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Legislative Update
February 10, 2023

TO: INAAP
FROM: Bose Public Affairs Group

BIG PICTURE
House Speaker Todd Huston (R-Fishers) told reporters to start expecting more late nights starting next week, which means we're getting into the final stretch of the first half of the legislative session.

Looking ahead, the House Republicans will likely unveil their budget blueprint next week. The House Committee on House Ways and Means listened to several hours of public testimony on Governor Eric Holcomb's proposed budget on Thursday. As a refresher, you can view Gov. Holcomb's proposal here.

When asked what the House budget may look like, Speaker Huston kept his cards close but said it would accomplish the goals of his caucus and many of the Governor's as well. He also said he looked forward to continuing discussions with the Senate and Governor's office as they work to reach a final form by April, which will be heavily influenced by the April revenue forecast. The budget must be passed out of the Ways and Means Committee by Tuesday, February 21.

See what committees are scheduled in the Senate here. Click here to view the House's schedule.

ESG BILL HELD FOR FURTHER REVIEW
House Bill 1008 was scheduled for a vote in the Ways and Means Committee on Wednesday but was removed from the agenda after a report revealed the legislation could negatively impact the state's pension investment returns by nearly $7 billion.

Rep. Ethan Manning (R-Logansport) said the intent of the proposal is to ensure the Indiana Public Retirement System (INPRS) makes investment decisions based on the financial interests of plan participants and prioritizes returns on their investments and not environmental, social or governmental policies. Speaker Huston told reporters the bill is still a top priority for the caucus and Rep. Manning is working on an amendment to tighten the language and bring down the price tag ahead of the deadline.

HOUSE TAKES ON PARTISAN SCHOOL BOARDS DISCUSSION
After last week's testimony in the Senate Committee on Elections, the House Committee on Elections and Apportionment passed their own partisan school board legislation 6-4 along party lines with Democrats voting no. House Bill 1428 from State Rep. J.D. Prescott (R-Union City) is a bit different from the bill heard in the Senate in that it would allow each of the state's nearly

300 school districts to decide whether to require candidates to declare a political party through either a voter referendum or school board vote.

While arguments for each side were mostly the same as those heard last week, there were new concerns with the House version that allowing a district-by-district decision would lead to a messy patchwork across the state and confuse voters.

SENATE CONSIDERS CHANGES TO $1 LAW
On Wednesday. Sen. Linda Rogers (R-Granger) presented Senate Bill 391 to the Senate Committee on Education and Career Development to expand what is commonly referred to as Indiana's "$1 law" to include "underutilized" buildings. Under the proposal, school districts must create an annual report of all instruction buildings and determine if any are underutilized, which would be defined as occupied at less than 60% capacity. If a building is determined to be underutilized, it would then be closed and charter schools informed of its availability, unless the district can prove the building is being used for another qualified purpose.

The committee heard mixed testimony, with many representing traditional public schools voicing opposition. Those in support of the proposal said that because charter schools are not funded by local property taxes like traditional public schools, the change would allow charter schools to accommodate more students.

Sen. Rogers said she would continue working on the bill ahead of next week's hearing, when a vote is likely.

PROPERTY TAXES BILL GETS SOME CHANGES
House Bill 1499 passed out of the Ways and Means Committee 18-6 on Thursday after a 65-page amendment was inserted into the proposal. The legislation is intended to provide property owners tax relief by temporarily offering a supplemental homestead credit, lowering the 1% residential property tax caps starting in 2024, limiting how much school operating referendum dollar amounts can increase in the coming years, limiting the rate of levy growth along with various other ideas.

While the bill would help property owners, the change could negatively impact local schools and units of governments, and potentially cause tax shifts to other property taxpayers like farmers and businesses.

The author of the bill, Chairman Jeff Thompson (R-Lizton), said this is just the beginning of the discussion and expects the bill to change throughout the process. The fiscal impact statement that will better explain revenue changes to local units and tax shifts to other taxpayers should be available next week.

Chairman Thompson was quoted yesterday saying "This is probably an end-of-April type of discussion, going right at the end, and we kind of know that going into it." Senate President Pro Tem Rod Bray (R-Martinsville) previously was skeptical as to whether the bill would have enough caucus support in the Senate.

TAX SAVINGS FOR SMALL BUSINESSES ON THE MOVE
On Monday, Senate Bill 2 was unanimously approved by the full Senate. The legislation authored by Sen. Scott Baldwin (R-Noblesville) would remove the cap of state taxes businesses can deduct from their federal taxes each year. Currently they can only deduct up to $10,000.

Baldwin previously said in committee that small business owners are estimated to save over $50 million annually.

"SITE OF SERVICE" BILL CAUSES A STIR
On Wednesday, the Senate Committee on Health and Provider Services voted to pass Senate Bill 6 despite concerns being voiced by nearly every lawmaker on the committee. The proposal authored by Sen. Ed Charbonneau (R-Valparaiso) would ensure insurance claims are paid appropriately based on the location where service was provided.

Those in support of the legislation said patients should not be charged the same rate for care at outpatient clinics that would be charged at hospitals, which are higher due to the 24/7 operations and specialized equipment. On the other hand, treatments at clinics owned by hospitals are said to offer the same standard of care set by the hospital. Additionally, there were concerns the bill would cost hospitals billions. Charbonneau said the bill still needed more work and he was committed to getting the language to a better place before passing out of the Senate chamber.

HOUSE SCALES BACK SUPPORT FOR NEW MOTHERS
House lawmakers scaled back legislation which as introduced would have allowed expectant mothers to claim child support beginning at conception.

As amended in the House Judiciary Committee this week, House Bill 1009 would allow courts to order fathers to pay for "other necessary expenses" and "postpartum expenses." The bill's author, Rep. Elizabeth Rowray (R-Yorktown) said this could include a car seat, a crib, mattress, blanket, diapers, wipes, nursing supplies, medical issues that develop during pregnancy or birth and more. Courts can already give orders to cover half of costs for prenatal and postnatal care, delivery and hospitalization.

SENATE APPROVES PHYSICIAN NONCOMPETE BAN
On Tuesday, the Senate passed Senate Bill 7 45-5, with a small bipartisan group voting in opposition. The legislation would end noncompete clauses and referral incentives for doctors. Supporters say the ban would increase competition in the marketplace and reduce healthcare costs. Opponents argue these agreements are important for employers and healthcare providers to protect trade secrets and their significant investment made to recruit and employ doctors.

HOUSING PRIORITY BILL MOVES TO SENATE
House Bill 1005 passed out of the chamber with bipartisan support 91-6. The legislation would establish a revolving loan fund to support housing projects that struggle to obtain sufficient financing to be achievable, with priority for local governments that voluntarily waive certain local standards that might increase the overall cost of the project.

SENATE SENDS DATA PROTECTIONS TO THE HOUSE
Senate Bill 5 is on its way to the House after a unanimous vote by the full Senate on Thursday. The proposal, which is one of the Senate Republicans' priorities, would create a "bill of rights" for Hoosier data privacy that would allow consumers to monitor how their data is being used and have it deleted if they wish. Author Sen. Liz Brown (R-Fort Wayne) said under the legislation Indiana residents would have the right to correct inaccuracies in their personal data, opt out of the processing of their personal data, ask for copies of the data or request that the data be deleted.

WHAT'S NEXT?
There will be a lot of focus next week on the House budget release, which we will fully evaluate.
Please contact your BPAG Professional with any questions regarding the topics above.

To access bills, view the latest session calendars, and watch session live go to iga.in.gov.

Here are some of the major session deadlines to keep in mind:

House	Senate
● Feb. 21 – Deadline for bills to advance out of committee ● Feb. 23 – 2ⁿᵈ Reading Deadline ● Feb. 27 – 3ʳᵈ Reading Deadline ● April 11 – Deadline for Senate bills to advance out of committee ● April 13 – 2ⁿᵈ Reading Deadline for Senate bills ● April 17 – 3ʳᵈ Reading Deadline for Senate bills	● Feb. 23 – Deadline for bills to advance out of committee ● Feb. 27 – 2ⁿᵈ Reading Deadline ● Feb. 28 – 3ʳᵈ Reading Deadline ● April 13 – Deadline for House bills to advance out of committee ● April 17 – 2ⁿᵈ Reading Deadline for House Bills ● April 18 – 3ʳᵈ Reading Deadline for House Bills
Anticipated Sine Die Date: April 27 *Required Sine Die Date: April 29*	

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