



## Indiana Commission on Local Government Reform

### 2008 Legislation Addressing Principles and Recommendations

The Indiana Commission on Local Government Reform issued its recommendations in December 2007. While the bulk of attention during the 2008 short session was on property tax reform, the Indiana General Assembly was able to address a few of the commission's recommendations and/or the principles on which they were based. A summary of these actions are provided below by recommendation and by type of issue.

Report Recommendation	2008 Legislation
1. Establish a single-person elected county chief executive.	SB 312 went to conference committee. It did not receive a final vote in the House. The conference report required commissioners (or petition of 5% registered voters) to generate a voter referendum to move from three commissioners to single county executive and to establish the county council as the legislative body. Counties have the ability currently to establish the board of commissioners as the executive and the county council as the legislative body voluntarily. Only Lake and St. Joseph Counties have selected this option. Counties cannot establish a single person county executive through voluntary action.
2. Establish a single, unified legislative body for county government. Expand legislative membership to ensure sufficient representation for included rural, suburban and urban populations.	
3. Transfer the responsibility for administering the duties of the county auditor, treasurer, recorder, assessor, surveyor, sheriff and coroner to the county executive. Transfer the varied duties of the clerk to the courts, to the county election board and to the county executive. Establish objective minimum professional qualifications and standards for certain county administrative functions.	
4. Retain a local government role for property tax assessment under a county assessor who is required to meet professional qualifications and appointed by the county executive.	HB 1001 transfers township assessing duties to the county assessor except in 42 townships with over 15,000 parcels (effective July 1, 2008). Townships with more than 15,000 parcels must hold referenda in November 2008 to establish whether the voters of those townships will keep or remove those township assessors. This portion of the legislation eliminates 139 elected offices (township assessors) with the potential to confirm or eliminate the remaining 42.  HB 1001 establishes additional technical qualifications for assessing officials and contractors. Anyone running for office as

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<p>4. Retain a local government role for property tax assessment under a county assessor who is required to meet professional qualifications and appointed by the county executive. (continued)</p>	<p>a township or county assessor after January 1, 2012 must attain a Level 3 Assessor-Appraiser certification prior to taking office. Previous legislation already required county assessors elected after June 30, 2008 to attain a Level 3 Assessor-Appraiser certification. After June 30, 2009, employees of a county assessor who perform assessing duties must have attained the same level of certification that the county assessor was required to attain. Contract appraisers must have a Level 2 Assessor-Appraiser certification.</p> <p>HB1001 makes the Dept. of Local Government Finance a party to contracts that outsource assessing functions.</p> <p>Strengthens the DLGF's authority regarding standards for hardware and software used by counties for property tax assessment, billing, and settlement.</p>
<p>5. Create a countywide body to oversee the provision of all public safety services.</p>	
<p>6. Consolidate emergency public safety dispatch by county or multi-county region. Require that new, local emergency communications systems be compatible with the Project Hoosier SAFE-T statewide 800 MHz communications system.</p>	<p>HB 1204 requires that there be no more than two Public Safety Answering Points (PSAP) per county by December 2014.</p>
<p>7. Transfer the responsibility for all funding of the state's trial court system to the state, including public defenders and probation.</p>	
<p>8. Move the funding of child welfare from counties to the state.</p>	<p>HB 1001 provides for the assumption by the state of the costs of child welfare services and incarcerating delinquent children in a department of correction facility. Eliminates: (1) medical assistance to wards fund levies; (2) family and children's fund levies; (3) children's psychiatric residential treatment services fund levies; and (4) children with special health care needs county fund levies.</p>

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9. Transfer the responsibility for administering the duties of township government for assessment, poor relief, fire protection, emergency medical services (EMS), cemeteries and any other remaining responsibilities to the county executive. Establish a countywide poor relief levy.	SB 309 and SB 333 were introduced, but received no additional action.
10. Transfer the responsibilities of the township small claims courts in Marion County to superior courts.	SB 280 included such a provision and passed the Senate; it did not receive pass out of committee in the House.
11. Reorganize school districts to achieve a minimum student population of 2,000. Establish state standards and a county-based planning process similar to that established in 1959 legislation.	
12. Require that school corporation bonds be approved by the fiscal body of the municipal or county government containing the greatest proportion of assessed value in the school district.	<p>HB 1001 allows a referendum by petition of 5% of registered voters for elementary/middle schools that cost more than \$10M and high schools that cost more than \$20M that are built using debt funded by property taxes. Petition remonstrance is available for projects that do not meet the eligibility criteria for referenda.</p> <p>HB 1001 removes DLGF authority to review and approve school bonds, leases, or other similar obligations after June 20, 2008 as long as action is initiated after that date.</p> <p>HB 1001 expands the duties of the state board of education regarding the adoption of rules regarding guidelines for the selection of school sites and the construction, alteration, and repair of school buildings to include athletic facilities and other categories of related facilities. The Department of Education must provide written recommendations to the school corporation including any findings as to how the plans differ from the guidelines.</p> <p>HB 1001 requires the Dept. of Education to establish a central clearinghouse containing prototype designs for school facilities.</p> <p>See also Fiscal/Debt Oversight below.</p>

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13. Prompt joint purchasing by schools.	
14. Conduct all non-partisan school elections during November in even years.	SB 2 passed the Senate but received no action in the House.
15. Allow the city council to appoint the city clerk in second-class cities.	
16. Move all municipal elections to an even-year cycle.	
17. Transfer the responsibilities of municipal health departments to the county health department.	
18. Reorganize library systems by county and provide permanent library service for all citizens.	
19. Require that the budgets and bonds of library and all other special districts be approved by the fiscal body of the municipal or county government containing the greatest proportion of assessed value in the unit seeking approval.	<p>HB 1001 provides that in counties other than Marion County, if the percentage increase in the proposed budget for a civil taxing unit with an unelected governing body for the ensuing calendar year is greater than the growth allowed under the assessed value growth quotient, the governing body of the civil taxing unit must submit its proposed budget and property tax levy for approval by the county fiscal body or municipal fiscal body.</p> <p>HB 1001 provides that in the case of a taxing unit's governing body that does not consist of a majority of officials who are elected for that body, the governing body may not issue bonds or enter into a lease payable in whole or in part from property taxes unless it obtains the approval of the city or town fiscal body or the county fiscal body (as applicable).</p> <p>HB 1001 provides that budgets, levies, and bond issues for taxing units in Marion County with an unelected board must be approved by the city-county council.</p>

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19. Require that the budgets and bonds of library and all other special districts be approved by the fiscal body of the municipal or county government containing the greatest proportion of assessed value in the unit seeking approval. (continued)	HB 1001 provides that certain decisions with respect to TIF allocation areas are to be made by the legislative or fiscal body of the city, town, or county instead of the redevelopment commission or are subject to the approval of the legislative or fiscal body.  See also Fiscal/Debt Oversight below.
20. Strengthen the current joint purchasing infrastructure for libraries.	
21. Expand voluntary coordination and consolidation of units and services. Strengthen the power of voters to compel consolidation.	
22. Allow local governments to establish service districts with differentiated levels of service and corresponding tax rates.	
23. Facilitate local improvement efforts using best management and business practices. Strengthen state mechanisms that support these activities, particularly for collective purchasing.	
24. Prohibit employees of a local government unit from serving as elected officials within the same local government unit.	
25. Assign the Indiana Advisory Commission on Intergovernmental Relations to monitor progress toward these recommendations and conduct additional research as needed. Produce an annual report on progress through 2011.	
26. Establish a statewide benchmarking system to provide the public and policy-makers with current information about local government productivity and progress.	
27. Designate a state office to provide technical assistance to local government.	

**Other Related Legislation:**

State vs. Local Policy and Funding Responsibilities

- HB 1001 eliminates the statewide property tax levies imposed for the state forestry fund, the state fair, and department of local government finance (DLGF) data base management.
- HB 1001 establishes that the state also will fund: (1) hospital care for the indigent and a portion of the health and hospital corporation levy, (2) state K-12 tuition support, and (3) local public safety pensions.
- HB 1001 abolishes property tax replacement credits, state homestead credits (except for the temporary homestead credits in 2009 and 2010), the property tax replacement fund, and the property tax reduction trust fund beginning in 2009.

#### Fiscal/Debt Oversight:

- HB 1001 provides that the local government tax control board (state review body) is not abolished.
- HB 1001 repeals the county boards of tax and capital project review.
- HB 1001 provides that in counties without a county board of tax adjustment, each civil taxing unit that imposes property taxes shall file with the fiscal body of the county in which the civil taxing is located: (1) a statement of the proposed or estimated tax rate and tax levy for the civil taxing unit for the ensuing budget year; and (2) a copy of the civil taxing unit's proposed budget for the ensuing budget year. Provides that a county fiscal body shall issue a nonbinding recommendation to a civil taxing unit regarding the civil taxing unit's tax rate or levy or proposed budget.
- HB 1001 provides that a capital project is a controlled (paid for with property tax revenues) if it will cost the political subdivision more than the lesser of \$2,000,000 or an amount equal to 1% of the total gross assessed value of property within the political subdivision on the last assessment date (if that amount is at least \$1,000,000). Provides that a project that is in response to a natural disaster, emergency, or accident that makes a building or facility unavailable for its intended use and that is approved by the county council is not a controlled project for purposes of the referendum process. Provides that other controlled project with a cost that exceeds the lesser of \$12,000,000 or 1% of assessed value (but at least \$1,000,000) are also subject to a referendum. Specifies that it takes 100 persons who are either owners of real property within the political subdivision or registered voters residing within the political subdivision or 5% of the registered voters residing within the political subdivision to initiate such a referendum. Provides that controlled projects that are not subject to a referendum are subject to the petition and remonstrance process.
- HB 1001 removes DLGF authority to review and approve bonds, leases, or other similar obligations after June 20, 2008 as long as action is initiated after that date.
- HB 1001 prohibits a local body from issuing refunding bonds that have a repayment date that is beyond the maximum term of the bonds being refunded using savings resulting from refunding bonds or surplus proceeds for any purpose other than to maintain a debt service reserve fund, repay bonds, or reduce levies for bonds payable from property taxes, special benefit taxes, or tax increment revenues.

#### Other Issues:

- HB 1001 deletes the expiration date in the provision authorizing a school corporation to use money in its capital projects fund for utility services and insurance.
- HB 1001 requires a township board to consider certain factors when determining whether a fire and emergency services need exists requiring the expenditure of money not included in the township's budget estimates and levy.
- HB 1108 provides that the maximum annual compensation for a county sheriff elected or re-elected after November 1, 2010 is the sum of: (1) the annual minimum salary that would be paid by the state to a full-time prosecuting attorney in the county; and (2) the amount of any additional annual salary paid by the county from county sources to a full-time prosecuting attorney in the county.
- SB 249 and SB 334 mandate the creation of state rules/standards for triage and transportation protocols for the transportation of trauma patients and for the location of emergency warning sirens.
- HB 1286 did not pass. It would have allowed the Indiana Cooperative Library Services Authority (a public corporation) to merge with a non-profit entity.
- HB 1096 makes changes to the courts, judges, and staffing in a number of counties. It adds a second judge to the Franklin circuit court. It abolishes the Franklin circuit court magistrate as of. It abolishes the Madison county court. It increases the number of judges serving on the Madison superior court from three judges to five judges. It makes the two persons elected Madison county court judges on November 4, 2008, the fourth and fifth judges of the Madison superior court. It adds a second judge to the Miami superior court. It provides that the Ohio County and Switzerland County joint superior court is abolished; the Jefferson County and Switzerland County joint fifth judicial circuit is abolished; and Jefferson County constitutes and continues in the fifth judicial circuit and Switzerland County constitutes a new ninety-first judicial circuit. It

allows the judge of the Dearborn and Ohio circuit court to appoint one full-time magistrate. It prohibits the state from paying any amount of the salary of a chief deputy prosecuting attorney appointed by the prosecuting attorney for the Switzerland County ninety-first judicial circuit. It allows the judge of the St. Joseph probate court to appoint three full-time magistrates instead of one. All changes are effective January 1, 2009 unless otherwise indicated.