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Madison County
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Calendar

FEBRUARY
25-3/1 NACo Legislative Conference – Marriott Wardman Park, Washington D.C.

MARCH
9 Clerk's Northern District Conference – The Farmhouse Restaurant at Fair Oaks Farm Fair Oaks, Indiana
14 Clerk's Southern District Conference – Brown County Inn
7-9 Road School – Purdue University
9 ICTA-meeting – 502 East Event Centre 502 East Carmel Drive Carmel, IN 46032
30 AIC Institute Class – Legal and Ethical

APRIL
6 AIC Board Meeting
14 Good Friday
17-20 Recorders Conference – Clarion Hotel and Conference Center Columbus
20 AIC Institute Class – Communication Skills

MAY
2-18 District Meetings – various locations visit indiana counties.org for more information
23-26 Auditors’ Spring Conference – Crowne Plaza Downtown Indianapolis

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3rd Grade Essay Contest

The Association of Indiana Counties will once again hold its Third Grade County Government Essay Contest in conjunction with our 2017 District Meetings this May. However, we need your help! We kindly ask that you personally distribute the flyer on page 16 of this issue to third grade teachers in your county. We have found over the years there is greater participation from schools in districts where county officials are directly involved with promoting the contest.

The essay contest is a great way to educate the youth in your community about the importance of county government. The AIC awards a winner in each of its six districts. Winners each receive $100, a certificate and the opportunity to read their essays at their AIC district’s meeting. We also send a news release to the local media announcing each of the winners.

CONTEST TIMELINE:

FEBRUARY-MARCH:
County Officials and AIC promote contest to schools
AND Teachers assign essays to students

APRIL:
AIC receives essays and notifies winners

MAY:
Winning students attend AIC District Meetings to be recognized

Thank you in advance for your participation!

AN APPLICATION FORM CAN BE FOUND IN THE BACK OF THIS ISSUE
or email Lyndsey Robinson at lrobinson@indianacounties.org for an electronic version.

The Association of Indiana Counties (AIC) was founded in 1957 for the betterment of county government. Each of Indiana’s 92 counties are members of the AIC. The AIC Board of Directors is made up of elected county officials and is responsible for overall AIC policy and management. AIC serves its members through lobbying, education, publications, research, and technical assistance.

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101 West Ohio Street, Suite 1575
Indianapolis, IN 46204-2051
Is it Time for Indiana to Include More Services as Part of the Sales Tax Base?

By David Bottorff, Executive Director | dbottorff@indianacounties.org

In 2015, the Indiana Fiscal Policy Institute commissioned a report prepared by John Mikesell, Professor of Public and Environmental Affairs and Indiana University. The report reviewed the consequences of broadening Indiana’s sales tax to include the purchasing of services.

In 2017, the state sales tax is expected to yield around $7.6 billion, nearly 40 percent of Indiana state revenues. Generally, Indiana is one of four states that do not collect sales taxes on services; Alabama, California and Illinois are the other states. Some sales taxes may apply to certain services that are difficult to differentiate between the product and the service.

The report analyzed which services may provide the most revenue. For instance, sales tax does not apply to all products, such as food purchased at the grocery store. The Indiana General Assembly would need to evaluate which services to tax and which services may be deemed as essential services, exempt from the sales tax.

Adding health care and education services as taxable services would increase sales tax revenue by nearly 50 percent. I suspect health care and education would be services the state would not tax because they are essential to everyone’s productivity.

The report found that adding insurance (not life insurance) and financial services as taxable services would add 15 percent to the tax sales base. Some may deem insurance and banking as necessities and exempt from sales tax on services.

Taxing services on motor vehicle repairs, recreation, personal care and household maintenance would increase the sales tax base nearly 20 percent. The study reported that expanding the sales tax to include services would make the revenue more recession proof, meaning more stable if a downturn in the economy occurred. However, many service-oriented businesses that do not collect sales tax now would be required to begin collecting sales tax and a new administrative burden.

Revenue from the current sales tax base is declining. It is a result of changing consumer behavior from the past, and the “sharing economy” will only accelerate the decline. To keep up with the new economy, Indiana should study the issue of an expanded sales tax to have a broader base and perhaps even a lower rate.

The full sales tax on services report can be found on the Indiana Fiscal Policy Institute website, indianafiscal.org.
In the dawn of the internet age, many of the forward-thinking business minds predicted that this new computer network would revolutionize our world in ways that couldn’t be predicted at the time. Decades later, they couldn’t have been more right. There has been an explosion of e-commerce across many platforms that were the originators of internet business, and consumers were able to purchase their everyday goods in a new manner. However, there have also been the unpredictable rises of new offerings that are quickly replacing the standard business model with new ways for consumers to meet their needs entirely outside the status quo.

One such example is the so-called “sharing economy” where owners of tangible goods are able to connect with consumers of those goods across e-commerce platforms. In the past, if you needed a car ride to the airport, you called a business that owned cars and hired drivers just to provide the service you needed. Or, if you needed to rent a room in a city across the country, you rented a room from a hotel that owned rooms that they would rent to you. Now, however, e-commerce platforms like Uber and AirBNB are making it possible for private citizens to share their cars and homes with other private citizens for a price. But, in many cases the laws that have been on the books in Indiana for decades were written for a business model that is rapidly changing. That leaves serious questions about what kinds of laws should be implemented to handle this “sharing economy”.

Advocates for these new businesses are asking state legislators to allow entrepreneurship to be allowed to flourish. Perhaps these businesses are the wave of the future, but the question must also be asked whether these businesses should be given an uneven playing field in order to accomplish it? From taxation, to land use, to insurance requirements, the applicability of laws on the sharing economy is under examination.

For example, House Bill 1133, as originally drafted, would eliminate local government regulations that would serve to ban short-term rental of real estate. This would primarily benefit online rental facilitators such as AirBNB, VRBO, and similar facilitators that allow homeowners to make their properties available for rent on a weekly or nightly
basis. Some of these homes would be lived in most of the year by the homeowner, with rental only in certain weeks or seasons. Others are being purchased for the sole purpose of rental via these sharing websites. There are, however, a series of open questions as to how Indiana’s laws (both state and local) should apply and be enforced on the short-term rental of single-family residences.

**IMPORTANT QUESTIONS TO CONSIDER**

First, in jurisdictions that have local planning and zoning laws in place, many of these short term rentals likely violate their zoning restrictions for rental in residential zones. Zoning laws are written to protect landowners from incompatible uses of neighboring parcels. In this context, residential zones are in place to prevent short-term occupancy of homes where families invest in homes relying on the expectation that all homes would be occupied by stable, longer-term use in a similar fashion to their own use.

Second, how should taxes be applied to such short-term use of a property? Is the home supposed to be taxed at the residential rate, or the business rate? If the homeowner is living in the property for most of the year, but occasionally renting the home out, should they be allowed a homestead exemption? Should the facilitator be required to collect and submit taxes such as any applicable innkeepers’ taxes? Commercial hotels are subject to specific taxation for services that are very similar to an AirBNB rental, and yet the applicability and enforcement of tax laws on these rentals are uneven at best. Even further, are these facilitators operating as service providers and does this lead to a larger discussion of the need to place a sales tax on services?

Third, should local authority remain in effect, or should the state take over responsibility for establishing laws and policies related to the sharing economy? Some regulations, such as the types and amounts of insurance that is required for an operator are likely standard across the state. However, most authority for land use regulation rightly lies with local governments that are best able to tailor their land use laws to meet the very local nature of deciding how properties may be used within a jurisdiction.

As the number of shared economy concepts grow, and their use grows as a proportion of the Indiana economy, thoughtful decisions will be necessary to make sure that Indiana can keep pace with the ever changing global economy while protecting the interests of Hoosiers close to home.

The laws that have been on the books in Indiana for decades were written for a business model that is rapidly changing.
THE FUN STARTS HERE!

Madison County

White River Zip Lines; above inset: Hoosier Park Racing and Casino.
If you are looking for arts, food, entertainment, shopping or recreation, Madison County has you covered.

With horse racing, casino action, live entertainment, and great food and drink options, Hoosier Park Racing and Casino is always a great source for fun and excitement. Visit hoosierpark.com to plan your visit today! While visiting their website, make sure you check out their schedule of concerts featuring legendary rock bands and hot country stars. Hoosier Park also has a great lineup of free concerts too!

Madison County is great place to enjoy the outdoors. There is an abundance of walking trails, bike paths, and beauty, including scenic Falls Park in historic Pendleton and Mounds State Park in Anderson. A different kind of thrill can be found in the skies at White River Zip Lines (whiteriverziplines.com). White River Zip Lines has over a mile of exhilarating zips through beautiful wooded terrain. The course features ten towers—seven zip lines and three bridges—that will leave your heart racing and your blood pumping! White River Zip Lines is great for dates, families, groups, and anyone looking to add a little excitement to their life! While you’re there be sure to check out White River Paintball, Indiana’s largest indoor and outdoor paintball field with more than 125 acres of paintball.

Rangeline Nature Preserve is a mountain bike/nature preserve located in Anderson and has three loops; novice, intermediate, and expert. Novice is smooth, fast, and flowing. Intermediate is narrow with a few natural obstacles. Expert is tighter, slower, and loaded with obstacles such as a suspension bridge, elevated trail, gap jump, teeter totter, drops, rock gardens, etc. Many more obstacles and trail modifications are in the works. All trails are single track and one-directional. Rangeline makes for some of the best mountain biking in Indiana and the country so come check it out!

The Anderson Symphony Orchestra (ASO-andersonsymphony.org) continues its 49th season Feb. 25 with Mendelssohn’s Reformation Symphony. The ASO performs in the awe inspiring Paramount Theatre. The symphony also has a performance April 29 with Lyndall
On the Cover: Madison County

Madison County has an extensive lineup of great festivals, fairs, and events.

Hot Air Balloons at Frankton Heritage Days
Jonsson – Anderson University Centennial Celebration Concert. On Friday, May 5, Jon McLaughlin will perform with the ASO. Tickets for the ASO’s concerts are on sale now. Tickets are available at andersonsymphony.org.

The roar of the engines can be heard from Anderson Speedway (andersonspeedway.com) all spring and summer. Catch the action as cars race bumper-to-bumper around the world’s fastest high-banked quarter mile oval! The highlight of the season will be the 69th running of the Little 500 Saturday, May 27. The thrilling Little 500 should be on every racing fan’s bucket list! Anderson Speedway is family friendly and affordable, with races every Saturday night.

The terrific Anderson Young Ballet Theater (andersonyoungballet.org) performs *Alice in Wonderland* March 10-11. While in town for a performance, spend some time at the Anderson Center for the Arts. Visit andersonart.org to find out information about their latest exhibit.

Finally, Madison County has an extensive lineup of great festivals, fairs, and events, including the Highway 38 Sale the first weekend of May in Pendleton, which features miles of shopping, including antiques, yard sales, and food. To learn more about these events—and all of the fun you can have in Madison County—check out the calendar at VisitAndersonMadisonCounty.com.

For information on all of these events and much more, check out VisitAndersonMadisonCounty.com. There’s a lot to discover. For what to see, do and eat, go to VisitAndersonMadisonCounty.com. **The Fun Starts Here!**
AIC Scholarships

AIC Scholarship Winners:
Where are they now?

Each year the AIC awards scholarships to children of county government employees. It is always nice to hear from the winners to see how the scholarships have enriched their lives during and after their post-secondary education. The 2017 scholarship application process will begin very soon. Watch your weekly eNewsletter for information. The applications will also be posted in the March/April issue of the Indiana News 92 magazine. Many thanks to AIC’s longtime partners in the scholarship program: Nationwide Retirement Solutions and SRI, Inc.

Jacob Semonis
2016 AIC-Nationwide Scholarship Winner

Jacob Semonis, a Warsaw Community High School graduate, received the AIC-Nationwide Scholarship last fall. He’s on a fast track to graduate from Purdue University in 2019. This semester Semonis is working as an Indiana Senate majority floating legislative intern where he is assigned to two state senators.

“I’m very excited to see the intricacies of how the state legislative process works firsthand,” said Semonis. “I am also excited to be in a setting that will push me to further-develop myself professionally by making me work on my soft skills and my leadership capabilities.”

The AIC-Nationwide Scholarship has helped Jacob in many ways, including but not limited to reducing his financial burdens during college.

“The scholarship allows me to focus my time towards more enriching activities. I spend a lot of my free time working on various research related to my degrees at Purdue, which would not be as easy without the scholarship.”

– Jacob Semonis

Semonis takes the investment of others in his future very seriously.

“I hold myself accountable for that; I am trying to do everything that
Successful plans take partnership.

I can now to better myself personally and professionally in order to make my investors proud.”

Semonis plans to double major in applied agricultural economics and agronomic business and marketing, but his Indiana Statehouse internship experience may cause him to tweak his professional plans.

“No matter what my profession is, I have every desire to represent the agricultural community, which is where I come from.”

Semonis is a native of Kosciusko County where his mother, Amy Irwin, works for the Kosciusko County Area Plan Commission as an ordinance administrator.

Abby Stimpson

2014 AIC-Nationwide Scholarship Winner

Abby Stimpson, a graduate of Bellmont High School in Adams County, received the AIC-Nationwide Scholarship in 2014. Stimpson also quickly gained government experience through an internship that same year in Washington D.C. with Congresswoman Susan W. Brooks.

“The scholarship allowed me to feel comfortable to take the internship, which did not pay financially but paid tenfold in experience.”

– Abby Stimpson

“Later that year I graduated from the University of Indianapolis with a dual degree in political science and international relations.”


“I also cover the House Committee on Utilities, Energy, and Telecommunications for House Republicans. I love that my job allows me to gain a full understanding of the legislative process and assist others with navigating state government.”

While growing up, Abby had a front row seat for seeing public service in action; she is the daughter of Adams County Recorder Deb Stimpson. No doubt, her interest in public service was influenced by her mother’s role in county government. Abby’s future plans are to continue on this path of service as well.

“I look forward to continuing my career serving citizens here in Indiana.”

Jennifer Brown
browj127@nationwide.com
260-602-3726

Kevin Mitchell
mitchk9@nationwide.com
317-652-7039

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Legal Insight

Volkswagen Settlement Mitigation Fund May Help Counties

By Donald M. Snemis, Ice Miller LLP
Due to a recent federal court settlement with Volkswagen, states will have access to $2.7 billion to replace aging diesel engines and diesel-powered vehicles. Governmental entities, including counties, may receive up to 100 percent funding to replace vehicles such as school buses, transit buses or trucks, and private businesses can receive up to 75 percent. Any entity that needs to replace a diesel-powered vehicle or engine in the next few years should monitor Indiana’s participation in the recently-established VW Mitigation Trust Fund.

**Background**

In September of 2015, Volkswagen admitted that it had secretly manufactured and installed illegal “defeat devices” in almost 500,000 diesel vehicles, in order to falsify emissions data from these vehicles. As a result, these vehicles emitted nitrous oxides (“NOx”) up to 40 times the EPA-permitted limits. On Oct. 25, 2016, a judge in the United States District Court for the Northern District of California approved a Partial Consent Decree that, among other things, creates a $2.7 billion “Environmental Mitigation Trust” to fund projects to reduce emissions of NOx.

Several procedural hurdles must still be cleared before the states, including Indiana, will have access to these funds. A trustee must be chosen, and the mitigation trust agreement must be finalized and approved by the court. Once that occurs, states can access their allocated share of the trust funds by applying to become a beneficiary of the mitigation trust and accepting its terms.

**What are the Important Deadlines?**

The Trust Agreement is not likely to be finalized and approved for several months. Estimates range from early 2017 to late 2017. Once that occurs, and the “Trust Effective Date” is established, states will have 60 days to designate a lead agency, agree to the terms of the Trust Agreement, submit to the jurisdiction of the court, and become a trust beneficiary. Any state that misses this deadline or refuses to accept the terms of the trust agreement will be denied access to the trust funds. Then, the trustee has another 60 days to file a certification with the court indicating which states

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*www.IndianaCounties.org*
A program similar to the VW Mitigation Trust is the EPA’s Diesel Emission Reduction Program (DERA), which currently grants states funds to achieve reductions in diesel emissions.

How Much will Each State Get?
Each state has already been assigned an initial allocation based on the number of VW 2.0 liter diesel vehicles sold in that state. The allocations range from $7.5 million for states with small populations, such as Hawaii and the Dakotas, to $381.3 million for California. Indiana is in the middle, with an initial allocation of $38.9 million.

What Types of Projects are Eligible under the Trust Agreement?
The settlement documents identify very specific projects eligible for Mitigation Trust Funds. The purpose of the trust is to upgrade aging diesel-powered vehicles and replace them with newer, cleaner diesel-powered vehicles or vehicles powered by alternative fuels to reduce NOx emissions. Examples include diesel-powered freight trucks; school, shuttle or transit buses; marine shore power systems; forklifts and port cargo handling equipment; ferries and tugs; and airport ground support equipment.

For government owned vehicles, trust funds can be used for 100 percent of the cost of a replacement engine or vehicle. For non-government owned vehicles, trust funds can only be used for a percentage of the cost, ranging from 25 percent to 75 percent, depending upon whether the entire vehicle is replaced or just the engine, and whether the replacement unit is diesel or electric.

What Types of Projects are Likely to Be Given Priority?
States will probably seek applications for projects, and then choose among those deemed eligible under the plan. It is safe to predict that the projects that go to the heart of the trust’s purpose of reducing NOx emissions are likely to be given priority. Therefore, projects that will result in substantial NOx reductions are likely to be preferred. Also, states may be inclined to give more weight to NOx-reducing projects in areas that are currently failing to attain National Ambient Air Quality Standards (NAAQS) related to NOx, which could help move those areas from “nonattainment” to “attainment” status. Indiana’s current nonattainment areas include all of Lake and Porter counties, areas of Marion County, and isolated areas of Morgan, Delaware, Dearborn, Vigo, Daviess and Pike counties.

Are there Limits on the Amounts States Can Request?
No state can request more than its allocated share, a payout of more than one-third of its allocation during the first year, or more than two-thirds of its allocation during the first two years. Funds unused after 10 years could be subject to reallocation, and funds unused after 15 years will be returned to the federal government.

What State Agencies are Likely to Administer these Funds?
Each state must designate a lead agency when it applies to become a beneficiary of the mitigation trust. A program similar to the VW Mitigation Trust is the EPA’s Diesel Emission Reduction Program (DERA), which currently grants states funds to achieve reductions in diesel emissions. A likely candidate for lead agency for the mitigation trust will be the state’s environmental management agency, or whatever other agency manages the state’s DERA program. The Indiana Department of Environmental Management manages Indiana’s DERA program.

Ice Miller LLP serves as counsel to the Association of Indiana Counties. Donald Snemis is a partner in Ice Miller’s Environmental Practice Group. Contact Don at donald.snemis@icemiller.com or (317) 236-2341 for more information on this topic.
Don’t forget to...

UPDATE
YOUR AIC CONTACT INFORMATION.

The AIC will be mailing membership cards and updating the AIC’s Directory of County Officials very soon. Please be sure to let us know your preferred mailing address for official AIC notices and updates.

Visit www.IndianaCounties.org to update your contact information

Email your contact information to Karen Avery at kavery@indianacounties.org

Fax your contact information to 317.684.3713 attn: Karen Avery

Scan this QR Code and get right to the update form on smartphone or tablet

indianacounties.org
The Association of Indiana Counties presents an essay contest for third grade students across Indiana. The essay focus is “Counties Moving Indiana Forward: Roads and Bridges are Essential.”

REQUIREMENTS:

- The essays can focus on roads and bridges. Students can discuss with county commissioners, county councils, highway engineers or highway supervisors about the road and bridge system in counties and how projects are selected for improvement.

- Essays should be no longer than one page, typed or handwritten.

- Essays will be judged according to how well students discuss the county’s role in constructing and maintaining roads and bridges. They should explain the kind of projects counties do and why they do them.

- Parent(s)/guardian’s names, phone and email (Note: this is for notification of the winners).

- To be considered by our judging committee, all entries should be postmarked by April 3, 2017 and mailed directly to the address below:

  Attn.: Lyndsey Robinson
  Association of Indiana Counties
  101 West Ohio Street, Suite 1575
  Indianapolis, IN 46204

PRIZES: $100 will be granted to one student in each region of Indiana: Northwest, Northeast, West Central, East Central, Southwest, and Southeast. If possible for the parents and student, AIC would like to invite the winner to read their essay at the district meeting. Checks will be distributed in May at our district meetings: Northeast, Northwest, West Central, Southwest, Southeast, and East Central.

- AIC would like to request the distribution of these instructions and/or the forward of this message to all 3rd Grade teachers. We welcome any questions and/or concerns. AIC thanks you for your time, and we look forward to reviewing all the hard work the students put into their essays.

- Winners will be announced and notified by April 15, 2017.

- The winners will be announced to local media.

If you have questions, please contact Lyndsey Robinson at lrobinson@indianacounties.org or dial (317) 829-3653.
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