



LEGISLATIVE TEAM

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Stacey O'Day, *Allen County Assessor*
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Kent Ward, *Hamilton County Surveyor*

The Association of Indiana Counties, Inc. (AIC) was established in 1957 for the betterment of county government. The AIC was founded to represent the interests of county government. AIC's purposes and goals are to seek the betterment of county government through: representation of counties at the Indiana General Assembly; serve as liaison between counties, state and federal agencies; professional training and educational programs; communications through publications and seminars; research and dissemination of information; and technical and managerial assistance.

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2016 AIC Legislative Platform

The AIC Staff and Board of Directors would like to extend a special thanks to members of the 2015 Legislative Committee. Each member donated many hours to help develop this platform.

INTRODUCTION

The Association of Indiana Counties (AIC) represents over 1,800 county elected officials across the state of Indiana, in all 92 counties. Our membership includes urban, suburban and rural counties. With each county having specific needs, the AIC supports community based decisions to strengthen public services. As many policy decisions as possible should be made by locally elected officials.

The AIC is governed by its membership, through a Board of Directors. An executive committee consisting of the president, three vice presidents and treasurer oversee the operation of the AIC office and staff. The Board of Directors elects the Executive Committee at our annual conference. Our Legislative Committee, which prepares the AIC's legislative platform, is a board with each affiliate organization represented; Assessors, Auditors, Clerks, Commissioners, Coroners, Council Members, Recorders, Surveyors and Treasurers as well as Highway Supervisors and Engineers, Health Department Directors and IT Department Directors. Each affiliate's president selects one of their members to serve on the Legislative Committee. The five remaining members of the Legislative Committee are selected to serve by the president of the association, who also selects the chairperson of the Committee.

County officials are dedicated to an open and efficient form of government that best serves the public. We believe community based decisions serve the public best.

COUNTY ADMINISTRATION

County officials are often called upon to administer state and federal programs. The AIC asks state and federal government to be aware of their actions and their consequences as they relate to additional costs, duties and responsibilities of local government officials. Boards of County Commissioners are the executives of the county and their responsibilities and authority should be maintained accordingly.

County officials should not be held personally liable for any acts or omissions occurring in connection with the performance of their official duties, unless the act or omission constitutes gross negligence or an intentional disregard of their official responsibilities.

Continuing Education:

The AIC supports post-election training and continuing education for all county elected officials that will further professionalize all individuals involved in local government, so long as it is training relevant to completion of their duty to citizens. Training should be developed with input from local officials.

Local Government Restructuring:

County government supports opportunities to improve efficiencies and reduce costs to the taxpayer, provided it is done in a data-driven process that respects home rule and local accountability for local units. The General Assembly should not mandate restructuring, instead it should only occur if it is desired by the public after local citizens have input through community dialogue.

Prior to consideration of restructuring, a thorough review should be conducted to determine any overlapping of responsibilities and duties between the various offices. This public review should compare government forms against specific benchmarks or performance measures to determine the most effective delivery of service to citizens (including if actual tax dollars will be saved). If inefficiencies are found, a local plan should be created to streamline the structure of government and the delivery of services. If local government restructuring is needed, local elected officials who are directly responsible to the voters should be involved. The General Assembly should continue to review the current system of local government reorganization, but any local government restructuring process should occur with the protection of checks and balances and with the highest level of local participation. Local restructuring should be the ultimate form of home rule; letting counties decide for themselves what is their best form of government based upon their own county's demographics.

In any considered restructuring, particular care should be paid to relative tax rates and levies between local units who are combining services through inter-local agreements of government consolidation. All taxpayers are residents of a county and county tax rates and levies should reflect countywide services. Consolidations should never increase the burden to the county tax base while reducing the costs to municipalities when municipal residents are receiving additional services. Clearly defined powers and duties of the restructured unit should be a requirement of any restructuring. Government merger statutes should require the new government entity to assume all the duties of the prior units unless tax levies are properly adjusted as well.

County Government Structure:

The AIC supports the three member board of county commissioners governing structure as the best way to represent multiple views and constituencies within the executive and legislative branches of county government.

The AIC firmly supports the election of county officials. While

they serve within the county government structure, these office holders do not exclusively administer county government; rather they serve the taxpayers and all units of government within the county.

Federal/State Mandates:

We support legislation and corresponding regulations requiring the state and federal government to fund programs and activities mandated to local government by the U.S. Congress, Indiana General Assembly and state or federal agencies. We specifically support a state constitutional amendment to limit legislative mandates on local governments.

Dedicated and Unappropriated Funds:

We support the creation by the General Assembly of new local dedicated funds only when county fiscal body appropriations are required.

Public Employee Retirement:

We believe all county elected officials in the Public Employee Retirement Fund should be entitled to be vested fully in PERF upon the completion of no more than eight years of service. We believe PERF benefits should be based on the highest 12 quarters of employment. Current benefits are based on the highest 20 quarters of employment. Adequate funding for current and future retirement needs requires each county to have the flexibility necessary to adapt to changes in revenue and workforces. More retirement options should be made available for counties as employers.

Public safety pensions should convey benefits consistent with other public safety pensions for other local units and the state fully recognizing that public safety officials are deserving of benefits different than traditional PERF benefits. However, public safety pension decisions should be made by the county officials who are elected to set priorities for expenditure of county funds.

Purchasing:

County officials place a high value on hiring local workers and purchasing local products. State mandates for the use of local workers and local vendors should, however, be avoided or designed to allow local officials latitude to take into account specific skills and costs. Mandates for the purchase or use of specific products or services should also be prevented. The fiscal realities drive local officials to choose, in most cases, the lowest costs for purchasing and public works.

County Boards and Appointments:

The county executive should have the authority to approve the recommendation of appointments made by non-elected boards and remove such appointments. Elected individuals and bodies should make all decisions and actions of a policy nature. Granting of policy-making authority for local boards and commissions should occur only with the approval of locally elected officials, not state legislative action.

Access to Public Records, Publication of Notices and the Open Door Law:

The AIC strongly supports open and accessible government. There is a point, however, when the costs of notification and public accessibility exceed the value to the voters. The General Assembly should consider the cost-benefit ratio for the taxpayer when expanding public access and open door requirements.

The AIC supports reforms providing for the greater use of the internet as a notification tool and increased meeting flexibility to reduce the costs associated with these rules. When possible and cost effective, central websites for tax information should be used to provide information free to taxpayers and at a low cost to county governments.

We support copy fees being charged consistently to all persons according to amounts set by statute. We believe documents that are required to be filed by statute should be legible and filed in compliance with state law or the officeholder may refuse to accept the document. We believe the public should only be allowed to handle public records after the proper archival or filing process is complete.

Records retention, particularly for electronic documents and email, is a growing expense for county governments. Retention schedules should be developed with the cost to county governments in mind.

Annexation Issues:

We believe counties should have an active voice in all annexation issues, especially involuntary or forced annexation of citizens of the county by municipal units of government. Annexation should be related to the efficient municipal services, not merely to expand the tax base of a municipality at the expense of overlapping local units of government. The elected county officials who are responsible for the governance of the proposed annexation areas should also be vested with legal standing to challenge the annexation in court.

Involuntary annexation should be abolished. Annexing municipalities should be required to gather approval signatures, certified by the County Auditor, from a majority of landowners in the annexation area prior to an annexation ordinance being filed. Waivers of the right to remonstrate against annexation should be invalidated and no longer allowed under law.

When annexations occur, shifts in income and property tax revenues should be minimized and then only consistent with the service shifted to a municipality from other units of government. Appropriate legislation should be enacted to require the annexation issue to address the loss to the county of both of income tax and property tax revenue. Further, any additional expenses incurred by county government as a result of an annexation, such as additional precinct changes and election costs should come with compensation from the annexing municipality.

911 Administration:

Providing top quality 911 assistance is an important function of county government. Changes in technology and phone usage are causing a decrease in 911 funding. With an increasing number of Hoosiers using cellular phones, pre-paid wireless plans, and voice over internet protocol in place of land-line phones, shifting amounts and sources of funding are a continual issue. The users of any communication device that can access the 911 system should contribute the funding of that system and the funding structure should not favor one technology over another.

The AIC opposes any state mandate for counties to assume all emergency communications duties, including emergency dispatch, without adequate funding. The AIC recognizes the state's need for revenue to support statewide 911 functions. Inter-local agreements that share funding responsibilities should be honored. The Association also encourages counties to review their 911 structure and the number of Public Safety Answering Points (PSAP) needed within the county and region. Local communities should consolidate PSAP's when tax dollars can be saved without affecting the quality of 911 service. The AIC supports an ongoing partnership with the State to collect accurate data on the costs and revenue needs, especially at the local level, of Indiana's 911 system.

COUNTY FINANCES

The General Assembly has given county government "home rule" authority in most administrative matters. It is time to further recognize that county officials are in the best position to determine local fiscal needs. The state should grant counties "fiscal home rule" and let those elected locally administer fiscal decisions without state influence. We support legislation to give counties increased flexibility in the ability to generate funds and to use those funds with limited state oversight. County Councils should have appropriation authority on all county revenues. We oppose any effort to further restrict local revenue enhancement.

State Accountability for Collection, Accounting and Distribution of Funds:

In many cases, the State of Indiana is responsible for collecting and distributing funds to local units of government. We strongly urge accuracy and accountability by all state agencies. The state should provide counties with the data supporting state funding formulas, tax collections and distributions. All agencies who distribute county funds should be subject to annual audit, with the results of that audit made public.

The Association supports a clear local income tax disbursement formula that accounts for county services provided to all residents of the county and balances service needs with populations. We support full reimbursement from the state to counties of any mandated reductions in county revenue, such as personal property tax and the auto excise tax. Specifically, the

Association calls for a full distribution of local taxes withheld from individuals paychecks regardless of whether the taxpayer files a state income tax return.

Taxing Authority:

The ability to tax should be limited to elected officials. We support the binding review, by an elected body, of budgets and debt incurred by all appointed boards and commissions. Final taxing authority should rest with elected officials. We urge the General Assembly to give county councils' full flexibility to adopt local income taxes to fund services needed in their local communities.

Property Tax Caps:

The constitutional property tax caps make permanent a system that provides tax breaks without any reflection on the cost of local services or the ability to pay. While the financial impact of the circuit breaker will depend on the number of credits eligible to taxpayers, the loss of property tax revenue will either result in higher local income taxes and fees or the cutting of public services. The ability of local officials to increase or decrease local income taxes to offset the circuit breaker loss is limited in its effectiveness and can actually exacerbate the shifts in tax burden associated with dramatic cuts in property tax revenue.

The property tax caps only allow additional revenues to local government to occur when economic growth raises assessed values. The AIC opposes legislation that statutorily reduces (or limits growth of) assessed values, that raises taxes on those who are not yet at the tax caps and causes an additional loss to the tax caps without any reduction in service costs. Every county experiences a loss of revenue from the tax caps. This will affect local government's ability to fund essential services and to adequately fund economic development efforts. The Association opposes measures that limit revenue without authorizing an alternative funding mechanism to replace the revenue loss.

In addition to supporting voter-approved (by referendum) projects being outside of the tax caps, the Association supports allowing more government entities the ability to seek greater funding for public services through referenda.

Local Income Taxes:

There are seven separate local income tax rates for multiple uses including, in large part, property tax relief. The various rates also have differing adoption and fiscal procedures. This complex system is difficult to navigate by elected officials and confusing to taxpayers. The AIC supports a comprehensive review of the current local income tax statutes, the goal of simplification and the removal of limitations on local flexibility where appropriate.

Coordination and Review of Local Budgets:

The AIC wishes to abolish the non-binding review of elected civil tax unit budgets by the county fiscal body. The current process utilizes significant county resources with no ability to effect change if desired.

The AIC supports a local option allowing county fiscal bodies to perform binding review of all civil tax unit budgets and levies.

Payment in Lieu of Taxes:

We oppose legislation that grants individuals or entities not elected at the county level any means by which the county tax base may be eroded. Far too often, groups and entities beyond the direct control of county officials affect the tax base in a given county. This reduction in the tax base causes property taxes to rise without the input of elected officials in whom the public has placed its trust. If the state removes property from taxation, the state should be required to make a payment to the local government in lieu of taxes.

The AIC supports minimal essential service fees for exempt properties, excluding religious property, to ensure funding for public safety services.

Assessment Administration:

County Assessors are the primary assessing officials for Indiana's taxpayers. Since County Assessors assumed the township workload, additional funding should be allocated by the state to the county as needed. Also, the shifting of the burden of proof from the petitioner taxpayer to the county has increased the cost of appeals. In order to ensure adequate funding, we support a countywide tax rate to fund all assessment and reassessment costs associated with the assessing process. The "Assessment Tax Rate and Levy" should be outside the county max levy due to unknown costs associated with recent assessing requirements, and be reviewed by the Department of Local Government Finance.

The property tax appeals process should be based on impartial appraisal values. The system should be designed to identify and fund a single independent appraisal upon which the taxable value can be based. The cost of the independent appraisal should be split between the property owner and the county. Further, the two parties to the appeal should be required to meet and discuss the appeal prior to a hearing at PTBOA and IBTR. Eliminating the need to hire separate appraisers will save money for both the county and the taxpayer, while allowing PTBOA and IBTR to consider an appraisal from a certified expert who is not beholden to their client from whom future work is necessary. This independent appraisal should serve as the basis for IBTR's determination of taxable value. Further, the IBTR should be augmented to eliminate the backlog of cases currently pending before the board. A filing fee should be added for industrial and commercial property appeals to fund expanded IBTR functionality. If an appraisal submitted as evidence is thought to violate the professional standards of appraisers, then it should be submitted to the appropriate professional licensing board.

The increasing complexity of assessments, particularly for unique or high value business property, requires additional expertise for assessing officials. The AIC supports creating a statewide pool of qualified individuals who could, at the

counties request, sit on a county's Property Tax Board of Appeals with two local individuals. Also, the Indiana Board of Tax Review should be augmented by appraisers, either at the state level or through a regional approach.

Because appeals may last for years, local units of government should not be required to pay any interest on a refund while the appeal is being considered by the state or the Tax Court. Also, local units should not be responsible for refunds after a certain number of years if the taxpayer refuses to move forward on their appeal. Working with the DLGF, technology should be fully utilized allowing for more efficient inspection of property.

County Assessor Qualifications and Training:

County officials support continuing education requirements and certification that will further professionalize all individuals involved in the assessment and appeals process. The inclusion of more varied certification subject matter, including assessment administration and personal property, would be further improvements. Also, the cost of the assessor training (including travel expenses) should be included as part of the expenses funded through the aforementioned "Assessment Tax Rate and Levy."

Property Tax Assessment Standards:

The basis of Indiana's property tax system is the "value in use" of land and improvements. The General Assembly should undertake an effort to define "value in use" reflecting that the taxable value is the property's value to the current user, as differentiated from the "value in exchange" standard which is not Indiana law. For taxation purposes, assessed value of commercial and industrial property should not be based upon comparison to abandoned or vacant properties unless the subject property is vacated itself, as is already law for residential property. Allowing comparison to vacant properties does not reflect the true value to the owner, and allows property owners to avoid paying the property taxes which support the services they rely upon.

If a property tax appeal is successful, and has existed to a year pre-dating the state takeover of the welfare levy, the state should reimburse the county for the portion of the tax refund due to the prevailing property owner.

Records Management Fees:

Many county offices collect fees for the maintenance of public records. The AIC strongly supports the continued imposition of those fees and the dedicated uses of the revenue.

School Funding:

We support decreasing the reliance of school funding on local property taxes and increasing state support. Additionally, we encourage communities to urge their local school systems to improve efficiencies and reduce costs when possible. Any necessary school consolidations should be handled at the local level and should not be mandated by the General Assembly. Debt restructuring by schools should only be made when the

impacts to other local units is fully explored and made known to other units and to the public prior to action. Added debt without a public referendum reduces other local units' revenues by increasing losses to the tax caps.

Welfare Spending:

The AIC welcomes the state takeover of the cost of public welfare. However, there are still instances, primarily through a judicially mandated use of funds, where the county could be faced with welfare costs and are without the ability to raise revenue to fund those obligations. All public welfare expenditures should be funded by the state.

Gaming Revenues:

County governments are under an increasing fiscal burden. The AIC opposes efforts by the state to reduce current county gaming revenues. The state should allow for a growth formula so the money received by counties without a gaming facility continues to increase if gaming revenue increases for the state, ensuring an equitable distribution for all units of government. The state should not place any restrictions on how gaming revenues are appropriated by the county council. Licensing fees established for local governments should remain in the local communities, as they were part of the understood agreement during the local referendum process.

Out-of-state competition is a growing concern to counties that contain gaming facilities and the AIC encourages coordinated planning between the state and locals to address these issues.

COURTS and CORRECTIONS

The General Assembly should consider all potential fiscal implications to counties when addressing correction topics. Counties should be reimbursed by the state for the full cost of housing or providing programs to Level 6 felons who are no longer being housed at Dept. of Corrections facilities. The daily reimbursement rate must be increased to reflect current year actual costs. The state should also cover the cost of the state share of Medicaid for inmates no longer being housed at DOC facilities.

Any court reform measures must give counties significant fiscal relief and seek county officials' input on all correction issues. We strongly urge the General Assembly to address the funding inequities of the court fee distribution formula. Counties also support increasing court fees to defray the increasing cost of operating the trial court system. It is wrong for state government to use local court fees as a source of state revenue, which then requires counties to increase property taxes to fund court-related services. We support court magistrates and all court employees being compensated by the state, including pensions. Without state funding, court employees should be required to abide by county personnel policies. Compensation and benefits paid by the county tax base should be determined by county elected officials. The state should help to defray the costs of expensive, high profile court cases that drain

county resources. If the personnel is paid for by the county, the AIC supports a clear policy that court employees are county employees subject to the same health insurance, salary and employment policies as other county workers.

Judicial Mandates:

Counties should have fiscal responsibility for correction-related programs and facilities. We support any effort to limit judicial and correctional-related mandates. We also believe that judges, as state employees, should be represented by the Attorney General in mandate litigation. Alternatively, any private representation of judges during mandate proceedings should be required to be paid for by the state.

Community Corrections:

We support legislation requiring the state to pay the counties the actual cost of accepting inmates through the community transition program.

Probation Management:

Although the Indiana judicial system is clearly the third branch of state government, counties are required to fund a substantial portion of the system and implement mandates on staffing levels and salary requirements. We believe that staffing, salaries, and caseload levels should either be decided at the local level as they impact local budgets and tax rates or the state should pay for the programs. State mandated salary levels for probation officers should be repealed. Probation services should consolidate to a single probation department per county.

ECONOMIC DEVELOPMENT

County officials and the AIC recognize the importance of economic development and the integral role local officials play in these efforts. Good economic development is a partnership between local units and state economic development agencies.

Tax Increment Financing:

Tax Increment Financing (TIF), when used appropriately, is an excellent economic development tool. By providing a flexible mechanism to finance infrastructure and provide other incentives, TIF insulates the taxpayer from increased taxes and risk. However, TIF should be used only when the project would not occur “but for” the use of TIF. Growth in assessed value – the increment – should only be captured when necessary to pay off debt or make specific payments as part of a development plan. If incremental AV is able to be passed thru to other units, it should be. The AIC supports the automatic pass-through of an appropriate percentage of new assessed value to other taxing units.

The planned use of TIF should be discussed in an open forum with input from all stakeholders. Notice should be provided directly to units impacted by TIF areas of meetings of the appropriate Redevelopment Commission. Redevelopment Commissions, which control TIF funds, should be held to a high standard of fiscal accountability and transparency.

Abatements:

Property tax abatements are another good tool used by local units and are often the foundation of incentive packages. Abatements should be offered on a per project basis with maximum local flexibility. State mandated abatements or outright exemptions, such as proposals to exempt business personal property taxes, or local option to abate or exempt property on a county-wide basis, are not conducive to effective economic development.

Regional Initiatives:

The AIC supports counties and other local units working together on a region basis for economic development projects. These efforts help reduce competition between counties, increase efficiency and effectiveness of economic development operations and build a larger regional brand.

ELECTIONS

Election Reforms:

The General Assembly should allow the Clerk additional options to encourage more citizens to be active voters. Town conventions held apart from the primary elections should be eliminated to expand access to voters and reduce confusion. All election reforms should consider the financial burdens on counties. Going forward, the state or federal government should pay for new election systems when they are being mandated by those levels of government. Money for new voting equipment should automatically be outside of the property tax controls. If taxpayers support reforms, the money to pay for the reforms should not jeopardize other county services. The AIC encourages a comprehensive review and simplification of the Indiana election statutes.

Referendum:

All public questions should take place on the traditional election dates in either May or November. Special elections for public questions called in the non-election year or in the municipal year should be fully funded by the political subdivision requesting the referendum.

ENVIRONMENT

Solid Waste Management:

We strongly believe that federal, state, and local government must share the responsibility for solving critical environmental problems that have an impact on all citizens. The continued reduction in landfill capacity is more than a county problem. The economic vitality of our state depends upon our ability to provide safe methods of waste reduction and disposal. We support alternative methods of planning and funding material recovery facilities, recycling and composting projects, and final disposal facilities. Assistance from state government is needed to help counties and solid waste districts implement waste assessments and management plans. Counties and solid waste districts must be given the authority to control waste streams

in order to finance solid waste facilities. We also support state financial assistance to local governments to promote recycling projects and other waste reduction projects. State assistance, once provided, should not be used to supplement the state budget forcing local organizations to rescind commitments.

Clean Air Act:

The solution to the national air pollution control problem depends on effective participation between the agencies of the federal, state and local governments. The federal and state governments should be required to work cooperatively with local governments to help formulate guidelines, and technical assistance programs for the administration, implementation, maintenance, and enforcement of those plans which affect local land use and resource allocation decisions. Elected county officials having jurisdiction over affected areas must be equal partners with the state in developing plans to control air pollution, including air emission trading or banking programs.

Clean Water Act “NPDES” Phase II:

The AIC supports the goals of the Clean Water Act. Phase II is an EPA mandated statewide stormwater quality drainage program designed to reduce the number of pollutants in Indiana’s waterways originating from stormwater runoff. Several stipulations included in Phase II (Rule 13) place an excessive and unwarranted burden upon county government. Phase II is an unfunded mandate and as mentioned earlier in the text, the AIC does not support unfunded mandates for counties. The AIC supports state funding assistance that directly offsets the financial burden shouldered solely by counties. Local governments have the primary responsibility to plan, construct, and operate storm water treatment facilities and programs, including control of non-point sources and stormwater runoff. The AIC believes that IDEM rules in this area should be no more stringent than those set by the federal government.

Wetlands:

In enforcement of Section 401 Water Quality Certification, AIC urges both the General Assembly and the Department of Environmental Management to avoid duplication of effort with the Army Corp. of Engineers Section 404 permit review and to use a more practical method of determining the worth of a wetland in deciding protection standards. IDEM rules regarding wetlands should be no more stringent than those set by the federal government.

State government should work in cooperation with local government to implement additional federal regulations and provide funding or assistance in obtaining funding to properly implement the regulations. In developing a state permitting program for isolated wetlands, AIC urges both the General Assembly and the Department of Environmental Management to adhere to only the authority granted to them for only the wetlands discussed in the Supreme Court SWANCC case and to use the same method of practicality in determining the worth of a wetland in determining protection standards. The AIC believes the Clean Water Act should only apply to navigable waterways.

Scenic River or Outstanding Water Designation:

We support the local control of creeks and streams in Indiana through the active oversight by each county’s governing bodies and the State of Indiana. Any rule promulgated should require an economic impact study, by the rule making authority, to determine loss of revenue or additional costs that may be borne by local governments. Such designations should be locally controlled.

Green Initiatives:

The Association supports counties’ environmentally friendly and energy savings initiatives. Green construction should only be mandated when the savings to the county in energy and workplace efficiency over the life of the building (as compared to the additional construction costs) can be conclusively demonstrated and captured as part of the financing of the facility.

Water Resources:

The AIC believes that the time has come for a comprehensive review of Indiana’s water resource policies. Clear lines of authority of water rights between individuals, local governments and state government entities should be developed. Water resource policy should balance the needs of residents, businesses and agriculture while maintaining future resources for the next generation.

LAND USE and ZONING

Local Land Use Control:

Local governments should retain the authority to control development of land and property within their jurisdictions. Such authority properly assumes that local elected officials are best suited to make decisions affecting land use for their communities. Statutory overrides of local zoning ordinances impose arbitrary standards without regard for local circumstances. All land use, zoning, eminent domain, and annexation decisions should remain at the local level with appropriate remonstrance procedures. County government should not be required to pay more than the fair market value of land in cases of eminent domain.

TRANSPORTATION

Highway and Bridge Funding:

County roads in Indiana are an integral part of a statewide network essential to the economic vitality of all Hoosiers. Nearly 90% of all road miles in Indiana are maintained by local governments. The transportation needs of the public should be supported on a statewide tax basis. We support an increase in highway user fees, including motor fuel taxes, provided additional revenues are dedicated to local roads and bridges. We continue to support a permanent increase in revenue for county roads. In addition to current local revenue options available for

road funding, we support a local option gas tax, referendum options for local road and bridge maintenance and removal of revenue caps on local wheel tax and excise surtax.

We support all highway user fees and taxes being dedicated for road and bridge maintenance and construction. These funds should be used exclusively to construct and repair Indiana's roads and bridges. We support allocating all taxes relating to motor fuels, including sales tax on gasoline purchases and interest earned on the investment of motor vehicle highway account funds, directly into the vehicle highway accounts without off-the-top reductions for non-road uses.

The system of funding roads in Indiana is based on the concept that the users will pay for their development and maintenance. However, our current system has not changed to reflect technological advances. Highly fuel efficient cars, electric cars and vehicles running on compressed natural gas, bio-diesel and ethanol, all are now users of the system, yet do not pay their share for its use. A new system for taxation and fee collection must be developed to require these vehicles to adequately cover their share of road use.

Given the current trend toward public-private partnerships for our state's roadways, we encourage the General Assembly to remember the importance of local roads. As future agreements are reached at the state level, it is important that funding be included for local projects and that local road networks be left intact by private road construction planning. Also, the General Assembly should open up the public works restrictions to allow counties to do as much work "in house" as possible to provide the most efficient use of these limited dollars.

UTILITIES

Public Right-of-Way Easements:

County government should retain full authority over their rights-of-way including determining the best public uses as well as cost recovery methods for use of those public lands. Fees paid by utilities for the use of local easements should remain in effect.

Telecommunications:

The AIC asks the Indiana General Assembly and Congress to enhance the ability of county governments to protect the interests of both consumers and taxpayers through the development of high quality telecommunication service that serves the needs of both counties and the public. Counties have the right to control the use of their public rights-of-ways. These rights-of-ways should not be used without permission of the responsible local government authority. Local governments should be allowed to collect a fee for the commercial use of the right-of-way by a telecommunications provider. Elimination of franchise fees should only occur if accompanied by revenue replacement for local units.

Energy:

The future of our economy is directly related to our energy

supplies and the cost of those supplies. The AIC recognizes that a strong state energy policy is vital to the long-term economic stability of the state. However, county government officials should be consulted prior to any new energy generating plants being developed in their county. Local zoning decisions should not be overridden by the state. The state government should encourage the efficiency of energy use by counties. Above all, federal and state governments should create an environment that allows local governments to play a central role in the formulation of local energy policies.

Data Connectivity:

Greater options should be made available to local governments for cost effective access to fiber-optic networks to better protect electronic public data with fair reimbursement for use and maintenance of those networks.

ABOUT THE AIC

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While there are a number of agencies and groups offering assistance to county government, AIC is the only entity that represents the legislative needs of Indiana counties. With an office in Indianapolis, AIC is a full service organization with an executive director and professional staff.

NOTES
