

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

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**FISCAL IMPACT STATEMENT**

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

**NOTE PREPARED:** Apr 5, 2013  
**BILL AMENDED:** Apr 4, 2013

**SUBJECT:** Local Government Issues.

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

**BILL STATUS:** 2<sup>nd</sup> Reading - 2<sup>nd</sup> House

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

**IMPACT:** Local

**Summary of Legislation:** (Amended) 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.

*Appointments:* It allows the city-county council to approve the initial director and deputy 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.

*Residency:* It requires a candidate for mayor of the consolidated city to reside in the city for at least one year (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.

*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 controller will allot appropriations or make reductions to allotments in certain circumstances. It will also provide cost savings by reducing the membership of the township boards in Marion County.

*Allotment:* 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.

*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:* Lake County and Allen County currently count absentee ballots at a central location, and should not be affected by this provision, if those two counties do not take further action with regard to their central count status. However, if the three-member county election board of one of these counties were to decide to count absentee ballots in the individual precincts, there would be transportation costs to shuttle the absentee ballots to the precinct on election day.

Marion County currently counts absentee ballots in the individual precincts and would have to change to centralized counting under the bill, unless their three-member county election board unanimously decided to continue to count absentees at the individual precincts. Centralized counting would require the Marion County Clerk to still send absentee ballot record lists to the precincts to check against precinct election board poll lists and still have additional staff available to count the absentee ballots at the central count facility. The Marion County Clerk would still require similar transportation costs to get the absentee voting lists to the precincts, instead of the ballots. Additionally, Marion County may also require additional transportation costs to send of absentee ballots received on election day at the precincts to the central count facility.

Any change in cost for counting absentee ballots from the current method used in any of these three counties is indeterminate and would result from the change in transportation patterns. Any change in cost will result from the decisions of the county election board and the quantity of absentee ballots transported on election day.

*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; Beth White, Marion County Circuit Court Clerk.

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