

LEGISLATIVE UPDATE

The 2010 Session of the Indiana General Assembly.

DECEMBER 2009

Early Start! Early Finish?

The “short” session of the Indiana General Assembly got off to a lightning quick start after Organizational Day on November 17, 2009. While little was done on this opening day, leadership of both the House of Representatives and the Senate announced that they would break with tradition and hold hearings on key proposals in December. The Legislature is scheduled to meet in formal session from January 5, 2010 until March 14, 2010.

In keeping with their promises, the Senate Tax & Fiscal Policy Committee met on December 1 to hear testimony on a bill making the property tax caps permanent under the State Constitution, and to delay increases in the unemployment compensation tax rates for one year. The House Ways & Means Committee met on December 7 to hear the same property tax relief constitutional amendment, and to deliberate a bill that would limit property tax assessment increases. Other hearings will be held in December on a package of ethics reforms regarding lobbying of the General Assembly.

Lobbying reform is almost always popular with the public, and twenty-three daily circulated newspapers across the state have banded together to promote its passage. Both parties will look good by its enactment, so the prognosis is very good. Similarly, limits on property taxes are a hot-button issue with the public. While the 2008 Legislature enacted significant property tax controls, the 2010 Legislature must pass a constitutional amendment to permanently place these controls in the Indiana Constitution. While Speaker Pat Bauer (D-South Bend) prevented passage of this measure earlier this year; he may relent in the current session since it could make a big difference in the re-election of several of his members.

Politics is driving this unusual early activity. The elections to be held in November 2010 will determine which political parties get to redraw legislative districting maps for their individual chambers. While it is unlikely the Republicans lose their control of the Senate where they hold a

33-17 majority, the real fight will be in the House where the Democrats cling to a narrow 52-48 majority. Each party is advancing what they perceive as popular proposals to put their best foot forward when they face the voters next year. Generally controversial bills do not have much success in election years since neither party wants to alienate potential supporters. This is very likely to be the case this year.

Leadership of each House will advance proposals authored by vulnerable members of their caucuses to enhance their re-election chances. When such bills reach the other chamber they are likely to be killed to prevent the same thing. There will be soaring rhetoric on how these proposals would benefit the citizens of Indiana, but in the end few, if any, will be enacted into law. With the exception of the proposals discussed at the beginning of this article, very few bills of significance are likely to pass in this highly charged atmosphere.

Revenues are drastically falling short of what was projected when the two year state budget was adopted in a contentious special session in June of this year. Governor Mitch Daniels has instituted a series of cost-cutting measures, and has admonished the Legislature not to send him any legislation that spends a dime of state revenues. There is general consensus that any spending measures will be “dead on arrival”.

Rumors are rampant that the General Assembly will adjourn prior to the statutorily mandated date of March 14, 2010. Politics again is the culprit. The public is angry that the Legislature did not pass its budget by the required date of April 29 of this year, necessitating the cost of a lengthy special session this past summer. The theory is that by saving the expense of session days in 2010, voters can be persuaded that the General Assembly saved the amount that they overspent on the special session. The early hearings on the most important bills should allow the General Assembly time to get the needed work done by an earlier date.





What Bills & Resolutions Have Been Filed:

*For updated bill filings, visit www.in.gov/legislative. Click on "Session Information, Bills & Resolutions"

Senate Bill 023

Subject: Unemployment

Authors: Hershman, Kenley, Kruse, Charbonneau

Digest: Unemployment contribution rates. Delays from January 1, 2010, to January 1, 2011, changes in the taxable wage base and employer contribution rates for the unemployment compensation system.

House Bill 1001

Subject: Lobbying and Ethics

Authors: Bauer, Murphy

Digest: Lobbyists; campaign contributions. Reduces from \$100 to \$50 the minimum reportable amount for: (1) the total daily gifts to a legislator or legislative employee given by a registered lobbyist; or (2) a single gift received by a legislator or legislative candidate. Provides that an individual who holds a state elected office and ceases to hold the state office after June 30, 2010, may not be registered as a lobbyist for 365 days after expiration of the term of office. Provides that an individual who holds a position in the executive branch appointed by the governor (other than a special state appointee) and who ceases to hold that appointment after June 30, 2010, may not be registered as a lobbyist for 365 days after ceasing to hold the appointive position. Provides that a member of the general assembly may not be registered as a lobbyist for 365 days after ceasing to be a member of the general assembly. Provides that a lobbyist may not represent multiple clients if the representation involves a conflict of interest. Defines "conflict of interest". Provides that the governor and the governor's candidate's committees may not (1) solicit campaign contributions; (2) accept campaign contributions; or (3) conduct other fundraising activities during the long session of the general assembly and during the day before, the day of, and the day after each organization day. Provides that the prohibition does not apply to the governor's participation in party activities conducted by a regular party committee. Imposes the same fundraising restrictions for legislators for the same period around organization day of a long session. (Currently, legislators may not conduct fundraising activities during the long session beginning in January.) Provides that persons with contracts with state government

House Bill 1002

Subject: Public Works

Authors: Kersey

Digest: Indiana worker preference on public works projects. Provides that contracts for public works projects may not be awarded to a contractor that does not: (1) employ residents of Indiana as at least 80% of the employees working on the contract; and (2) enter into subcontracts only with subcontractors that employ residents of Indiana as at least 80% of the employees working on the contract. Provides that if a contract is being paid for with federal funds and the requirement that 80% of the employees must be residents of Indiana causes the loss of the federal funds as determined by the federal agency providing the funds, the use of 80% residents is a goal and not a requirement. Applies this restriction to contracts entered into by the public works division of the department of administration, any state agency or commission entering into a public works contract, the commission governing the ports of Indiana, the department of transportation, and units of local government. Requires the commissioner of the department of administration to prepare an annual report for the public and the legislative council stating, for the contractors awarded public works contracts by the state and the subcontractors with which these contractors entered into subcontracts, the percentage of the contractors' and subcontractors' employees working on the public works contracts who are residents of Indiana.

House Bill 1003

Subject: FSSA Medicaid Reform

Authors: Riecken

Digest: Contracting of public assistance eligibility. Prohibits the office of the secretary of family and social services, the division of family resources, and the office of Medicaid policy and planning to contract with another person to administer or process eligibility intake for specified programs. Repeals a requirement that a contractor of the specified programs make certain reports.

House Bill 1004

Subject: Property Taxes on Farmland and Homesteads

Authors: Grubb, Pearson, Steurwald

Digest: Assessed value of homesteads and farmland. Limits the annual increase in the gross assessed value of a homestead to 1% and of agricultural land to 2% unless the increase results from a factor that would have increased the assessed value even if neither an annual assessment adjustment nor a general reassessment applied

House/Senate

Joint Resolution No. 1

Subject: Circuit Breakers and Property Tax Caps

Authors: Rep. Crawford/Sen. Kenley

Digest: Circuit breakers and other property tax matters. Requires, for property taxes first due and payable in 2012 and thereafter, the general assembly to limit a taxpayer's property tax liability as follows: (1) A taxpayer's property tax liability on homestead property may not exceed 1% of the gross assessed value of the homestead property. (2) A taxpayer's property tax liability on other residential property may not exceed 2% of the gross assessed value of the other residential property. (3) A taxpayer's property tax liability on agricultural land may not exceed 2% of the gross assessed value of the property that is the basis for the determination of the agricultural land. (4) A taxpayer's property tax liability on other real property may not exceed 3% of the gross assessed value of the other real property. (5) A taxpayer's property tax liability on personal property may not exceed 3% of the gross assessed value of the taxpayer's personal property that is the basis for the determination of property taxes within a particular taxing district. Specifies that property taxes imposed after being approved by the voters in a referendum shall not be considered for purposes of calculating the limits to property tax liability under these provisions. Provides that in the case of a county for which the general assembly determines in 2008 that limits to property tax liability are expected to reduce in 2010 the aggregate property tax revenue that would otherwise be collected by all units and school corporations in the county by at least 20%, the general assembly may provide that property taxes imposed in the county to pay debt service or make lease payments for bonds or leases issued or entered into before July 1, 2008, shall not be considered for purposes of calculating the limits to property tax.



About Sen. Scott Schneider

A strong voice for taxpayers and an advocate of property tax caps, government efficiency and personal responsibility, State Sen. Scott Schneider was elected to represent Senate District 30 in July 2009.

Schneider, Vice President of Sales & Marketing for Mister Ice of Indianapolis Inc., served two terms on the Indianapolis City-County Council from 1999 to 2007, where he advocated smaller government and lower taxes. Active in the local Republican party, he serves as Ward Chairman for Washington Township in Marion County. Schneider was a member of the Citizens' Police Complaint Board under former Indianapolis Mayor Stephen Goldsmith and the Marion County Sheriff's Merit Board from 1997 to 1999.

Volunteering in the community is also a priority for Schneider, who worked as a youth soccer coach for First Baptist Church in Indianapolis and as a volunteer assistant basketball coach for Arlington High School. In addition, Schneider has worked on local "Sack Hunger" and "Golf for the Cure" events.

He is a graduate of Heritage Christian School and Indiana Wesleyan University, where he majored in business and political science with a minor in economics.

Schneider and his wife Kristine have five children: Lauren, Hannah, Zachary, Luke and Emma. They are members of College Park Church.



Committee Changes



Chairman:

Sen. Dennis Kruse (R-Auburn)
 Education and Career Development:



New Member

Sen. Scott Schneider (R-Indpls)
 - Education and Career Development
 - Elections
 - Judiciary
 - Probate Code and Trusts Subcommittee
 - Utilities & Technology



Statehouse Contacts

Governor Mitch Daniels
 200 W. Washington St.,
 Room 206
 Indianapolis, IN 46204
 (317) 232-4567
 (317) 232-3443 - Fax

Indiana House of Representatives
 200 W. Washington Street
 Indianapolis, IN 46204
 (800) 382-9842
 (317) 232-9600

Indiana State Senate
 200 W. Washington Street
 Indianapolis, IN 46204
 (800) 382-9467
 (317) 232-9400



Update KWK's Contact Info

We've changed our Suite Number!
Our new address is:

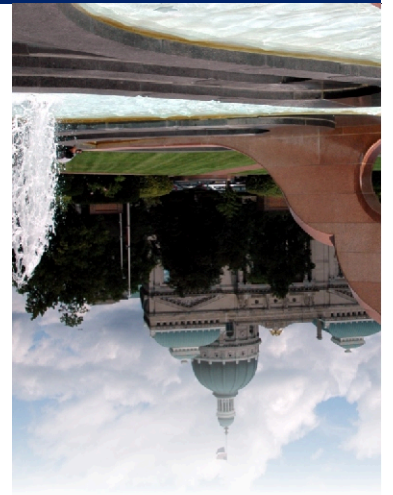
KWK Management Group, LLC
2424 Market Tower
10 W. Market Street
Indianapolis, IN 46204

You may have noticed a new last name among KWK!
Emmalee got married in August.
She has a new email address.

Emmalee Hinton
ehinton@kwkmanagement.com

The 2010 Legislative Directories are available.

They offer valuable information regarding all 150 members of the General Assembly including biographies, contact information and much more. To order your 2010 Indiana Chamber Legislative Directory, please visit www.indianachamber.com.



Bill Keown (317)213-3875
kllwaggoner@kwkmanagement.com (317)213-3876
Emmalee Hinton (317)441-3553
ehinton@kwkmanagement.com

CONTACT KWK

MANAGEMENT GROUP, LLC



Legislative Update
2400 Market Tower, 10 W. Market St.,
Indianapolis, IN 46204
317.684.6930
888.542.2928 Fax
www.kwkmanagement.com