

**Indiana Advisory Commission on Intergovernmental Relations**

**Tuesday, June 5, 2012**

**1:00 P.M. to 3:00 P.M.**

*Emelie Building*

*Education Center (First Floor)*

*334 N. Senate Avenue*

*Indianapolis, Indiana*

**MINUTES**

**CALL TO ORDER/WELCOME**

Chair Beverly Gard called the meeting to order at approximately 1:05 P.M. She welcomed the group and thanked them for being there. Attendance is shown in Attachment A.

**MEETING AGENDA**

- Call to Order/Welcome/Introductions Chair Beverly Gard
- Approval of Minutes of November 15, 1011 and Notes of December 7, 2011 Chair Beverly Gard
- Approval of *Report to the Indiana General Assembly: Emergency Dispatch/911 Structure and Funding Fire Districts and Fire Territories* Chair Beverly Gard
- Upcoming Legislative Assignment: Study Local Government Responsibilities for 911 and Dispatch Services John L. Krauss
- Briefing on 2012 Legislation Affecting Local Government Deborah Driskell, ITA  
Andrew Berger, AIC  
Stephanie Yeager, IACC  
Rhonda Cook, IACT
- Discussion of 2012 Legislation Chair Beverly Gard  
IACIR Membership
- Update on 2012 IACIR Survey of Local Elected Officials Jamie Palmer
- Appointments John L. Krauss  
Jamie Palmer
- Next Meeting: Monday, June 18, 2012, 1:00-3:30 pm. Chair Beverly Gard
- Adjournment Chair Beverly Gard

**APPROVAL OF MINUTES NOVEMBER 15, 2011 AND NOTES OF DECEMBER 7, 2011**

Senator Gard asked the Commission to review the minutes/notes from the two previous meetings. Approval was unanimous for both.

**APPROVAL OF REPORT TO THE INDIANA GENERAL ASSEMBLY: EMERGENCY DISPATCH, 911 STRUCTURE AND FUNDING FIRE DISTRICTS AND FIRE TERRITORIES**

Senator Gard asked the Commission to approve the Report to the General Assembly. The report approved unanimously.

**UPCOMING LEGISLATIVE ASSIGNMENT: STUDY LOCAL GOVERNMENT RESPONSIBILITIES FOR 911 AND DISPATCH SERVICES**

John Krauss announced that the IACIR had been assigned to complete additional study of 911 issues (SEA 345).

Mr. Krauss said that Senator Hershman was at the last meeting. He received good input from the commission on 911 issues and as a result he added language that assigned the next round of study to the IACIR.

**BRIEFING ON 2012 LEGISLATION AFFECTING LOCAL GOVERNMENT**

Senator Gard introduced Debbie Driskell with the Indiana Township Association.

Ms. Driskell began with a description of *HEA 1005 Nepotism and Conflicts of Interests* (Attachment B). The ITA is concerned about the provision that states “an individual is considered to have resigned as a government employee when the individual assumes an elected office of the unit that employs the individual.” This provision, unfortunately, applies to volunteer firefighters. They are concerned that this provision may result in volunteers leaving the fire service, further reducing the number of volunteers in many communities.

Ms. Driskell briefly discussed *SEA 345 Statewide 911 System*. She then talked about *HEA 1003 Public Access Issues* which requires public agencies to allow inspection or copying of public records within a reasonable time after the request is received, and *SEA 193 Local Elected Officials* which requires candidates for local office to file a statement of economic interest.

Senator Gard recognized Andrew Berger with the Association of Indiana Counties next.

Mr. Berger gave a legislative summary from the Association of Indiana Counties’ perspective (Attachment C). A major legislative effort was the 911 system (SEA 345). Funding was addressed. Each county is guaranteed their current funding (hold harmless clause). The membership of the state wireless board has been adjusted to include more representation from local elected and public safety officials. The legislation requires additional study of responsibilities.

He continued by explaining that SEA 147 now requires post-election training for county treasurers and county auditors. Previous legislation established that county coroners and the county assessor must have pre-election training.

John Krauss asked how long the training is.

Mr. Berger said it depends on the office. In the first year, 15 hours, and the next three years is 30 hours. Surveyors must have 25 hours in the first two years.

Mr. Berger continued saying that local purchasing preferences will be made a local option (SEA 109). Nepotism and conflict of interest (HEA 1005) requirements can be accomplished by ordinance or resolution. Office holders must disclose to the State Board of Accounts, legislative body, and county clerk. HEA 1195 reduces frivolous appeals by imposing a \$50 penalty for failure to follow the timeline for Property Tax Appeal Board of Account (PTABOA) hearings. He reminded the members that interest on appeals is born by the county. SEA 147 changes the interest rate on tax refunds and interest on payments to the County Treasurer to a market rate set each year based on the investments by the State Treasurer.

Regarding tax collections and tax sales, Mr. Berger said HEA 1090 would allow counties to establish an amnesty period for penalties and interest if delinquent tax liability, due prior to January 1, 2012, is paid and taxes and special assessments due and payable prior to July 1, 2012 are paid. Amnesty period expires July 1, 2012. SEA 293 will phase out inheritance tax over a nine-year period with the state fiscal year beginning July 1, 2018. Other tax provisions including property taxes and miscellaneous revenue in county general funds are eligible for county highway expenses (SEA 98). Also, a taxpayer is allowed to appeal determination of homestead (HEA 1072).

He further explained that HEA 1003 requires that if units currently post meetings on websites or adopts a policy to do so, they must keep notice up-to-date on the local unit's website or individual emails to all who request being on emailing list.

Regarding binding and non-binding budget review, he indicated that HEA 1072 clarified deadlines for submitting budgets to the county council and for releasing reviews. It also clarified that all non-elected boards are subject to binding review, except libraries, that are still only binding if they exceed Assessed Value Growth Quotient (AVGQ).

Senator Gard said that she fought for libraries to have non-binding review. She believes that 60 percent of county councilmen do not know how libraries work. The limits on binding review helps to avoid arbitrary cuts.

Mr. Larry Hesson added that the potential effects of hitting the tax caps is not subject to review. They affect all units in the county. At some point there is oversight needed to determine the effect of tax caps.

Senator Gard recognized Stephanie Yeager, Executive Director of the Indiana Association of County Commissioners (IACC).

Ms. Yeager presented her organization's perspectives regarding 2012 legislation affecting local government. She said that IACC is working with counties to establish sample nepotism ordinances. The new law requires ordinances by July 1, 2012.

She agreed that SEA 345, addressing 911, was an important bill. She indicated that the dollar amount guaranteed (hold harmless clause) may have an increase. The statute also requires the county to report statistics to the 911 board.

She added to the previous discussion about training required of county officials. County commissioners are required to attend road school. There also is a three-day annual conference held by the State Board of Accounts that county councils are required to attend.

She indicated that there has been increasing interest in tools to address abandoned properties and properties that go to tax sale. One tool is land banks. HEA 1249 asked for a study committee but it does not appear that this topic was assigned by the Legislative Council to a study committee.

She said that the main goal is SB 98 for highway funding passed and gave counties the ability to use property taxes for roads.

Representative Tom Saunders said that the biggest obstacle is highway funding. If you are going to have any economic development you must have infrastructure.

Ms. Yeager indicated that the Indiana Local Technical Assistance Program has studied road and street needs and funding. You can see more on the IACC website, <http://www.indianacountycommissioners.org/>

Rhonda Cook presented on behalf of the Indiana Association of Cities and Towns (Attachment D). She said that 175 bills passed after the first half of the session was devoted to the Right to Work issue.

Ms. Cook focused on a few additional provisions of HEA 1005. She pointed out the contracting provision, “a unit cannot contract or renew a contract for goods or services with a relative or a business entity that is wholly or partially owned by a relative of the executive (mayor) or legislative branch (council member) without disclosure.” Therefore you must disclose even if a relative owns AT&T stock. This piece of legislation creates a huge paper trail.

She indicated that for *HEA 1149 Smoking Ban* funding is being sought to place “no smoking” signs.

Ms. Cook said there are many unknowns about the *HEA 1126 Extraterritorial Water/Sewer Rates*.

Ms. Cook said IACT is opposed to *SEA 132 Water Utility Resource Data* because it undermines local control.

Senator Gard spoke about SEA 132. She indicated that the bill supports the Great Lakes Compact which protects quality and quantity of water resources. In the future, Indiana may face challenges with water quantity in Indiana. The first step was finding where Indiana stands with water resources. The Indiana Utility Regulatory Commission could look at data. We see the Department of Natural Resources in a greater role to deal with this issue. This bill says that an aquifer is not considered a water course. The law does not affect laws on books for years. You might find that aggressive communities could put manufacturing and agriculture out of business.

Ms. Cook suggested that the law could be tweaked to describe who is the harming party – local government or industry?

Senator Gard said that free enterprise allows the private sector to own water companies, too. This law was intended to deal with “what-ifs.”

Ms. Cook spoke about SEA 273 which deals with outdoor staging equipment that resulted from the 2011 State Fair tragedy. One of the things this bill provides is that the Fire Marshall will inspect all things regarding outdoor staging.

**DISCUSSION OF 2012 LEGISLATION**

Mayor Norm Yoder said that being in local government was not as much fun as it was. We have less revenue and more mandates. Without resources, flexibility is meaningless. Mayor Yoder is concerned that the pendulum will finish its swing and quality of life will diminish.

Senator Gard said that it isn't as much fun for legislators either. She agreed that there are more challenges and that the public often does not have the willingness to pay to solve these problems.

Representative Saunders said that people do not want taxes but they still want services.

Senator Gard mentioned one of her foci for the session was exploring the disparities in spending across solid waste districts. The Commission on Tax and Fiscal Policy will look at these issues and report. The state's new data gateway will support ongoing funding transparency.

She also mentioned HEA 1117 and a similar bill HB 1225. She said this bill did not make everybody happy but it did strike a balance. HEA 1117 provides "that if a non-for-profit sewer utility (utility) uses eminent domain to acquire an easement or right-of-way, the easement or right-of-way may not exceed 50 feet." It also allows flexibility to the property owner regarding connection.

**UPDATE ON 2012 IACIR SURVEY OF LOCAL ELECTED OFFICIALS**

Jamie Palmer gave an update on the 2012 survey of local elected officials. She talked about what kind of issues and questions are appropriate to the Survey (Attachment E). She looks for questions that will provide new information on issues.

Mr. Krauss said the survey is a balance of standard questions that are asked each time and questions about current "hot topics." He is always surprised at the response rate which has been 40-50 percent in past years.

Representative Saunders said it might be interesting to ask what services they are receiving from the local governments: fire department? police department? trash pick-up? etc.

Senator Gard said training of officeholders in 1975 was through the Academy of Public Service. At Ball State University, there was a comprehensive program for mayors and councilors, etc. They received a certificate and it was funded by Lilly.

John Krauss said that IACT has collaborated with SPEA Executive Education for a mayors' institute. There is a definite need but no dedicated funds to support ongoing training.

Representative Mike Karickhoff suggested that SEA 345 regarding 911 should be emphasized on the survey. There is a need for adequate information about support of funding and revenue streams.

Ms. Palmer said the survey would be sent out after July 4, 2012.

**APPOINTMENTS**

John Krauss gave a brief overview of IU PPI. Policy Choices for Indiana's Future is well received. We have met with gubernatorial candidates and there are many op-ed pieces published around the state. The Former Chief Justice is on board as our Executive in Residence in order to continue to better Indiana in a non-partisan way.

The commission will receive new appointments in June/July. Members interested in staying on should contact their appointing official: Speaker of the House or Senate President Pro Tem.

**SET NEXT MEETING**

The next meeting is set for Monday, June 18, 2012, 1:00-3:30 p.m. *This meeting was subsequently cancelled.*

**ADJOURNMENT**

Senator Gard adjourned the meeting adjourned at 2:55 p.m.

**APPROVAL**

*These minutes were approved by a unanimous vote of the commission on August 23, 2012.*