

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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**FISCAL IMPACT STATEMENT**

**LS 7128**  
**BILL NUMBER: SB 621**

**NOTE PREPARED: Jan 9, 2013**  
**BILL AMENDED:**

**SUBJECT:** Local Government Issues.

**FIRST AUTHOR:** Sen. Young R Michael  
**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:**     **GENERAL**  
                              **DEDICATED**  
                              **FEDERAL**

**IMPACT:** Local

**Summary of Legislation:** This bill has the following provisions:

*Department of Public Safety:* It provides that the consolidated law enforcement department of a county having a consolidated city is a division of the department of public safety under the direction and control of the director of public safety.

*Separate Item Reduction and Modification:* It allows the mayor of a consolidated city to reduce or modify separate items of an ordinance appropriating money or levying a tax. (Under current law, the mayor may only approve or veto separate items of an ordinance appropriating money or levying a tax.)

*Appointments:* It eliminates the requirement that the city-county council approve the director and deputy director appointments of the mayor of the consolidated city.

*Capital Improvement Board:* It eliminates provisions that allow the city-county council to require the capital improvement board of managers to make payments in lieu of taxes (PILOTS) for deposit in the consolidated county fund.

*Metropolitan Development Commission:* It allows the mayor of a consolidated city to appoint two additional members to the metropolitan development commission, and eliminates the appointments of the county board of commissioners (consisting of the county treasurer, county auditor, and county assessor).

*Allotment:* It allows the controller of the consolidated city and county to allot amounts appropriated to an

office, department, or agency of the consolidated city or county.

*Membership of City-County Council:* Effective January 1, 2016, it reduces the membership of the city-county council from 29 to 25 members by eliminating the members elected at large.

*Residency:* It requires a candidate for mayor of the consolidated city to reside in the city for at least two years (instead of five years) before taking office. It also requires a candidate for member of the city-county council to reside within the council district for at least one year (instead of two years) before taking office.

*Judicial Review:* It provides that if the division of the county into city-county council districts is reviewed by a panel of judges, the clerk of the court must keep a record of the method and process of selecting the panel and make the record available for public inspection and copying.

*Marion County Township Board Membership:* It provides that in Marion County, a township board consists of five (instead of seven) members. It provides that members of the initial five member township board are elected at the November 2016 general election.

*Counting Absentee Ballots:* It requires absentee ballots in Marion, Lake, and Allen counties to be counted at a central location unless the county election board unanimously adopts a resolution that: (1) requires absentee ballots to be counted at individual precincts; and (2) states the county election board's basis for adopting the requirement.

**Effective Date:** July 1, 2013.

**Explanation of State Expenditures:**

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** The bill will have indeterminate cost savings to the extent that the mayor may reduce or modify separate items within the budget enacted by the city-county council and that the controller will allot appropriations or make reductions to allotments in certain circumstance. It will also provide cost savings by reducing the membership of the city-county council and the township boards in Marion County.

*Separate Item Reduction and Modification:* If the mayor reduces or modifies an item in the budget before signing the budget, cost savings will occur. While current statute allows a veto of the separate items of the budget, which would result in funds not being expended, this additional power would allow the separate item to be preserved in the budget at a reduced expense.

*Allotment:* Similarly, under the bill, if property taxes or other receipts are less than anticipated or the amount available for the remainder of the appropriation or allotment is less than the amount estimated for the period, the controller, with the approval of the mayor, and with notice to an office, department, or agency can reduce the amount of the allotment. Under the bill, the year will be divided into four quarterly allotment periods. An appropriation is not available for expenditures until the office, agency, or department makes an estimate of the amount required for each activity and the purpose of expenditures during the allotment period, and the funds are allotted. Funds can be allotted when they are within the purpose of the appropriation and the office, department, or agency contemplates expending the allotment within the allotment period. The controller can modify the estimate to conform the appropriation to the needs of the office, department, or agency.

*Membership of City-County Council:* The bill would reduce the city-county council by removing the four at-large members. The average salary cost for a city-county councillor is estimated at \$21,192 plus per diem, based on 2013 budget. This would save a total of about \$84,770 for salary and benefits expense.

*Marion County Township Board Membership:* The bill would reduce the salary expense for townships in Marion County by reducing the board members from seven members to five. The average annual savings for all townships in Marion County is estimated at \$80,504 based on 2011 Annual Report expenditure data. The information for each township is presented in the table below.

<b>Township</b>	<b>Average Salary per member</b>	<b>Salary Expense for Two Members</b>
Center	\$6,850	\$13,700
Decatur	3,000	6,000
Franklin	4,000	8,000
Lawrence	5,000	10,000
Pike	4,151	8,302
Warren	5,302	10,604
Washington	3,785	7,569
Wayne	8,164	16,328
<b>Average/Total</b>	<b>\$5,031</b>	<b>\$80,504</b>

Source: 2011 Annual Report Data from the Gateway for Indiana Government.

*Counting Absentee Ballots:* Marion, Lake, and Allen counties currently count absentee ballots at a central location. If the three-member county election board of one of these counties were to decide to count absentee ballots at the individual precincts, costs could increase an indeterminate amount to transport absentee ballots to the precincts on the day of an election. Any increase in cost will result from the decisions of the county election board and the method of transporting absentee ballots.

*Department of Public Safety:* The ordinance consolidating the police department and sheriff's department contains provisions for the department of public safety to be under the direction and control of the director of public safety. The bill would codify this in state statute.

Other proposed changes concerning appointments have no direct fiscal impact on the consolidated city.

**Explanation of Local Revenues:** *Capital Improvement Board:* The bill will remove one of three public entities that may be subject to payments in lieu of taxes (PILOTS), thereby limiting this potential source of revenue for the consolidated city.

*Background:* The city-county council passed Ordinance 295 requiring the capital improvement board of

managers (CIB) to a PILOTS of \$15 million for 2013. The CIB has refused to pay the PILOTS for several reasons and has appealed to the State Board of Accounts. The CIB has paid no PILOTS since FY 2001.

**State Agencies Affected:**

**Local Agencies Affected:** Consolidated city.

**Information Sources:** Capital Improvement Board of Managers, *Comprehensive Annual Financial Report*, December 31, 2010; Gateway for Indiana Government accessed at <https://gateway.ifionline.org/default.aspx>; Jeff Spaulding, Controller, Consolidated City of Indianapolis, Marion County.

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