP, if: (1) the employee beneficiary dies in the line of duty before payment of the employee beneficiary's monthly pension amount begins; and (2) the calculation of a death benefit under the provisions of a county's retirement plan depends upon whether an employee beneficiary dies in the line of duty or other than in the line of duty.

Author: Joseph W. Harrison

Sponsor: Lawrence Lee Buell

Pension Relief Fund Distributions - SEA 56; P.L. 28-2006

Changes the expiration date for the additional distributions from the pension relief fund that ensure that at least 50% of the pension liability of each unit of local government is paid from the pension relief fund from January 1, 2008, to January 1, 2009.

Author: Joseph W. Harrison

Sponsor: Lawrence Lee Buell

Pension Fund Administrative Issues - SEA 57; P.L. 29-2006

Authorizes a state agency to release an individual's Social Security number for the purpose of administering a state retirement fund or deferred compensation plan. Establishes a review process for an impairment awarded because a local pension board did not act in a timely manner. Extends the pilot program for the legislators' defined contribution plan until July 1, 2007.

Author: Joseph W. Harrison

Sponsor: Lawrence Lee Buell

Public Safety Disability Pensions - SEA 206; P.L. 62-2006

Creates a presumption that a police officer, firefighter, or emergency medical services provider who incurs a disability from certain cancers or a heart or lung disease while actively employed has incurred a disability in the line of duty. Excludes the use of the presumption by a police officer, firefighter, or emergency medical services provider who has used tobacco products in any form in the last five years. Allows a meeting or hearing held to rebut the presumption to be held as an executive session. Provides that a line of duty disability benefit retains the status of a disability benefit for the life of the disabled member.

Author: Jeff Drozda

Sponsor: Lawrence Lee Buell

Public Safety

Controlled Substances Crimes - HEA 1049; P.L. 26-2006

Expands the definition of "family housing complex" used in the controlled substances laws to include a hotel, a motel, an apartment complex, or a building that contains subsidized housing. Makes neglect of a dependent a Class C felony if it: (1) results from the manufacture of cocaine, methamphetamine, or a narcotic drug; or (2) is committed in an area where cocaine, methamphetamine, or a narcotic drug is being manufactured, delivered, or financed.

Author: Matt Bell

Sponsor: R. Michael Young

Fireworks Sales, Discharge, Public Safety Fees, and Injuries - HEA 1099; P.L. 187-2006

Renames certain common fireworks as consumer fireworks. Authorizes the use of consumer fireworks on the property of the purchaser, on the property of another who has given permission for the use, and at special discharge locations. Authorizes the fire prevention and building safety commission to adopt rules specifying the conditions under which certain fire chiefs may grant a permit to a person to sponsor a special fireworks discharge location. Establishes requirements for the tent, structure, or temporary stand from which certain fireworks may be sold. Establishes annual registration fees for the retail sale of consumer fireworks that must be paid before the issuance of a certificate of compliance to a retailer. Removes the requirement that a purchaser of consumer fireworks provide a written assurance that the consumer fireworks will be shipped out of Indiana within five days of purchase. Establishes various penalties for: (1) the ignition, discharge, possession, or use of certain fireworks under certain conditions or at other than certain locations; or (2) the purchase or use of fireworks by a person less than 18 years of age. Requires an individual to be at least 18 years of age to sell consumer fireworks, and at least 16 years of age to sell certain specified fireworks. Sets times during the day when a person may use certain fireworks. Prohibits the sale of fireworks at retail from a motor vehicle. (Current law prohibits the sale of retail fireworks from a truck, van, or automobile.) Establishes a public safety fee of 5% on the retail sale of fireworks. Provides that the fee is to be collected by the department of state revenue and deposited in the state general fund. Specifies that a child commits a delinquent act if the child commits certain fireworks violations. Requires certain persons that treat a person for an injury that the practitioner or administrator identifies as resulting from fireworks or pyrotechnics to report the injury to the state department of health. Provides that the report is confidential. Requires the department of homeland security to report to the

budget committee on the feasibility of establishing a regional program to provide certain training. Makes an appropriation from public safety fees to the department of homeland security for: (1) certain training programs; and (2) under certain circumstances, certain disaster related costs. Repeals an expired section of the Indiana Code. Repeals and relocates a definition. Makes conforming amendments. Makes technical corrections.

Author: David Nason Frizzell

Sponsor: Thomas K. Weatherwax

Funding of Emergency Warning Systems Under the Barrett law - HEA 1107; P.L. 42-2006

Provides that emergency warning systems may be funded under the county and municipal Barrett Law provisions.

Author: Suzanne Crouch

Sponsor: Vaneta Becker

Aggressive Driving and Criminal Recklessness - HEA 1108; P.L. 47-2006

Defines "aggressive driving." Makes aggressive driving a Class A misdemeanor if it is done knowingly or intentionally with the intent to harass or intimidate a person in another vehicle, and provides that the offense does not apply to law enforcement officers engaged in their official duties. Makes criminal recklessness: (1) a Class D felony instead of a Class B misdemeanor if the offense is committed by a person who committed aggressive driving that results in serious bodily injury to another person; and (2) a Class C felony instead of a Class B misdemeanor if the offense is committed by a person who committed aggressive driving that results in the death of another person. Makes criminal recklessness a Class C felony instead of a Class B misdemeanor if it is committed by shooting a firearm into an inhabited dwelling or other building or place where people are likely to gather. (Current law requires that the shooting be done from a vehicle.)

Author: Tim Brown

Sponsor: David C. Long

Sex Offenders - HEA 1155; P.L. 173-2006

Transfers oversight of the sex offender registry from the criminal justice institute to the department of correction (DOC). Eliminates the sex and violent offender directory, transfers its functions to the sex offender registry, and requires the criminal justice institute to seek grants to support the sex offender registry. Removes a provision requiring a sex offender to register using a "registration form", and requires the DOC to establish a format for registration. Requires the DOC to transmit information concerning sex offenders to a neighborhood association, or to provide instructional material in the use of the sex offender registry. Requires the DOC to inform and train judges, prosecuting attorneys, law enforcement officials, and others in the sex offender registration procedure. Requires that the sex offender registry be updated daily and be available on the Internet, requires incarcerated sex offenders to register before being released, and shortens certain registration periods. Imposes additional registration and notification requirements on sex offenders, including a requirement that a sexually violent predator notify law enforcement officials if the predator will be absent from the predator's principal residence for more than 72 hours. Requires a sex offender who temporarily resides in transitional housing to register once every seven days, and requires a local law enforcement authority to personally visit the listed address of a sex offender. Makes other changes and conforming amendments.

Author: Mary Kay Budak

Sponsor: David C. Long

Handgun License Renewal - HEA 1176; P.L. 190-2006

Among several other provisions, provides that the period during which an application for the renewal of a handgun license may be filed begins 180 days before the license expires. Requires the superintendent of

the state police and local law enforcement agencies to allow an applicant desiring to obtain or renew a license to carry a handgun to submit an application electronically if federal funds are available to establish and maintain an electronic application system. Permits a person to apply for and receive a lifetime handgun license. Requires a person applying for a lifetime handgun license to pay a fee of: (1) \$125 for a lifetime unlimited license if the person does not currently possess a valid handgun license; (2) \$100 for a lifetime unlimited license if the person currently possesses a valid handgun license; (3) \$75 for a lifetime qualified license if the person does not currently possess a handgun license; and (4) \$60 for a lifetime qualified license if the person currently possesses a handgun license. Provides that the local law enforcement agency that initially processes the license application retains: (1) \$50 if the person does not currently possess a valid handgun license; and (2) \$40 if the person currently possesses a valid handgun license; the state receives the remaining fee. Increases the fee for a four-year license to \$30, and raises the fee for a replacement license to \$20. Provides that handgun license fees are to be deposited in the state general fund. Makes other changes and conforming amendments.

Author: Troy A. Woodruff

Sponsor: Johnny Nugent

Curfew - HEA 1232; P.L. 82-2006

Allows a child to be in a public place after curfew if the child is participating in an activity undertaken at the prior written direction of the child's parent, guardian, or custodian.

Author: Ralph Donald Ayres

Sponsor: Richard D. Bray

Public Safety Officer Death Benefit - HEA 1234; P.L. 43-2006

Extends the special death benefit of \$150,000 for a public safety officer who dies in the line of duty to a special deputy who is employed by a political subdivision and to certain airport police officers and firefighters.

Author: William 'Bill' J. Ruppel

Sponsor: Gary Dillon

Emergency Management Mobile Support - HEA 1238; P.L. 84-2006

Specifies the types of individuals who and the time frame in which an individual can be called to duty with a mobile support unit. Specifies: (1) liability provisions concerning the individual; and (2) compensation and reimbursement available to a member's employer or a member of a mobile support unit who is not an employee of the state or a political subdivision.

Author: Peggy Welch

Sponsor: Thomas J. Wyss

Sex Offenders - SEA 12; P.L. 140-2006

Among several other provisions, transfers oversight of the sex offender registry from the criminal justice institute to the department of correction (DOC). Eliminates the sex and violent offender directory, transfers its functions to the sex offender registry, and requires the criminal justice institute to seek grants to support the sex offender registry. Removes a provision requiring a sex offender to register using a "registration form" and requires the DOC to establish a format for registration. Requires the DOC to transmit information concerning sex offenders to a neighborhood association or to provide instructional material in the use of the sex offender registry. Requires the DOC to inform and train judges, prosecuting attorneys, law enforcement officials, and others in the sex offender registration procedure. Requires that the sex offender registry be updated daily and be available on the Internet, requires incarcerated sex offenders to register before being released, and shortens certain registration periods. Imposes additional registration and notification requirements on sex offenders, including a requirement that a sexually violent predator notify law enforcement officials if the predator will be absent from the predator's principal

residence for more than 72 hours. Requires a sex offender who temporarily resides in transitional housing to register once every seven days, and requires a local law enforcement authority to personally visit the listed address of a sex offender. Makes certain other changes and conforming amendments.

Author: David C. Long

Sponsor: Ralph M. Foley

Resisting Law Enforcement and Deadly Weapons - SEA 83; P.L. 143-2006

Provides that a Taser, electronic stun weapon, chemical, or other device that is designed to temporarily incapacitate a person is not a deadly weapon if it is used by a law enforcement officer: (1) who is trained to use the weapon; (2) who employs the weapon in accordance with the law enforcement officer's training; and (3) while lawfully engaged in the execution of official duties. Imposes a mandatory minimum sentence for a person who commits resisting law enforcement and: (1) draws or uses a deadly weapon, inflicts bodily injury on or causes bodily injury to another person, or operates a vehicle in a manner that creates a substantial risk of bodily injury to another person; (2) operates a vehicle in a manner that causes serious bodily injury to another person; or (3) operates a motor vehicle in a manner that causes the death of another person.

Author: Teresa S. Lubbers

Sponsor: Gerald R. Torr

Vehicle Forfeiture and Driving While Intoxicated - SEA 145; P.L. 94-2006

Permits the forfeiture of a motor vehicle operated by a person who has at least two prior unrelated convictions in the previous five years for operating while intoxicated if the person commits operating a motor vehicle while intoxicated or operating a motor vehicle with a suspended driver's license. Provides that a motor vehicle that is not owned by the person or the spouse of the person who unlawfully operated it may not be seized unless the owner knew that the vehicle would be unlawfully operated. Prohibits the bureau of motor vehicles from registering a motor vehicle in the name of a person whose motor vehicle has been forfeited until the person proves that the person possesses a current driving license. Provides that when a court grants probationary driving privileges to certain persons, the order must include the requirement that for six months the person may not operate a motor vehicle unless the motor vehicle is equipped with a functioning certified ignition interlock device. Provides that a certified phlebotomist may obtain a bodily substance sample under certain circumstances. Provides that for purposes of the duties of a driver, owner and passengers of a vehicle after a vehicle accident, an accident does not require proof of a collision between a driver's vehicle and another vehicle or another person if the accident involves serious bodily injury to or the death of a person. Amends the definition of chemical test for determining the presence of alcohol or a drug. Revises penalties for the failure to submit to a portable breath test or a chemical test. Adds excise police officers of the alcohol and tobacco commission to the definition of law enforcement officer for motor vehicle laws.

Author: R. Michael Young

Sponsor: Cleo Duncan

Photos in Criminal History Files - SEA 191; P.L. 20-2006

Provides that a sheriff, police department, or criminal justice agency required reporting an arrest to the state central repository for criminal history data shall transmit a photograph of the person who is the subject of the report at the time the arrest is reported. Allows the state police department to adopt guidelines concerning the method of transmitting photographs, and requires a person submitting the photograph to follow the department's guidelines. Includes a photograph as part of the information that may be obtained in a limited criminal history.

Author: Thomas J. Wyss

Sponsor: William 'Bill' J. Ruppel

Controlled Substances - SEA 193; P.L. 151-2006

Permits the destruction of chemically contaminated equipment used in the illegal manufacture of a controlled substance if certain conditions are met. Provides that a law enforcement officer has the right to inspect a retailer's log of ephedrine or pseudo ephedrine sales. Prohibits a person from selling or releasing a log or the records from the completion of a log for commercial purposes. Allows the Indiana criminal justice institute to obtain information concerning a log or the records from the completion of a log from a law enforcement officer if the information may not be used to identify a specific individual and is used only for statistical purposes. Prohibits the possession of two or more precursors with the intent to manufacture a controlled substance, and makes the possession of anhydrous ammonia with the intent to manufacture amphetamine a Class D felony that may be enhanced under certain circumstances. Requires a law enforcement agency that discovers a child less than 18 years of age at a drug laboratory to notify the department of child services. Defines "methamphetamine abuse" and requires law enforcement agencies to report methamphetamine abuse to the criminal justice institute. Removes methamphetamine from the crimes of: (1) dealing in cocaine, a narcotic drug, or methamphetamine; and (2) possession of cocaine, a narcotic drug, or methamphetamine; and establishes new crimes of dealing in methamphetamine and possession of methamphetamine. Specifies that, for purposes of the law concerning motor vehicles, a person is intoxicated if the person is under the influence of: (1) model glue or certain other substances; or (2) nitrous oxide. Defines inhaling a toxic vapor, a Class B misdemeanor, as the act of ingesting or inhaling, with intent to cause a condition of intoxication, euphoria, excitement, exhilaration, stupefaction, or dulling of the senses, the fumes of amyl butyrate, isobutyl nitrate, Freon, chlorinated hydrocarbons, methylene chloride, hexane, ether, chloroform, halothane, or any other chemical having the property of releasing toxic vapors. Makes conforming amendments.

Author: Richard D. Bray & Lindel O. Hume

Sponsor: Ralph M. Foley

Various Homeland Security Matters - SEA 247; P.L. 101-2006

Adds the department of homeland security's building law compliance officer to the certification board that administers the provisions concerning qualifications for state public works projects. Establishes the Indiana intelligence fusion center to collect, maintain, and analyze intelligence information and other information relating to criminal activity or terrorism. Designates the counterterrorism and security council (CTASC) and the fusion center as criminal justice agencies. Allows CTASC to hold executive sessions and exempts certain records of CTASC and fusion center from the open records law. Combines five funds managed by the department of homeland security into the homeland security fund. Provides that money in the homeland security fund reverts to the fire and building services fund if the homeland security foundation is terminated. Modifies the membership of the board of firefighting personnel standards and education. Allows a volunteer fire department to declare its personnel records confidential. Permits the department of correction to read mail to and from offenders unless the mail is privileged. Prohibits the department of correction from disclosing the contents of this mail unless certain conditions are met. Repeals the specific rulemaking procedures of the fire prevention and building safety commission. Makes conforming amendments and technical corrections.

Author: Thomas J. Wyss

Sponsor: William 'Bill' J. Ruppel

Emergency Telephone Notification System - SEA 283; P.L. 104-2006

Authorizes a county or municipality to establish an emergency telephone notification system to warn service users of emergencies. Grants civil immunity to a service supplier or telephone company in conjunction with operating an emergency telephone notification system.

Author: Richard D. Young, Jr.

Sponsor: Robert J. Bischoff

False Identification and Criminal Gang Enhancement - SEA 338; P.L. 109-2006

Makes it a Class A misdemeanor to possess, produce, or distribute a document not issued by a government entity that purports to be a government issued identification. Provides that the sentence imposed on a person for committing a felony may be enhanced if the trier of fact determines that the person was a member of a criminal gang at the time of the offense and committed the offense at the direction of or in affiliation with a criminal gang. Provides that the enhancement must equal the sentence for the felony the person is convicted of and that the enhancement may not be suspended.

Author: James W. Merritt, Jr.

Sponsor: David Nason Frizzell

State Government

Technical Corrections Bill - HEA 1040; P.L. 1-2006

Corrects various technical problems in the Indiana Code and in non-code provisions. (The introduced version of this bill was prepared by the code revision commission.)

Author: Ralph M. Foley

Sponsor: Howard 'Luke' Kenley

Energy, Agriculture, and Energy Development Rules - SEA 87; P.L. 144-2006

Allows the office of the lieutenant governor to adopt rules to carry out the office's duties relating to energy policy, the center for coal technology research, and the recycling and energy development board. Changes the name of the office of rural affairs to the office of community and rural affairs and makes conforming changes. Allows the office of community and rural affairs and the department of agriculture to adopt rules. Creates an advisory board for the office of community and rural affairs. Creates the rural economic development fund. Repeals the rural development administration fund and the rural development council fund, and transfers the balances of the funds to the rural economic development fund. Removes the requirement that a member of the tourism council represents a rural community and changes the requirement for a quorum for the council. Repeals the rural development council, and repeals the requirement that a member of the council is a member of the tobacco farmers and rural community impact fund advisory board.

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

Sponsor: Eric A. Gutwein

Publication of Administrative Rules - SEA 379; P.L. 123-2006

Provides that on July 1, 2006, the duties of the secretary of state with respect to the promulgation and preservation of paper copies of administrative rules are transferred to the publisher of the Indiana Register. (Current law provides that after June 30, 2006, the Indiana Register and Indiana Administrative Code will be published only in an electronic format.) Specifies that documents prepared by state agencies for publication in the Indiana Register must be submitted in the electronic format specified by the publisher. Specifies that the small business regulatory coordinator program applies to environmental rule making. Removes obsolete language concerning the creation of fiscal impact statements for certain proposed administrative rules. Repeals obsolete references concerning the printing of the Indiana Administrative Code.

Author: David C. Ford

Sponsor: Steven Heim

Tax & Finance

Various Tax Matters - HEA 1001; P.L. 162-2006

Increases the homestead credit for one year in 2006 to 28% and the homestead standard deduction for one year in 2007 to \$45,000. Provides an additional distribution in 2006 to reimburse counties that send out revised tax bills to implement the additional homestead credit. Permits homestead credits to be certified using the best information available at the time the certification is made. Beginning in 2008, requires counties to use a uniform format for property tax statements that includes additional taxpayer information. Beginning in August 2009, requires a county to mail a notice concerning budget proceedings and proposed tax rates, tax levies, and budgets to each taxpayer and permits a taxpayer to appeal the taxpayer's assessment within 45 days after getting the notice. Limits use of students and teachers in promoting a bond issue; prohibits attorneys, architects, construction managers, and financial advisors from contributing money to promote a bond issue; and provides standards for accepting signatures on a remonstrance petition. Extends the time in 2006 in which a county fiscal body may adopt an ordinance to provide taxpayers with a cap on residential property taxes equal to 2% of the assessed value of the residential property. Beginning in 2007 for Lake County and 2008 for all other counties, establishes a 2% cap without a county fiscal body ordinance. Extends the 2% cap to all property in 2010. Imposes a utility use tax in transactions on which a utility receipts tax has not been imposed. Indicates that property constructed outside Indiana for Indiana use is subject to use tax. Exempts home energy assistance from gross receipts tax (sales tax) for one year. Prohibits the assignment of sales tax remittance deductions to nonaffiliated companies. Requires certain intangibles expenses and directly related intangible interest expense deducted for federal income tax purposes to be added back to a corporation's taxable income for state adjusted gross income tax purposes. Provides after a phase-in period that corporate business income is apportioned to Indiana for adjusted gross income tax purposes using a single sales factor. Indicates how the freight on board location of a sale affects the apportionment formula. Requires a corporation that files combined income tax returns to petition the department of state revenue for permission to discontinue filing combined returns. Permits an additional county adjusted gross income tax rate in Jasper County and an additional county option income tax rate in Scott County to construct and maintain criminal justice facilities. Extends the time in 2006 during which an additional economic development income tax rate may be imposed to provide property tax relief to mitigate the effects of the elimination of the property tax on inventory. Permits a county to provide tax relief to other residential property in addition to homesteads. Replaces the requirement that a dog tax be imposed in each county with a county option dog tax. Makes a technical correction. Increases the calendar year cap on tuition support distributions for the calendar year ending December 31, 2006, by \$48.2 million or the amount needed to avoid reducing distributions in the second six months of the calendar year. Changes the school funding formula to eliminate the effects of annual property tax assessed value adjustments. Provides that a farm mutual insurance company may elect taxation under the gross premium tax instead of the adjusted gross income tax. Directs the office of management and budget to develop a proposal for presentation to the state budget committee by November 1, 2006, concerning an actuarially funded retirement health program for state employees. Makes an appropriation for the additional homestead credit amount. Appropriates \$20.1 million dollars or the amount needed for state tuition support distributions in the state fiscal year ending June 30, 2006. Makes other related changes.

Author: Jeffrey K. Espich

Sponsor: Howard 'Luke' Kenley

Innkeeper's Taxes - HEA 1025; P.L. 167-2006

Provides that the maximum rate of the Howard County innkeeper's tax is 5% until December 31, 2013, and decreases to 4% on January 1, 2014 (in current law the transition date is June 30, 2007). Extends the period of time from December 2006 to December 2012 that a share of Tippecanoe County innkeeper's tax

revenue must be distributed as a grant to a nonprofit corporation that leases land in Prophetstown state park for the nonprofit corporation's use in noncapital projects in Prophetstown state park.

Author: John Smith

Sponsor: Jeff Drozda

Rainy Day Fund Loans to Political Subdivisions - HEA 1124; P.L. 114-2006

Authorizes a loan from the state rainy day fund to a taxing unit whose property tax revenue collections are affected by the bankruptcy of a taxpayer that manufactures microelectronics as part of its business.

Requires the state board of finance to determine the terms of the loan subject to certain restrictions.

Specifies the permitted use of the loan proceeds and the manner of repayment of the loan. Limits the total amount of the loans to \$13,000,000.

Author: James Russell Buck

Sponsor: Jeff Drozda

Taxation and Government Finance - HEA 1327; P.L. 184-2006

Prohibits the assignment of sales tax remittance deductions to nonaffiliated companies. Provides that for taxable years beginning after December 31, 2005, references in Indiana law to the Internal Revenue Code and related regulations refer to the law and regulations in effect on January 1, 2006. Specifies that the category of children for which an additional \$1,500 state income tax deduction may be claimed is to be determined under an Internal Revenue Code definition as it was in effect on January 1, 2004. Extends to June 30, 2011, the time during which Jackson County may impose an additional county adjusted gross income tax rate of 0.1% for the operation of a jail and juvenile detention center. Permits an additional county option income tax rate in Scott County to construct and maintain criminal justice facilities. Changes the termination date for the Nashville food and beverage tax from January 1, 2007, to January 1, 2012.

Extends the deadline for initiating projects under the Martinsville food and beverage tax from December 31, 2010, to December 31, 2015. Allows a school corporation to petition the DLGF requesting approval to incur bond indebtedness to implement solutions to contractual retirement or severance liability.

Author: Jeffrey K. Espich

Sponsor: Howard 'Luke' Kenley

Use of CAGIT Revenue by Certain Counties - SEA 148; P.L. 147-2006

Provides that county adjusted gross income tax (CAGIT) revenue in Elkhart County and Marshall County may also be used to operate and maintain jail facilities, juvenile court, detention, and probation facilities, other criminal justice facilities, and related buildings and parking facilities (in addition to being used for the financing, construction, acquisition, renovation, and equipment of those facilities under existing law).

Provides that Marshall County may not impose an additional CAGIT rate for jail maintenance and operations after the bonds issued to construct the jail are paid off.

Author: Marvin D. Riegsecker

Sponsor: Steven Heim

Reversal of Payment Delays - SEA 345; P.L. 159-2006

Requires the reversal of part of the payment delays in the schedule under which: (1) property tax replacement credit and homestead credit amounts are distributed to taxing units; and (2) distributions to state educational institutions are made. Makes an appropriation.

Author: Robert L. Meeks

Sponsor: Jeffrey K. Espich

Taxation - SEA 355; P.L. 67-2006

With the approval of the county fiscal body, allows a civil taxing unit or school corporation to file a property tax levy appeal to offset a levy shortfall in the preceding year before March 1 of the year the tax is

due. For property taxes payable in 2006, establishes a deadline of April 1 instead of March 1. If such an appeal is filed, allows the county treasurer to either: (1) send tax statements on schedule and send later reconciling statements; or (2) delay tax statements up to 60 days pending resolution of the appeal. Allows a county council to petition the department of local government finance to establish an installment plan for property tax payments (without requiring the petition to be approved by the county treasurer and county auditor). Reduces the penalty for a late installment of property taxes from 10% to 5%, if (1) the late installment is completely paid on or before the date 30 days after the installment due date; and (2) the taxpayer is not also liable for delinquent property taxes first due and payable in a previous year for the same parcel. Permits in 2006 an additional deduction against adjusted gross income for the payment of delayed property taxes in taxable year 2005. Provides for a waiver by the county treasurer of a property tax late payment penalty if the taxpayer or an immediate family member of the taxpayer died in the week preceding the installment due date. Allows an appeal of a penalty waiver denial.

Author: Connie Lawson

Sponsor: Ralph Donald Ayres

Airport Development Zone - SEA 382; P.L. 124-2006

Decreases the minimum size of a qualified airport development project in Vanderburgh County to \$250,000 (the same threshold that applies to all other units except Marion County). Deletes a provision restricting an airport development zone in Vanderburgh County to the airport and up to three square miles of area outside of the airport. Removes the provision specifying that a tax increment financing "allocation area" may not be established by an airport development zone in Vanderburgh County. Allows an airport authority board in Vanderburgh County to amend a resolution designating an airport development zone to include a provision with respect to the allocation and distribution of property taxes. Specifies requirements for approval of the amendment by county and municipal authorities. Deletes provisions concerning enterprise zone inventory property tax credits in airport development zones in Vanderburgh County. Authorizes the establishment of an airport development zone in Delaware County.

Author: Vaneta Becker

Sponsor: Suzanne Crouch

Transportation

Public-private Agreements for Transportation - HEA 1008; P.L. 47-2006

(Additional information may be found at www.citiesandtowns.org)

Among several other provisions including \$150 million to local government for road projects, amends the current laws concerning toll roads and tollways and adds new provisions to authorize: (1) the Indiana finance authority (IFA) to enter into public-private agreements with private entities (operators) concerning toll road projects; and (2) the Indiana department of transportation (INDOT) to enter into agreements with operators concerning tollway projects, roads, and bridges. Provides that the IFA may not enter into an agreement after August 1, 2006, if the agreement would authorize the imposition of tolls unless a statute authorizing the imposition of tolls is enacted. Provides that INDOT may not enter into an agreement concerning a project other than I-69. Prohibits the IFA, INDOT, or an operator from: (1) carrying out construction for I-69 in certain townships; (2) imposing tolls on a highway between Martinsville and Indianapolis; or (3) establishing a tollway (except on part of I-69); unless a statute authorizing that construction, tolling, or tollway is enacted. Deletes the requirement for certain payments to the northwest Indiana regional development authority (RDA) from toll road revenues or the state general fund. Provides that property leased or acquired by an operator for a public-private project is exempt from property taxes. Provides that the remaining money in the toll road fund is to be distributed to the major moves construction fund. Establishes the major moves construction fund and provides for distributions from that fund for various purposes. Provides that the total amount of distributions from the major moves construction fund for projects or purposes that benefit counties traversed by the Indiana toll

road may not be less than 34% of the money transferred to the major moves construction fund from the toll road fund plus money held in escrow for certain toll reductions. Provides that the budget agency is responsible for determining the amount necessary to comply with the 34% requirement. Permits LaPorte County council to join the RDA if the county council and the city council of Michigan City adopt ordinances before September 15, 2006, providing that they are joining the RDA. Requires LaPorte County and Michigan City to make annual payments to the RDA. Provides that LaPorte County and Michigan City may use all or a part of their distributions from the major moves construction fund to pay their required contributions to the NIRDA. Permits LaPorte County to use economic development income tax (EDIT) revenue to pay the county's contributions to the RDA provides that revenue from any increase in the county's EDIT rate must be used for that purpose. Makes technical corrections and conforming amendments.

Author: Randy L. Borrer

Sponsor: Robert L. Meeks

Professional Investigation Funds - HEA 1220; P.L. 177-2006

Establishes fees to be assessed against registered: (1) architects and landscape architects; (2) land surveyors and land surveyors in training; and (3) professional engineers and engineering interns; at the time of issuance and renewal of certificates of registration, and requires the fees to be deposited in the investigative funds for the respective professions. Provides that the investigative fund fees for real estate brokers, salespersons, and appraisers may not exceed twenty dollars (\$20).

Author: Scott Reske

Sponsor: Robert L. Meeks

Extra Heavy-duty Highway - SEA 154; P.L. 17-2006

Designates part of State Road 39 as an extra heavy-duty highway.

Author: Victor Heinold

Sponsor: Steven Heim

Utilities

Contracts for Public Water and Wastewater Projects - HEA 1076; P.L. 168-2006

Includes water and wastewater, in addition to energy, under the guaranteed savings contracts and utility efficiency programs that may be used by local units of government to reduce consumption and usage costs or to provide billable revenue increases.

Author: William C. Friend

Sponsor: Brandt Hershman

Telecommunications - HEA 1279; P.L. 27-2006

(Additional information may be found at www.citiesandtowns.org)

Among several other provisions, provides that the Indiana finance authority shall determine underserved areas within Indiana for purposes of the Indiana broadband development program. Provides that after June 30, 2006, the IURC is the sole franchising authority for the provision of video service in Indiana. Preserves the manner of determining gross revenue and franchise fee percentages set forth in existing local franchises. Prohibits the IURC from requiring a multi-channel video programming distributor to pay any fee or charge, other than a franchise fee paid to a local unit, as a condition of receiving or holding a state certificate of franchise authority. Provides that the holder of a state issued franchise must comply with state and local laws governing the use of rights-of-way. Provides that such laws may not: (1) discriminate against a provider based on the technology used to deliver service; or (2) allow a video service system owned or operated by a local unit to use rights-of-way on more favorable terms. Prohibits the IURC from requiring a provider to satisfy any build-out requirements. Allows the holder of a local franchise on June

30, 2006, to: (1) continue providing service under the local franchise until the local franchise expires; or (2) terminate the local franchise and apply to the IURC for a state issued franchise. Provides that a provider that terminates a local franchise remains subject to any obligations owed to a private person under the franchise until the time the terminated franchise would ordinarily expire. Prescribes requirements concerning public, educational, and governmental channel capacity and financial support. Provides that a video service provider in a unit that has an existing, a terminated, or an expired local franchise is required to continue providing institutional network capacity and video service to community public buildings until January 1, 2009, or until the local franchise will expire or would have expired, whichever is later. Prohibits a provider from denying access to video service to any group of potential subscribers based on income. Requires the IURC to adopt rules to establish the Indiana Lifeline assistance program to provide reduced charges for basic telecommunications service for eligible customers. Requires the IURC to collect, on at least an annual basis, certain data concerning the build out of video service infrastructure in each metropolitan statistical area in Indiana during the period beginning July 1, 2006, and ending June 30, 2010. Requires the IURC to include the data collected in the IURC's report to the regulatory flexibility committee due July 1, 2010. Requires the IURC to: (1) conduct an analysis of retail and wholesale rates charged by the telecommunications industry in Indiana; and (2) make a record of each instance of predatory pricing identified; for the period beginning July 1, 2006, and ending June 30, 2008. Requires the IURC to report its findings to the legislative council not later than November 1, 2008. Repeals superseded statutes.

Author: Michael B. Murphy

Sponsor: Brandt Hershman

Video Service Franchises - HEA 1315; P.L. 183-2006

Provides that the obligations owed to private persons by a video service provider that terminates a local franchise in order to obtain a state-issued franchise do not include obligations: (1) arising out of the terminated local franchise; or (2) based on the gross income received by the provider in the service area covered by the terminated local franchise.

Author: Jeffrey Thompson

Sponsor: Sue Landske