

Members

Rep. Eric Turner, Chairperson  
Rep. Robert Cherry  
Rep. Cherrish Pryor  
Sen. Brandt Hershman  
Sen. Timothy Skinner



## COMMISSION ON STATE TAX AND FINANCING POLICY

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Authority: IC 2-5-3-2

### MEETING MINUTES<sup>1</sup>

Meeting Date: August 28, 2012  
Meeting Time: 9:20 A.M.  
Meeting Place: State House, 200 W. Washington St., Room 404.  
Meeting City: Indianapolis, Indiana  
Meeting Number: 1

**Members Present:** Rep. Eric Turner, Chairperson; Rep. Robert Cherry; Rep. Cherrish Pryor; Sen. Brandt Hershman; Sen. Timothy Skinner.

**Members Absent:** None.

Representative Eric Turner, Chairperson of the Commission, called the Commission to order at approximately 9:20 A.M. After an introduction of Commission members and staff, Representative Turner noted that the second meeting of the Commission would be held on September 18 (in place of the previously scheduled meeting on September 17). He stated that Commission meetings would also be held on September 24, September 25, and October 4, and that an additional meeting might be held.

#### I. Sales Tax Exemptions for Aircraft Parts and Aviation Fuel Taxes

##### *A. Aircraft Parts*

Representative Turner recognized Bart Giesler, representing the Aviation Association of Indiana, and attorney Brent Auberry of Faegre Baker Daniels. Mr. Auberry began by explaining that in the 2012 legislative session, Indiana had added a sales tax exemption for aircraft parts for a foreign-registered plane that is brought to Indiana for repair and that

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<sup>1</sup> These minutes, exhibits, and other materials referenced in the minutes can be viewed electronically at <http://www.in.gov/legislative>. Hard copies can be obtained in the Legislative Information Center in Room 230 of the State House in Indianapolis, Indiana. Requests for hard copies may be mailed to the Legislative Information Center, Legislative Services Agency, West Washington Street, Indianapolis, IN 46204-2789. A fee of \$0.15 per page and mailing costs will be charged for hard copies.

is then taken out of the country. The exemption applies only to larger aircraft (of at least 5,000 pounds) and only if the provider of the repair service is an FAA-certified repair station.

Mr. Auberry testified that for transactions not exempt under the 2012 law, the 7% Indiana sales tax on repair parts makes it hard for Indiana firms to compete with out-of-state aircraft maintenance firms. He noted that there is no sales tax on aviation repair parts in Ohio. (See Exhibit A, "Sales/Use Tax Exemptions for Aircraft Repair Parts" and Exhibit B, "Example Statutes Exempting Aircraft Repair Parts from Sales/Use Tax".)

Mr. Giesler testified that there are between 65-70 FAA-certified repair stations in Indiana, and that approximately ten of these firms are engaged in high-end refurbishing of aircraft.

Representative Turner questioned Mr. Giesler and Mr. Auberry regarding the cost to the state of enacting such a sales tax exemption in Indiana. Mr. Auberry testified that he had met with the Department of Revenue and that he believed the Department would be able to determine the cost.

Matt Hagans of Eagle Creek Aviation testified that he is seeing a decline in business in Indiana, and that his firm had lost business directly to Ohio because of Ohio's tax exemption. He suggested that if Indiana adopted a similar exemption, the loss in sales tax revenue would be minuscule compared to the job loss that would occur without the exemption. He provided a copy of an advertisement from an Ohio repair station, which noted that the Ohio firm did not impose sales tax on labor and parts. (See Exhibit C.) Representative Cherrish Pryor questioned Mr. Hagans regarding jobs that would come from passing such an exemption, and Mr. Hagans testified that his firm would hire 25 - 30 additional workers over 24 months.

Martin Ingram of Muncie Aviation testified regarding the importance that such a sales tax exemption would have for his firm, and he noted that 40 states have some form of tax relief for the sale of aircraft repair parts.

Mr. Auberry testified that there has been a flood of such exemptions enacted in recent years, and that Florida is the most recent state to do so. He explained that there is a spectrum regarding the breadth of these exemptions, and that examples of limits include: (1) limiting the exemption to FAA-certified repair stations; (2) specifying weight limits; and (3) applying the exemption only to common carriers.

Paul Powell of Hawker Beechcraft testified that they have had a facility in Indianapolis for 37 years, and that the jobs at the facility are high-wage jobs. The average wage of the 79 employees at the facility is approximately \$56,000 per year. He noted that the firm had planned to add 29 jobs, but that it is not doing so at this time. He testified that they have lost jobs to companies in states that do not have a sales tax on parts.

Senator Brandt Hershman commented that there is a growing sense that, in general, taxes should be flat, with limited credits. He suggested, however, that the proposed sales tax exemption for repair parts should be considered, because of the number of states that have such an exemption and also because of the significant wages and high mobility associated with the industry.

#### *B. Aviation Fuel Taxes*

Mr. Giesler explained that Indiana is one of the few states that impose a sales tax on aviation fuel, and that the tax revenue collected in Indiana on aviation fuel does not go into

a dedicated fund. He testified that there would be a greater opportunity to receive certain federal grants if Indiana had a dedicated fund. Mr. Giesler noted that Petersburg, Indiana, is the median center of population for the United States, and that the state should take advantage of its location. (See Exhibit D.) In response to a question from Representative Bob Cherry, Mr. Giesler testified that the Aviation Association of Indiana would like a dedicated fund for aviation fuel taxes, and that the Aircraft Owners and Pilots Association would like to see a flat excise tax in place of the sales tax on aviation fuel, with the tax revenue placed in a dedicated fund. Senator Tim Skinner asked whether information could be provided concerning: (1) the cost to the state; and (2) how much federal grant money Indiana may be losing.

See also the written testimony submitted by Bryan Budds on behalf of the Aircraft Owners and Pilots Association (Exhibit E.)

### *C. Aviation Taxes Generally*

David Holt of Conexus testified that sales tax on aviation-related activities should be put into a dedicated fund to meet projected future needs and to leverage additional federal funds. He distributed a paper from the Conexus Indiana Logistics Council that calls for an end to the diversion of sales tax on aviation activities (see Exhibit F), and he also distributed a resolution from the Conexus Indiana Logistics Council specifying the Council's recommendations concerning the allocation of federal and state aviation revenue (see Exhibit G).

## II. Assessment of Outdoor Signs

Bob Sigalow, Legislative Services Agency (LSA) Fiscal Analyst, discussed a memorandum he had prepared for the Commission concerning the assessment of outdoor signs. (See Exhibit H.) Mr. Sigalow explained that before the 2011 (pay 2012) assessment year, outdoor advertising signs were assessed under a Department of Local Government Finance (DLGF) rule that set the value of each sign based on the type, size, and number of faces on the sign. This rule was repealed effective with the March 1, 2011, assessment date (pay 2012), and outdoor advertising signs were to be valued in the same manner as most other depreciable personal property.

However, under HEA 1072-2012, a new valuation schedule will be used for property taxes payable from 2012 through 2015. This schedule sets the value per structure based on the type and size, but not the number of faces, of each sign. For taxes payable in 2011 (under the old valuation rule), \$7.7 M in assessed value was reported statewide by taxpayers who self-reported their principal business activity as display advertising. The tax due on this property was estimated at \$195,400.

Mr. Sigalow explained the valuation schedule under HEA 1072-2012 would result in a total sign valuation that is lower than the assessed valuation that would have resulted under the personal property depreciation schedule, but greater than the assessed value that would have resulted under the old rule that has been repealed. (See also Exhibit I, information from the DLGF concerning the assessment of outdoor signs.)

Ron Breymer, representing the Outdoor Advertising Association of Indiana, distributed a copy of the new assessment schedule from HEA 1072-2012 (see Exhibit J) and a copy of the assessment schedule that had been used under the old rule before the 2011 (pay 2012) assessment year (see Exhibit K).

Carter Clarke of LeMar Advertising (and president of the Outdoor Advertising Association

of Indiana) testified regarding the assessment methods under the old rule used before the 2011 (pay 2012) assessment year. He commented that assessors had been having difficulties with the approach that would have placed signs on the personal property schedules, and that the approach under HEA 1072-2012 was easier to understand. He proposed that the current law should remain in place, and that the General Assembly could adjust the values in the future when necessary. Mr. Clarke testified that under HEA 1072-2012, his firm's personal property tax had increased by 53%, but that those taxes would have increased by 450% under the valuation method replaced by HEA 1072-2012. Senator Skinner noted that the assessment method under HEA 1072-2012 is based on the size and type of the sign, but that this method does not take into consideration the age of the sign or the type of materials used in the sign.

Richard Sprague of Columbus, Indiana, testified that even under the valuation method in HEA 1072-2012 his taxes have almost doubled. He proposed keeping the valuation method under HEA 1072-2012, and he suggested that it would work well.

Andrew Berger of the Association of Indiana Counties testified that:

- (1) signs are self-assessed personal property;
- (2) county assessors do have audit powers;
- (3) the schedule under HEA 1072-2012 does not take into account the actual structure (for example, the number of faces on the sign); and
- (4) the old table under the repealed rule had not been amended since 1969.

### III. Solid Waste Management District Financing

Diane Powers, Director of LSA's Office of Fiscal and Management Analysis, presented a fiscal issue brief concerning Indiana's solid waste management districts (SWMDs). (See Exhibit L.) The brief provides information concerning:

- (1) SWMD governance, powers, and duties;
- (2) recent legislation concerning SWMDs, including requirements that districts report certain information to the Indiana Gateway for Governmental Units (the Gateway); and
- (3) SWMD expenditures and revenue sources.

Brad Baughn, legislative liaison for the Indiana Department of Environmental Management (IDEM), and Bruce Palin, IDEM Assistant Commissioner, provided a presentation concerning solid waste management and solid waste management districts. (See Exhibit M.) Mr. Palin provided background information on the history and current status of SWMDs and the funding and expenditures of SWMDs. He testified that Indiana has changed from many smaller landfills to more of a regional approach, and that there has been a shift away from publicly-owned landfills.

Bob Kuzman, representing the Association of Indiana Solid Waste Management Districts (AISWMD) provided information concerning the financing of SWMDs. (See Exhibit N.) He described the AISWMD's activities since the passage of SEA 131-2012. He testified that SWMDs have been working with the Gateway system to enhance transparency and to allow for accurate comparisons, but he noted that every district is different.

Julie Rhodes, Executive Director of AISWMD, provided information on the AISWMD, on SWMDs, and on legislation from the 2012 legislative session. Ms. Rhodes testified that SWMDs had expenditures of \$52 million in 2011, and that \$22.7 million of this was from property taxes. She provided the Commission with information concerning SWMD

revenue sources (see Exhibits O and P) and programmatic expenditures, including information on enhanced districts that carry out enhanced functions, such as operating a landfill or transfer station or carrying out rural recycling (see Exhibits Q and R).

Ms. Rhodes testified that in addition to recycling programs, SWMDs encourage reuse as a way to meet waste reduction goals. Mr. Kuzman testified that education programs conducted by SWMDs also contribute to waste reduction.

Mr. Palin of IDEM testified that Indiana is probably a net importer of waste, but that the type of waste coming from out-of-state has changed. It used to be long-haul waste from the east coast, but now the bulk of out-of-state waste is from Chicago.

Patrick Bennett and Terry Guerin, Indiana Chapter President of the National Solid Waste Management Association (NSWMA), testified regarding the SWMD programmatic and funding issues that had been discussed during the 2012 legislative session. (See Exhibit S.)

He stated that since the creation of SWMDs, their role has changed. He suggested that the fundamental role of SWMDs should be educational. He described the existing revenue sources of SWMDs, and he recommended two funding options:

- (1) eliminate all of the current funding options, and authorize districts to impose a user fee; or
- (2) institute a state-wide surcharge that is capped by statute and that must be passed-on.

Andrew Berger of the Association of Indiana Counties testified that:

- (1) all counties must be in a SWMD, either in a single-county district or in a multi-county district;
- (2) SWMD budgets are subject to approval by the county council; and
- (3) one issue is what happens to the funding if property-tax funding for SWMDs is eliminated (the levy could become part of the county levy).

The meeting was adjourned at approximately 11:45 A.M.

**Sales/Use Tax Exemptions for Aircraft Repair Parts**

**Totals: 40 Yes** (including Florida, eff. 1/1/13); **8 No**; **1 Pending** (Penn. S.B. 1552 awaiting further legislative action)

<b>State</b>	<b>Repair Parts Exemption?</b>
Alabama	Yes
Alaska	No
Arizona	Yes
Arkansas	Yes
California	Yes
Colorado	Yes
Connecticut	Yes
Delaware	No
Florida	Yes (effective January 1, 2013)
Georgia	Yes
Hawaii	Yes
Idaho	Yes
Illinois	Yes
Iowa	Yes
Kansas	Yes
Kentucky	Yes
Louisiana	Yes
Maine	Yes
Maryland	Yes
Massachusetts	Yes
Michigan	Yes
Minnesota	Yes
Mississippi	Yes
Missouri	Yes
Montana	No
Nebraska	Yes
Nevada	No (on the books but declared unconstitutional)
New Hampshire	No
New Jersey	Yes
New Mexico	Yes
New York	Yes
North Carolina	Yes
North Dakota	No
Ohio	Yes
Oklahoma	Yes
Oregon	No
Pennsylvania	Pending (S.B. 1552 proposes legislation for Pennsylvania)
Rhode Island	Yes
South Carolina	Yes
South Dakota	No
Tennessee	Yes
Texas	Yes
Utah	Yes
Vermont	Yes
Virginia	Yes
Washington	Yes
West Virginia	Yes
Wisconsin	Yes
Wyoming	Yes

Exhibit B CSTFP #1 8/28/12

**Example Statutes Exempting Aircraft Repair Parts from Sales/Use Tax**

Surrounding States

State	Code Section	Key Language
Ohio	OHIO REV. CODE ANN. § 5739.02(B)(49) (West 2011)	"[A]n excise tax is hereby levied on each retail sale made in this state ... [t]he tax does not apply to the following... [s]ales of materials, parts, equipment, or engines used in the repair or maintenance of aircraft or avionics systems of such aircraft, and sales of repair, remodeling, replacement, or maintenance services in this state performed on aircraft..."
Illinois	35 ILL. COMP. STAT. ANN. 120/2-5(40) (West 2011)	"Gross receipts from proceeds from the sale of the following tangible personal property are exempt from the tax imposed by this Act...beginning January 1, 2010, materials, parts, equipment, components, and furnishings incorporated into or upon an aircraft as part of the modification, refurbishment, completion, replacement, repair, or maintenance of the aircraft." This statute does not exempt engines or power plants.
Kentucky	KY. REV. STAT. ANN. § 139.480 (West 2011)	"The terms 'sale at retail,' 'retail sale,' 'use,' 'storage,' and 'consumption,' as used in this chapter, shall not include the sale, use, storage, or other consumption of...[a]ircraft, repair and replacement parts therefor, and supplies, except fuel, for the direct operation of aircraft in interstate commerce and used exclusively for the conveyance of property or passengers for hire."
Michigan	MICH. COMP. LAWS § 205.54(x)(1)-(2) (West 2011)	(1)(b) "Parts and materials, excluding shop equipment or fuel, affixed or to be affixed to an aircraft that has a maximum certificated takeoff weight of at least 6,000 pounds for use solely in the transport of air cargo, passengers, or a combination of air cargo and passengers."

Other States

State	Code Section	Key Language
Kansas	KAN. STAT. ANN. § 79-3606(g) (West 2011)	"The following shall be exempt from the tax imposed by this act...sales of aircraft repair, modification and replacement parts and sales of services employed in the remanufacture, modification and repair of aircraft."
Arizona	ARIZ. REV. STAT. ANN. § 42-5159 (2011)	"[T]he following categories of tangible personal property are also exempt...Machinery, tools, equipment and related supplies used or consumed directly in repairing, remodeling or maintaining aircraft, aircraft engines or aircraft component parts by or on behalf of a certificated or licensed carrier of persons or property."
Florida	FLA. STAT. § 212.08(7)(r)	"[R]eplacement engines, parts, and equipment used in the repair or maintenance of qualified aircraft, aircraft of more than 2,000 pounds maximum certified takeoff weight, and rotary wing aircraft of more than 10,300 pounds maximum certified takeoff weight, when such parts or equipment are installed on such aircraft that is being repaired or maintained in this state." (Effective January 1, 2013)
Idaho	IDAHO CODE ANN. § 63-3622GG(4)	"Repair and replacement materials and parts installed in or affixed or applied to, or sold, leased or purchased to be installed in or affixed or applied to, aircraft in connection with the remodeling, repair or maintenance of aircraft described under subsections (1) and (2) of this section and industry standard, federal aviation administration (FAA) approved materials, parts and components installed on non-resident privately owned aircraft by qualified employees of an FAA approved Idaho repair station are exempt."
Iowa	IOWA CODE § 423.3.76	"The sales price from the sale or rental of tangible personal property permanently affixed or attached as a component part of the aircraft, including but not limited to repair or replacement materials or parts; and the sales price of all services used for aircraft repair, remodeling, and maintenance services when such services are performed on aircraft, aircraft engines, or aircraft component materials or parts."
Massachusetts	MASS. GEN. LAWS ANN. ch. 64H, § 6(uu)	"Sales of repair or replacement parts exclusively for use in aircraft or in the significant overhauling or rebuilding of aircraft or aircraft parts or components on a factory basis."
Rhode Island	R.I. GEN. LAWS ANN. § 44-18-30(56)	"[T]he tax...shall not apply with respect to the sale and to the storage, use, or other consumption in this state of any new or used aircraft or aircraft parts."
South Carolina	S.C. CODE ANN. § 12-36-2120(52)	"Parts and supplies used by persons engaged in the business of repairing or reconditioning aircraft owned by or leased to the federal government or commercial air carriers."
Wyoming	WYO. STAT. ANN. § 39-15-105(a)(viii)(J)	"The sale of aircraft repair, remodeling or maintenance services at a federal aviation administration certified repair station including, but not limited to, repair or replacement materials or parts."



WINNER  
AVIATION

Winner Aviation Corporation  
Youngstown-Warren Regional Airport  
1453 Youngstown-Kingsville Rd. NE  
Vienna, OH 44473  
1.800.837.4964  
www.winner-aviation.com

Winner Aviation is a FAA  
145 Repair Station  
C.R.S. W6NR985J

Our full service maintenance facility is made up of jet, turbine, and piston service centers along with an avionics repair and installation shop, an engine repair and overhaul shop, and parts department.



As always at Winner Aviation,  
No Sales Tax on labor and parts!

Exhibit C  
CSTFP #1  
8/28/12



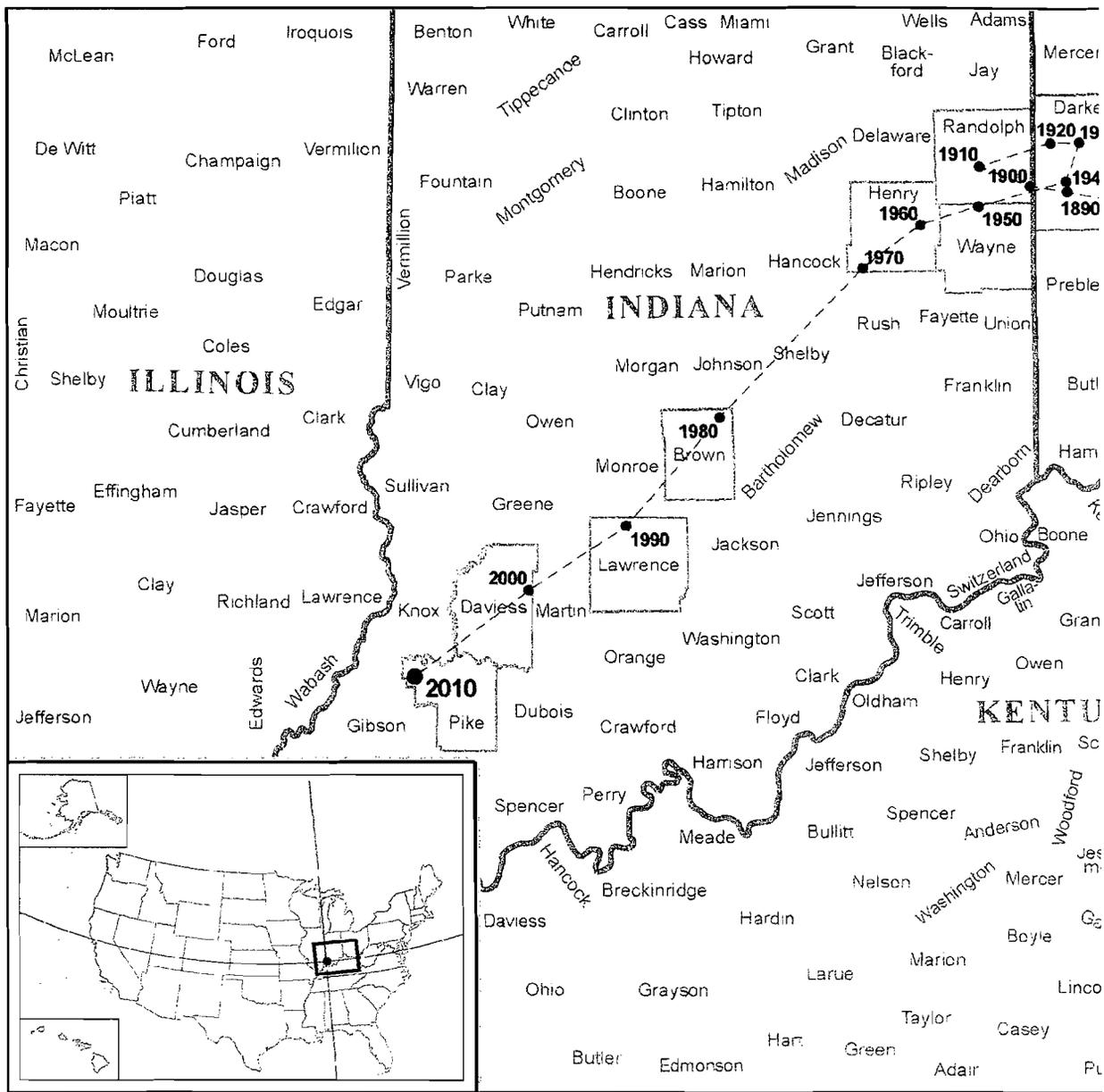
Eagle Creek Aviation Services, Inc.  
4101 Dandy Trl  
Indianapolis, IN 46254-9200

JUL 13 RECD



Exhibit D  
CSTFP #1  
8/28/12

# Median Center of Population for the United States



U.S. DEPARTMENT OF COMMERCE Economics and Statistics Administration U.S. Census Bureau



**AIRCRAFT OWNERS AND PILOTS ASSOCIATION**

421 Aviation Way • Frederick, MD 21701-4798  
Telephone (301) 695-2000 • FAX (301) 695-2375  
www.aopa.org

Exhibit E  
CSTFP #1  
8/28/12

Testimony of the Aircraft Owners and Pilots Association Regarding Indiana's General Aviation  
Fuel Taxation Policies

Before the Indiana Commission on State Tax and Fiscal Policy

Tuesday, August 28, 2012

Chairperson Turner and Commission Members,

My name is Bryan Budds and I am the Great Lakes Regional Manager for the Aircraft Owners and Pilots Association. On behalf of the more than 7,000 AOPA members in Indiana, please accept our sincere thanks for allowing AOPA to testify before the Commission.

General aviation, which encompasses all aviation activity other than scheduled airline service and military operations, provides an annual economic impact of \$4.9 billion annually and supports more than 18,900 family-sustaining jobs. This economic impact is generated via Indiana's 26 charter flight companies, 67 Federal Aviation Administration certified aircraft repair stations, 68 fixed base operators, many flight schools, locally-based and transient business and recreational aircraft.

Each general aviation aircraft that utilizes Indiana's 107 airports pay federal and state aviation fuel taxes when they purchase fuel. Currently, Indiana levies a 7% sales tax on the purchase of aviation fuel. This rate gives Indiana the unfortunate distinction as one most expensive states in the country to purchase aviation fuel. As you know, the state tax rate does not include the federal aviation fuel excise tax of \$0.194 per gallon.

Consider a 2008 Beechcraft Baron light twin engine, piston-powered aircraft which can carry approximately 194 gallons of aviation fuel. A complete filling of those tanks at an Indiana airport would assess the consumer \$81.48 in state taxes alone. That same purchase would cost a consumer only \$2.72 in Pennsylvania, \$11.64 in Wisconsin, and \$29.10 in Kentucky in state aviation fuel taxes. Given a general aviation aircraft's highly mobile nature and ability to visit any state along a route, the current aviation fuel tax rate in Indiana only serve to depress aviation activity occurring in the state and to drive potential customers to other nearby states. This problem will only be exacerbated as fluctuations in the crude oil price drive fuel costs higher and further weakening Indiana's aviation competitiveness.

Further, the sales tax collection on aviation fuel generates minimal revenue for the State General Fund. According to the Indiana Department of Revenue, the average annual amount collected from the sales tax on aviation fuel was approximately \$432,146.66 from 2007 through 2011. This average collection represents 0.024% of the expected General Fund Balance for Fiscal Year 2013.

As you can see, the current aviation fuel tax structure is a high-risk, low-reward predicament for Indiana's economy and its policymakers. With general aviation's national economic impact exceeding \$103 billion and supporting more than 1.3 million jobs, Indiana is well-situated to attract many more of those jobs to the Hoosier state rather than allowing general aviation aircraft and their associated economic impact to benefit other neighboring states.

Exhibit F  
CST FP #1  
8/28/12



# LOGISTICS COUNCIL

## Conexus Indiana Logistics Council Infrastructure and Public Policy Task Force Groups

### *Federal and State Aviation Revenue Allocations*

#### **State Diversions** –

The Logistics Council calls for the end of any and all diversions from the current state sales tax on aviation related activities. These funds should be used for airports only.

#### **Short/Long Term Solutions** –

*Federal* - Index Federal aviation fuel taxes (avgas and jet fuel to CPI (based on the previous year)). Remove the Passenger Facility Charge (PFC) cap on airports while continuing to maintain Airport Improvement Program (AIP) funds at the current levels, indexed to CPI (based on the previous year). The airports would need to continue to justify to the FAA the projects that would be funded from the proceeds from the PFC. Also, by removing the cap, if a large or medium hub airport increases their PFC above the current cap, they would not be able to accept AIP passenger entitlement funds. The airport would still be able to compete for discretionary funds.

The federal ticket tax should be extended to airline charges for baggage and other airline ancillary fees. The airlines have artificially lowered the airline ticket price by adding baggage fees and other travel-related ancillary fees to the price the passenger pays. By not taxing the additional fees, the federal aviation trust fund is not receiving all the tax revenues it should be collecting.

#### **Federal/State Lockbox** -

*Federal Lockbox Legislation* – Any federal funds generated from the domestic passenger ticket tax, the domestic passenger flight segment tax, tax on flights between the Continental U.S. and Alaska and Hawaii, frequent flyer tax, domestic cargo/mail tax, general aviation fuel tax, commercial fuel tax, and other aviation fund user fees would flow directly to the Airport and Airways Trust Fund (AATF) and not into the General Revenue Fund. This would work similar to the Social Security Administration and funds would be specifically restricted to aviation use only.

State Lockbox Legislation – Any state funds generated from the aircraft license excise tax or sales tax on aviation related activities collected by the state would flow directly into a newly created Aviation Account and not into the state’s General Revenue Fund. Funds would be specifically restricted to Indiana airports and would not include any diversions.

Exhibit G  
CSTFP #1  
8/28/12



# LOGISTICS COUNCIL

## Conexus Indiana Logistics Council

### Resolution for Recommended Federal and State Aviation Revenue Allocation

April 25, 2012

WHEREAS, Conexus Indiana is working with a sense of urgency to strengthen the logistics sector in Indiana by identifying and acting on meaningful opportunities for enhancement, which better positions the State to grow existing business, attract new business, and thereby create jobs; and

WHEREAS, the average wage of Indiana's logistic jobs is more than 33% higher than the State's median income will create high paying jobs for Hoosiers; and

WHEREAS, there is a consistent need to identify federal and state public policy areas that impact the logistics industry; and

WHEREAS, the logistics sector wants to ensure that federal and state government provides the necessary funding for the public infrastructure needed to support the cost efficient operation of Indiana's logistics industry; and

WHEREAS, Conexus is recognized by the federal and state governmental entities as a primary resource and the voice for the logistics industry; and

WHEREAS, the Conexus Indiana Logistics Council helped develop recommendations regarding the allocations of future federal and state aviation revenues allocations to be provided to Congress, the Governor and the General Assembly representing the needs of the logistics industry; and

WHEREAS, the Conexus Indiana has become a resource to public and private sectors to facilitate adequate funding that drives logistics growth and global competitiveness; now, therefore, be it

RESOLVED, that the Conexus Indiana Logistics Council recommends that the

- **Congress and the Indiana General Assembly approve the attached recommendations for new federal and state aviation revenue allocation legislative language changes to enhance the environment for companies in logistics to grow their business, taking advantage of Indiana's position at the heart of the global supply chain, while also creating a more attractive environment for logistics**

**companies to relocate to or expand in Indiana, thereby creating jobs and increasing federal, state, and local revenue.**

### **Federal and State Aviation Revenue Allocations**

1. **Diversions** – The Logistics Council calls for the end of any and all diversions from the current state sales tax on aviation related activities. These funds should be used for airports only.
2. **Short/Long Term Solutions** – *Federal Aviation Revenue* - Index Federal aviation fuel taxes (avgas and jet fuel to CPI (based on the previous year)). Remove the Passenger Facility Charge (PFC) cap on airports while continuing to maintain Airport Improvement Program (AIP) funds at the current levels, indexed to CPI (based on the previous year). The airports would need to continue to justify to the FAA the projects that would be funded from the proceeds from the PFC. Also, by removing the cap, if a large or medium hub airport increases their PFC above the current cap, they would not be able to accept AIP passenger entitlement funds. The airport would still be able to compete for discretionary funds.

The federal ticket tax should be extended to airline charges for baggage and other airline ancillary fees. The airlines have artificially lowered the airline ticket price by adding baggage fees and other travel-related ancillary fees to the price the passenger pays. By not taxing the additional fees, the federal aviation trust fund is not receiving all the tax revenues it should be collecting.

3. **Federal/State Lockbox** – *Federal Lockbox Legislation* – Any federal funds generated from the domestic passenger ticket tax, the domestic passenger flight segment tax, tax on flights between the Continental U.S. and Alaska and Hawaii, frequent flyer tax, domestic cargo/mail tax, general aviation fuel tax, commercial fuel tax, and other aviation fund user fees would flow directly to the Airport and Airways Trust Fund (AATF) and not into the General Revenue Fund. This would work similar to the Social Security Administration and funds would be specifically restricted to aviation use only. *State Lockbox Legislation* – Any state funds generated from the aircraft license excise tax or sales tax on aviation related activities collected by the state would flow directly into a newly created Aviation Account and not into the state's General Revenue Fund. Funds would be specifically restricted to Indiana airports and would not include any diversions.

Exhibit H  
CSTFP #1  
8/28/12

**LEGISLATIVE SERVICES AGENCY**  
**Office of Fiscal and Management Analysis**  
**200 W. Washington Street, Suite 302**  
**Indianapolis, Indiana 46204-2789**  
**(317) 233-0696**  
**(317) 232-2554 (FAX)**

**MEMORANDUM**

To: Commission on State Tax and Financing Policy  
From: Bob Sigalow  
Re: Assessment of outdoor signs  
Date: August 28, 2012

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**Prior Assessment Methods**

Prior to the 2011 Pay 2012 assessment year, outdoor advertising signs were assessed under a DLGF rule that set the value of each sign based on the type, size, and number of faces on the sign.

The DLGF repealed that rule effective with the March 1, 2011, assessment date for taxes payable in CY 2012. Outdoor advertising signs were to be valued in the same manner as most other depreciable personal property by listing the cost of the signs in the depreciation schedule in the personal property tax return. The cost to purchase an existing outdoor sign can vary greatly depending on location. In many cases the value under the depreciation schedule was higher than under the previous rule.

**Assessment Method Under HEA 1072**

HEA 1072 (2012) established a valuation schedule that will be used for taxes payable from CY 2012 (retroactive) through CY 2015. This temporary schedule sets the unit value per structure based on the type and size, but not the number of faces, of each sign. This value will be used in lieu of the value arrived at under the depreciation schedule in the personal property tax return.

The attached sheet shows a comparison of the valuation schedule under the old rule and the temporary valuation schedule for taxes payable from CY 2012 through CY 2015.

**Analysis**

The new valuation schedule was analyzed in an attempt to estimate its fiscal impact. For purposes of the analysis, it was assumed that there is an average of 1.5 faces on outdoor advertising signs in Indiana. In comparing the estimated assessed value for signs under the temporary valuation schedule with the estimated value under the old rule, the values for single-pole signs appear to be about 136% higher, on average, with a range of 85% to 268% higher.

For taxes payable in 2011 (under the old valuation rule), \$7.7 M in assessed value was reported statewide by taxpayers who self-reported their principal business activity as display advertising. The tax due on this

**Memorandum**  
**Page 2**

property was estimated at \$195,400.

For taxes payable in 2012, the original property tax return filings (using the depreciation schedule) showed \$24.6 M in assessed value with an estimated tax due of \$596,700. So, with no special rule in place, the AV was about 220% higher than it was under the old rule.

The total AV and taxes attributable to outdoor advertising signs are not known. The property tax returns for the taxpayers identified above may also contain property other than outdoor advertising signs, so the above estimates for these taxpayers may be high. However, the full universe of outdoor advertising signs is not known. If a sign owner listed any other activity as their principal business activity on their property tax return, then the value of their signs would not be included in the estimates above. It is likely that there are many outdoor advertising signs that are reported on property tax returns other than those identified here.

**Conclusion**

The valuation schedule enacted under HEA 1072 will most likely result in a total sign valuation that is about 25% lower than the AV under the normal personal property depreciation schedule, but 135% greater than the AV under the pre-2012 rule. The change in valuation will vary by taxpayer and location.

Under current law, the valuation will revert to the use of the depreciation schedule beginning with taxes payable in CY 2016.

**Outdoor Sign Assessments  
HEA 1072 (2012)**

<b>Previous Rule</b>				<b>HEA 1072 Valuation Schedule</b>	
<b>Single Pole Structure</b>	<b>Unit Value Per Face</b>	<b>Unit Value @ 1.5 Faces</b>	<b>Est. Change</b>	<b>Unit Value Per Structure</b>	<b>Single Pole Structure</b>
48' and over, Illuminated	1,550	2,325	115%	5,000	At Least 48', Illuminated
48' and over, Non-Illuminated	1,440	2,160	85%	4,000	At Least 48', Non-Illuminated
26' to 47', Illuminated	1,150	1,725	132%	4,000	26' to 47', Illuminated
26' to 47', Non-Illuminated	1,030	1,545	114%	3,300	26' to 47', Non-Illuminated
25' and under, Illuminated	580	870	268%	3,200	Under 26', Illuminated
25' and under, Non-Illuminated	490	735	254%	2,600	Under 26', Non-Illuminated
Average if normal distribution		1,560	136%	3,683	

<b>Other Billboards</b>	<b>Unit Value Per Face</b>	<b>Unit Value @ 1.5 Faces</b>	<b>Est. Change</b>	<b>Unit Value Per Structure</b>	<b>Other Billboards</b>
50' and over, Illuminated	780	1,170	114%	2,500	At least 50', Illuminated
50' and over, Non-Illuminated	690	1,035	45%	1,500	At least 50', Non-Illuminated
40' to 50', Illuminated	610	915	119%	2,000	40' to 50', Illuminated
40' to 50', Non-Illuminated	520	780	67%	1,300	40' to 50', Non-Illuminated
30' to 40', Illuminated	400	600	233%	2,000	30' to 40', Illuminated
30' to 40', Non-Illuminated	350	525	148%	1,300	30' to 40', Non-Illuminated
20' to 30', Illuminated	250	375	327%	1,600	20' to 30', Illuminated
20' to 30', Non-Illuminated	210	315	217%	1,000	20' to 30', Non-Illuminated
Under 20', Illuminated	130	195	721%	1,600	Under 20', Illuminated
Under 20', Non-Illuminated	100	150	567%	1,000	Under 20', Non-Illuminated
Average if normal distribution		606	161%	1,580	

Exhibit I  
CSTFP #1  
8/28/12

## Assessment of Outdoor Advertisements

Beginning in 2008, the Department began to make amendments to its administrative rule governing the assessment of personal property. (50 IAC 4.2-15-12.) At the time, the administrative rule determined the assessment of billboard and outdoor advertising based on a set schedule. The Department's proposed amendment was an attempt to comply with the *Town of St. John* case, which requires that assessed value be based on verifiable market evidence. One result of the proposed amendment was treatment of billboards and other outdoor advertising signs similar to other tangible personal property (e.g., machinery and equipment) based on their federal tax cost, federal purchase date, and federal tax life.

As part of the Department's rule-making authority under Indiana Code 6-1.1-31-1, the Department amended 50 IAC 4.2 (the Personal Property Rule), effective for the March 1, 2011 assessment date. Following the rule-making process, the Department published the proposed rule in the *Indiana Register*, held a public hearing, and accepted public comments. There were no comments received from outdoor advertising businesses, nor were any solicited.

In June 2011, the Department met with representatives from the Outdoor Advertisers Association. Many of the outdoor advertising businesses saw significant increases in their personal property assessments. Some taxpayers stated their assessments were increasing from 250% to 500%. At that meeting, they asked what could be done to mitigate the large increases. The two main options were to amend the administrative rule, which could take up to a year, or pursue legislative action.

The interest group pursued legislative action in the form of House Enrolled Act No. 1072-2012 ("HEA 1072"), which was signed into law. The Department issued guidance on the legislative change (see [http://www.in.gov/dlgf/files/120511\\_Outdoor\\_Advertising\\_Memo.pdf](http://www.in.gov/dlgf/files/120511_Outdoor_Advertising_Memo.pdf)). The assessment of the outdoor advertisements was changed, retroactive to the March 1, 2011 assessment date. The following schedule is to be used in determining the assessed value of various sizes of outdoor advertising signs for the 2011 through 2014 assessment dates, **without any adjustments (the 1989 values are next to the new amounts in parenthesis):**

### Single Pole Structure

Type of Sign	Value Per Structure
At least 48 feet, illuminated	\$5,000 (\$1,550)
At least 48 feet, non-illuminated	\$4,000 (\$1,440)
At least 26 feet and under 48 feet, illuminated	\$4,000 (\$1,150)
At least 26 feet and under 48 feet, non-illuminated	\$3,300 (\$1,030)
Under 26 feet, illuminated	\$3,200 (\$580)
Under 26 feet, non-illuminated	\$2,600 (\$490)

### Other Types of Outdoor Signs

<b>At least 50 feet, illuminated</b>	<b>\$2,500 (\$780)</b>
<b>At least 50 feet, non-illuminated</b>	<b>\$1,500 (\$690)</b>
<b>At least 40 feet and under 50 feet, illuminated</b>	<b>\$2,000 (\$610)</b>
<b>At least 40 feet and under 50 feet, non-illuminated</b>	<b>\$1,300 (\$520)</b>
<b>At least 30 feet and under 40 feet, illuminated</b>	<b>\$2,000 (\$400)</b>
<b>At least 30 feet and under 40 feet, non-illuminated</b>	<b>\$1,300 (\$350)</b>
<b>At least 20 feet and under 30 feet, illuminated</b>	<b>\$1,600 (\$250)</b>
<b>At least 20 feet and under 30 feet, non-illuminated</b>	<b>\$1,000 (\$210)</b>
<b>Under 20 feet, illuminated</b>	<b>\$1,600 (\$130)</b>
<b>Under 20 feet, non-illuminated</b>	<b>\$1,000 (\$100)</b>

In determining the assessed value to be reported on the personal property return, the values listed above are the assessed value, and are **not** subject to the True Tax Value percentages found in the pooling schedule, or the 30% floor.

Exhibit J  
CSTEP #1  
8/28/12

official shall use the following table without any adjustments:

Single Pole Structure	
Type of Sign	Value Per Structure
At least 48 feet, illuminated	\$5,000
At least 48 feet, non-illuminated	\$4,000
At least 26 feet and under 48 feet, illuminated	\$4,000
At least 26 feet and under 48 feet, non-illuminated	\$3,300
Under 26 feet, illuminated	\$3,200
Under 26 feet, non-illuminated	\$2,600
Other Types of Outdoor Signs	
At least 50 feet, illuminated	\$2,500
At least 50 feet, non-illuminated	\$1,500
At least 40 feet and under 50 feet, illuminated	\$2,000
At least 40 feet and under 50 feet, non-illuminated	\$1,300
At least 30 feet and under 40 feet, illuminated	\$2,000
At least 30 feet and under 40 feet, non-illuminated	\$1,300
At least 20 feet and under 30 feet, illuminated	\$1,600
At least 20 feet and under 30 feet, non-illuminated	\$1,000
Under 20 feet, illuminated	\$1,600
Under 20 feet, non-illuminated	\$1,000

(b) During the 2012 legislative interim, the commission on state tax and financing policy shall study the assessment of outdoor signs. Before January 1, 2013, the commission shall report to the general assembly on any suggested changes in the law with regard to assessing outdoor signs.

(c) This section expires July 1, 2015.

SECTION 14. IC 6-1.1-11-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 8. (a) On or before August 1 of each year, the county auditor of each county shall forward to the department of local government finance the duplicate copies of all approved exemption applications.

(b) The department of local government finance ~~shall~~ may review the approved applications forwarded under subsection (a). The department of local government finance may deny an exemption if the department determines that the property is not tax exempt under the laws of this state. However, before denying an exemption, the department of local government finance must give notice to the applicant, and the department must hold a hearing on the exemption





# **Indiana Legislative Services Agency**

## **Fiscal Issue Brief**

August 28, 2012

### **Indiana's Solid Waste Management Districts**

#### ***Introduction***

P.L. 10-1990 required all Indiana counties (with the exception of Marion County) to form solid waste management districts. The districts could be single-county or multi-county districts. They were required to develop solid waste management plans, and to provide for reduction, management, and disposal of solid waste and the recovery of waste products. Currently, there are 70 solid waste management districts; 63 are single-county districts, while 7 are multi-county districts. A map of the solid waste management districts is at the end of this brief.

#### ***Solid Waste Management District Boards***

Solid waste management districts are directed by boards of directors that consist of elected officials representing local governmental bodies within the districts. Single-county district boards consist of seven members: three county commissioners, one county council representative selected by the council, and three municipal officials representing at least two municipalities within the district. The solid waste management districts of Lake and St. Joseph Counties have different board compositions of locally elected officials due to their larger populations. The Lake County solid waste management district has 27 board members, and the St. Joseph County solid waste management district has 9 board members.

Solid waste management districts that are multi-county districts have a board composed of a variable number of locally elected officials based on the number of counties in the district. They also have the option of adding additional members based on county populations. The largest multi-county solid waste management district, Southeastern Indiana, has 19 board members, while W.U.R., which consists of two counties, has 10 board members<sup>1</sup>.

Additionally, district boards must appoint and convene citizen's advisory committees. Citizen's advisory committees provide a forum for input from citizens regarding solid waste planning and the solid waste management process. These committees must include representatives of the solid waste management industry, the environmental community, and other citizens that have interest in environmental issues that are not employed by the solid waste management industry. All members of the committee must reside in the district.

#### ***Solid Waste Management District Powers***

Statute<sup>2</sup> provides that solid waste management districts have the following powers.

##### **Financial Powers**

- (1) The power to impose district fees on the final disposal of solid waste within the district;

<sup>1</sup> Association of Indiana Solid Waste Management Districts, Inc., *District Profiles: Indiana Solid Waste Management Districts*, September 2010.

<sup>2</sup> IC 13-21-3-12.

- (2) The power to levy a tax or other solid waste-related fees within the district to pay costs of solid waste operations;
- (3) The power to receive and disburse money;
- (4) The power to accept gifts, grants, loans of money, other property, or services from any public or private source;
- (5) The power to borrow in anticipation of taxes;
- (6) The power to pay a fee from district money to the county or counties in which a final disposal facility is located; and
- (7) The power to establish by resolution a nonreverting capital fund.

### **Administrative Powers**

- (1) The power to develop and implement a solid waste management plan;
- (2) The power to plan, design, construct, manage, own, lease, operate, and maintain facilities for solid waste management;
- (3) The power to enter into a contract or agreement related to the management of solid waste;
- (4) The power to purchase, lease, or otherwise acquire real or personal property for the management or disposal of solid waste, and to sell or lease any facility or part to any person;
- (5) The power to make and contract for plans, surveys, studies, and investigations necessary for the management or disposal of solid waste;
- (6) The power to hire the personnel necessary for the management of solid waste;
- (7) The power to do all things necessary for the reduction, management, and disposal of solid waste and the recovery of waste products from the solid waste stream;
- (8) The power to make grants or loans of money, property, or services to public or private recycling programs, composting programs, or any other programs that reuse any component of the waste stream as a material component of another product;
- (9) The power to implement collection programs for household hazardous waste and mercury commodities and mercury-added products;
- (10) The power to conduct promotional or educational programs concerning reuse, recycling, and proper disposal of various types of waste; and
- (11) The power to adopt resolutions that have the force of law.

Statute also provides that districts do not have the power of eminent domain or the power to exclusively control the collection or disposal of solid waste and recyclables within the district (except for the extension of a contract by a governmental entity within the district entered into prior to the formation of the district).

### ***Solid Waste Management District Plans***

According to P.L. 10 of 1990, solid waste management districts were required to develop district solid waste management plans with guidance from the Indiana Department of Environmental Management (IDEM), in accordance with a state plan model developed by IDEM. District plans provide policy guidance for solid waste management districts through an integrated approach focusing on source reduction, alternatives to dependence on final disposal facilities, and final disposal facilities.

The statute requires that district plans:

- (1) Set goals and objectives for the district;
- (2) Identify alternative means of achieving the goals;
- (3) Describe the operational and capital costs of implementing the district plan;
- (4) Establish the basis for setting fees, rates, and charges;
- (5) Designate a person to supervise the implementation of the district plan; and
- (6) Describe the surveillance and enforcement procedures to ensure compliance with the district plan.

The district plan must consider contracts with private persons and take account of permitted final disposition facilities in the district, but may not impose different operational requirements on privately

owned facilities from those imposed on public facilities. The IDEM Commissioner is responsible for approving all plans and may adopt a plan for a district that fails to submit a plan.

### ***Recent Legislation Affecting Solid Waste Management Districts***

P.L. 37-2012 ordered that beginning in 2015 and every fifth year after, the Legislative Council must require an interim study committee to: (1) assess solid waste management districts; and (2) determine whether any changes should be made to the statutes governing the districts. This law also required increased financial and program reporting from the solid waste management districts that will be made available online on the Indiana Gateway for Government Units. The districts must prepare this financial information at the end of each year and make the report available to IDEM, the Department of Local Government Finance (DLGF), and the Legislative Council by February 1 of the following year. The following information will be included in these reports:

- (1) End-of-the-year cash balances for each fund containing district money.
- (2) All encumbrances (and documentation supporting them) that the district is legally obligated to pay.
- (3) Total and per capita expenditures.
- (4) Any other financial and/or programmatic information required by IDEM.
- (5) Total of all fund balances.
- (6) Total expenditures for personnel and program costs.
- (7) Total amount of solid waste (in tons) disposed of in the district for the reporting year.
- (8) Total amount of recycling (in tons) carried out in the district for the reporting year.

Since these reports have not been released yet, this brief used the best available data to date.

### ***Solid Waste Management District Expenditures***

Solid waste management districts provide a variety of programs including recycling, household hazardous waste collection, education, composting, and others. The types of programs funded by districts are not specified in district financial statements. However, the most recent Association of Indiana Solid Waste Management Districts' District Profiles report<sup>3</sup> did provide more information about these activities. Out of 66 district profiles in the report, all reported that they provided recycling programs. Ninety-one percent of these districts claimed to provide household hazardous waste programs, and 97 percent reported that they provided public educational programs. According to the report, 55 percent of the districts profiled provided composting programs. The programs offered vary by district, and some may be more extensive than others.

Solid waste management districts' budgeted spending detail and disbursement data for calendar years 2011 and 2012 was accessed from the Indiana Gateway for Government Units, while data for calendar year 2010 was accessed from the Indiana Transparency Portal, which provides unaudited detailed annual financial reports from the districts to the State Board of Accounts. Data was available for all districts for calendar year 2010 and for 68 out of 69<sup>4</sup> districts for calendar year 2011. Data was available for 63 out of 70 districts (or 90 percent of the districts) for calendar year 2012<sup>5</sup>. The average total expenditures for these districts for calendar year 2010 were about \$729,000, \$746,000 for calendar year 2011, and \$773,000 (budgeted) for calendar year 2012. The median expenditures for these districts for calendar year 2010 were about \$357,000, \$364,000 for calendar year 2011, and \$420,000 (budgeted) for calendar year 2012.

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<sup>3</sup> Association of Indiana Solid Waste Management Districts, Inc., *District Profiles: Indiana Solid Waste Management Districts*, September 2010.

<sup>4</sup> There are currently 70 districts. A multi-county district for two counties, Wildcat Creek, dissolved into the two single-county districts of Wild Cat solid waste management district (Clinton County) and Tippecanoe County solid waste management district effective on March 1, 2012.

<sup>5</sup>The districts of Jackson County (CY 2011), and Clark, Fayette, Greene, Hancock, Knox, Shelby and Tippecanoe County (CY 2012) were excluded due to incomplete data.

Expenditures were broken into four main categories: personal services, supplies, capital outlay, and services and charges. The table below provides the percentages of expenditures for each expenditure category based upon the average expenditures for calendar years 2010 and 2011, and average budgeted expenditures for calendar year 2012 for the districts that had data available.

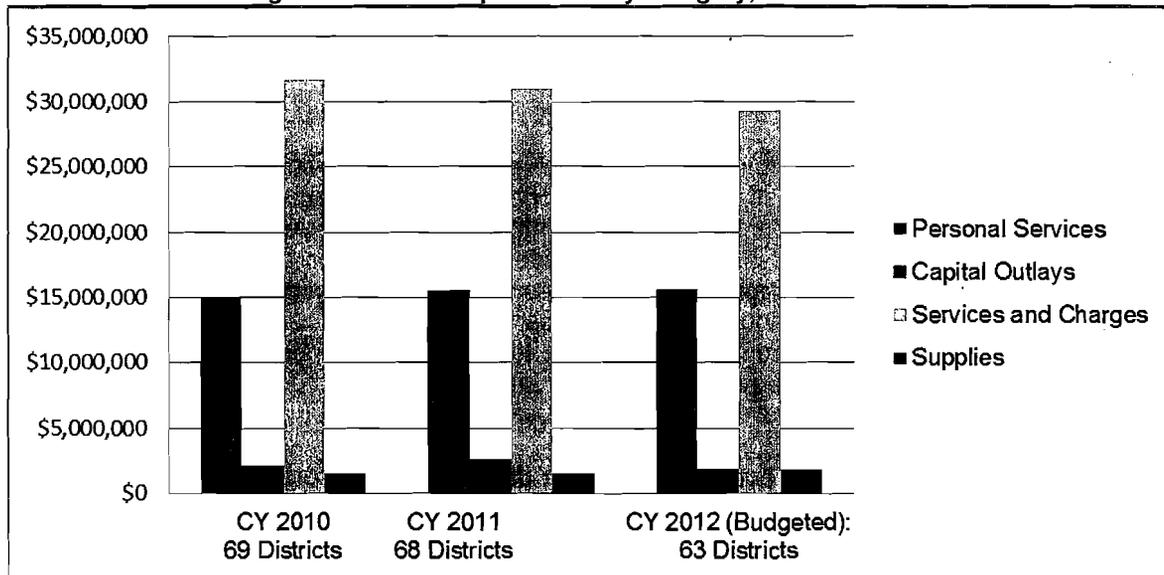
**Table 1: Solid Waste Management District Expenditures, Averages by Category**

	2010	2011	2012
Total Districts Included	69	68	63
Personal Services	35.9%	35.0%	38.8%
Services and Charges	56.1%	57.5%	55.1%
Capital Outlay	4.7%	4.0%	2.6%
Supplies	3.3%	3.5%	3.5%

Sources: Indiana Gateway for Government Units; Indiana Transparency Portal; Clinton County Auditor.

The following chart provides solid waste management district expenditures by category for calendar years 2010 and 2011, and budgeted expenditures for calendar year 2012 for the districts that had data available.

**Chart 1: Solid Waste Management District Expenditures by Category, Calendar Years 2010-2012**



Sources: Indiana Gateway for Government Units; Indiana Transparency Portal; Clinton County Auditor.

Personal services and services and charges were the two categories with the highest expenditures on average across districts. Salaries, wages, and benefits were included in personal services, while expenses such as repairs, maintenance, utility services, and insurance were included in services and charges. Capital outlay included buildings, land, and machinery, while supplies included office, operating, and repair and maintenance supplies.

### **Solid Waste Management District Revenue Sources**

Solid waste management districts are able to employ a variety of revenue sources to fund their operations and programs. Statute permits the following revenue sources to be utilized by solid waste management

districts: property tax (not to exceed \$0.0833 for each \$100 of assessed value); local option income taxes (LOIT); excise taxes; fees on the final disposal of solid waste (tipping fees); fees on the management of solid waste (such as user fees set on a flat-rate, per household basis); direct contributions from participating government bodies; grants through IDEM and other organizations or government entities; and loans and bonds.

Revenue data for solid waste management districts for calendar years 2010 through 2012 (budgeted) was accessed from the DLGF's Local Government Database. The primary sources of revenue for solid waste management districts are property taxes, excise taxes (including motor vehicle excise taxes and commercial vehicle excise taxes), LOIT, charges for services (including tipping fees, user fees, and other charges for services), and miscellaneous revenue (including all other revenue not represented by these categories). The average total revenue for districts that had data available<sup>6</sup> was about \$703,000 for calendar year 2010, \$646,000 for calendar year 2011, and \$642,000 (budgeted) for calendar year 2012. The median revenue for districts that had data available was about \$370,000 for calendar year 2010, \$345,000 for calendar year 2011, and \$351,000 (budgeted) for calendar year 2012. Although the budgeted revenue for calendar year 2012 is less than the budgeted expenditures for calendar year 2012 for most districts, on average, cash balances for calendar year 2012 represent about 110 percent of 2012 adopted budgets.

The table below provides the average breakdown of solid waste management district revenue by revenue source for calendar years 2010 and 2011, and average budgeted revenue for calendar year 2012 for the districts that had data available.

**Table 2: Solid Waste Management District Revenue by Revenue Source, Calendar Years 2010-2012**

	CY 2010	CY 2011	CY 2012 (Budgeted)
Total Districts Included	63	64	65
Property Tax	37.2%	38.0%	36.6%
Excise Tax	3.1%	2.8%	2.8%
LOIT	4.0%	3.4%	3.2%
Charges for Services	40.0%	37.2%	33.0%
Miscellaneous Revenue	15.7%	18.6%	24.4%

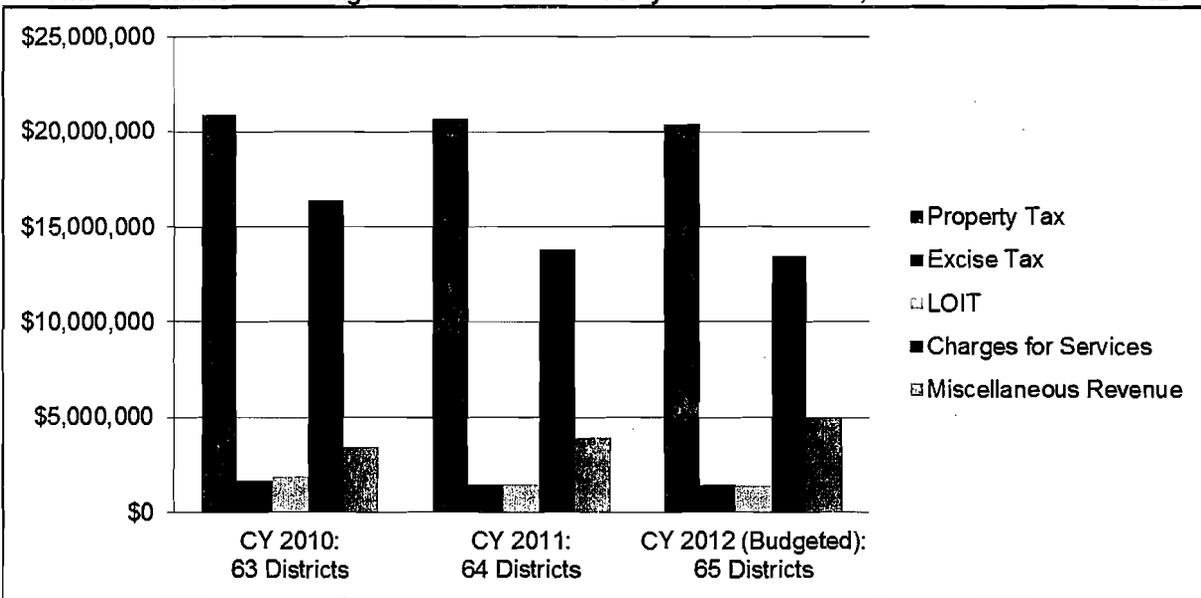
Sources: Local Government Database, Department of Local Government Finance; Clinton County Auditor.

Property taxes and charges for services are the two main revenue sources for solid waste management districts. For calendar year 2012, 35 of the 65 districts for which data was available reported property tax as a funding source. Of these 35 solid waste management districts, 30 districts budgeted property tax revenue for more than half of their funding and 14 districts depended upon property tax revenue for 75 percent or more of their funding. Thirty-six districts budgeted charges for services as a revenue source. Charges for services made up half of the funding sources for 21 districts, and 18 of these districts budgeted charges for services for 75 percent or more of their funding. Lawrence County solid waste management district has reached the maximum property tax rate of \$0.0833 for each \$100 of assessed value, and Washington County solid waste management district has the next highest rate at \$0.802 for each \$100 of assessed value.

The following chart provides solid waste management district revenues by revenue source for calendar years 2010 and 2011, and budgeted revenue for calendar year 2012 for the districts that had data available.

<sup>6</sup> The districts of Miami County (CY 2010), Floyd County (CY 2010 and CY 2011), Clark, Fayette, and Hancock Counties (CY 2010, CY 2011 and CY 2012), LaPorte County (CY 2010 and CY 2012), and Tippecanoe County (CY 2012) were excluded due to incomplete data.

**Chart 2: Solid Waste Management District Revenue by Revenue Source, Calendar Years 2010-2012**



Sources: Local Government Database, Department of Local Government Finance; Clinton County Auditor.

The following table provides budgeted solid waste management district revenues by revenue source for calendar year 2012 for the districts that had data available.

**Table 3: Budgeted Solid Waste Management District Revenue by Revenue Source, Calendar Year 2012**

Solid Waste Management District	Property Tax Levy	Excise Taxes	LOIT	Charges for Services	Misc. Revenue	Total Revenue
Adams County	\$595,433	\$33,540	\$88,398	\$325,000	\$93,080	\$1,135,451
Allen County	\$0	\$0	\$0	\$912,000	\$34,572	\$946,572
Bartholomew County	\$858,155	\$64,528	\$0	\$1,550,000	\$126,000	\$2,598,683
Blackford County	\$3,351	\$291	\$0	\$0	\$1,826	\$5,468
Boone County	\$0	\$0	\$0	\$0	\$167,500	\$167,500
Brown County	\$133,529	\$9,240	\$0	\$0	\$30,000	\$172,769
Cass County	\$0	\$0	\$0	\$140,800	\$11,000	\$151,800
Clay-Owen-Vigo	\$0	\$0	\$0	\$144,000	\$1,000	\$145,000
Crawford County	\$188,640	\$12,473	\$21,882	\$0	\$80,050	\$303,045
Daviess County	\$361,610	\$30,840	\$67,595	\$500,000	\$0	\$960,045
Dearborn County	\$619,346	\$39,063	\$0	\$0	\$37,560	\$695,969
Decatur County	\$285,611	\$19,350	\$58,900	\$50,000	\$2,000	\$415,861
Dubois County	\$0	\$0	\$0	\$0	\$200,026	\$200,026
East Central Indiana <sup>8</sup>	\$690,759	\$45,691	\$0	\$0	\$0	\$736,450
Elkhart County	\$0	\$0	\$0	\$582,000	\$5,000	\$587,000
Floyd County	\$0	\$0	\$0	\$0	\$270,000	\$270,000
Fountain County	\$145,342	\$12,853	\$0	\$0	\$102,200	\$260,395
Fulton County	\$0	\$0	\$0	\$300,000	\$103,000	\$403,000
Gibson County	\$1,138,616	\$84,536	\$0	\$0	\$9,000	\$1,232,152
Greene County	\$0	\$0	\$0	\$0	\$310,000	\$310,000

**Table 3: Budgeted Solid Waste Management District Revenue by Revenue Source, Calendar Year 2012  
(Continued)**

<b>Solid Waste Management District</b>	<b>Property Tax Levy</b>	<b>Excise Taxes</b>	<b>LOIT</b>	<b>Charges for Services</b>	<b>Misc. Revenue</b>	<b>Total Revenue</b>
Hamilton County	\$560,194	\$43,250	\$257,244	\$0	\$9,000	\$869,688
Harrison County	\$192,113	\$21,685	\$61,064	\$0	\$60,000	\$334,862
Hendricks County	\$0	\$0	\$0	\$672,500	\$29,000	\$701,500
Howard County	\$772,861	\$56,136	\$103,082	\$0	\$2,400	\$934,479
Huntington County	\$187,451	\$13,702	\$35,549	\$12,500	\$1,250	\$250,452
Jackson County	\$0	\$0	\$0	\$250,000	\$5,000	\$255,000
Jay County	\$0	\$0	\$0	\$225,000	\$0	\$225,000
Johnson County	\$425,684	\$34,441	\$0	\$0	\$16,600	\$476,725
Knox County	\$0	\$0	\$0	\$0	\$310,360	\$310,360
Kosciusko County	\$67,999	\$4,525	\$0	\$0	\$308,000	\$380,524
Lake County	\$4,707,948	\$268,197	\$0	\$0	\$0	\$4,976,145
Lawrence County	\$1,083,738	\$100,546	\$249,851	\$322,865	\$86,919	\$1,843,919
Marshall County	\$265,990	\$20,926	\$0	\$0	\$1,000	\$287,916
Martin County	\$91,382	\$10,233	\$0	\$40,000	\$150,000	\$291,615
Miami County	\$0	\$0	\$0	\$350,000	\$900	\$350,900
Monroe County	\$1,553,084	\$109,488	\$0	\$0	\$809,560	\$2,472,132
Morgan County	\$0	\$0	\$0	\$0	\$142,000	\$142,000
Northeast Indiana <sup>9</sup>	\$1,057,261	\$63,884	\$235,421	\$70,000	\$1,800	\$1,428,366
Northwest Indiana <sup>10</sup>	\$0	\$0	\$0	\$375,436	\$78,994	\$454,430
Orange County	\$294,540	\$32,770	\$90,086	\$0	\$1,000	\$418,396
Perry County	\$0	\$0	\$0	\$31,000	\$371,000	\$402,000
Pike County	\$0	\$0	\$0	\$190,000	\$800	\$190,800
Porter County	\$0	\$0	\$0	\$855,500	\$49,100	\$904,600
Posey County	\$521,426	\$34,387	\$0	\$80,000	\$0	\$635,813
Randolph County	\$0	\$0	\$0	\$0	\$202,524	\$202,524
Rush County	\$105,696	\$5,681	\$0	\$0	\$0	\$111,377
Shelby County	\$165,344	\$11,591	\$0	\$145,000	\$15,000	\$336,935
Southeastern Indiana <sup>11</sup>	\$680,127	\$59,872	\$108,238	\$7,000	\$75,000	\$930,237
Spencer County	\$339,053	\$22,714	\$0	\$120,000	\$50,000	\$531,767
St. Joseph County	\$0	\$0	\$0	\$2,654,000	\$0	\$2,654,000
Starke County	\$0	\$0	\$0	\$270,014	\$0	\$270,014
Sullivan County	\$0	\$0	\$0	\$3,000	\$83,700	\$86,700
Three Rivers (Henry County)	\$0	\$0	\$0	\$231,000	\$0	\$231,000
Tipton County	\$126,138	\$12,055	\$29,689	\$0	\$0	\$167,882
Vanderburgh County	\$0	\$0	\$0	\$415,000	\$750	\$415,750
Vermillion County	\$0	\$0	\$0	\$12,500	\$0	\$12,500

**Table 3: Budgeted Solid Waste Management District Revenue by Revenue Source, Calendar Year 2012  
(Continued)**

Solid Waste Management District	Property Tax Levy	Excise Taxes	LOIT	Charges for Services	Misc. Revenue	Total Revenue
W. U. R. <sup>12</sup>	\$0	\$0	\$0	\$0	\$64,900	\$64,900
Wabash County	\$0	\$0	\$0	\$531,000	\$17,500	\$548,500
Warren County	\$111,776	\$12,940	\$31,575	\$0	\$55,100	\$211,391
Warrick County	\$1,226,516	\$89,659	\$0	\$290,000	\$0	\$1,606,175
Washington County	\$703,690	\$63,684	\$0	\$220,000	\$10,500	\$997,874
Wells County	\$106,248	\$8,064	\$0	\$0	\$6,000	\$120,312
West Central Indiana <sup>13</sup>	\$0	\$0	\$0	\$5,000	\$275,767	\$280,767
Whitley County	\$0	\$0	\$0	\$596,579	\$53,000	\$649,579
Wild Cat (Clinton County only) <sup>14</sup>	\$44,559	\$3,645	\$0	\$0	\$30,000	\$78,204
<b>Total</b>	<b>\$20,411,210</b>	<b>\$1,456,480</b>	<b>\$1,438,574</b>	<b>\$13,478,694</b>	<b>\$4,958,238</b>	<b>\$41,743,196</b>

Sources: Local Government Database, Department of Local Government Finance; Clinton County Auditor.

<sup>8</sup> Delaware, Grant and Madison Counties

<sup>9</sup> DeKalb, LaGrange, Noble and Steuben Counties

<sup>10</sup> Benton, Carroll, Jasper, Newton, Pulaski and White Counties

<sup>11</sup> Franklin, Jefferson, Jennings, Ohio, Ripley, Scott and Switzerland Counties

<sup>12</sup> Union and Wayne Counties

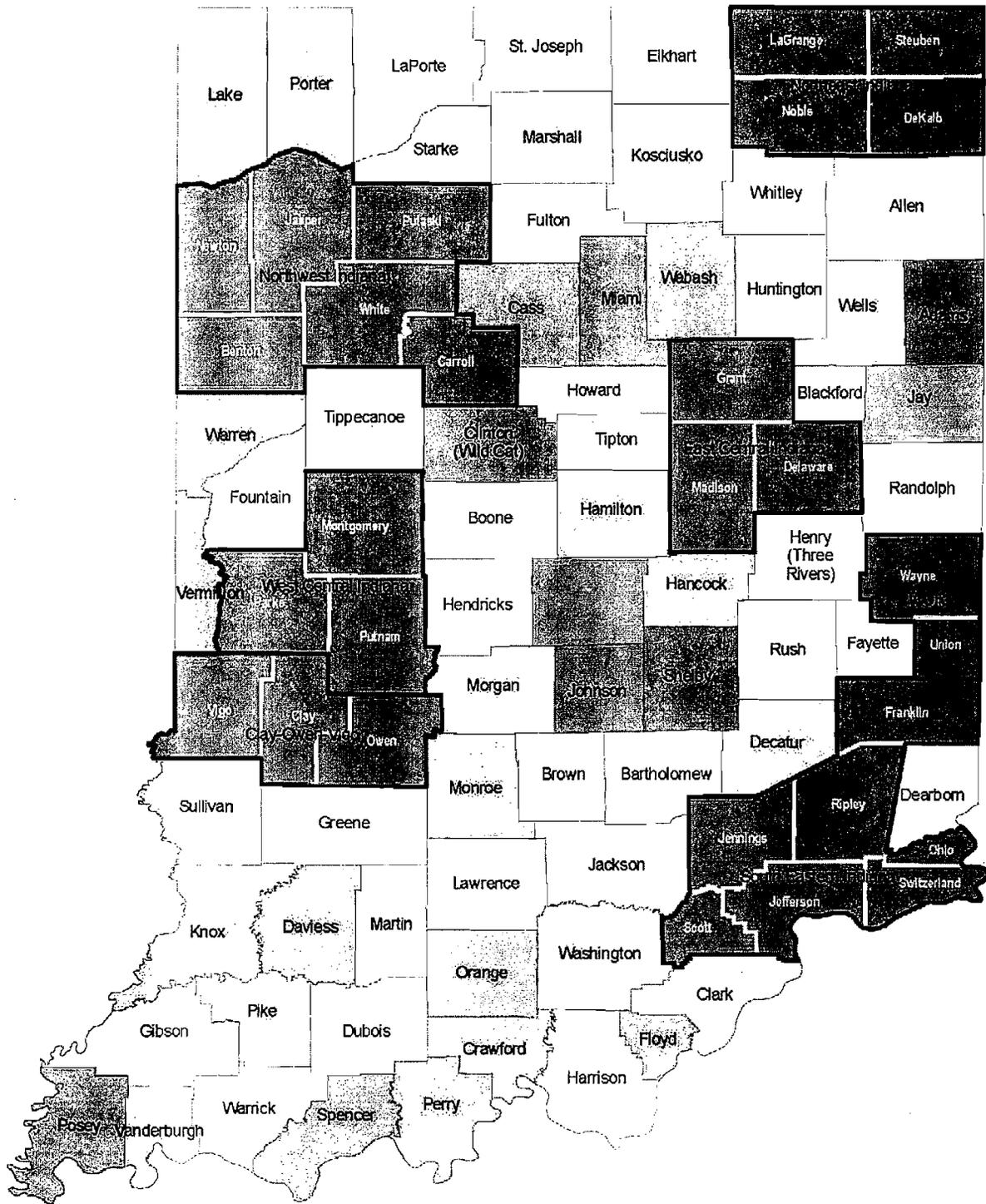
<sup>13</sup> Montgomery, Parke and Putnam Counties

<sup>14</sup> Data for Wild Cat solid waste management district is estimated and was obtained from the Clinton County Auditor.



Author: Jessica Harmon, Senior Fiscal/Program Analyst.

# Indiana's Solid Waste Management Districts as of March 1, 2012



There are 7 multi-county districts and 63 single-county districts. Marion County is not required to have a solid waste management district.

Exhibit M  
CSTEP #1  
8/28/12

8/28/2012



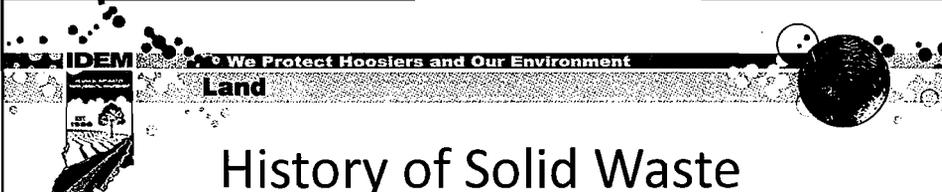
**SOLID WASTE &  
SOLID WASTE MANAGEMENT  
DISTRICTS**

Bruce Palin  
Assistant Commissioner  
Office of Land Quality



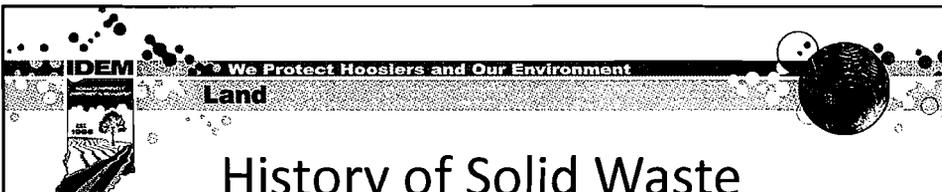
**History of Solid Waste**

<u>Year</u>	<u># of Landfills</u>	<u># of Transfer Stations</u>
1980	150	29 (1987)
1991	72	43
2011	34	75



## History of Solid Waste

- 1980 – 100 of the 150 landfills were publicly owned
- Today – 7 of the 34 landfills are publicly owned
- 32 of the 34 landfills existing today existed in 1991



## History of Solid Waste

- In 1992
  - Estimated disposal capacity for the state – 7 years
  - 6.7 million tons of Indiana waste disposed/year
  - 1.8 million tons of out-of-state waste disposed/year
- Today
  - Calculated disposal capacity for the state – 42 years
  - 5.5 million tons of Indiana waste disposed/year
  - 2.5 million tons of out-of-state waste disposed/year



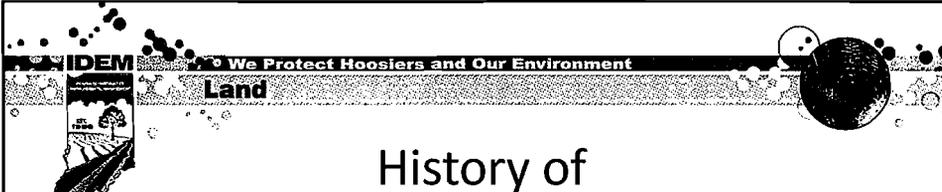
## History of Solid Waste Management Districts

- 1990 legislation requiring:
  - Development of State Solid Waste Plan
  - Solid waste districts formed by July 1992
- Originally – 50 single county, 10 multicounty
- Today – 61 single county, 8 multicounty



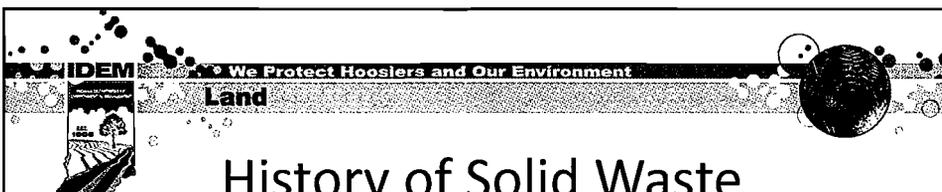
## History of Solid Waste Management Districts

- The State Solid Waste Plan and the Districts were developed for the primary purpose of conserving landfill capacity by diverting waste from disposal
- Long haul out-of-state waste was filling up local landfills at an alarming rate
- Districts have played a role in developing systems for recycling and collecting household hazardous waste and diverting waste from disposal



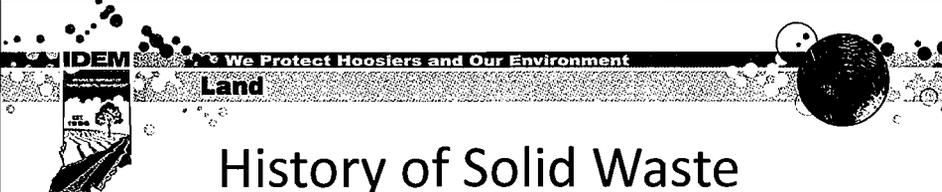
## History of Solid Waste Management Districts

- Landfill owners have developed the disposal capacity to satisfy the disposal market
- Private sector is innovative in identifying alternative uses for waste streams
- Aggressive goals to reduce waste disposal 35% by 1996 and 50% by 2001 were established



## History of Solid Waste Management Districts

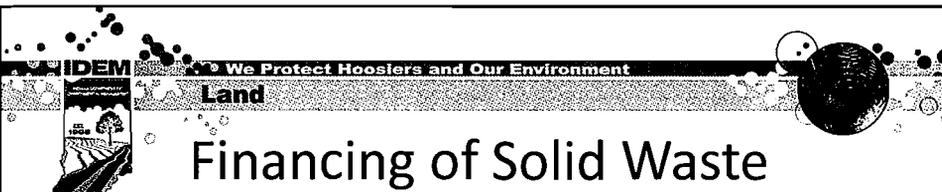
- Bad News – We didn't reach our goals
- Good News – Our fears were not realized



**IDEM** We Protect Hoosiers and Our Environment  
**Land**

## History of Solid Waste Management Districts

- Some districts have been very active in facilitating activities to recycle and divert waste from disposal and others, not so much.
- Every district is different in how and what services it provides, which is consistent with how they were established.



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**Land**

## Financing of Solid Waste Management Districts

- Property Tax, Excise Tax, Co. Adjusted Gross Income Tax, Local Option Income Tax, Property Tax Replacement Credit, Co. Option Income Tax
- Surcharge, User Fees, Tipping Fees, Host Community Fees, Generator Fees
- Budget Appropriation, Interest on Investments, IDEM Grants, Sale of Recyclables



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**Land**

## Financing of Solid Waste Management Districts

- Based on information from a report compiled by the Association of Indiana Solid Waste Management Districts, funding for districts range from \$.87/capita to \$55.74/capita with the average being \$14.40/capita



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**Land**

## 2010 Financing of Solid Waste Management Districts

Financing	Low	High	Comments
Receipts	\$2,219	\$4,211,035	
Disbursements	\$11,288	\$6,076,303	
Year End Cash	\$5,586	\$4,798,831	
Personal Services	\$3,500	\$960,850	4 have none
Indebtedness	\$20,418	\$6,210,000	60 have none
Capital Assets	\$14,439	\$12,779,844	31 have none

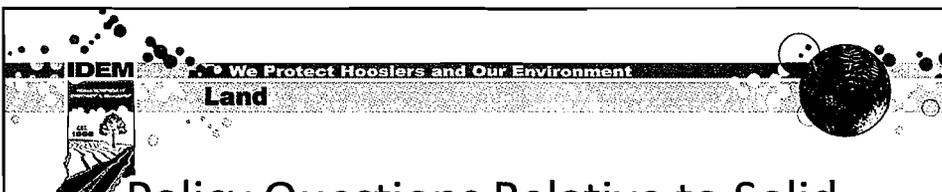


## Financing of Solid Waste Management Districts

The range of annual budgets run from:

- \$14,140 for Vermillion County, to
- \$5,481,083 for Lake County

The average budget for a solid waste district is a little over \$800,000 per year



## Policy Questions Relative to Solid Waste Management

- What is the current role of solid waste management districts and should they be mandatory?
- Should SWMDs have taxing or bonding authority?
- Should SWMDs own and operate waste management facilities?
- Should SWMDs be allowed to impose fees on waste management activities in their counties?



## Financing of Indiana's Solid Waste Management Districts

Commission on Tax and Financing Policy  
August 28, 2012



## AISWMD

Association of Indiana Solid Waste Management Districts

- 501 (c) 3 non-profit organization
- 70 solid waste management districts across the state
- Promoting integrated waste management, including:
  - Solid and hazardous waste management
  - Recycling
  - Composting
  - Disaster debris recovery
  - Pharmaceutical recovery
  - E-waste management/recycling
  - Bulky goods recycling/management
  - Environmental education

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## Solid Waste Management Districts (Districts)

Legislation effective 1990 set forth:

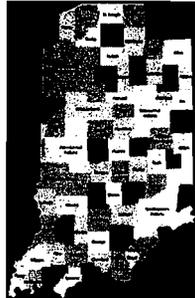
- Local control to -
  - Determine the programs and services to be provided to help the State meet its waste reduction goals
  - How those programs were to be funded
- All District Boards are totally composed of local elected officials from that District
- All District Budgets now have to be approved and adopted by County-Council (2010)

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## Solid Waste Management Districts (Districts)

- Information presented is based on 2011 actual spending and revenues representing 69 Districts



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## 2011 - 2012 Legislative Session



## Legislation: SB131

- Financial review to summer study (TFPC)
- Permitting issue to summer study (EQSC)
- Review of Districts every 5 years (starting in 2015)
- Financial and programmatic reporting to IDEM
- Gateway adjustments
- Education curriculum

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Summary of Activities since 5/1/09

## Enhanced Transparency



- AISWMD Committee working with Gateway to enhance financial transparency
  - State Board of Accounts
  - Department of Local Government Finance
- Working on:
  - Definitions
  - Consistent reporting from District to District (codes)
  - Detailed reporting vs. consolidating all information
- Training

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## Financial Reporting



- Legislation requires annual reporting on:
  - Total expenditures by the district
  - Total per capita expenditures
  - Total expenditures for personnel
  - Total expenditures for program costs
  - Other financial information required by IDEM
- Districts must post the annual report on the Internet

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## Financial Reporting continued



- Trying to incorporate all financial reporting requirements into Gateway
  - Eliminates double reporting
  - Increases efficiency
  - Make all information readily available to public, IDEM, legislators

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Summary of District Funding

## SWMD Funding Sources



	<u># of Districts Utilize</u>
▪ Property Taxes	33
▪ Other Taxes	35
▪ Landfill (Tipping) Fees	25
▪ Special Assessments	10
▪ User Fees	33
▪ Transfer Station Fees	5

Notes: Districts utilize 33 different sources of revenue. Three (3) Districts operate Landfills & five (5) Districts operate Transfer Stations.

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## District Funding Sources

- District Funding Statewide represents:
- \$52 million for all programs and services
    - \$22.7 million of which are property taxes

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## District Programs

	# of Districts Offer
▪ Household Hazardous Waste (Diverted over 4,000,000 lbs from landfills)	59
▪ Tires	54
▪ Recycling Services	56
▪ Pharmaceutical Collection	40
▪ Appliances & Electronic Waste	57
▪ Reuse Programs	15
▪ EMA Debris Management Support	61

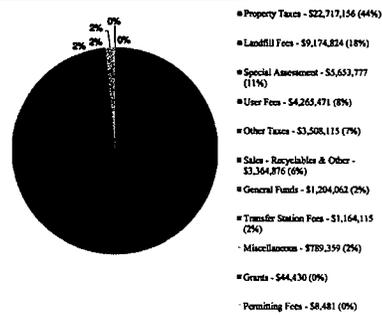
Commission on Tax and Financing Policy – August 28, 2012

## Education Programs

	# of Districts Offer
▪ Public Education	67
▪ School Education	49

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## District Revenues



## Enhanced Districts

## Enhanced Districts

- Adams County
- Bartholomew County
- Crawford County
- Gibson County
- Lawrence County
- Martin County
- Warren County
- Warrick County
- Washington County



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## Enhanced Districts

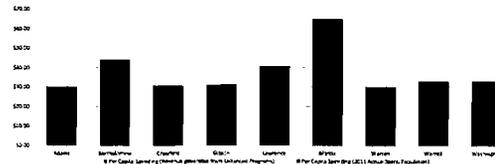
*The range of per capita expenditures varies widely and is highest in Districts that may:*

- Operate **landfills** or **transfer stations**
- Operate robust **recycling programs** and/or **processing facilities**
- Offer **rural trash collection programs**
- Generally be located in areas with **rural/ sparse populations**

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## Enhanced Districts

Expenditures vs. Non-tax Revenues



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Thank you!  
Questions?

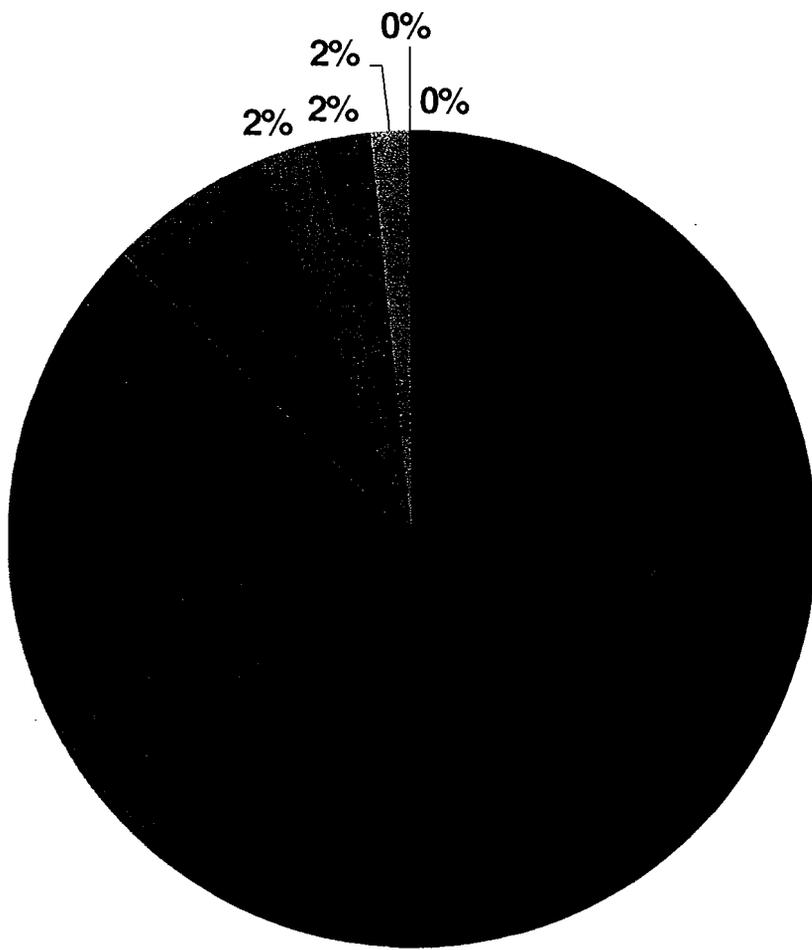
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Julie L. Rhodes, Executive Director  
 Association of Indiana Solid Waste Management Districts  
 317-371-2788      jrhodes@aiswmd.org

# Indiana Solid Waste Management Districts

In 2011, 69 Districts collected:  
\$51,894,666 Total Revenue Dollars

## 2011 Revenue Sources



- Property Taxes - \$22,717,156 (44%)
- Landfill Fees - \$9,174,824 (18%)
- Special Assessment - \$5,653,777 (11%)
- User Fees - \$4,265,471 (8%)
- Other Taxes - \$3,508,115 (7%)
- Sales - Recyclables & Other - \$3,364,876 (6%)
- General Funds - \$1,204,062 (2%)
- Transfer Station Fees - \$1,164,115 (2%)
- Miscellaneous - \$789,359 (2%)
- Grants - \$44,430 (0%)
- Permitting Fees - \$8,481 (0%)

## Detailed Revenue Listing

<b>Property Taxes-</b>	General Property Taxes
<b>Landfill Fees-</b>	Landfill/Cleanfill Tipping Fees District Owned Landfill Fee
<b>Special Assessment -</b>	Special Assessment
<b>User Fees-</b>	User Fees Host Fees
<b>Other Taxes-</b>	County Adjusted Gross Income Tax (CAGIT) County Economic Development Income Tax (CEDIT) County Option Income Tax (COIT) Local Option Income Tax (LOIT) Commercial Vehicle Excise Tax Distribution (CVET) Excise Tax (Vehicle License) Levy Excess Tax Other Taxes
<b>Sales of Recyclables &amp;</b>	Sales of Recyclables
<b>Other Sales-</b>	Retail Sales Donations Sale of Capital Assets Rental of Property Investment Interest
<b>General Funds-</b>	County General Fund Cities & Towns General Fund
<b>Transfer Station Fees-</b>	Transfer Station Fees
<b>Miscellaneous-</b>	General - Miscellaneous Refunds/Reimbursements Fines General - Transfer In Tax Anticipation Loan Payroll Fund - Clearing Account Receipts
<b>Grants-</b>	State Grants Cities &/or Town Grants Other Grants
<b>Permitting Fees-</b>	Registration & Permit Fees

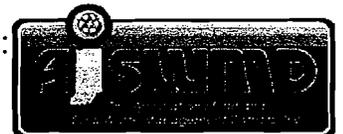


Exhibit P  
CSTFP #1  
8/28/12

2011

## Indiana Solid Waste Management Districts Data Summary

Indiana Solid Waste Management Districts are responsible for implementing programs to educate and promote proper integrated solid waste management within their District. Elements of the various programs include, but are not limited to solid and hazardous waste management, recycling, composting, disaster debris recovery, pharmaceutical recovery, E-waste management and recycling, bulky goods management and environmental education.

### District Funding Sources - # of Districts Utilize

Property Taxes	33
Other Taxes	35
Landfill (Tipping) Fees	25
Special Assessments	10
User Fees	33
Transfer Station Fees	5

*Notes: Districts utilize 33 different sources of revenue.  
Three (3) Districts operate Landfills & five (5) Districts operate Transfer Stations.*

The range of per capita expenditures varies widely and is highest in Districts that:

- Operate a Landfill or Transfer Station
- Operate Robust Recycling Programs or Processing Facilities
- Located in Areas with Small Populations

### Programs - # of Districts Offer

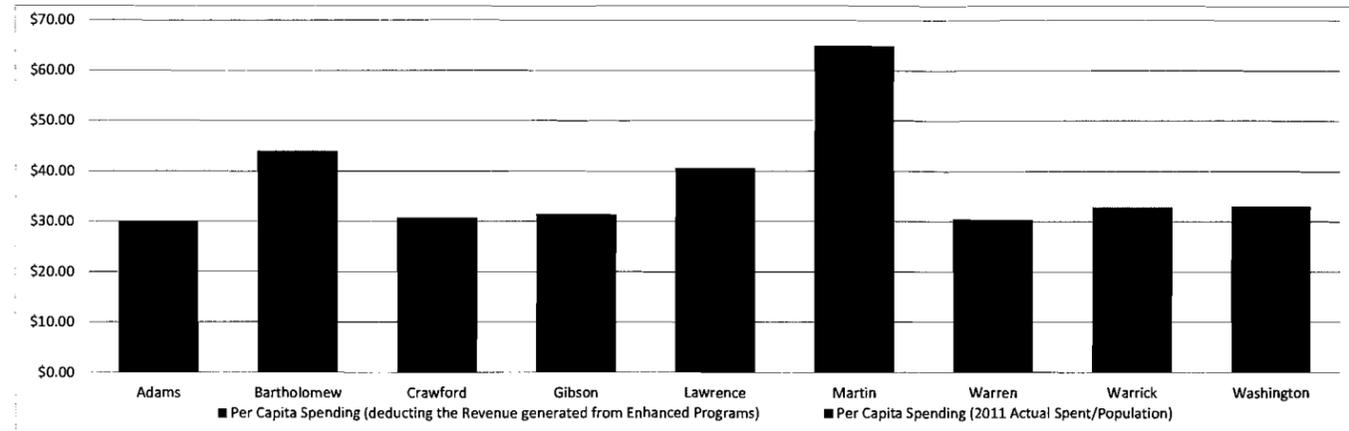
Household Hazardous Waste (Diverted over 4,000,000 lbs from landfills)	59
Tires	54
Recycling Services	56
Pharmaceutical Collection	40
Appliances & Electronic Waste	57
Reuse Programs	15
EMA Debris Management Support	61

### Education- # of Districts Offer

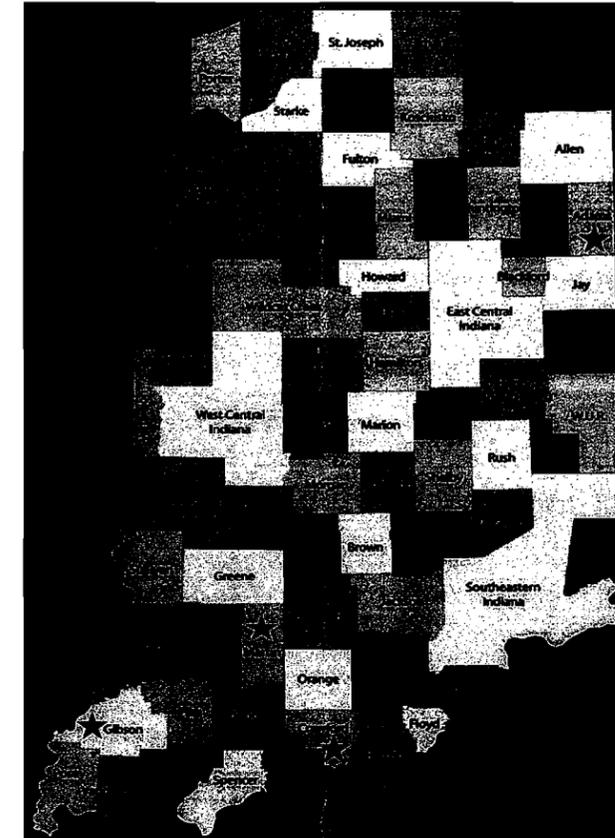
Public Education	67
School Education	49



## Programmatic & Per Capita Spending for Solid Waste Management Districts at or above (\$30 per capita)



Solid Waste Management District	Adams County	Bartholomew County	Crawford County	Gibson County	Lawrence County	Martin County	Warren County	Warrick County	Washington County
Contact	Hank Mayer	Jim Murray	Tina Bowman	Mike Stillwell	Ron Walker	Laura Albertson	Kathy Poole	Scott Anslinger	Mike Goering
District Population	34,387	76,794	11,216	33,537	46,134	10,391	8,400	55,000	28,262
2011 Actual Spent	\$1,032,490.00	\$3,380,829.00	\$344,097.42	\$1,053,647.29	\$1,871,693.00	\$674,034.93	\$255,357.00	\$1,807,656.00	\$933,712.00
Revenue of Enhanced Programs	\$474,255.00	\$2,388,052.00	\$73,306.00	\$53,655.00	\$613,487.00	\$538,156.00	\$52,825.00	\$426,220.00	\$291,233.00
Per Capita Spending (deducting the Revenue generated from Enhanced Programs)	\$16.23	\$12.93	\$24.14	\$29.82	\$27.27	\$13.08	\$24.11	\$25.12	\$22.73
Per Capita Spending (2011 Actual Spent/Population)	\$30.03	\$44.02	\$30.68	\$31.42	\$40.57	\$64.87	\$30.40	\$32.87	\$33.04
<b>Programs - offered <u>Directly</u> by the District</b>									
<b>Facilities</b>									
Landfill (Active & Closed)	X - Closed	X - 2 Active & 1 Closed							X
Transfer Station	X				X			X	
Recyclable Processing Facility/MRF		X			X	X			X
Permanent HHW Facility	X	X	X		X	X	X		
Recycling Drop Off	X	X	X			X***	X	X	X
Compost Processing Facility		X			X				X
Yard Waste/Christmas Tree	X	X		X	X		X	X	X
Reuse Center		X							
<b>Services</b>									
Tox Away Events		X		X			X	X	
Electronics Collection	X	X	X	X		X	X	X	
Tire Collection	X	X	X	X	X	X	X	X	X
Sharps Collection				X				X	
Medicine Collection							X		
Trash Collection and/or Disposal	X	X	X	X		X	X	X	X
Special Event Trash Collection									
Bulky Items/White Goods Collection		X	X			X	X	X	X
Curbside Recycling		X						X	
Green Business Services		X				X	X		X
Disaster Debris Collection	X	X	X	X	X	X	X	X	X
Roadside Clean-up		X	X	X		X	X		X
Animal Carcass Recycling									
Construction/Demolition Collection		X						X	
Document Destruction									
Latex Paint Remixing									
Community Grant Program									
Recycling Bin Loaner Program		X	X				X		X
Special Collection									
Environmental Compliance Program			X			X			
<b>Outreach</b>									
School Education	X	X	X	X		X	X		X
Public Education	X	X	X	X	X	X	X	X	X
Advertising/Promotions	X	X	X	X	X	X	X	X	X
Scholarships									



\*\*\* Martin County Solid Waste Management Districts provides Recycling Programs that are utilized by 5 neighboring Solid Waste Management Districts in addition to residents and local businesses.

Enhanced Programs that traditionally are more expensive to provide for District residents.

Data Provided to the Indiana Commission on State Tax and Financing Policy By:  
August 2012

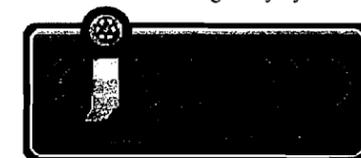
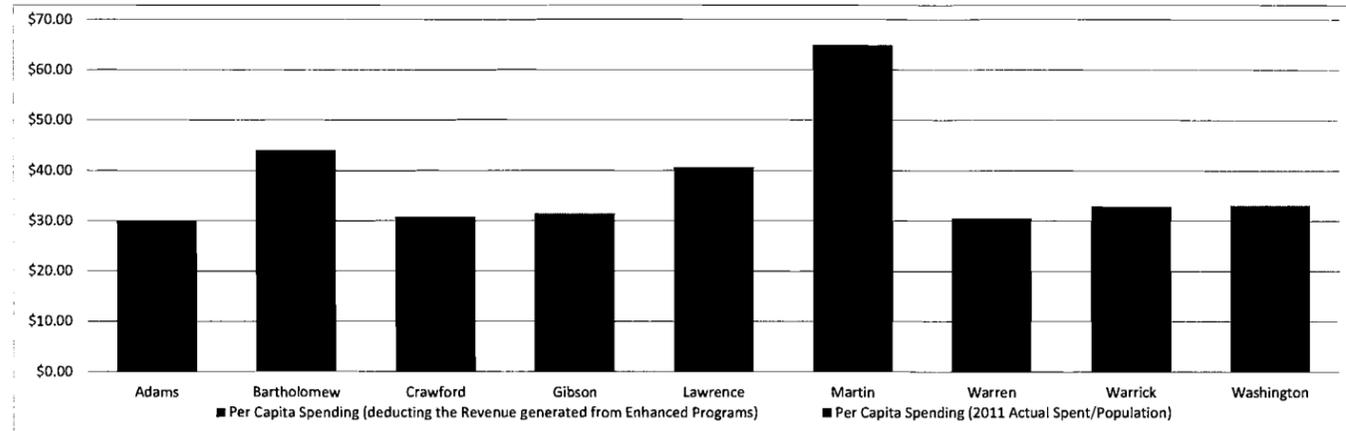
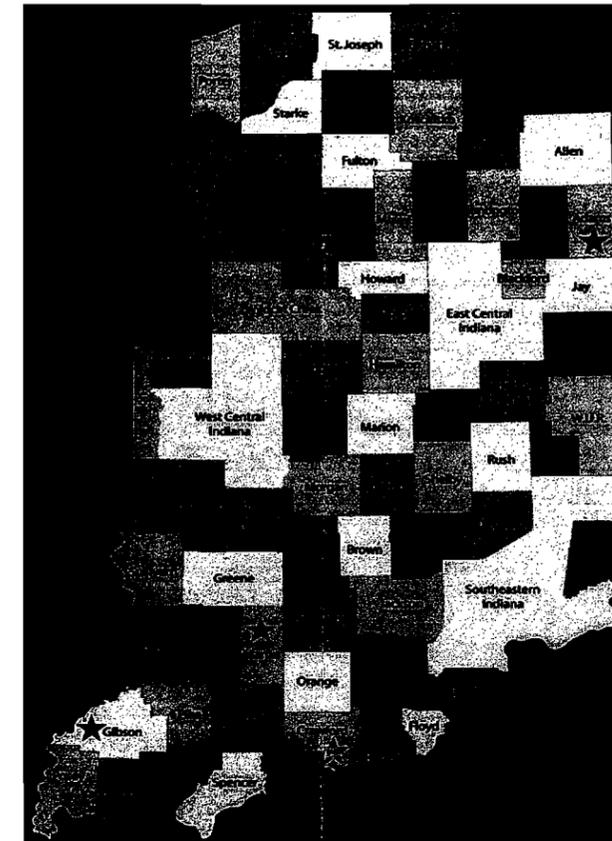


Exhibit R  
 CSTFP #1  
 8/28/12

### Programmatic & Per Capita Spending for Solid Waste Management Districts at or above (\$30 per capita)



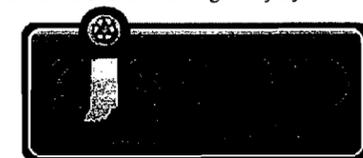
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<b>Programs - offered <u>Directly</u> by the District</b>									
<b>Facilities</b>									
Landfill (Active & Closed)	X - Closed	X-2 Active & 1 Closed							X
Transfer Station	X				X			X	
Recyclable Processing Facility/MRF		X			X	X			X
Permanent HHW Facility	X	X	X		X	X	X		
Recycling Drop Off	X	X	X			X***	X	X	X
Compost Processing Facility		X			X				X
Yard Waste/Christmas Tree	X	X		X	X		X	X	X
Reuse Center		X							
<b>Services</b>									
Tox Away Events		X		X			X	X	
Electronics Collection	X	X	X	X		X	X	X	
Tire Collection	X	X	X	X	X	X	X	X	X
Sharps Collection				X				X	
Medicine Collection							X		
Trash Collection and/or Disposal	X	X	X	X		X	X	X	X
Special Event Trash Collection									
Bulky Items/White Goods Collection		X	X			X	X	X	X
Curbside Recycling		X						X	
Green Business Services		X				X	X		X
Disaster Debris Collection	X	X	X	X	X	X	X	X	X
Roadside Clean-up		X	X	X		X	X		X
Animal Carcass Recycling									
Construction/Demolition Collection		X						X	
Document Destruction									
Latex Paint Remixing									
Community Grant Program									
Recycling Bin Loaner Program		X	X				X		X
Special Collection									
Environmental Compliance Program			X			X			
<b>Outreach</b>									
School Education	X	X	X	X		X	X		X
Public Education	X	X	X	X	X	X	X	X	X
Advertising/Promotions	X	X	X	X	X	X	X	X	X
Scholarships									



\*\*\* Martin County Solid Waste Management Districts provides Recycling Programs that are utilized by 5 neighboring Solid Waste Management Districts in addition to residents and local businesses.

Enhanced Programs that traditionally are more expensive to provide for District residents.

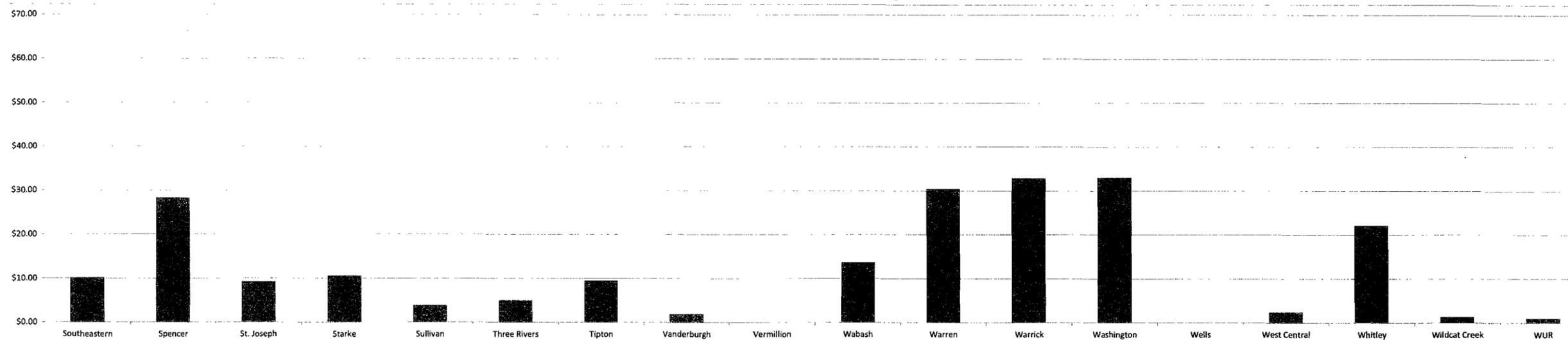
Data Provided to the Indiana Commission on State Tax and Financing Policy By:  
 August 2012



Indiana Solid Waste Management Districts Programmatic Per Capita Spending Data - 2011



District Per Capita Spending

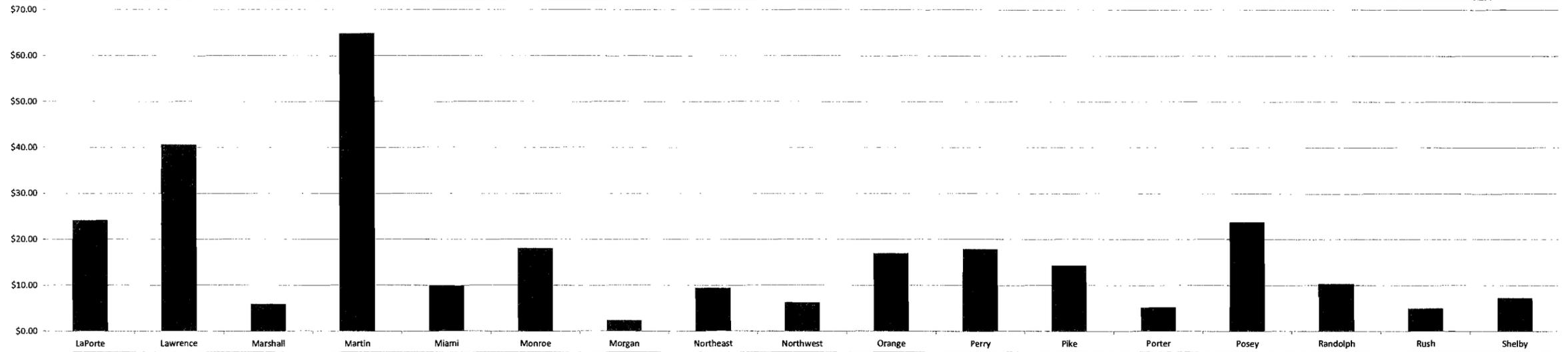


Solid Waste Management District	Southeastern	Spencer	St. Joseph	Starke	Sullivan	Three Rivers	Tipton	Vanderburgh	Vermillion	Wabash	Warren	Warrick	Washington	Wells	West Central	Whitley	Wildcat Creek	WUR
	Franklin/Jefferson	County	County	County	County	Henry	County	County	County	County	County	County	County	County	Montgomery	County	Tippecanoe/	Wayne/Union
Counties Served	Jennings/Ohio/Ripley														Parke/Putnam		Clinton	
Contact	Scott/Switzerland																Rick Parsons/	
	Aaron Bell	Debbie Steinkamp	Randy Przbyszc	Carrie Trent-Kuechel	Judy Bengochea	JoAnne McCorkle	Beth Hirtzel	Joe Ballard	No Active District	Jen Rankin	Kathy Poole	Scott Anslinger	Mike Goering	No Active District	Jane Collisi	Jorell Tucker	Joel Freeman	LuAnne Holeva
District Population	153,000	20,000	266,931	23,372	21,875	49,264	16,067	179,703	16,212	34,000	8,400	55,000	28,262	27,636	93,426	33,000	200,000	76,433
2011 Actual Spent	\$1,559,028	\$565,887	\$2,457,916	\$248,515	\$85,036	\$245,537	\$152,399	\$347,743	\$0	\$464,770	\$255,357	\$1,807,656	\$933,712	\$0	\$228,861	\$731,776	\$289,618	\$84,280
Per Capita Spending (2011 Actual Spent / Population)	\$10.19	\$28.29	\$9.21	\$10.63	\$3.89	\$4.98	\$9.49	\$1.94	\$0.00	\$13.67	\$30.40	\$32.87	\$33.04	\$0.00	\$2.45	\$22.18	\$1.45	\$1.10
<b>Programs - offered Directly by the District</b>																		
<b>Facilities</b>																		
Landfill (Active & Closed)													X					
Transfer Station	X											X						
Recyclable Processing Facility/MRF		X											X					
Permanent HHW Facility	X	X	X							X	X					X	X	
Recycling Drop Off	X	X		X	X	X	X	X		X	X	X	X		X			X
Compost Processing Facility							X						X					
Yard Waste/Christmas Tree		X		X			X	X			X	X	X		X	X		
Reuse Center	X					X				X							X	
<b>Services</b>																		
Tox Away Events				X		X		X		X	X	X			X			
Electronics Collection	X	X	X	X		X		X		X	X	X			X	X	X	
Tire Collection	X	X	X	X		X		X		X	X	X	X		X	X		
Sharps Collection	X	X		X	X	X				X		X			X			
Medicine Collection	X	X	X	X	X	X				X	X				X			
Trash Collection and/or Disposal		X									X	X	X			X		
Special Event Trash Collection																		
Bulky Items/White Goods Collection	X	X		X		X				X	X	X	X		X	X		
Curbside Recycling	X		X	X								X				X		
Green Business Services		X									X		X					
Disaster Debris Collection	X	X	X	X	X	X	X	X		X	X	X	X		X	X	X	
Roadside Clean-up		X		X							X		X					
Animal Carcass Recycling																		
Construction/Demolition Collection												X						
Document Destruction		X																
Latex Paint Remixing																		
Community Grant Program	X						X								X			
Recycling Bin Loaner Program		X			X						X		X					
Special Collection																		
Environmental Compliance Program		X		X													X	
<b>Outreach</b>																		
School Education	X	X	X	X	X	X		X			X		X		X		X	X
Public Education	X	X	X	X	X	X	X	X		X	X	X	X		X	X	X	X
Advertising/Promotions		X	X	X		X		X		X	X	X	X		X		X	X
Scholarships	X									X								

Indiana Solid Waste Management Districts Programmatic Per Capita Spending Data - 2011



District Per Capita Spending

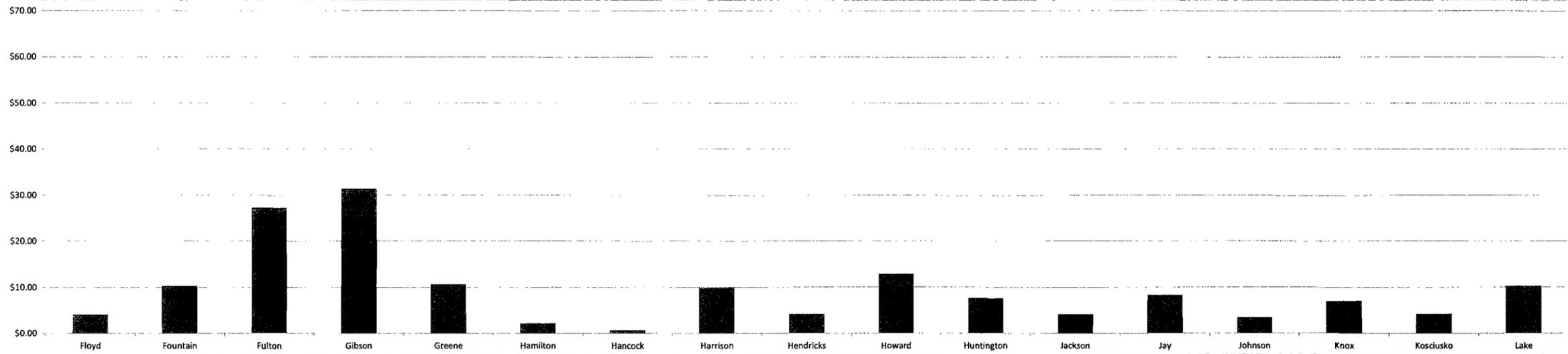


Solid Waste Management District	LaPorte County	Lawrence County	Marshall County	Martin County	Miami County	Monroe County	Morgan County	Northeast County	Northwest County	Orange County	Perry County	Pike County	Porter County	Posey County	Randolph County	Rush County	Shelby County
Counties Served																	
Contact	Clay Turner	Ron Walker	Mike Good	Laura Albertson	Samantha Ward	Larry Barker	Leonard Huffman	Steve Christman	Carol Stradling	Bill Mathers	Ken Smith	Kristi Armstrong	Therese Davis	Patricia Bunner Colbert	Steve Longnecker	Carole Yeend	Lisa Carpenter
District Population	112,000	46,134	47,300	10,391	36,001	137,974	68,895	161,072	111,871	19,840	19,534	12,837	165,000	27,000	26,171	17,392	44,436
2011 Actual Spent	\$2,708,170	\$1,871,693	\$280,094	\$674,035	\$355,269	\$2,494,806	\$162,837	\$1,514,459	\$700,580	\$336,329	\$349,347	\$183,365	\$866,284	\$641,874	\$269,508	\$86,671	\$321,962
Per Capita Spending (2011 Actual Spent / Population)	\$24.18	\$40.57	\$5.92	\$64.87	\$9.87	\$18.08	\$2.36	\$9.40	\$6.26	\$16.95	\$17.88	\$14.28	\$5.25	\$23.77	\$10.30	\$4.98	\$7.25
<b>Programs - offered Directly by the District</b>																	
<b>Facilities</b>																	
Landfill (Active & Closed)						X - Closed											
Transfer Station		X															
Recyclable Processing Facility/MRF		X	X	X							X			X			
Permanent HHW Facility		X	X	X		X		X			X	X		X	X	X	X
Recycling Drop Off	X		X	X	X	X	X	X	X			X	X	X	X	X	X
Compost Processing Facility	X	X											X				
Yard Waste/Christmas Tree	X	X	X				X	X				X		X			X
Reuse Center			X			X								X			
<b>Services</b>																	
Tox Away Events	X		X		X		X		X			X	X	X			
Electronics Collection	X		X	X	X	X	X	X	X		X	X	X	X	X	X	X
Tire Collection	X	X	X	X	X	X	X		X		X	X	X	X	X	X	X
Sharps Collection	X		X		X		X								X		X
Medicine Collection	X		X		X		X	X	X		X	X	X	X	X	X	X
Trash Collection and/or Disposal				X		X				X	X						
Special Event Trash Collection			X		X												X
Bulky Items/White Goods Collection	X		X	X	X	X	X					X	X	X	X	X	
Curbside Recycling	X		X						X								
Green Business Services			X	X	X	X								X			
Disaster Debris Collection	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Roadside Clean-up	X		X	X	X	X				X		X	X	X			
Animal Carcass Recycling																	
Construction/Demolition Collection																	
Document Destruction	X		X														X
Latex Paint Remixing			X														
Community Grant Program									X								
Recycling Bin Loaner Program	X		X				X		X				X	X		X	
Special Collection	X		X											X			
Environmental Compliance Program				X		X											X
<b>Outreach</b>																	
School Education	X		X	X	X	X	X	X	X			X	X	X	X	X	X
Public Education	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Advertising/Promotions	X	X	X	X	X	X	X	X	X	X		X	X	X	X	X	X
Scholarships	X																

Indiana Solid Waste Management Districts Programmatic Per Capita Spending Data - 2011



District Per Capita Spending



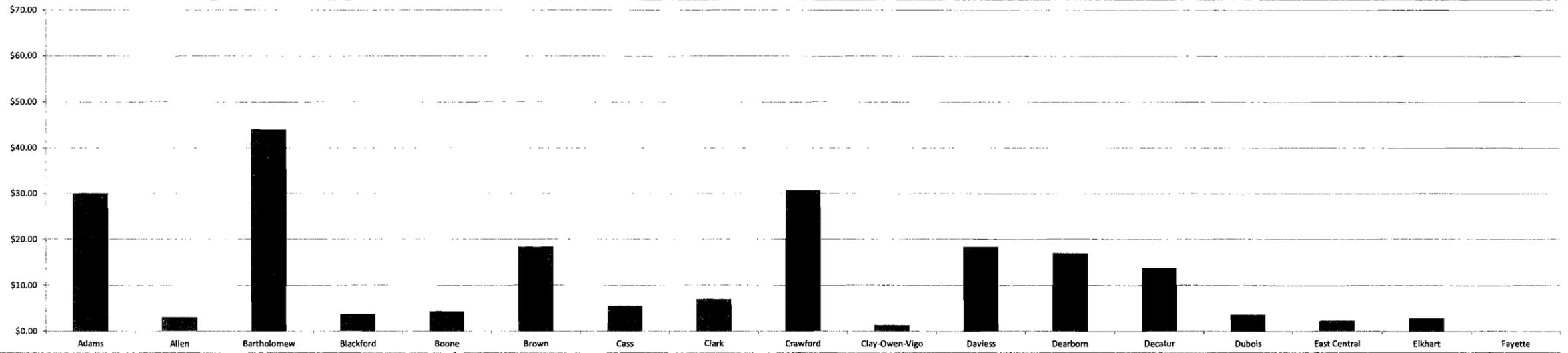
Solid Waste Management District	Floyd County	Fountain County	Fulton County	Gibson County	Greene County	Hamilton County	Hancock County	Harrison County	Hendricks County	Howard County	Huntington County	Jackson County	Jay County	Johnson County	Knox County	Kosciusko County	Lake County
Counties Served																	
Contact	Mary Lou Byerley	Paul Goins	Doug Oakes	Mike Stillwell	Erek Wilson	Jeff Rushforth	Roy Ballard	Bret Bierly	Lenn Detwiler	Mikki Jeffers	Jonathan Leist	Debbie Hackman	Jill Hall	Jessie Biggerman	Tracy Clinkenbeard	Sue Studebaker	Jeff Langbehn
District Population	74,578	17,240	20,836	33,537	22,000	279,287	70,529	39,394	145,448	82,000	37,124	41,000	21,253	139,654	38,440	77,368	496,005
2011 Actual Spent	\$306,873	\$178,238	\$568,865	\$1,053,647	\$234,881	\$602,012	\$48,503	\$391,765	\$610,361	\$1,059,306	\$285,319	\$169,341	\$177,560	\$489,239	\$271,005	\$328,421	\$5,122,682
Per Capita Spending (2011 Actual Spent / Population)	\$4.11	\$10.34	\$27.30	\$31.42	\$10.68	\$2.16	\$0.69	\$9.94	\$4.20	\$12.92	\$7.69	\$4.13	\$8.35	\$3.50	\$7.05	\$4.24	\$10.33
<b>Programs - offered Directly by the District</b>																	
<b>Facilities</b>																	
Landfill (Active & Closed)																	
Transfer Station																	
Recyclable Processing Facility/MRF		X	X					X		X							
Permanent HHW Facility	X	X	X		X	X		X		X	X	X		X	X	X	
Recycling Drop Off	X	X	X					X	X	X	X	X	X	X	X	X	X
Compost Processing Facility		X	X														
Yard Waste/Christmas Tree		X	X	X					X	X				X			X
Reuse Center		X										X		X		X	X
<b>Services</b>																	
Tox Away Events				X			X		X			X		X			X
Electronics Collection	X	X	X	X	X	X	X	X	X	X	X	X		X	X	X	X
Tire Collection		X	X	X	X	X	X	X	X	X	X	X		X	X	X	X
Sharps Collection			X	X		X			X	X	X	X			X	X	X
Medicine Collection	X						X		X	X	X	X		X	X	X	X
Trash Collection and/or Disposal				X						X							
Special Event Trash Collection					X												
Bulky Items/White Goods Collection		X	X			X			X	X	X	X					X
Curbside Recycling			X							X		X					
Green Business Services																	
Disaster Debris Collection	X		X	X	X			X	X	X	X	X		X	X	X	X
Roadside Clean-up			X	X	X					X				X	X	X	
Animal Carcass Recycling			X														
Construction/Demolition Collection																	
Document Destruction												X		X			
Latex Paint Remixing																	X
Community Grant Program			X												X		X
Recycling Bin Loaner Program		X							X	X		X		X			X
Special Collection									X					X			
Environmental Compliance Program															X		
<b>Outreach</b>																	
School Education	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X
Public Education	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Advertising/Promotions		X	X	X		X	X	X	X	X	X	X	X	X	X	X	X
Scholarships												X			X		

Exhibit Q  
CSTEP #1  
8/28/12

Indiana Solid Waste Management Districts Programmatic Per Capita Spending Data - 2011



District  
Per Capita  
Spending



Solid Waste Management District	Adams County	Allen County	Bartholomew County	Blackford County	Boone County	Brown County	Cass County	Clark County	Crawford County	Clay-Owen-Vigo Counties	Daviess County	Dearborn County	Decatur County	Dubois County	East Central Delaware/	Elkhart County	Fayette County
Counties Served	Grant/Madison																
Contact	Hank Mayer	Tony Burress	Jim Murray	Harold Rogers	Jennifer Lawrence	Bonnie Closey	Dick Hettinger	Luke Etheridge	Tina Bowman	Janet Reed	Lee Spaulding	Barbara Ault	Norma Bainbridge	Toni Lubbers	Dean Smith	Tim Neese	Tom Creech
District Population	34,387	355,329	76,794	12,766	56,640	15,218	38,966	110,610	11,216	156,000	31,648	50,000	27,540	41,000	315,578	188,000	24,277
2011 Actual Spent	\$1,032,490	\$1,082,000	\$3,380,829	\$48,133	\$246,008	\$280,230	\$217,002	\$771,319	\$344,097	\$207,675	\$582,762	\$847,958	\$379,269	\$150,678	\$731,109	\$540,153	N/A
Per Capita Spending (2011 Actual Spent / Population)	\$30.03	\$3.05	\$44.02	\$3.77	\$4.34	\$18.41	\$5.57	\$6.97	\$30.68	\$1.33	\$18.41	\$16.96	\$13.77	\$3.68	\$2.32	\$2.87	\$0.00
<b>Programs - offered Directly by the District</b>																	
<b>Facilities</b>																	
Landfill (Active & Closed)	X - Closed		X - 2 Active & 1 - Closed								X						
Transfer Station	X																X
Recyclable Processing Facility/MRF		X	X			X						X					
Permanent HHW Facility	X		X			X	X	X	X			X		X	X - 3		
Recycling Drop Off	X	X	X		X	X	X	X	X		X	X	X		X	X	
Compost Processing Facility			X														
Yard Waste/Christmas Tree Reuse Center	X	X	X			X	X						X				
<b>Services</b>																	
Tox Away Events		X	X	X	X		X			X			X			X	
Electronics Collection	X	X	X	X	X	X	X		X			X	X	X	X		
Tire Collection	X	X	X	X	X	X			X		X	X	X	X	X		
Sharps Collection				X	X								X			X	
Medicine Collection				X	X	X	X					X	X			X	
Trash Collection and/or Disposal	X		X						X								
Special Event Trash Collection					X									X			
Bulky Items/White Goods Collection			X	X		X	X		X			X	X		X		
Curbside Recycling		X	X					X					X				
Green Business Services			X											X			
Disaster Debris Collection	X	X	X	X	X	X	X	X	X	X	X	X	X	X		X	X
Roadside Clean-up			X			X			X				X				
Animal Carcass Recycling																	
Construction/Demolition Collection																	
Document Destruction						X											
Latex Paint Remixing																	
Community Grant Program					X												
Recycling Bin Loaner Program			X		X				X								
Special Collection															X		
Environmental Compliance Program					X	X			X								
<b>Outreach</b>																	
School Education	X		X		X	X	X		X		X		X		X		
Public Education	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Advertising/Promotions	X	X	X	X	X	X	X		X			X	X	X	X		
Scholarships					X												

Exhibit S  
CSTFP #1  
8/28/12

AMERICA'S SOLID WASTE INDUSTRY



National Solid Wastes Management Association

Commission on State Tax and Financing Policy  
August 28, 2012

Comments by:  
Terry Guerin, Indiana Chapter President

During the 2012 legislative session, several aspects of Solid Waste Management Districts were discussed. They included; programmatic responsibilities and funding, specifically—property taxes. Please accept the following outline and the accompanying remarks in your deliberations during the interim.

The members of the National Solid Wastes Management Association (NSWMA) appreciate the hard working district directors and staff, and further appreciate the role districts play in supporting local government and the private sector. The Solid Waste Management Districts were created for a “crisis” that never developed and how solid waste is collected and managed has changed a great deal in 20 years. They have served their original purpose well and should be congratulated.

The best use of the Solid Waste Management Districts would be as a servant of government in the role of an educator and with a funding source appropriate to meet those needs.

**FUNDING:**

- variety of funding sources
  - tipping fees (landfill surcharges)
  - property taxes
  - user fees
  - county option income tax

-variety of funding sources has created an imbalance in resources creating Districts with adequate funding and those who do not

-current surcharge structure interferes with the market place

The Solid Waste Industry (NSWMA) recommends the consideration of two funding options:

1) User Fee for Service Rendered

- each district establishes fees necessary to fund the programs they wish to provide

2) State-wide Uniform Surcharge (Capped by Statute)

-fee follows the waste stream and all participate

-“shall” not “may” language in statute for pass through for any fee established

-no double dipping (current landfill surcharges eliminated)

-high fund balances not justifiable in any case

-high fund balances must be taken in consideration in distribution of any state wide fee

-minimum level of funding provided from state wide fee

-additional programs beyond minimum paid for by the district

Both funding options would enhance local control of solid waste issues. On behalf of the NSWMA, thank you for your time in hearing this matter. We look forward to working with you and your colleagues on these important issues.