



## SEN. LEISING: ISSUES EMERGING FOR THE 2010 SESSION

*Statehouse Talk Focuses on Economy, Property Tax Caps, Unemployment Insurance, Ethics Standards, Redistricting*

**1 JOBS AND THE ECONOMY:** 2009 has been a challenging year. We all hope for economic recovery in 2010. Too many hard working people are unemployed. I remain committed to acting on issues that control spending, help businesses create new jobs and avoid tax increases. There will need to be budget cuts and wage freezes, some of which the governor has already implemented. I will work hard to protect funding for schools and public safety. However, without more jobs which result in increased spending and tax revenues there will need to be more cuts. The Senate is requesting an immediate review of the best economic practices used by other states to attract, retain, and expand business investment and job creation.



**2 PROPERTY TAX CAPS:** All of us want lower property taxes. For many, the increases have been devastating. The legislature has transferred school operating costs from property taxes to the state general fund. This has provided some relief. The legislature passed a law to cap property taxes at 1 percent of assessed valuation on homes, 2 percent on farmland and rental property, and 3 percent on other businesses. The Indiana Constitution requires that all property be taxed equally. Changing the constitution should not be taken lightly. Any amendment must pass the legislature twice and then be voted on by Indiana voters. Although there is strong support for capping property taxes,

many have concerns about changing our constitution and permanently creating three different levels of taxation. The question is whether increasing property taxes on businesses will cause higher prices and further loss of jobs, hurting our economy even more.

**3 UNEMPLOYMENT INSURANCE:** This is one of the most difficult challenges facing Indiana. Businesses pay premiums for each and every employee. For the past few years, unemployment benefits have exceeded the premiums paid by employers. This has occurred from a combination of problems, including failure of the system to effectively address waste, fraud and abuse. Since December 2008, the state of Indiana has had to borrow funds from the Federal Unemployment Fund. The state now owes the federal fund over \$1.5 billion. There are now approximately 40 other states also borrowing funds from the federal government. In the 2009 session of the legislature, a bill passed without my support to substantially increase the premium that many businesses pay on their employees. There is now a proposal to delay that premium increase for one year, so as not to cause businesses to be forced to layoff additional employees. I am hopeful that we will see greater efficiency in administering unemployment insurance in our state. I am proposing the development of a task force to study this huge problem.



**4 ETHICS:** Indiana already has in place many ethics measures, including public reporting of campaign contributions online, ethics training for state officials, lobbyist registration and reporting, and an inspector general serving as a watchdog. Our state provides easy access to legislation, roll call votes and online coverage of proceedings. Lobbyists are the individuals who represent the organizations of which many of you may be members. They provide information to legislators on all sides of issues. Proposed changes include creating a period of time before former legislators can work as lobbyists, requiring university officials to meet the same requirements as lobbyists, and further limiting meals, gifts and entertainment provided to legislators by lobbyists.

**5 REDISTRICTING:** Redistricting of the Indiana Senate, House of Representatives and congressional districts occurs every 10 years after the census. The next census is in 2010. Most Indiana Senate districts are drawn in a very compact manner and are close in population represented. Unfortunately, the House and congressional districts were not drawn as evenly. The Indiana Constitution requires the legislature to draw the districts. The majority parties in both the Senate and the House have the most power in designing the maps. They must abide by population, ethnic and community of interest guidelines or they can be challenged in the courts. Some feel the constitution should be changed to allow an independent commission to draw the lines. Others question whether such a commission could be truly non-partisan. There will likely be a bill that requires a study of practices used by other states.