

IACC 2009 LEGISLATIVE SUMMARY

HB1001-Budget bill-Special Session

- **General Reassessment Delayed** - Delays start of general reassessment until July 1, 2010 (effective on passage) Sec. 85
- **Family and Children Fund and Children's Psychiatric Residential Treatment Services Fund excess balances available for County Rainy Day Fund** -Allows councils to transfer (by resolution) any excess balance from county family and children fund and fund from the levy excess fund to the county rainy day fund. If aggregate amount in fund exceeds \$10,000,000 then the money is distributed to units in the county. Sec. 476, 477

New Budget Adoption Timeline

The budget includes the provision to move the unit budget adoption deadline from September 30 to November 1. Also, the bill moves the proposed budget advertisement (Budget Form 3) deadline to September 2 and September 9 rather than August 2 and August 9, Effective July 1, 2009.

Referenda Changes

- Defines eligible voter
- Defines language of ballot question and clarifies that the election board certifies the question
- Certification of question must occur 60 days before primary or by August 1 before a general election
- Referenda must occur on the regularly scheduled election dates. Units may request that in the non-election year a special election be held but the dates must be the regular May and November election days and the unit will pay the costs of the election. For 2009, this applies only for question certified after July 1.
- A unit may withdraw public question (by resolution) until 49 days before the scheduled election. Sect. 142-146

Other Assessing Provisions

- Mobile and manufactured homes will be defined as inventory (untaxed) if they are unused and held for sale by owner of mobile home community (effective Jan. 1, 2010) Sec. 84
- DLGF will conduct trending if assessor fails to send data to the Auditor by July 2 and 180 days have elapsed. Sec. 86
- DLGF also a party to any addendum to assessment contracts (effective Jan. 1) Sec. 88 and 87
- Changes to golf course assessment (effective July 1) Sec. 89
- DLGF can use assessment fund for data base management Sec. 91
- Abandoned mobile homes who value is less than the taxes owed may submit application to destroy home to assessor and (if certified)the auditor will waive the property taxes, special assessments, interest, penalties, and costs on that property (effective Jan. 1 2009 - retroactive) Sec. 92
- Clarifies for certain businesses fixed property is real property and tangible personal property is distributive property (effective March 1, 2010). Sec. 93-105
- Changes appeals by assessors of industrial property assessments (effective March 1, 009 - retroactive) Sec. 105, 106
- Changes application by tax exempt property for continued exemptions (effective on passage) Sec. 107
- Changes burden of proof to the county assessor on property where assessment has increase by more than 5%. (effective July 1, 2009). Sec. 111
- Deletes 6 month deadline for appeal of personal property assessments for public utility companies. (effective March 1, 009 - retroactive) Sec. 112

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- Changes make-up of PTABOA. Allows counties to select a three member or five member board with appointments by both the council and commissioners. Assessor now a non-voting member. Sec. 166

Other County Council Provisions

- DEADLINES for Budget Review of other Units. Units must submit budgets to county councils 45 days before the rate and levy are set and the council must submit recommendations back to unit 15 day before that unit sets its rate and levy. If either the unit or council does not complete these tasks they will lose any growth in levy in the next year. Sect. 114 - 115
- Conservancy Districts, Solid Waste Districts and Fire Protection Districts are under binding review by county council. Sec. 124
- Extends LOIT adoption date for 2009 to Nov. 1 with varying effective dates based on date of the passage of the ordinance. Sec. 482

Other Provisions for Auditors

- Deadline for Mortgage Deduction and Homestead Deduction now January 5 of year after the year in which the person is eligible for the deduction. Makes other changes including grandfathering eligible business entities for the homestead deduction. (effective July 1, 2009) Sec. 108-110
- "1782 period" now 10 days instead of 14 days. (effective July 1, 2009) Sec. 123
- Distribution to school corporations payments of delinquent property taxes from past school general fund levies. (effective on passage) Sec. 165
- Makes failure to file information with the DLGF under 6-1.1-4-42 a Class A misdemeanor (effective July 1, 2009) Sec. 173
- Changes distribution of CVET (January 1, 2009 -Retroactive) Sec. 240

Other Provisions for Treasurers

- Makes changes to provisional bills for cross county units where one county is delayed in its billing. Sec. 159 - 164
- Technical correction involving Sheriff's foreclosure sale - Sheriff at foreclosure sale will still collect back taxes (effective July 1, 2009) Sec. 390

Other Clerk Provisions

- SVRS Funding - \$512,500.00 per year has been dedicated to SVRS Funding for Voter List Maintenance. Secretary of State Todd Rokita asked for \$2.5 million per year, it was not granted and the consequences are yet to be determined. Sec. 3
- Loan for counties losing voting machines to natural disaster. Sect. 150
- Referenda for Northern Indiana Regional Transportation District - Effects Lake, LaPorte, Porter and St. Joseph Counties. A public question on the creation of the northern Indiana regional transportation district and whether a county should be included as a member shall be submitted to the registered voters of each of the following counties at a special election held on November 3, 2009. Sect. 282
- JTAC.
- JTAC fee remain at \$7
- The clerk of a circuit court shall distribute semiannually to the auditor of state as the state share for deposit in the homeowner protection unit account one hundred percent (100%) of the automated record keeping fees collected in respect to actions resulting in the accused person entering into a pretrial diversion program agreement under IC33-39-1-8 or a deferral program agreement under IC34-28-5-1

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HB 1014 Age Discrimination-Employee Policies

- Increases the cap on age discrimination claims from 70 years of age to 75 years of age.
- Repeals a provision that prohibits the Commissioner of the DOL from publicizing age discrimination proceedings.
- No local expenditures or revenues.

HB 1033 Renewable Energy Contracts

- *Renewable Energy*: Requires the State Utility Forecasting Group to evaluate potential renewable energy generation opportunities from biomass and algae production systems. Requires the Department of Agriculture to facilitate the use of biomass and algae production systems to generate renewable energy.
- *Guaranteed Energy Cost Saving Contracts*: Provides that the maximum term of a guaranteed energy cost savings contract or utility efficiency program is 20 years.
- *Design-Build Contracts*: Amends the statute governing local public works projects to provide that a political subdivision or its agencies may: (1) participate in a utility efficiency program; (2) enter into a guaranteed savings contract; and (3) enter into a design-build contract instead of awarding a public works contract.
- *Conservation Measure*: Provides that the term "conservation measure" includes the installation of insulation in a political subdivision's facility, not just a school facility.

Local Expenditures:

- *Guaranteed Energy Cost Saving Contracts*: Will allow local units to fund larger energy savings projects through the use of an energy savings contract or participate in a utility efficiency program. Currently, an energy savings contract must include a guarantee from the provider that the energy cost savings and or operational cost savings from the project will meet or exceed the cost of the project not later than 15 years from the date the installation is completed. The energy savings projects or energy contracts relating to the alteration of water or wastewater could be about 1 1/3 times the size of current projects, and other efficiency programs could be about 2 times the size of current programs.
- *Design-Build Contracts*: Could reduce local government public work project costs if the design-build contract was cheaper than a traditional public works project. The savings would depend on the project.
- *Conservation Measure*: The impact of allowing local governments to participate in utility efficiency programs or enter into guaranteed savings contracts could also reduce locals' costs. Energy savings contracts are paid from the reduction in energy costs resulting from the project.

HB 1162 Environmental Matters

- *IDEM Permits*. Provides that if a person has been issued a permit by the Department of Environmental Management (IDEM) to construct, install, or operate a facility, equipment, or a device, the person may not start the construction, installation, operation, or modification of the facility, equipment, or device until the person has obtained any approval required by any county, city, or town in which the facility, equipment, or device is located; and (2) the approval referred to is an approval required by ordinance, rule, or regulation in effect at the time of the permit application.
- *Regional Water, Sewer, or Solid Waste District*. Allows the board of a regional water, sewer, or solid waste district to adopt an ordinance allowing payment of certain claims in advance of board allowance.

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- *Expansion of Remediation Factors.* Expands the application of remediation and closure goals, objectives, and standards. Eliminates the authority of IDEM to approve environmental restrictive covenants, delineates the authority of IDEM to enforce covenants. Requires IDEM to review and act on activities and land use restrictions proposed as part of certain actions to be included in a restrictive covenant.
- *Liability.* Provides that a covenant not to sue does not apply to future liability for a condition on property involved in a voluntary remediation work plan only if the condition was present on the property at the time IDEM issued the certificate of completion.
- *Certificate of Completion.* Allows IDEM to include in a certificate of completion or a covenant not to sue conditions that must be performed or maintained after issuance of the certificate or covenant.
- *Local Ordinances.* With respect to local ordinances that establish certain land use restrictions, the bill requires that a municipal corporation give notice to IDEM not later than 60 days before amendment or repeal and to IDEM not later than 30 days after passage, amendment, or repeal. Allows IDEM to waive the 60 days notice requirement. Requires IDEM to consider and give effect to environmental restrictive ordinances in evaluating risk-based remediation proposals. Remediation and closure goals, objectives, and standards for all remediation projects conducted under hazardous waste management, UST, petroleum, and Hazardous Substances Response Trust Fund statutes must be consistent with the remediation objectives applicable to voluntary remediation work plans. Adjusts the circumstances under which additional action is not necessary after creation of a voluntary remediation work plan and the factors on which risk-based remediation objectives based on site-specific risk assessments must be based. Requires IDEM to consider and give effect to environmental restrictive covenants in evaluating risk-based remediation proposals.
- *Total Maximum Daily Load (TMDL) for a Pollutant.* Requires IDEM in the establishment of the total maximum daily load for a surface water to make every reasonable effort, when IDEM identifies the surface water, to identify the pollutant under consideration for the establishment of the TMDL. Establishes procedures IDEM must follow if IDEM (1) is unable to identify the pollutant and later identifies one or more pollutants; or (2) identifies the pollutant and later identifies one or more other pollutants.
- *Repeal of Exceptional Use Water.* Provides that each exceptional use water designated by the Water Pollution Control Board (WPCB) before June 1, 2009, becomes an Outstanding State Resource Water on June 1, 2009, by operation of law. Repeals the definition of exceptional use water, and eliminates all references to that term. It specifies the categories of regulation for all waters of the state.
- *Adoption of Rule for Antidegradation Standards.* For all waters of the state, IDEM is required to complete an antidegradation review of the rules of the WPCB that authorize National Pollutant Discharge Elimination System (NPDES) general permits. Permits the WPCB to modify those rules for purposes of antidegradation compliance. After an antidegradation review of a rule is conducted, activities covered by an NPDES general permit authorized by that rule are not required to undergo an additional antidegradation review. Provides that an NPDES general permit may not be used to authorize a discharge into an Outstanding National Resource Water (ONRW) or an Outstanding State Resource Water (OSRW), except that a short-term, temporary storm water discharge to an ONRW or to an OSRW may be permitted under an NPDES general permit if the IDEM commissioner determines that the discharge will not significantly lower the water quality downstream of the discharge. Establishes the factors the IDEM commissioner must consider in antidegradation reviews for certain NPDES permits. Establishes a deadline for IDEM to complete the antidegradation review and to act on applications for approval of associated NPDES permits. Allows the IDEM commissioner to extend for cause for not more than 90 days the deadline for IDEM to adopt antidegradation standards and implementation procedures.
- *Environmental Quality Service Council (EQSC).* Requires the IDEM commissioner to annually report to the EQSC plans for the use and implementation of the OSRW Improvement Fund and the balance in the fund. Requires the EQSC to study (1) the advisability of establishing an institutional control registry and environmental trust fund; and (2) the feasibility of incorporating

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notice of restrictive covenants and environmental restrictive ordinances into the "One Call" system.

Local Expenditures

- *Permits.* The proposal could result in additional administrative expenses for a local unit if the local unit would not have acted on the permit were it not for the fact that the local unit is required to be notified under the provisions of the bill.
- *Regional Water, Sewer, or Solid Waste District.* The bill allows the fiscal officer of the district to make claim payments in advance of board allowance for certain kinds of expenses. This provision could result in improved efficiency of payments from districts.
- *Local Ordinances.* With respect to local ordinances that establish certain land use restrictions, the bill requires that a municipal corporation give notice to IDEM not later than 60 days before amendment or repeal and to the IFA and IDEM not later than 30 days after passage, amendment, or repeal. The bill allows IDEM to waive the 60-day notice requirement. The impact of this provision is indeterminable.

HB 1165 Public Safety Survivors

- Exempts the children of a public safety officer who is killed in the line of duty from the payment of tuition and regularly assessed fees for up to eight semesters at a state educational institution or technical school. Provides that the exemption applies to a child who is younger than 24 years of age on the date of the public safety officer's death, and limits the amount of the exemption to the cost of an undergraduate credit hour at the state educational institution or technical school where the child enrolls.
- No local expenditures or revenues.

HB 1182 Health Care Services for County Prisoners

- Specifies reimbursement and other requirements related to the provision of health care services to certain county prisoners.

Local Expenditures:

- *Reimbursement for Health Care Services:* Any change in health care expenditures that counties spend on jailed inmates will depend on the arrangements that sheriffs in each county may currently have. Sheriffs with no contractual arrangements with health providers will generally be paying "billed charges" based on services rendered. These billed charges are the highest amount that the health care provider charges for supplies and services.
- Requires counties to reimburse medical expenses incurred by certain lawfully detained individuals who either do not have private insurance or are unwilling to pay for their own health care services. The reimbursement rate paid for medical expenses depends on whether the expenses are reimbursable under the Medicare program. For medical expenses where there is a federal Medicare reimbursement rate, the county is responsible for the federal reimbursement rate plus an additional 4%. If there is no federal Medicare reimbursement rate for a medical service, the county shall reimburse the health care provider an amount equal to 65% of the amount charged for the service.
- Presumably, sheriffs who do not have contractual arrangements for any type of discounted payment will pay less than the billed charge for inmate health care and thus save money under the bill.
- LSA has no data concerning any contractual arrangements that sheriffs may have with health care providers. Some arrangements may allow them to pay health care rates that are less than the formula stated in this bill. While this bill would not affect any existing contracts, any contracts effective after July 1, 2009, could not have payment rates less than what is described in this formula.

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HB 1205 Injured Volunteer Firefighter

- Provides that the state, a political subdivision, or a private employer may not discipline an employee who is a member of a volunteer fire department and who is injured or absent from work because of an injury that occurs while the employee is engaged in emergency firefighting or emergency response activities.
- Provides that the employer may require the injured employee to provide evidence from a physician or other medical authority showing: (1) treatment for the injury at the time of the absence; and (2) a connection between the injury and the employee's emergency firefighting or emergency response activities. It requires the employer, to the extent required by federal or state law, to retain information about the injury in a separate medical file and to treat the information as a confidential medical record.
- Allows an injured employee to use sick leave when the employee is absent from work because of an injury that occurs while the employee is engaged in emergency firefighting or emergency response activities.
- Requires an employer to administer the absence in a manner consistent with the federal Family and Medical Leave Act.
- No local expenditure or revenues.

HB 1285 Various Gaming Matters

- *Social Security Number Submission*: Specifies that the Gaming Commission may require an individual to submit the individual's Social Security number in the course of an investigation.
- *Gaming Facility Trusteeships*: Requires licensed owners, operating agents, permit holders, and applicants to submit a proposed power of attorney to the Gaming Commission. Provides that the power of attorney must designate a trustee to operate the principal's riverboat or slot machine facility on behalf of the principal if certain events occur. Provides that the Gaming Commission must approve the trustee and the powers delegated to the trustee in the power of attorney.
- *Supplier's Licenses*: Consolidates licensing requirements for riverboat and slot machine facility suppliers and increases the suppliers' initial license fees and annual renewal fees from \$5,000 to \$7,500.
- *Occupational Licenses*: Authorizes the Gaming Commission to issue an occupational license that is valid for one, two, or three years after the date of issuance.
- *Gaming Integrity Fund*: Transfers duties concerning the Gaming Integrity Fund from the Gaming Commission to the Horse Racing Commission.
- *Donations to School and Community Foundations*: Provides that a unit that receives County Slot Machine Wagering Fee revenue shall establish a fund, separate from the unit's General Fund, into which the revenue shall be deposited. Provides that County Slot Machine Wagering Fee Revenue (as well as riverboat gaming revenue, under current law), may be donated to a public school endowment corporation or a charitable nonprofit community foundation under certain conditions.

Local Revenues:

- *Donations to School and Community Foundations* - Allows Madison County, Shelby County, and cities and towns in each county to donate revenue from the County Slot Machine Wagering Fee to a charitable nonprofit community foundation or a public school endowment corporation. Allows a school corporation that receives revenue from the fee under a revenue-sharing agreement with one of the counties, or a city or town, to donate that revenue to a charitable nonprofit community foundation. Current statute provides the same authorization to local units receiving revenue from the Riverboat Admissions Tax or the Riverboat Wagering Tax. The extent that such donations would occur as a result of the bill are unknown.

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- Requires a local unit that receives County Slot Machine Wagering Fee revenue or receives money under a revenue sharing agreement with another local unit that receives County Slot Machine Wagering Fee revenue to establish a separate fund in which the fee revenue is to be deposited. Provides that the money in this separate fund may be used for any legal or corporate purpose of the local unit.
- *Background Information:* The County Slot Machine Wagering Fee is equal to 3% of the Adjusted Gross Receipts (AGR) generated by the slot machine facilities at Hoosier Park and Indiana Downs. AGR is the total wagering receipts generated by the slot machines minus the amount paid out in winnings to gamblers. Madison County receives the fee revenue generated at Hoosier Park, and Shelby County receives the fee revenue generated at Indiana Downs. The fee revenue is divided on a per capita basis between the county receiving the revenue and cities and towns within that county.
- It is estimated that the fee could generate about \$5.8 M in FY 2010 and \$6.0 M in FY 2011 for Madison County; and about \$4.8 M in FY 2010 and \$4.9 M in FY 2011 for Shelby County. These estimates are based on the Revenue Technical Committee's December 11, 2008, forecast for revenue from the State Slot Machine Wagering Tax. During the first seven months of FY 2009, distributions of fee revenues have totaled about \$3.3 M to Madison County and about \$2.8 M to Shelby County.

HB 1331 Body Armor for Police Officers

- *Replacement of Body Armor-* Provides that a city, county, or town shall provide an active member of the police department of the unit with body armor for the torso. Requires a unit to replace armor according to the replacement period recommended by the manufacturer of the armor.
- *Cumulative Capital Improvement Funds-* Provides that a unit cumulative capital improvement fund may be used to purchase body armor for active members of a police department.

Local Expenditures:

- *Replacement of Body Armor-* Has an indeterminable impact on local expenditures. The impact will depend on the amount of replacement body armor needed as of the effective date of the bill, the amount of which is unknown. The impact to local expenditures will also be affected by the availability of matching federal grants for body armor.
- *Cumulative Capital Improvement Funds-* Could designate funds for body armor that would otherwise have been designated for another capital improvement project. Gives the option to purchase body armor through these funds. Any impact to local expenditures would depend on local action. Units may or may not be able to establish a local levy capital improvement fund depending on their maximum levy amount and tax rates.
- *Background:* Federal Bulletproof Vest Partnership (BVP) Program- Local law enforcement agencies may apply to the federal government's BVP Program. During FY 2008, 108 local law enforcement jurisdictions were awarded approximately \$431,015 to purchase a *requested* 2,032 vests. Whether the funding was sufficient for the requested vest total is unknown.
- The BVP Program is a 50% matching fund for qualified vest purchases. In order to receive funds, local departments must complete an application and meet several standards, including the safety level of the vests purchased according to NIJ Standard 0101.04.
- Vest Cost- One supplier of body armor carries complete vests that range in cost from \$490 to \$840 per unit.
- Estimated Number of Local Law Enforcement Officers- As of May 2007, there were an estimated 10,710 to 10,760 local police and sheriff patrol officers on duty and 242 law enforcement jurisdictions in Indiana.

HB 1379 Unemployment Compensation and Labor Issues

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- *Oversight Committee*: Establishes the Unemployment Insurance Oversight Committee to: (1) oversee the Department of Workforce Development's (DWD) administration of the unemployment insurance system; (2) recommend improvements in the collection of contributions and reimbursements and in the determination of eligibility for and the payment of unemployment benefits; (3) monitor the Unemployment Insurance Benefit Fund; and (4) make recommendations to improve the solvency of the Fund.
- *Reimbursable Employers*: Provides that reimbursable employers pay only the portion of extended benefits not reimbursed by the federal government.
- *Employer Premiums*: Increases the taxable wage base from \$7,000 to \$9,500.
- Expands the definition of an "employing unit" to include all forms of legal entities.
- Adds restrictions on an employer's ability to create a new experience account for purposes of reducing the employer's contribution rate. Phases out the current tax rate schedule, and provides a new tax rate schedule effective in 2010.
- Permits an employer with a debit reserve ratio to elect once, after December 31, 2009, and before January 1, 2012, to make a voluntary contribution to the fund and receive a credit to the employer's account equal to 250% of the amount of the voluntary contribution. Limits the credit to the amount necessary for the employer to attain the next lower contribution rate.
- *Benefits & Claims*: Requires that extended benefits be paid for at least 13 weeks after a determination that the state "on" indicator is in effect. Changes the "off" indicator to the maximum allowable under federal law. Provides an additional "on indicator" under which extended benefit periods may be triggered. Increases the total extended benefit amount payable to an individual for extended benefit periods beginning in a "high unemployment period". Specifies that the additional "on" indicator expires on the later of December 5, 2009, or the week ending four weeks before the last week for which federal sharing is authorized by the federal American Recovery and Reinvestment Act of 2009 (ARRA). Provides that for any weeks of unemployment beginning after February 17, 2009, and before January 1, 2010, an individual's eligibility period for extended benefits is considered to include any week that begins: (1) after the date as of which the individual exhausts all rights to emergency unemployment compensation; and (2) during an extended benefit period that began on or before that date.
- Provides that the term "effort to secure full-time work" includes submitting at least one application for work each week that the individual is claiming benefits. Provides that submitting an online application satisfies this condition. Permits the DWD to waive the job search requirement when an individual is: (1) attending training; (2) a job-attached worker with a specific recall date that is not more than 60 days after separation; or (3) using a hiring service, referral service, or other job placement service.
- Provides that as conditions precedent to the payment of benefits to an individual for benefit periods established on and after January 1, 2010: (1) the individual must have established, after the last day of the individual's last base period wage credits equal to at least 1.5 times the wages paid to the individual in the calendar quarter in which the individual's wages were highest; and (2) the individual must have established wage credits in the last two calendar quarters of the individual's base period in a total amount of not less than \$2,500 and an aggregate in the four calendar quarters of the individual's base period of not less than \$4,200.
- Provides that the definition of "discharge for just cause" includes the violation of a rule regarding attendance.
- Reduces the maximum benefit amount of an individual's current claim by 25% as a penalty for an individual's first separation from employment under disqualifying conditions or first failure to apply for or accept suitable work. Provides for additional reductions in an individual's maximum benefit amount of 15% for the second separation or failure and 10% for the third and each subsequent separation or failure.
- Provides that work is not considered unsuitable during the fifth through the eighth consecutive week of claiming benefits if the work pays not less than 90% of the individual's prior weekly wage work. Provides that work is not considered unsuitable after eight consecutive weeks of claiming benefits if the work pays not less than 80% of the individual's prior weekly wage.
- *Misconduct*: Expands the definition of "gross misconduct" for which an individual's wage credits are canceled. Provides that the employer has the burden of proof that a discharged employee's

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conduct was gross misconduct, and allows evidence that the employer filled or maintained the position or job held by a discharged employee after the employee's discharge. Permits evidence that a discharged employee has not been prosecuted or convicted for the conduct. Provides that if evidence is presented that an action or requirement of the employer may have caused the conduct that is the basis for the employee's discharge, the conduct is not gross misconduct. Provides that lawful conduct not otherwise prohibited by an employer is not gross misconduct. Deletes the requirement that a felony or a Class A misdemeanor may constitute gross misconduct only if the felony or misdemeanor is admitted by the individual or has resulted in a conviction.

- Expands the types of information a notice of a claim for Unemployment Benefits must provide.
- *Compliance Center*: Requires the DWD to establish an Unemployment Claims Compliance Center to investigate instances in which information provided by an individual who files a claim does not match information provided by the individual's base period employers. Charges half of the benefits paid to an employer's account if the employer fails to respond to a request by the Department for information necessary to make a determination concerning a claim and the employer eventually prevails in the appeal. Provides for a credit to the employer's account equal to the amount of any overpayment recovered.
- *Training*: Requires the DWD to provide annually certain training to all administrative law judges, review board members, and other individuals who adjudicate claims. Requires the DWD to regularly monitor the hearings and decisions of individuals who adjudicate claims to ensure that the hearings and decisions strictly comply with the law, and provides for DWD disciplinary action up to and including termination for an individual's failure to do so.
- *Processing Fee*: Authorizes the DWD to charge a reasonable processing fee not to exceed \$2 for records concerning an individual's last known employer that must be disclosed by court order.
- *Special Employment and Training Services Fund*: Requires the Unemployment Insurance Board to transfer from the Special Employment and Training Services Fund to the Unemployment Insurance Benefit Fund amounts in the Special Fund that exceed \$8.5 million.
- Establishes the Hoosier Workers First Training Program to allocate to employers or consortiums money for incumbent worker training grants that enable workers who reside in Indiana to obtain recognizable credentials or certifications and transferable employment skills that improve employer competitiveness.
- *Federal Stimulus Funding*: Requires the Commissioner of the DWD to: (1) Examine the annual cost of implementing changes to eligibility and other requirements of the state's existing unemployment insurance system in order to qualify for the maximum amount available to a state under the ARRA; (2) Compare the annual cost of implementing changes with the maximum amount available to the state under the ARRA as a result of making the changes; (3) Initiate the changes examined, unless the commissioner determines that the negative fiscal impact to the fund outweighs the benefits of the amounts available to the state under the ARRA and the expansion of eligibility and other requirements of the state's existing unemployment insurance system; and (4) Submit to the Legislative Council, the Unemployment Insurance Oversight Committee, the Speaker of the House of Representatives, and the President Pro Tempore of the Senate a report that: (1) Details the commissioner's actions, or the commissioner's decision not to initiate changes; (2) Recommends any legislation necessary to modify the state's unemployment insurance system in order for the state to qualify for amounts available under the ARRA; and (3) Analyzes the fiscal impact to the fund of the commissioner's actions, or decision not to initiate changes, and recommended legislation.
- *Repealers*: Repeals (1) expired employer rate schedules; (2) expired provisions concerning the Skills 2016 Training Program; (3) expired definition of "dependent"; and (4) a provision concerning witness fees.

HB 1434 Job Recruitment Grant for IEDC Organizations

- *Indiana Economic Development Corporation (IEDC)*: Requires the IEDC to administer the New Business Recruitment Grant Program. The IEDC will require additional staff time to adopt policies and guidelines for application criteria, and procedures for organizations to apply for grants.

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Establishes a Local Economic Development Organization Recruitment Fund that will cover the IEDC's costs associated with administering the program.

- *New Business Recruitment Grant Program:* Establishes the New Business Recruitment Grant Program, and its purpose is to assist local economic development organizations serving economically disadvantaged areas with the recruitment of new businesses. The bill defines "economically disadvantaged areas" as counties that have unemployment rates that exceed the state unemployment rate by at least 2%, and "local economic development organizations" include the following: urban enterprise associations; economic development commissions; nonprofit corporations; regional planning commissions; nonprofit educational organizations; and other similar organizations. Grants provided by this bill may not exceed \$50,000 for an organization that serves one county, and \$75,000 for an organization that serves at least two counties.
- *Local Economic Development Organization Recruitment Fund:* Establishes the Local Economic Development Organization Recruitment Fund to provide funding for the New Business Recruitment Grant Program. The fund will also cover administrative expenses incurred by the IEDC resulting from the implementation of the grant program, as well as expenses associated with administering the fund. Money remaining in the fund at the end of a fiscal year will not revert to the state General Fund. Specifies that the fund will consist of appropriations from the General Assembly, interest income from investments, and any money from state assistance grants provided under the federal American Recovery and Reinvestment Act of 2009, or another federal economic stimulus law enacted in 2009.

Local Revenues:

- Local economic development organizations may receive grants to recruit new business enterprises to counties served by the organizations. Grants provided by this bill may not exceed \$50,000 for an organization that serves one county, and \$75,000 for an organization that serves at least two counties. The organization must serve an economically disadvantaged area, (counties with unemployment rates that exceed the state unemployment rate by at least 2%), to be eligible for grants.

HB 1468 Commercial Dog Breeders and Animal Cruelty

- *Registry of Commercial Dog Brokers and Breeders:* Authorizes the Board of Animal Health to establish a registry of commercial dog brokers and commercial dog breeders in Indiana. Exempts animal shelters, humane societies, certain animal rescue operations, hobby breeders, certain people who breed hunting dogs for sport, and certain people who breed service or dogs for use by police or the military from the requirements imposed on commercial dog breeders.
- *Fees and Penalties:* Requires commercial breeders and brokers to register with the Board, and specifies that failure to register is a Class A misdemeanor. Provides that a commercial dog breeder must register annually with the Board and pay a fee based on the number of unaltered female dogs the breeder owns. Specifies that a person who fails to register is liable for double the amount of unpaid fees, which the Attorney General may collect. Requires a commercial dog broker to register and pay a \$1,000 annual fee. Provides that a breeder or broker who knowingly or intentionally makes a material misstatement in registering commits a Class A misdemeanor.
- *Standards of Care:* Requires a commercial breeder to comply with the standards of care established by the United States Department of Agriculture (USDA) and certain other standards of care. Authorizes the Board to enforce the USDA and other standards when sufficient fees have been deposited in the Breeder and Broker Fund to permit enforcement, and it grants the Board the authority to enforce the commercial breeder provisions by seeking injunctive relief or a civil penalty of \$500 for a knowing violation, \$1,000 for an intentional violation, and \$5,000 for the knowing or intentional violation of an injunction.
- *Local Units:* Prohibits a unit from adopting an ordinance imposing more stringent requirements on commercial dog breeders after December 31, 2009, but permits a unit to enforce a more stringent ordinance if the ordinance was adopted before January 1, 2010.

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- *Records*: Requires a commercial breeder to provide a consumer with certain veterinary records, and to keep its own records for at least five years.
- *Conditions of Bail, Probation, or Parole*: Authorizes a court, as a condition of bail or parole, or the parole board, as a condition of parole, to prohibit a person charged with or convicted of an animal cruelty offense from owning, harboring, or training an animal, and, if the person is prohibited from having direct or indirect contact with an individual, from having direct or indirect contact with any animal belonging to the individual.
- *Animal Neglect*: Provides that a person neglects an animal if the person fails to: (1) provide reasonable care for; or (2) seek veterinary care for; an injury or illness to a dog or cat that seriously endangers the life or health of the dog or cat.
- *Torture*: It broadens the definition of torturing an animal by administering poison by applying the definition to domestic animals. (Current law applies only to dogs or cats.)
- *Animal Cruelty by Abandonment or Neglect*: Provides that, for purposes of committing animal cruelty by abandoning or neglecting an animal in a person's custody, a feral animal is not considered to be in a person's custody. It makes abandoning or neglecting an animal a Class A misdemeanor, and enhances the penalty to a Class D felony if the person has a prior conviction.
- *Animal Fighting Contests*: Provides that a second or subsequent conviction for attending an animal fighting contest is a Class D felony.
- *Killing a Domestic Animal*: Makes it killing a domestic animal, a Class D felony, for a person to knowingly or intentionally kill a domestic animal without the consent of the owner of the domestic animal. Exempts from the animal cruelty statutes: (1) the destruction of an animal by an animal control program; (2) the destruction of an injured or ill animal by an individual to prevent the animal from prolonged suffering; (3) conduct not resulting in severe injury or illness to an animal that is incidental to exhibiting an animal for show, competition, or display; (4) the humane destruction of an animal by its owner; and (5) parking an animal.

Local Expenditures:

- *Criminal Offenses*: Costs to local governments could increase for longer periods of incarceration. The maximum term of imprisonment for a Class B misdemeanor is up to 180 days, while the maximum term for a Class A misdemeanor is up to one year. However, if an offender is sentenced to state prison for a Class D felony rather than to a county jail for a Class A or a Class B misdemeanor, the costs to the county may be reduced. The average daily cost of housing a prisoner is an approximately \$44.

Local Revenues:

- *Criminal Offenses*: If additional court actions occur and a guilty verdict is entered, local governments would receive revenue from the following sources: The county general fund would receive 27% of the \$120 court fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. In addition, several additional fees may be collected at the discretion of the judge and depending upon the particular type of criminal case.

HB 1483 Off-Road Vehicles, Farm Wagons, and Golf Carts

- Defines "farm wagon" as including three-, four-, and six-wheeled motor vehicles with a folding hitch that is used for certain purposes.
- Prohibits a certain type of farm wagon from operation on an interstate highway, or a state highway, except under specific circumstances.
- Authorizes an individual at least 15 years of age to operate a motorized farm wagon on a highway.

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- Prohibits the use of a motorized farm wagon operated on a highway to tow another vehicle.
- Prohibits an individual from operating a golf cart on a highway, except when a city or town has adopted an ordinance authorizing the use of golf carts on the city's or town's highways.
- Specifies that an ordinance: (A) may require that a golf cart display a slow-moving vehicle sign or a red or amber flashing lamp;(B) must require an individual operating a golf cart in the city or the town to hold a driver's license.
- Requires financial responsibility for golf carts operated pursuant to an ordinance.
- Requires a person removing a wrecked or damaged golf cart from a highway to remove any glass or other foreign material dropped upon the highway from the golf cart.

Local Revenues:

- *Penalty Provision:* If additional court actions are filed and a judgment is entered, local governments would receive revenue from the following sources. The county general fund would receive 27% of the \$70 court fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. Additional fees may be collected at the discretion of the judge and depending upon the particular type of case.
- Allows for a fine for violation of the traffic ordinance adopted by a city or town prohibiting the use of golf carts on the city's or town's highways or private roads, or both. This revenue is to be deposited into the general fund of the city or town.
- Provides for a fine for a violation of an ordinance requiring a golf cart to have a slow-moving vehicle emblem or a red and amber flashing lamp. This revenue is to be deposited into the general fund of the city or town.

HB 1514 Local Government - Officials Bonds and Public Works Bill

- *Accounting for Public Funds:* Requires a deputy examiner, field examiner, or private examiner to make a preliminary report to the State Examiner if: (1) a substantial amount of public funds has been misappropriated or diverted or is unaccounted for; (2) there is a reasonable likelihood that the final examination report will include a finding that the entity that is the subject of the report failed to observe a uniform compliance guideline or failed to comply with a specific law; or (3) the malfeasance, misfeasance, or nonfeasance that resulted in the misappropriation of, diversion of, or inability to account for the public funds was committed by the officer or employee who is primarily responsible for ensuring compliance with laws regarding maintaining and accounting for the funds. Requires the State Examiner to provide a copy of the report to the Attorney General, and authorizes the Attorney General to bring a civil action against the delinquent employee or the official bond to recover misappropriated funds. Authorizes the Attorney General to attach the assets of the delinquent employee.
- *Electronic Filing of Financial Reports:* Specifies that the State Board of Accounts may require the use of an electronic, automated, or computerized system of accounting or reporting.
- *Public Works Contracts:* Provides that a political subdivision may award a contract for public work under the procurement law for the routine operation, routine repair, or routine maintenance of existing structures, buildings, or real property if the cost is estimated to be less than \$150,000.
- *Allen County-Fort Wayne Capital Improvement Board (CIB):* Changes the name of the Fort Wayne-Allen County Convention and Tourism Authority to the Allen County-Fort Wayne Capital Improvement Board of Managers (Allen County-Fort Wayne CIB). Removes the limitation on county appointments to the Allen County-Fort Wayne CIB having to live in the unincorporated area of the county. Requires the Executive Director of the Allen County Memorial Coliseum to file an annual report of operations with the Allen County-Fort Wayne CIB.
- *Allen County Food and Beverage Tax:* Provides that any Food and Beverage Tax revenue in Allen County that is received after December 31, 2009, and is not needed for debt payments on the Coliseum is to be transferred to the Allen County-Fort Wayne CIB and provides that the

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excess revenue may not be used to provide funding for improvements initiated before January 1, 2009, as part of the Harrison Square project or for operational expenses. Changes the allocation of excess Allen County Food and Beverage Tax revenue so that the Allen County-Fort Wayne CIB receives all the excess revenue. Provides that, after June 30, 2009, the Allen County-Fort Wayne CIB must approve any Food and Beverage Tax pledge for bonds, loans, or leases.

- *Allen County Professional Sports Development Area (PSDA) Expansion and Capture Limit Increase*: Adds the facilities at the Indiana University-Purdue University at Fort Wayne (IPFW) campus to the Allen County PSDA. Removes the \$5 per person state revenue cap for the Allen County PSDA. Provides that the maximum amount of covered local and state taxes that may be captured in Allen County is \$3 M. Provides that Allen County receives the first \$2.6 M of captured tax revenue each year for deposit in the supplemental Coliseum expansion fund and the Allen County-Fort Wayne CIB receives the remainder.
- *Vanderburgh County Innkeeper's Tax*: Provides that the part of the Vanderburgh County Innkeeper's Tax rate that is dedicated to pay the operating expenses of a convention center is reduced from 2% to 1% after December 31, 2014 (rather than after December 31, 2009, under current law). Provides for a corresponding delay in the increase in the part of the Vanderburgh County Innkeeper's Tax rate that is deposited in the Tourism Capital Improvement Fund.
- *Use of Vanderburgh County Food and Beverage Tax*: Specifies that if the Vanderburgh County Council adopts a resolution providing that the Vanderburgh County Food and Beverage Tax should be continued to finance the acquisition, construction, and equipping of an arena and other facilities that serve or support the arena activities, any excess Food and Beverage Tax revenue that is not needed to pay any bonds, leases, or other obligations for a convention center shall be transferred to the fiscal officer of Evansville for deposit in an Evansville Arena Fund. Provides that money in the Evansville Arena Fund shall be used for financing the acquisition, construction, and equipping of an arena and other facilities that serve or support the arena activities. Specifies that if the Vanderburgh County Council adopts a resolution providing that the Vanderburgh County Food and Beverage Tax should be continued to finance the acquisition, construction, and equipping of an arena and other facilities that serve or support the arena activities, the Food and Beverage Tax: (1) does not terminate after the last of the bonds issued to finance improvements to the Vanderburgh County auditorium or auditorium renovations, and the last of any bonds issued to refund those bonds, have been completely paid; and (2) continues until the last of the bonds issued to finance the acquisition, construction, and equipping of the Evansville arena and other facilities that serve or support the arena activities, and the last of any bonds issued to refund those bonds, have been completely paid.
- *Monroe County Food and Beverage Tax*: Permits Monroe County to impose a county food and beverage tax of 1% of the gross retail income received by a food and beverage merchant. Establishes a local advisory commission to assist and coordinate efforts of the county and city fiscal bodies regarding the utilization of food and beverage tax revenue.

Local Expenditures:

- *Martinsville Food and Beverage Tax*: Eliminates the expiration date in the Martinsville Food and Beverage Tax by which the city of Martinsville may initiate projects funded by food and beverage tax revenues. Permits Martinsville to fund sewer improvements with the Martinsville Food and Beverage Tax.
- *Accounting for Public Funds - Surety Bond Increases*: Increases the amount of surety bonds that are required to be filed by local government officials. Increases the amounts from \$15,000 to \$30,000 for each \$1 M of receipts of the officer's office during the last complete fiscal year before the purchase of the bond. The amount must be at least \$30,000 in annual coverage, but not more than \$300,000 unless the respective fiscal bodies approve a greater amount of annual coverage. This change applies to the following officials: city controllers; city clerk-treasurers; town clerk-treasurers; Barrett Law fund custodians; county treasurers; county sheriffs; circuit court clerks; township trustees; conservancy district financial clerks; and controllers of solid waste management districts.

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- The amount of surety bonds that must be filed by any other individual is changed from at least \$8,500 to \$15,000 in annual coverage.
- These amounts must be fixed by the fiscal bodies of the respective units affected by this bill, unless they are fixed by the SBOA. Their current level of resources should be sufficient to implement the provisions of this bill.
- The official bonds of officers, if sufficient, shall be approved as follows: (1) of county officers required to give bonds, by the clerk of the circuit court unless otherwise specified in this section; (2) of county sheriff, county coroner, county recorder, county auditor, county treasurer, and clerk of the circuit court, by the county executive; (3) of county assessor, township trustee, and township assessor (if any), by the county auditor; (4) of city officers, except the executive and members of the legislative body, by the city executive; (5) of members of the board of public works or of the board of public works and safety in cities, by the city legislative body; (6) of clerk-treasurer and marshal of a town, by the town legislative body; (7) of a controller of a solid waste management district, by the board of directors of the solid waste management district.
- *Electronic Filing of Financial Reports*: Requires that the annual financial reports filed with the State Examiner from municipalities and every state or local governmental unit, entity, or instrumentality must be filed electronically within 60 days after the close of each fiscal year. Any additional costs may be minimal because the bill specifies that the reports must be filed electronically in a manner that is compatible with the technology employed by the political subdivision.
- *Public Works Contracts*: Provides that political subdivisions may award contracts for public works under the state procurement statutes (IC 5-22) for the routine operation, repair, or maintenance of existing structures, buildings, or real property if the cost is estimated to be less than \$150,000. Currently, these projects would be governed by the public work projects statutes (IC 36-1-12).
- Under the public work projects statutes, the cost of the project determines the applicable requirements for a project. All public works projects have certain statutory requirements that must be satisfied before contracts may be awarded for a project. Generally, the state procurement statutes govern purchasing and not installation, and may not account for system and design compatibility. Further, IC 36-1-12-7 specifies that public works performed or contracted for on a public building costing more than \$100,000 may be undertaken only in accordance with plans and specifications approved by licensed architects or engineers. The state procurement statutes do not contain this requirement.
- *Allen County-Fort Wayne Capital Improvement Board (CIB)*: Changes the name of the Fort Wayne-Allen County Convention and Tourism Authority to the Allen County-Fort Wayne Capital Improvement Board. The bill also requires the executive manager of the CIB to file an annual report of operations.
- *Use of Vanderburgh County Food and Beverage Tax*: If the Vanderburgh County fiscal body were to adopt a resolution to continue the Food and Beverage Tax for an arena project, the county treasurer would determine if any tax revenue were left over from bonds in existence on January 1, 2009, or earlier. If revenue was not committed to those prior bonds, the Treasurer of State would transfer the revenue to the Evansville city controller (fiscal officer). The city controller would place Vanderburgh County Food and Beverage Tax revenue into the Municipal Arena Fund. If the tax were continued for the arena, Evansville would be able to issue bonds or enter into leases for the project. These bonds could not exceed a term of 30 years. If the county treasurer were to certify to the Treasurer of State that all bonds for improvements on the county auditorium had been paid in full, amounts received from the tax from the Treasurer of State would be placed into the Municipal Arena Fund. Evansville could also issue bonds in lieu of arena bonding for any special taxing district, agency, department, instrumentality, or law under which bonds may be issued, leases entered, and obligations incurred. Bonds for these purposes would have a term ending no later than 30 years after the first February 1 following the estimated date of the arena completion.

Local Revenues:

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- *Accounting for Public Funds - Court Fee Revenue:* If the number of civil actions filed is impacted, local governments could receive additional revenue from the following sources. The county general fund would receive 27% of the \$100 civil costs fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. Additional fees may be collected at the discretion of the judge and depending upon the particular type of case.
- *Allen County Food and Beverage Tax:* Transfers all of the excess Allen County Food and Beverage Tax that is not needed to pay obligations (bond, loan, or lease) to the Allen County-Fort Wayne CIB. The board will then deposit these funds into a reserve account. Funds in the reserve account may not be withdrawn or transferred during the year they are received, except to make transfers to the county for obligations. Limits the CIB to using the excess revenue for a project initiated after December 31, 2008, and prohibits the CIB from using the excess revenue to provide funding for improvements initiated before January 1, 2009, as part of the Harrison Square project or to pay operational expenses for any facilities of the municipality. Enables the CIB to transfer interest from the reserve account and amounts on deposit for more than 12 months to the Capital Improvement Fund. Beginning in FY 2010, the Board must approve any Food and Beverage Tax pledge for bonds, loans, or leases. Revenue from the Food and Beverage Tax totaled about \$5.5 M in FY 2008.
- *Vanderburgh County Innkeeper's Tax:* Will delay for five years the revenue equivalent to a 1% rate that the Tourism Capital Improvement Fund was scheduled to receive after December 31, 2009. Will also delay the reduction (from a 2% rate to a 1% rate) of the amount deposited into the Convention Center Operating Fund (CCOF). Under current law, the amount of innkeeper's tax revenue deposited in the CCOF would be reduced by 1% after December 31, 2009. Under the bill, the reduction will be postponed until after December 31, 2014. Vanderburgh County collected about \$3.3 M in innkeeper's taxes during FY 2008. The current tax rate is 8%. A 1% rate would equate to approximately \$408,000 of FY 2008 revenue.
- *Vanderburgh County Food and Beverage Tax:* Revenue from the Vanderburgh County Food and Beverage Tax would continue to be collected if the conditions specified in the bill were fulfilled. Food and Beverage Tax revenue is currently paying for bonds to cover costs of renovation and improvements to the county auditorium.
- Vanderburgh County Food and Beverage Tax revenues are currently being used to pay for bonding for the improvements to the county auditorium (renamed the Centre), with approximately \$23.735 M remaining in principal payments. The current debt service schedule for the Centre indicates payment will take nine and one-half additional state fiscal years to complete. The annual bond payment is approximate to the average revenue from the tax over the last five state fiscal years.
- *Monroe County Food and Beverage Tax:* Assuming an ordinance effective date of upon passage, a 1% Food and Beverage Tax in Monroe County could yield approximately \$0.9 M in CY 2009, \$2.3 M in CY 2010, and \$2.5 M in CY 2011. However, the actual revenue amounts would depend on the effective date of the ordinance. It is estimated that 87.9% of all Monroe County food and beverage establishments are located within Bloomington. Therefore, if 87.9% of the revenue generated from the proposed countywide tax went to Bloomington, the city could see an estimated \$2.1 M in CY 2010 (assuming a full year of collections) and \$2.2 M in CY 2011. The remaining revenue would be retained by the county.
- *Martinsville Food and Beverage Tax:* Eliminates the 2015 deadline to begin projects funded by the Martinsville Food and Beverage Tax and allows tax revenue to be used for sanitary sewer system projects. These changes could affect the future use of the tax revenue on authorized projects. Current statute limits use of the revenue to city hall renovation, police or fire station construction, sanitary sewer or wastewater treatment facility improvement, storm water drainage systems improvement, and other projects involving the city's water system or protecting the city's well fields.

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- *Alternative Fuel Fueling Station Grants:* Allows the Indiana Office of Energy Development (IOED) to award grants to certain businesses and local government units that make qualified investments after June 30, 2009, to install and place into service in Indiana fueling stations that dispense alternative fuel (defined as liquefied petroleum gas, a compressed natural gas product, or a combination of liquefied petroleum gas and a compressed natural gas product).
- Provides that not more than one grant may be awarded for a single location, and it provides that the amount of a grant awarded for a location may not exceed the lesser of: (1) the amount of the grant recipient's qualified investment for the location; or (2) \$20,000. The bill also provides that the amount of a grant awarded for a location may be less than the amount of the grant recipient's qualified investment for the location. Provides that the total amount of grants awarded for all state fiscal years may not exceed \$1 M.
- *Alternative Fuel Fueling Station Grant Fund:* Establishes the Alternative Fuel Fueling Station Grant Fund to award the grants, and provides that the IOED shall administer the fund.
- *Qualified Purchases:* Allows the IOED to award grants to certain local government units that make qualified purchases after June 30, 2009, of one or more alternative fuel vehicles; or one or more alternative fuel conversion kits.
- Provides that not more than one grant may be awarded to any one unit. Provides that the amount of a grant that may be awarded to a unit is the sum of: (1) \$2,000 multiplied by the number of alternative fuel vehicles purchased; plus (2) for each alternative fuel conversion kit purchased, an amount equal to the lesser of \$2,000 or the actual cost of the conversion kit. The bill provides that the IOED may limit the number of alternative fuel vehicles or alternative fuel conversion kits for which a unit may receive a grant, and it provides that the total amount of grants awarded for all units may not exceed \$1 M.
- *Local Unit Alternative Fuel Vehicle Grant:* Establishes the Local Unit Alternative Fuel Vehicle Grant Fund to award the grants, and it provides that the IOED shall administer the Fund.
- *Clean Energy Vehicle Purchases:* Provides that if a state entity (which excludes a state educational institution) purchases or leases a vehicle after December 31, 2009, it must purchase or lease a clean energy vehicle unless the Department of Administration (DOA) determines that the purchase or lease of a clean energy vehicle: (1) is inappropriate because of the purposes for which the vehicle will be used; or (2) would cost at least 10% more than the purchase or lease of a vehicle that is not a clean energy vehicle and is designed and equipped comparably to the clean energy vehicle.
- *Exemptions:* Specifies that these requirements do not apply to the: (1) purchase or lease of vehicles by or for the Indiana State Police; and (2) short-term or temporary lease of vehicles.
- *Preference for Indiana Built:* Requires the DOA to adopt rules or guidelines to provide a preference for the purchase or lease by state entities of clean energy vehicles manufactured wholly or partially in Indiana or containing parts manufactured in Indiana.
- *Reporting:* Provides that before August 1 of 2010 and each year thereafter, each state entity shall submit to the DOA information regarding the use of clean energy vehicles and alternative fuels by the state entity. Requires the DOA to submit a report to the General Assembly and to the Governor before September 1 of 2010 and each year thereafter that lists the information for each state entity and for all state agencies in the aggregate.
- *Office of Alternative Energy Incentives:* Establishes the Office of Alternative Energy Incentives (OAEI) within the IOED to administer a program to provide incentives for Rural Electric Membership Corporations (REMCs) and their cooperatively owned power suppliers to develop alternative energy projects.
- Provides that: (1) the director of the IOED; or (2) the designee of the director of the IOED; shall serve as the OAEI's director.
- *Alternative Energy Incentive Fund:* Establishes the Alternative Energy Incentive Fund to provide funds to corporations for use in developing alternative energy projects. Requires the OAEI to administer the fund and to establish an account within the fund for each REMC.
- Provides that not later than August 1 of each year, beginning in 2009, an REMC may apply to the OAEI to have access to a certain percentage of the total funds in the REMC's account as of July 1 of the year, based on the percentage of the REMC's total sales from the provision of retail energy service during the preceding calendar year that was attributable to alternative energy

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projects. Allows two or more REMCs that are members of the same cooperatively owned power supplier to develop alternative energy projects jointly. Sets forth limitations on how money drawn from an REMC's account may be used.

- *Authority*: Gives the OAEI authority to adopt rules to implement the program.
- *Federal Stimulus*: Provides that any money that may become available to an REMC in connection with federal economic stimulus programs may not become part of the incentive fund or an account within the Alternative Energy Incentive Fund without the consent of the REMC.
- Provides that an REMC shall have access to federal economic stimulus funds: (1) for the same uses; and (2) in accordance with the same processes; as any other energy utility may have access to or use federal economic stimulus money.

Local Expenditures:

- *Alternative Fuel Fueling Station Grant Program*: Establishes the Alternative Fuel Fueling Station Grant Program. The program is funded by the Alternative Fuel Fueling Station Grant Fund. The fund consists of money appropriated by the General Assembly, money received from state or federal grants or programs for alternative fuels projects and donations, gifts, and money received from any other source, including transfers from other funds or accounts. Money in the fund is continuously appropriated. Provides that the amount of a grant awarded for a location may not exceed the lesser of the amount of the recipient's qualified investment or \$20,000. Provides that the IOED may not award more than one grant for a single location. Provides that the total amount of grants awarded for all state fiscal years may not exceed \$1 M.
- *Alternative Fuel Vehicle Grant Program for Local Units*: Establishes the Alternative Fuel Vehicle Grant Program for local units. The program is funded by the Alternative Fuel Vehicle Grant Fund. The fund consists of money appropriated by the General Assembly, money received from state or federal grants or programs for alternative fuels projects and donations, gifts, and money received from any other source, including transfers from other funds or accounts. Money in the fund is continuously appropriated. Will decrease local expenditures for purchases of alternative fuel vehicles and conversion kits. Local units may receive grants for qualified purchases of alternative fuel vehicles or alternative fuel conversion kits (including installation costs). A local unit may receive a grant award of \$2,000 for each alternative fuel vehicle purchased and an amount equal to the lesser of \$2,000 or the actual cost for each alternative fuel conversion kit purchased. Provides that the total amount of grants awarded for all state fiscal years may not exceed \$1M.
- Currently, there are 14 compressed natural gas fueling stations and 31 propane fueling stations in Indiana.

HB 1561 High Speed Internet Service Initiative

- *Indiana Economic Development Corporation (IEDC)*: Requires the IEDC to develop a High Speed Internet Service Deployment and Adoption Initiative that includes the creation of a statewide geographic information system (GIS) of available telecommunications and information technology services, including high speed Internet service.
- *Indiana Finance Authority*: Specifies that the IEDC should consult with the Indiana Finance Authority to avoid unnecessary duplication of efforts. Also, for the purposes of the Indiana Broadband Development Program, the bill changes the speed in the definition of "broadband services" from 200 kilobits per second in at least one direction to 384 kilobits per second in at least one direction to comply with the speed in this bill's High Speed Internet Service Deployment and Adoption Initiative.
- Provides that the IEDC may enter into a contract to fulfill all or part of the provisions of this bill.
- Provides that the IEDC may apply for state broadband data and development grants under the federal Broadband Data Improvement Act and the ARRA of 2009.
- *High Speed Internet Service Deployment and Adoption Initiative*: Provides that the IEDC should establish the following priorities in developing and implementing the High Speed Internet Service Deployment and Adoption Initiative:(1) extend the deployment of high speed Internet services to

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areas where Internet connections are unavailable, or the only available Internet connections provide capacity for transmission at an average speed of less than 200 kilobits per second (kbps) downstream; (2) extend the deployment of high speed Internet services to areas where the only available Internet connections provide capacity for transmission at an average speed between 200 kilobits and 1.5 megabits per second (mbps) downstream; and (3) support programs to promote broadband adoption throughout Indiana.

HB 1650 Motor Vehicle Matters

- Requires the Department of Administration (IDOA) to enter into quantity purchase agreements with vendors for the purchase of road salt. Provides that these quantity purchase agreements must require the vendors to offer the road salt to political subdivisions. Provides that political subdivisions: (1) may participate in the solicitation of purchase of road salt by submitting the estimated volume of salt use to the IDOA; and (2) shall be committed to purchasing the minimum fill percentage submitted for solicitation.
- Provides that certain substances approved by the federal Environmental Protection Agency are acceptable alternatives for use as refrigerants in motor vehicle air conditioning systems.
- Updates an obsolete reference to a federal statute in the Indiana statute governing recovery of civil penalties by the Attorney General for violation of state or federal laws concerning tampering with or resetting odometers. Establishes certain defenses for vehicle weight limit violations.
- Reduces the length of time that a vehicle must sit under certain circumstances before being considered abandoned. Provides that agents of certain persons are not liable for loss or damage to a vehicle or parts occurring during the removal or storage of certain vehicles or parts. Provides that a vehicle covered by a tarpaulin or other plastic, vinyl, rubber, cloth, or textile covering is considered to be visible for purposes of determining whether a vehicle is considered abandoned. Specifies the responsibilities of a driver involved in a nonfatal accident.

Local Expenditures:

- Requires that the quantity purchase agreements for road salt be offered to political subdivisions. Provides that political subdivisions may participate in the solicitation of purchase of road salt by submitting the estimated volume of salt use to IDOA, and they must be committed to purchasing the minimum fill percentage submitted for solicitation. If these purchase agreements offer salt at a lower price, local units could have reduced expenditures for these purchases.

Local Revenues:

- Reducing the length of time before a vehicle is considered abandoned could result in cities of the first, second, third class, towns, and counties receiving increased revenue from the sale of more abandoned vehicles in their respective jurisdictions. The impact is indeterminable.

HB 1697 Office of Small Business Advancement

- Requires the Economic Development Corporation (IEDC) to maintain a Small Business Division to carry out the IEDC's duties concerning the development of small businesses. Specifies information that must be contained in the IEDC's annual report. Requires the IEDC to assist small businesses in obtaining state and federal tax incentives. Requires the IEDC to maintain a statewide network of public, private, and educational resources to inform small businesses of the state and federal programs under which they may obtain financial assistance or realize reduced costs.
- No local expenditures or revenues.

HB 1716 Little Calumet River

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- *Commission Membership.* Changes the membership of and the qualifications for membership on the Little Calumet River Basin Development Commission. Requires record keeping and audits of the Commission's accounts. Requires the Commission to prepare reports annually, or more frequently as required by the Governor.
- *Maintaining Levees.* Requires the Commission to provide or provide for the training and instruction of persons who are responsible for maintaining levees or other improvements related to flood control.

Local Expenditures:

- *Commission Membership* Provides that members may not be employees or elected officials of a city, town, or county governmental unit. Therefore, there should be no local expenses related to membership of the commission.
- *Maintaining Levees.* Provides no appropriation to provide funding that may or may not be needed to provide the required training.
- Preliminary information of an audit on commission expenditures through July indicated that, of the state's latest \$2 M appropriation, nearly \$1.7 M was spent on real estate acquisition, utility relocation, railroad negotiations, and capital costs.
- The commission receives other funding. In addition to state appropriations, the Indiana Economic Development Commission provided \$6 M for development of a project to Northcote Avenue. The Regional Development Commission made a \$6 M loan available. The commission must submit claims for reimbursement.

SB 221 Confined Animal Feeding

- *Definitions.* Amends the definitions of "applicant" and "responsible party" for purposes of confined feeding statutes. Amends the definition of "confined feeding operation" (CFO) to be consistent with the federal definition of "concentrated animal feeding operation" (CAFO) and eliminates separate CFO and CAFO references. The bill makes the confined feeding control statute part of the defined term "environmental management laws".
- *Construction Approval.* Eliminates the exception from the requirement for Department of Environmental Management (IDEM) construction approval for a CAFO that obtains an NPDES permit.
- *Disclosure Requirements and Other Administrative Duties.* Establishes good character disclosure requirements for CFOs, applicable to both new construction and certain expansions. Provides that disclosure of acts and omissions in violation of foreign law applies only if the acts and omissions would have violated state or federal environmental law if the act or omission had occurred in the United States. Provides that disclosure requirements do not apply to a renewal of an IDEM approval and apply only if alleged acts and omissions subject to disclosure presented a substantial endangerment to human health or the environment. Allows IDEM to review and act on disclosed good character information. Applies good character disclosure requirements to pending confined feeding projects.
- *Notification of Land Owners and Occupants.* Requires an applicant for the construction or expansion of a confined feeding operation to inform land owners and occupants whose land is within ½ mile of the operation within 10 days of submitting the application.

Local Expenditures:

- Counties would receive notice from applicants. This provision should not have a fiscal impact.
- *Penalty:* If more defendants are detained in county jails prior to their court hearings, local expenditures for jail operations may increase. However, any additional expenditures would likely be small.

Local Revenues:

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- *Penalty:* If additional court actions are filed and a judgment is entered, local governments would receive revenue from court fees. However, any additional revenue is likely to be small.

SB 344 Restoration of County Offices of Family Resources

- Requires that the DFR to maintain offices in each county by eliminating a provision that allowed the state to consolidate office operations into regions or districts for increased efficiency and better use of resources. The provision requiring the DFR to operate an office in each county has no fiscal impact since FSSA reports that there is a DFR office in each county in Indiana. Additionally the Eligibility Modernization contract between the state and IBM requires the state to maintain a county office in each county throughout the term of the contract.
- Requires the DFR to appoint a County Director in each county. The cost of this provision would depend on administrative actions. Does not require that the County Director be housed in the county office or that the position be full-time. The DFR could appoint existing staff as county directors. The County Director's function has been filled on a part-time basis by directors with responsibility for multiple counties in the past. Since that time, the function of the County Director as a county appointing authority for the administration of welfare has changed significantly with the creation of the separate Department of Child Services (DCS) and the assumption of the county welfare levies by the state in HEA1001-2008. Currently, the DFR website shows 8 regional managers and more than 40 eligibility managers responsible for DFR offices in each county and multiple office locations within the most populous counties. Multiple county offices have just two or three state eligibility caseworkers assigned.
- The DCS retains the authority to consolidate county offices into regions or districts. The DCS reports that there is a DCS office in each county in the state.

SB 356 Military Family Leave

- Adds a biological child, an adopted child, a foster child, or a stepchild of a person who is ordered to active duty as eligible for military family leave. Makes conforming changes to definitions of grandparent, parent, and sibling, for purposes of military family leave.

Local Expenditures:

- The number of additional military family leaves that might be granted due to the changes in definitions and eligibility is unknown but is probably minor.
- According to the Census Bureau, about 3.0% of Indiana residents in 2000 were adopted, foster children, or step children.

SB 448 Property Taxes ---Economic Development Incentive

- Provides that enterprise information technology equipment purchased after June 30, 2009, by an eligible business is exempt from personal property taxation for a period agreed to by a designating body (a county council or municipal fiscal body). Provides that before January 1, 2013, a designating body may adopt a resolution providing the exemption to a particular business. Requires that the designating body and the eligible business enter into an agreement concerning the property tax exemption and provides that the agreement must specify the duration of the property tax exemption and may specify that a transferee is entitled to the exemption on the same terms as the transferor. Specifies that the exemption continues for the period specified in the agreement, notwithstanding the January 1, 2013, deadline to adopt a resolution granting an exemption.

Local Revenues:

IACC 2009 LEGISLATIVE SUMMARY

- Under this bill, a county or municipal fiscal body could grant a property tax exemption for new enterprise information technology equipment owned by an eligible business. If the property is located within a municipality, then the municipal fiscal body would be the designating body. The county fiscal body would be the designating body for property located in an unincorporated area. The designating body could adopt a resolution through December 31, 2012, to exempt property. The term of the exemption, however, could extend beyond 2012 and would have to be set in an agreement between the designating body and eligible business. The designating body would be required to give notice of the resolution and must hear all remonstrances and objections. A final resolution would be adopted after the hearing.
- Defines enterprise information technology equipment as: (1) hardware supporting computing, networking, or data storage function, including servers and routers; (2) networking systems having an industry designation as equipment within the "enterprise" or "data center" class of networking systems that support the computing, networking, or data storage functions; and (3) generators and other equipment used to ensure an uninterrupted power supply to such hardware and networking systems.
- Enterprise information technology equipment does not include computer hardware designed for single user, workstation, or departmental level use.
- Defines an eligible business as an entity that meets the following requirements: (1) the entity is engaged in a business that operates one or more facilities dedicated to computing, networking, or data storage activities; (2) the entity is located in a facility or data center in Indiana; (3) the entity invests in the aggregate at least \$10 M in personal property and real property in Indiana after June 30, 2009; and (4) the average employee wage of the entity is at least 125% of the county average wage for each county in which the entity conducts business operations.
- The granting of any exemption under this bill would be a local decision and would be limited to new investments made after June 30, 2009. The exemption of newly acquired property would not affect the existing tax base. If there is an increase in development because of the exemption, then other property could be added to the tax base. If the exemption period set locally is shorter than the life of the property, then the value of the enterprise information technology equipment could eventually be added to the tax base. However, if one assumes that the investment would be made with or without the exemption, then the granting of the exemption under this bill could also eliminate the normal shift of the property tax burden from all taxpayers to the owners of the new property that would have occurred.