

LEGISLATIVE REPORT

FINAL ISSUE | SPRING 2012

Short Session Long on Achievement

By Kevin Brinegar, Chamber president



It was the tale of two sessions in 2012. Act I centered on making Indiana the 23rd right-to-work state, giving current and future Hoosier workers the right to choose whether or not to join a labor union. Act II set the stage for such vital public policies as a statewide smoking ban, protection of our water rights and the inheritance tax elimination to become reality.

The passage of right-to-work (HB 1001) was truly monumental. Now, Indiana has further distinguished itself from neighboring states and given companies another big reason to bring their business and jobs here – and not there. In the short time since it passed, there has already been documented interest from several companies now putting Indiana at the top of the list for their business relocation or expansion. And it's only just beginning!

Under the state's new smoking ban law (HB 1149), Indiana will now protect 95% of people while at work and also allow citizens to eat at any restaurant in the state without having to encounter cigarette or cigar smoke. That will make a huge difference in all parts of the state. Many Hoosier towns are not part of a metro area and did not have a non-smoking ordinance previously in place. This new state law will protect residents in those locations.

Also now covered are companies that wanted to make their workplaces smoke-free but couldn't due to existing labor agreements. Meanwhile, local governments still can enact stricter ordinances and the ones already passed remain in place. Sure, an even more comprehensive ban would have been preferred. What passed, however, was the strongest possible that could be done at this time and nothing short of a major accomplishment.

You can also count the inheritance tax elimination (SB 293) as a big victory. This tax only amounts to 1% of the total state revenue but made things unnecessarily difficult for so many Hoosiers. For a small family-owned company, the inheritance tax was often a tremendous hindrance to even staying in business after the death of the owner.

Effective at the end of the year, the more favorably-treated Class A category of inheritors expands (to include stepchildren and children's spouses) and the amount excluded from the tax increases from \$100,000 to \$250,000. Beginning next year, the inheritance tax will be phased out equally over nine years – going away completely in 2022.

One bill that didn't get a lot of press, but was among the most important to pass involves the state's water supply (SB 132). Now water utilities are required to report usage to the Indiana Utility Regulatory Commission; only 15% of utilities previously did so. It also clarifies the water usage laws to confirm that private property owners, not municipalities, have control of the underground wells on their property. Both are needed steps toward a statewide plan for the protection and effective regulation of Indiana's water resources.

In the local government arena, a multi-year effort to eliminate nepotism and conflict of interest for local government office holders and employees (HB 1005) finally made it across the finish line. There are too many examples where taxpayers pay for excessive costs

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Legislative Communications

In the spring/summer, watch for three key components of the Chamber's ongoing legislative communications effort:

Interim Update

The *Interim Update*, issued monthly, includes the latest legislative, regulatory and judicial developments at the state and federal levels.

2012 Legislative Vote Analysis

Want to know if your legislator voted for pro-economy, pro-jobs legislation? The answers will be revealed in the *2012 Legislative Vote Analysis*, which will be published in May.

2012 Return on Investment

In this annual fiscal assessment, learn what the Chamber's lobbying efforts at the Statehouse mean to your pocket.

Resources

Kevin Brinegar: (317) 264-6882 or
e-mail: kbrinegar@indianachamber.com

Cameron Carter: (317) 264-6892 or
e-mail: ccarter@indianachamber.com

Vince Griffin: (317) 264-6881 or
e-mail: vgriffin@indianachamber.com

Mark Lawrence: (317) 264-6893 or
e-mail: mlawrance@indianachamber.com

George Raymond: (317) 264-6884 or
e-mail: graymond@indianachamber.com

Derek Redelman: (317) 264-6880 or
e-mail: dredelman@indianachamber.com

Mike Ripley: (317) 264-6883 or
e-mail: mripley@indianachamber.com

Bill Waltz: (317) 264-6887 or
e-mail: bwaltz@indianachamber.com

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Right-to-Work Struggle Ends in Huge Victory for Workers

By George Raymond, vice president of human resources and labor relations

My opening in last year's *Final Legislative Report* was: "To say the least, it was an eventful session for labor-related policies." Well, that goes double for 2012! The passage of right-to-work in HB 1001 has ushered in a new dawn for not only Hoosier workers, but also for economic development in the state.

There was an awful lot of rhetoric on the issue – for which there was no middle ground: You were either for it or against it. This was best summed up by Sen. Phil Boots (R-Crawfordsville) who declared at the conclusion of his summer study committee: "We heard over 20 hours of testimony on this issue and I doubt that we have changed a single mind." However, in the end, facts and common sense prevailed.

Indiana is now the 23rd right-to-work state and will protect employees from being required to join and/or pay dues to a labor union as a condition of getting or keeping a job. It prohibits the inclusion of "union security" provisions in labor agreements that force workers to join a labor union or pay union dues or fees. Indiana's right-to-work law does not prohibit labor unions or collective bargaining. Workers still have the right to join or support a labor union, only now it is her or his decision to make. Although the bill was signed into law by Gov. Daniels on February 1, 2012, collective bargaining agreements which were in effect on March 14, 2012, will remain in effect until their expiration date. At that point in time, members can opt out of the union if that is their desire. (Look for a detailed Q&A on this new law in the spring on the Indiana Chamber's right-to-work web site, www.morehoosierjobs.com.)

The opponents of the bill went to great lengths to try to discredit the economic development impact of the new law, but reality has proven the opposite. On March 12, Gov. Daniels was quoted as saying that he underestimated its economic development effect; he mentioned that since the law's passage, 31 businesses have contacted the state about locating in Indiana now that Indiana is a right-to-work state.

Passage of a right-to-work law was the Indiana Chamber's number one objective going into this session. For those – like Rep. Jerry Torr (R-Carmel) – who have been promoting passage of right-to-work for many years, the stars finally aligned. Speaker of the House Brian Bosma (R-Indianapolis) made this his number one goal for this session, as evidenced by the bill's number and the fact that the Speaker was a co-author of the bill. Equally as supportive was Senate President Pro Tempore Sen. David Long (R-Fort Wayne). Along with Gov. Daniels' efforts, they formed a triumvirate of support that made all the difference for the policy becoming reality.

Also critical for the passage was the steadfast support of those members of the House and the Senate. The votes were 54-44 in the House and 28-22 in the Senate. Among those who deserve special note for their persistent work are Sen. Carlin Yoder (R-Middlebury), Sen. Phil Boots (R-Crawfordsville), Sen. Mike Young (R-Indianapolis), Rep. Sue Ellspermann (R-Ferdinand), Rep. Doug Gutwein (R-Francesville), Rep. Eric Koch (R-Bedford), Rep. Greg Steuerwald (R-Danville) and last, but certainly not least, Rep. Torr.



The Indiana Chamber was aligned with many allies in this historical endeavor. Some of the business associations that were actively involved were the Associated Builders and Contractors, National Federation of Independent Businesses, Indiana Builders Association and the Indiana Manufacturers Association. Several local chambers including Evansville, Fort Wayne, Terre Haute and the Regional Chamber of Northeast Indiana were also very active and supportive of the issue. Finally, the National Right-to-Work Committee and the Indiana Right-to-Work Committee were actively engaged, particularly in their grassroots efforts.

The Chamber also owes a very special thanks to Larry Garatoni, whose generous financial support helped make possible the 2011 study, *Right-to-Work and Indiana's Economic Future*, by Ohio University professor Dr. Richard Vedder that illustrated once again how Indiana was losing out by not having a right-to-work law.

Other Employment and Labor-Related Bills

There were two measures dealing with unemployment issues that the Chamber supported this session. Senate Bill 232, sponsored by Sen. Mike Young (R-Indianapolis), simply provided that a hearing scheduled before an administrative law judge or the unemployment review board must be held with all interested parties, with witnesses participating in person if any interested party objects to having a telephonic hearing. While the bill easily passed the Senate by a 42-8 margin, it was not given a hearing by the House Employment, Labor and Pension Committee, chaired by Rep. Gutwein (R-Francesville). The disappointment in not getting the bill heard in the House is somewhat tempered by the promise of the Department of Workforce Development that it will promulgate a rule to this effect.

The second bill, HB 1151, focused on work sharing. It would have given an employer the cost-cutting option to reduce the work hours of its employees by a certain percentage (generally 20% to 50%) instead of cutting the position(s) completely. The affected employees would be able to collect work sharing benefits (a portion of their unemployment pay) in addition to maintaining their job on at least a part-time basis. This bill, authored by Rep. Mary Ann Sullivan (D-Indianapolis), unfortunately never really gained any traction.

The Wild West Tamed This Year

Two bills concerning guns were introduced in the Senate, but in part due to the Chamber's opposition neither received a hearing. Senate Bill 180, authored by Sen. Jim Banks (R-Columbia City), would allow firearms on school property. The other, SB 181, also authored by Sen. Banks, would have prohibited a state agency – including a state-supported college or university – from regulating the possession or transportation of firearms on the property of such agency, including buildings.

It Was Right-to-Work and Everything Else

By Cam Carter, vice president of economic development and federal affairs

Right-to-work legislation was rightly the Indiana Chamber's number one economic development priority, followed closely by repeal of the inheritance tax. These two measures will enhance Indiana's future economic competitiveness, with right-to-work already proving its worth. The phase-out of the inheritance tax (see Bill Waltz's write-up for complete details) will be a boon to thousands of family farms and small businesses across the state.

Few other bills of overriding importance were considered, much less passed, but some significant steps were taken in a few key areas. Most heavy lifting was left for 2013 and a new governor and Legislature.

The additional legislation with the most impact on Hoosier businesses may prove to be a pair of remedial bills – HB 1154 and SB 309 – that sought to clarify price preferences in public works projects and contracts. Legislation adopted in 2011 created a situation where “Buy Indiana” advocates inadvertently made a mess of local government contracting and public works bidding. The system established – while well-intended to give Hoosier firms a leg up in the procurement process – was ripe for misuse and abuse, open to politicization and unintended consequences (e.g., due to poor legislative drafting, some firms in neighboring Ohio counties would qualify for support). After passage last year, Indiana businesses rebelled against the defects in the new system. To their credit, House and Senate leaders responded to the concerns expressed by the Indiana business community. Senators Allen Paul (R-Richmond) and Brandt Hershman (R-Buck Creek) and Rep. Mark Messmer (R-Jasper) crafted a solution to the problem, and both HB 1154 and SB 309 received bipartisan support (the latter bill passing the Senate unanimously) and were signed by the Governor.

A small win for economic liberty and additional commerce was achieved when the General Assembly passed SB 192, authored by Sen. Ed Charbonneau (R-Valparaiso) and supported by the Indiana Chamber. Now, it will be legal to sell, purchase or trade a motorcycle on Sunday in Indiana; heretofore, this activity was a criminal misdemeanor offense. (Alas, this was the only successful roll-back of a “blue law” this session, as no bill dealing with the sale of alcoholic beverages on Sunday was given any serious consideration. While several alcohol bills were filed, none were acted upon. Hoosiers will have to wait for a future Legislature to grant permission to purchase alcohol on Sundays and cold beer is currently only available for carry-out from local microbreweries. Stay tuned.)

For the second session in a row, the Indiana Chamber worked diligently with allied groups to pass a logistics and infrastructure tax credit, SB 321. With an improving fiscal situation, the timing seemed right to pass the bill that would provide a 25% tax credit for new, qualified capital expenditures. With Sens. Tom Wyss (R-Fort Wayne) and Brandt Hershman (R-Buck Creek) as advocates, the bill passed two Senate committees before a successful 49-1 vote on the Senate floor

(Republican Jim Smith of Charlestown was the lone dissenting vote). Senate Bill 321 was then referred to the House Commerce, Small Business and Economic Development Committee where it passed unanimously, but regrettably died due to lack of a hearing by (retiring) House Ways and Means Committee Chairman Jeff Espich (R-Uniondale).



This is the second year in a row that the logistics tax credit has passed the Senate in bipartisan fashion, passed one committee in the House and been defeated in the waning days of the Legislature due to lack of action by the Ways and Means Committee. Despite attempts by a coalition of business lobbyists and House sponsor Rep. Jeff Thompson (R-Lizton) to revive the bill, this idea will have to wait for reintroduction and debate in 2013. Perhaps the third time will be a charm, especially after the 2012 election and a change in committee membership and leadership.

The Indiana Chamber met with success on SB 302, which will provide a property tax exemption for qualified enterprise information technology (IT) equipment in a high technology district. This legislation clarifies that an entity that leases qualified property for use in a facility dedicated to computing, networking or data storage activities is also eligible for the exemption (current law provides that only a business that operates such a facility is eligible for the exemption). Special recognition goes to Sen. Charbonneau for sponsoring this somewhat obscure, yet significant, legislation that will help Indiana stay competitive in the high-tech arena.

Transportation and telecommunications infrastructure remain key to our state's competitiveness, but little progress was made on these fronts this past session. An interesting bill, HB 1356, authored by Rep. Terri Austin (D-Anderson) to allow the Indiana Department of Transportation and localities to experiment with alternative road-funding mechanisms never received a hearing. Meanwhile, HB 1073, the so-called “mass transit” bill for the Indianapolis metropolitan area, died in the House Ways and Means Committee for lack of sufficient votes. This put off what the Central Indiana and state business communities see as a vital investment in the region's economic future. Advocates will try again next year after the intervening 2012 election, where this may be a salient issue in local legislative races.

All in all, the 2012 short session was a huge net-plus for the state's economic development, with the passage of right-to-work legislation proving to be historic. But as can be gleaned from the above, several opportunities were missed and await future action. Fortunately, this summer's interim study committees and this fall's election will hopefully provide both priority and clarity to any unfinished work.

Kevin Brinegar

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because an employee also serves on the legislative body that approves that local government unit's budget.

The grandfathering in of current employees is too generous, but nonetheless the law is a positive step that new local government employees will have to abide by.

We thank House and Senate leaders, along with Gov. Daniels, who took on several high-profile, emotional issues this session and guided them to passage. It was a fitting conclusion for Daniels' final legislative session, with accomplishments that will leave a lasting positive impact on Hoosiers for generations to come.

RIP Inheritance Tax

By Bill Waltz, vice president of taxation and public finance

According to the *Notes on Current Legislation* published by the American Political Science Review in May 1913, Indiana “at the session of the General Assembly just closed instituted a far-reaching and salutary reform in her fiscal system by enacting a law imposing a tax on the transfer of real and personal property” – i.e. the inheritance tax. Fast forward nearly 100 years later, the General Assembly instituted its own salutary reform by enacting a law to abolish that same tax. Ironically, the phase-out of Indiana’s inheritance tax will, under the terms of SB 293, begin almost exactly 100 years after it first was enacted. This act represents the culmination of years of legislative efforts to eliminate the tax. The champion for many years was Sen. Joe Zakas (R-Granger) who was quoted in the *Indianapolis Star* in 1997 as saying: “The time has come in Indiana to stop making death a taxable event.” Senator Zakas was right then, but it took a little longer than he anticipated.

In 2012, SB 293 was introduced by Sen. Jim Smith (R-Charlestown). As the legislation moved through the process, it picked up a total of 84 additional co-authors and sponsors (representing more than half of the entire General Assembly). Besides Sen. Smith, there are many others who deserve special thanks and recognition: most particularly Rep. Eric Turner, who authored HB 1199 that initially forwarded the phase-out concept; Senate Tax and Fiscal Policy Committee Chairman Brandt Hershman (R-Buck Creek) and House Ways and Means Chairman Jeff Espich (R-Uniondale), who both embraced the phase-out; and legislative leaders, Senate Pro Tempore David Long (R-Fort Wayne) and House Speaker Brian Bosma (R-Indianapolis). In addition to these folks, we must again acknowledge the years of advocacy by Sen. Zakas and the strong efforts of Sen. Jim Banks (R-Columbia City) on this issue just last session.

For the inheritance tax elimination, credit belongs on both sides of the political aisle. This was not a partisan issue as the bill was co-authored by a healthy number of Democrats. The obstacle in the past has always been money. The task was to figure out how the state could wean itself off the tax revenues. The answer: Slowly; thus, the legislation’s nine-year phase-out. What’s so attractive about SB 293 is how it combines significant immediate relief with ultimate elimination. This is the result of melding the House phase-out provisions passed in HB 1199 with the original SB 293 provisions that raised the exemption thresholds and expanded who is included in the most favored inheritors, the Class A transferee category. The Senate bill took on the real problem areas of the tax and cut the rates in half, and the House bill took on the tax itself; both good ideas, both beneficial to taxpayers. One approach provides more immediate relief, the other more permanent relief.

The Indiana Chamber recognized the merit in both bills from the beginning and began advocating for the marrying of the approaches, promoting a combined or melded set of provisions in one “best-of-both” bill. The wisdom of doing this became apparent as both bodies ultimately embraced the goals of the other. While it took some doing, the dedication of the legislators involved and a good bit of fiscal fine-tuning, the task of combining the bills was accomplished in a final product that everybody liked. The House passed the measures 78-17 and the Senate 48-0. Of course, this result is attributable to more than the constant coaxing of the Chamber and the steady work of the legislators. The Daniels administration’s support was critical. And there was a strong team of allies, including the Farm Bureau, the National Federation of Independent Businesses, the Indiana State Bar Association, the Indiana Manufacturers Association and Americans for Prosperity – whose support and contributions all played an important role. So, on behalf of Hoosiers for generations to come,

small businesses throughout the state and all businesspersons who want to live and retire in Indiana without penalizing their heirs, we say rest in peace to an inheritance tax in Indiana.

Add-Ons to Tax Agency Bills Got Much Attention

Two measures, HB 1072 and SB 344, began the session as the Department of Local Government Finance (DLGF) and Department of Revenue (DOR) administrative clarification bills. However, as these agency bills always seem to do, they attracted add-ons – provisions from here and there, this legislator and that lobbyist, which prove much more controversial than the underlying provisions initiated by the DLGF or DOR. Such things as the treatment of credits available to the investors in the controversial coal gasification plant proposed to be constructed in Rockport. Or the application of the federal tax credits associated with affordable housing projects under Section 42 of the federal tax code. These two items and a few others of similar vein were plugged into SB 344. And when it came time for the Senate bill to be considered at a public committee meeting in the House, the testimony and discussion was dominated by these ancillary issues while most of what was in the bill was practically ignored.

Meanwhile, the Chamber made known its preferences regarding the more mundane provisions in the bill, which will prove beneficial to one segment or another of business taxpayers. Most are narrow in scope but nonetheless important and of consequence to those they apply to. It is necessary that we make sure that legislators are aware of the need to fix such items, that they are understood and get the legislative attention they deserve.

The bulk of the vetted SB 344 was inserted in HB 1072 as SB 344 was not called down for second reading in the House (mainly because of the number and nature of proposed amendments). Thus, HB 1072 became the final forum and it ended up without the most hotly debated items, yet it maintained the eight or so Chamber-endorsed tax pieces that needed clarified/fixes to address those more minor problems that didn’t draw the same level of attention.

Changes to the Automatic Taxpayer Refund Law

In the 2011 session, the General Assembly passed legislation to trigger refunds to taxpayers when the state general fund surpluses reach certain levels. Of course, nobody thought at the time that the law would come into play anytime soon – let alone the very next year. But that was before the DOR discovered a software/accounting error that revealed the state had about \$288 million it didn’t know it had. All of a sudden, given the rebounding revenue collections, the safeguarded surplus accounts and this “discovered” money, refunds for 2012 became a real possibility ... and legislators started rethinking how the law they had just passed last session might actually operate. Last year they debated the refund threshold amount and whether the excess money should all be returned or if it might be more prudent to apply the overage to pay down unfunded pension liabilities. They settled on amounts in excess of 10% of annual general fund expenditures as the threshold and then to split the overage; one-half going to taxpayers via an automatic refund credit and the other half going to pension funds. This year, as they re-contemplated the details, they decided to make some changes.

First, they revisited the pension versus refund debate and determined that when the overage is relatively small it would be best to apply it all to pension fund stabilization. But once it



exceeds a higher amount, the balance could then go back to taxpayers. Then the question became whether it should be returned on a “pro rata” basis (on how much a taxpayer paid) or to everyone in equal amounts on a “per capita” basis; they opted for the latter. Finally, they also ended up raising the trigger from 10% to 12.5% of the general fund appropriations. This prolonged debate started in the Senate when they entertained changes proposed by Sen. Luke Kenley (R-Noblesville) in his SB 143. Later, the House inserted its ideas on how to change the law by including them in a vehicle bill (HB 1376) that also contained additional relief to the Indiana State Fair concert victims and additional funding for full-day kindergarten.

The final compromise was made by the conference committee for HB 1376 and will work as follows: Anybody who filed a return the prior year (whether they paid anything or not) qualifies for a refund credit. Beginning in 2013, reserves over the 12.5% but less than \$50 million will be carried over to the next year; the rest of the surplus will be split, half to the pension fund and half to taxpayers. The surplus balance refund calculation will now be done only in the years prior to a budget-making year (every other year instead of every year). The Chamber supported the introduced SB 143 version based on the conclusion that providing more money to pay down the pension liability of the state will be more beneficial to taxpayers over the long term than refunding relatively nominal amounts.

The original SB 143 also required a substantial amount of money to be accrued in the tuition reserve fund before the refunds could be considered. Further, the introduced SB 143 left the pro rata distribution in place (only later was it changed to the per capita method). All in all, the introduced SB 143 represented a more prudent (and fair) approach. But the prevailing political wisdom was that they should not change the existing law in any way that would effectively assure that no refund would be issued this year (after having just passed the mechanism last year with some fanfare). And they determined that everybody should get the same amount of a refund credit regardless of how much they paid. While the Chamber did not actively oppose the changes, we could not endorse them. Bottom line: Enjoy your \$50-\$70 credit next year.

Property Tax: New Procedures for Reassessment and Assessment Appeals

Rolling Reassessment

After more than three years of trying to pass a bill to implement a cyclical, ongoing, “rolling” reassessment process (SB 19) to replace the current periodic general reassessment, the General Assembly finally got comfortable enough with the concept this session to put it in the books. Beginning in 2014, county assessors will be reassessing property in increments – 25% of all parcels each year, on an ongoing basis – so individual parcels will get reassessed on a four-year cycle, but they won’t all have to be collectively reassessed in the same year. The legislation calls for counties to devise a reassessment plan for conducting the cyclical reassessment and the plans will be subject to DLGF approval. The rolling reassessment method is used in many other

states and will be beneficial to assessing officials and taxpayers alike. It should smooth out the process, making it more efficient and less costly, as well as likely improve the quality of many assessments.

The Chamber, along with the DLGF and the Association of Indiana Counties, have all been supportive during prior sessions and collective persistence has finally paid off. While the DLGF must review and approve each county’s reassessment plan, this is a new, untested process and unanticipated issues are sure to arise once the counties get down to working out exactly how they will implement their plan for putting the cyclical process in action. The Chamber’s primary concern is that these plans be administered uniformly and consistently among the counties and across the state. We thought it important that the DLGF be authorized to promulgate rules to address unforeseen wrinkles. In response to our expressions, Sen. Boots (R-Crawfordsville) agreed to insert the DLGF rule-making authority in the event rules to avoid problems and promote consistency are needed.

Tax Representatives

Another property tax bill, SB 142, was designed to curtail the practices of a handful of tax representatives who have been abusing the assessment appeals procedures available to taxpayers. The objectives were understandable; however, the proposed remedies were far too overreaching. County assessors were complaining that these tax “reps” are filing large numbers of appeals but for various reasons would not bother to appear at the scheduled county hearing to present their case. The proposed answer was to require a \$50 filing fee for the appeals. And if they didn’t appear and submit evidence at the county hearing, the taxpayer would forfeit any interest due on an ultimate refund that might subsequently be awarded by the Indiana Board of Tax Review or Indiana Tax Court. The introduced bill also addressed a couple other issues the assessors had raised.

They wanted taxpayers to be required to submit data on the income-producing ability of their property before the assessment date or else lose the right to appeal the assessment. The Chamber objected that these remedies would infringe on the simple right to seek correction of an erroneous assessment and their reach punished innocent taxpayers for the bad acts of a few tax reps. After several meetings and considerable effort, we were able to pare back the negative impacts of SB 142 and its provisions were made much more reasonable. The Senate bill ended up being inserted in HB 1195, which dealt with other assessment appeals issues. House Bill 1195 sought to recognize the use of comparable assessments to assert a lack of uniformity with other property assessment – but it stirred its own set of debates. Both bills went through a lot of legislative gamesmanship and maneuverings. It was HB 1195, with reworked provisions from SB 142, which ultimately passed. While HB 1195 contains some undesirable impositions on the innocent, the final version is much less problematic than what started out in SB 142. This bill was a classic case of working hard to make a bad bill less bad – and we were largely successful.

Education Groundwork Put in Place

By Derek Redelman, vice president of education policy

We knew heading into this legislative session that it would be impossible to match the historic educational accomplishments of 2011. Nonetheless, there were substantial proposals offered up, many hours of debate and, ultimately, a few noteworthy victories. But the biggest education developments this year were probably the groundwork that was put in place for future debates on school funding, higher education, accountability and more.

School Funding

The most notable victory this year was the passage of school funding changes. For over a decade, the Indiana Chamber has been calling for the use of multiple enrollment counts for determining school tuition distributions and for moving schools to a July 1-June 30 fiscal year. Currently, Indiana conducts only one enrollment count in September, which drives a school funding formula that is reset each year on January 1, midway through the school year. The result is an ongoing mismatch between current enrollment and funding levels, repeated accusations that schools are pushing kids out after the single count day, and mismatches between school fiscal calendars, school operating years and state budget cycles.

Both houses sought to tackle these issues, with HB 1189 (Rep. Jeff Thompson, R-Lizton) and SB 280 (Sen. Ed Charboneau, R-Valparaiso) serving as the vehicles. The Indiana Chamber supported both bills but joined with State Superintendent Tony Bennett and Stand for Children, an education reform group, in calling for as frequent count days as monthly. What passed in the end as part of HB 1189 – two enrollment counts per year, first semester funding for charter schools and preparation for schools to shift to a July 1-June 30 calendar year – are significant accomplishments that we applaud. Nonetheless, we anticipate – and have promised legislators our advocacy – to see more significant changes when the Legislature develops its next two-year budget beginning in January 2013.

Higher Education

Ever since last year's historic developments in K-12, we have been hearing from legislators that higher education would be their next area of focus; and while this year's developments fell far short of last year's K-12 reforms, it was observed by several people that higher education got more attention this year than in any other recent year. That development was especially notable given that this year was not a budget session. Most of the proposals were put forth by the Indiana Commission for Higher Education (CHE) and, based on our standing policy positions, the Chamber engaged on only a couple of them, but each of these bills is noteworthy.

The Indiana Chamber supported SB 182 (Sen. Jim Banks, R-Columbia City), which was designed to ease the transfer of credits between Ivy Tech and other state institutions. The bill passed but, in the words of the bill's author, was "cut in half" prior to passage. Senator Banks has committed to revisiting this issue next session and believes that he has the support of our state institutions to expand on those efforts. We look forward to working with all of the interested parties next session.

The CHE, along with Gov. Mitch Daniels, put forth two other significant bills. House Bill 1220 (Rep. Rhonda Rhoads, R-Corydon) will limit most bachelor's degrees to 120 credit hours and most associate's degrees to 60 credit hours. The so-called "credit creep" bill is one that many states have considered as a tool for increasing on-time graduation rates and for reducing college costs. House Bill 1270 (Rep. Ed Clere, R-New Albany) was designed to streamline and better coordinate the three state agencies that oversee higher education policy. The State Student

Assistance Commission, which oversees state aid to students, will be merged with CHE; and the Council for Proprietary Education (COPE), while maintaining its own governing board, will be administered by CHE. Additionally, the oversight of non-degreed training programs will be shifted from COPE to the Department of Workforce Development.



Accountability

As the legislative session began, the Indiana Chamber was also heavily engaged with a proposed rule before the State Board of Education (SBE) that restores "relative" standards which expect less of low performing students, thus assuring that they will never be proficient.

Unfortunately, the SBE ultimately took the step of adopting this new rule that treats growth as a bonus system rather than making it the prominent measure that many observers had anticipated. And the metrics of the system are so overly complicated that neither schools nor communities will have any idea how they are doing until state officials inform them at the end of each year.

As a result of this rules debate, several related legislative proposals fell under heavy legislative scrutiny and were ultimately defeated. In the final days of the session, the concern from legislative leaders reached such a high level that they used the final bill of the session, HB 1376 (Rep. Jeff Espich, R-Uniondale), to create a special commission that will study the rulemaking process and the content of the recently passed accountability rule. The Indiana Chamber remains hopeful that state education officials will revisit these new rules, but we appreciate the Legislature's ongoing attention to the issue and are prepared, if necessary, to join dozens of other organizations in raising our concerns with this special commission.

School Choice

On a brighter note, we could not be more pleased with the implementation this past year of Indiana's new school choice program (which is now the largest first-year voucher program in U.S. history), the continued expansion of Indiana's Scholarship Tax Credit and the significant expansion of Indiana's charter school law. So as a result of the heavy lifting that occurred last year, many legislators made clear heading into this session that they wanted a break from these issues, so we did not actively pursue any changes. But when several legislative friends took it upon themselves to pursue various expansion proposals, we and our allies in the school choice community tried to be helpful. Each of those proposals ultimately died, but we are grateful to legislators like Sen. Doug Eckerty (R-Anderson), Sen. Jean Leising (R-Oldenberg) and Sen. Carlin Yoder (R-Goshen) who each authored bills to expand our various choice programs. Meanwhile, we cannot overlook the significant improvement to charter school funding that passed as part of HB 1189 (noted earlier), nor the technical fix to eligibility for scholarship tax credits that was passed in SB 296 (Leising).

Miscellaneous Victories and Lost Opportunities

Another substantial victory – and largely a non-controversial one – was the adoption of new transparency expectations for the employment contracts of school superintendents and other school personnel. Following the news report of a million dollar payout to a retiring superintendent in Indianapolis, a 2011

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Reform Occurs at the Margins

By Mark Lawrance, senior vice president of foundation and operations

Before the session began, Gov. Mitch Daniels identified three areas for local government reform to pursue: anti-nepotism and conflict of interest for local government employees, eliminating township advisory boards and creating an option for a county to move to a single county executive if it so chose. The Indiana Chamber supported all three of these initiatives, but alas, only the anti-nepotism and conflict of interest language passed the 2012 General Assembly.

What Passed

House Bill 1005 diminishes nepotism and conflict of interest for local government office holders and employees. There are too many examples where taxpayers pay for excessive costs because of conflict of interest with an employee who also serves on the legislative body that approves that unit's budget. Authored by Rep. Kevin Mahan (R-Hartford City), this bill culminates a multi-year effort to see this policy adopted.

The Chamber worked to keep out an amendment that would have exempted volunteer firefighters from the conflict of interest provisions. Unfortunately, HB 1005 does exempt all current employees (hired before July 1, 2012) from local government nepotism. There are several other nepotism exemptions, including a sheriff who can still hire his/her spouse as a "matron" and a township trustee who has the office in their home to hire their spouse for no more than \$5,000 per year in salary and benefits.

Special thanks go to Sen. Connie Lawson (R-Danville) for her years of work on this bill as well as Rep. Mahan for his leadership in the House. Of the 24 Kernan-Shepard recommendations that require legislative approval, eight have now passed in the last four years.

Another bill from Rep. Mahan (HB 1093, Public Access Issues) became law when it was passed in HB 1003. This Chamber-supported measure allows for greater transparency of government by assigning civil penalties if a local government employee deliberately tries to block public information.

What Didn't Pass

House Bill 1254, Township Reform, authored by Rep. Ralph Foley (R-Martinsville), died in committee during the first half of the session when the committee chairman abruptly pulled it from the queue. The bill would have eliminated the township advisory boards and transferred their fiscal duties to the county council. During the final week of the session, Rep. Foley offered a House resolution to create a summer study committee on the subject of township reorganization; it was approved.

Senate Bill 110, County Government Reorganization,

authored by Sen. Travis Holdman (R-Markle), would have created an option for a county to adopt a single county executive form of government. It was strictly voluntary, requiring the county commissioners to adopt an ordinance to move to a single county executive. If adopted, it would then go to voters in that county for approval.

Despite all the checkpoints, the Indiana County Commissioners Association opposed this bill – even though it was optional and the county commissioners were the gatekeepers. The bill was held from a final Senate vote during the first half of session because the writing was on the wall that it would fail.

Senate Bill 174, Local Government Reorganization, authored by Sen. Lawson, died in the House when it did not receive a hearing. The Chamber opposed the language which would have made future consolidation of local government units more difficult due to voting procedures. For a municipal-county merger, it required (rather than allowed) separate votes for those inside the city and those outside the city. This also created different voting blocs whereby a small group of township residents outside of a municipality could vote "no" and stop the merger. The Chamber believes any changes to the local government reorganization statute should encourage rather than discourage mergers; therefore, we were glad this bill died.

Other local government bills that failed to get out of the first house include: HB 1376 (Marion County Government), authored by Rep. Phil Hinkle (R-Indianapolis), and HB 1469 (Statewide Township Reform), authored by Rep. Jerry Torr (R-Carmel). Both of those bills were caught up in a House Democrat walkout and never received a floor vote or discussion.

In spite of this issue still being an uphill battle in the General Assembly, there are many legislators that deserve great praise from the Chamber for their active involvement to reform local government in Indiana. Senators include Sen. Lawson, Sen. Holdman, Sen. Phil Boots (R-Crawfordsville), Sen. Beverly Gard (R-Greenfield), Sen. Doug Eckerty (R-Muncie), Sen. John Broden (D-South Bend), Sen. Jim Smith (R-Charleston) and Sen. Jim Merritt (R-Indianapolis). On the House side, special thanks to Rep. Foley, Rep. Torr, Rep. Mary Ann Sullivan (D-Indianapolis), Rep. Hinkle and Rep. Steve Stemler (D-Jeffersonville).

Going forward, the Indiana Chamber will continue to challenge the status quo and work to ensure that local services are delivered to Indiana citizens with the most effective and efficient administrative structure.



Derek Redelman

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summer study committee adopted recommendations for improving the scrutiny of such contracts that were passed in HB 1205 (Rep. Bob Behning, R-Indianapolis). The Indiana Chamber was the only organization to support these proposals through both the summer study committee and the legislative session, so we were very happy to see the bill's final passage.

We also applauded the defeat of SB 373 (Sen. Scott Schneider, R-Indianapolis), which would have prohibited Indiana from adopting the "Common Core" national curriculum standards. The Indiana Chamber believes that issues pertaining to academic standards ought to be left to the Education Roundtable and the State Board of Education rather than addressing such things

through legislation.

Another issue heading to a summer study committee is the potential for citizens in a particular area to disannex from their local school district. As originally proposed, HB 1047 (Rep. Jack Lutz, R-Anderson) would have created a process for disannexation. The Indiana Chamber supported that bill but agreed that there were lingering issues, especially pertaining to the division of assets and liabilities. So we also supported the conversion of the bill to a summer study committee, where we are hopeful that legislators will also consider the status of school district boundaries throughout the state – many of which have been static for nearly a century and are no longer reflective of the communities that they serve.

Smoking Ban Offers Vital Protection for Hoosiers

By Mike Ripley, vice president of health care policy

After six prior attempts, the Indiana General Assembly came through and passed significant language that will prohibit smoking in many public places and the vast majority of worksites (HB 1149). It also bans smoking within eight feet of a building's public entrance. Better still, local governments have the discretion to impose stricter ordinances. Getting there, however, was far from easy.

Throughout the session there was concern that what happened in 2011 would repeat itself. Specifically, that if anything less than a comprehensive ban (one including bars and taverns) was on the table for a vote, there would be loud opposition by the Indiana Campaign for Smoke-free Air (ISCA) and, more especially, the American Cancer Society. That fear was not realized and to ISCA's credit, though it lobbied for a stronger bill, it remained neutral on the final version. The Indiana Chamber, the Indiana Hospital Association, IU Health and the Indiana State Medical Association all worked diligently to bring about the passage of HB 1149.

During the first week of session, author Rep. Eric Turner (R-Cicero) and co-authors Rep. Tim Brown (R-Crawfordsville), Rep. Charlie Brown (D-Gary) and Rep. Peggy Welch (D-Bloomington) held a joint press conference to express their bipartisan support for passing comprehensive smoking ban legislation this session. The bill, as it passed the House Public Health Committee, only exempted private clubs and casino gaming floors. On second reading, 15 amendments were filed and the bill was amended to include the casinos' footprint, cigar manufacturing facilities, plus bars and taverns for 18 months only. There was no surprise when the bill passed the House since it had done so previously on multiple occasions.

Senator Beverly Gard (R-Greenfield), co-sponsor of the bill, met with supporters to review drafting of the language before the Senate Public Policy Committee. Chairman Ron Altig (R-Lafayette) amended the bill slightly in committee, where he allowed four hours of testimony to be heard. The Indiana Chamber endured some tough questions concerning its support of the ban from Sen. Brent Waltz (R-Greenwood), but the bill easily passed the committee 8-2; that was almost a complete reversal of last year when it failed 1-8. On second reading in the Senate, 29 amendments were filed; 10 were adopted. By the time senators cast their third reading votes, the bill had removed the 18-month delayed exemption and exempted bars and taverns completely. The language also included exemptions for residential facilities, charitable gaming locations, home businesses and pre-emption language prohibiting local communities to make more restrictive smoking ordinances on casinos. After a colorful third reading debate, the bill passed 29-21.

Our coalition members met with Rep. Turner soon after the vote to assess the possibility of finding that "sweet spot" as he referred to it, the point where you are able to draft the strictest bill possible and still get it passed. Six Senate votes had been secured by the amendment to fully exempt taverns so including bars in the ban would mean only 23 votes for passage. What was agreed on in conference committee removed the previous exemptions for residential facilities, charitable gaming locations and the pre-emption language for local ordinances impacting casinos. The final conference committee report vote came in the afternoon on the session's final day. The House adopted it 60-30; the Senate 28-22.

Thanks go to many people for making the statewide smoking ban a reality. Chief among them: Rep. Charlie Brown for leading this effort for so many years and Rep. Turner for his determination in getting the strongest bill possible that would pass.

Other Top Issues

Senate Bill 303, authored by Sen. Vaneta Becker (R-Evansville), became the annual debate about assignment of benefits (AOB).



The bill prohibited dental insurers from requiring dentists to accept certain reimbursement rates for services provided but not covered under the policy. Dentists testified about the difficulty of obtaining payments from patients and the need for receiving a direct payment for out-of-network services. They also reported that it was unfair for insurance companies to coerce dentists into the network.

The Indiana Chamber, Delta Dental, the Indiana Manufacturers Association, AFL-CIO and America's Health Insurance Plans all testified against the bill. Delta Dental reported its experience with AOB: In 2008, the group discontinued recognizing AOB to grow its market and within several months had a significant increase in the number of providers in the network. Delta Dental attributed the increase in the network to dentists wanting direct payment for services. The Chamber testified about the concern of driving up costs to employers with AOB and the out-of-pocket costs that will increase for employees if you prohibit a benefit provided to employees that keeps non-contracted services from being reimbursed at a particular rate. The bill passed the Senate 48-2. Representative Matt Lehman (R-Berne) then promised to give the bill a hearing in the House Insurance Committee. However, on the day of the hearing no individual dentists testified in favor of the bill (only the Indiana Dental Association). The Chamber, its allies and three labor organizations all piled on to oppose the bill. In a rarely seen motion, the House Insurance Committee moved to table the bill, which was agreed to unanimously.

The Health Care Compact, HB 1269, authored by Rep. Tim Neese (R-Elkhart), created a compact between states to specify that the state legislature of each member state has the primary responsibility to regulate health care within its state. The compact must pass in 15 to 20 states and then go before Congress for final passage. When the bill was heard in the House Public Health Committee, the Chamber testified that our Health Care Policy Committee had vetted the issue and agreed with the position of the compact. Our membership, though, had some concerns during the third phase or implementation, especially surrounding the issue of Medicare. However, the bill was not prescriptive and all of those decisions would be made during the implementation phase, which would happen if Congress passed the compact. The Daniels administration listed some concerns for the bill but remained neutral officially. Nevertheless, the bill moved through the House rather easily and passed 62-35.

It was in the Senate that the debate and process became more difficult. Early on, AARP and labor groups began calling senators and informing them (incorrectly) that the compact would do away with Medicare, which put fear into some of the senators. While the Chamber repeated its House testimony, experts from the Health Care Compact testified on the importance of states controlling their own destiny. They stressed that what Indiana was agreeing to is philosophical and not prescriptive in nature. If Congress passed the compact, it would not be until the third phase that Indiana would determine what, if any, decisions would be made about health care. Funding would come from a block grant from the federal government. Senator Pat Miller (R-Indianapolis), the bill's sponsor, amended the language to say that the Governor "may," instead of "shall" join the compact. She later informed the Chamber that the change in language helped secure committee passage. The bill was then referred to the Senate Appropriations Committee, where chairman Luke Kenley (R-Noblesville) wanted

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Environmental Games Offer Many Victories

By Vince Griffin, vice president of energy and environmental policy

The first half of this 2012 legislative session ended just before the Super Bowl came to town and the session concluded as college basketball's March Madness was ramping up. Sure it's a coincidence, but there is no game quite like what transpires each year in the General Assembly. In the environmental and energy arena, there were important legacy-level type bills that the Indiana Chamber either strongly rooted for or, in a few instances, were hoping to see not cross midfield. As a backdrop, this was also the final turn for Sen. Beverly Gard (R-Greenfield) – the longtime Senate leader for energy and environmental issues – who was retiring after 24 years of admirable work in the Legislature.

Major Scores

While Sen. Gard has been involved in many "green" contests, one could argue that her SB 132 (Water Utility Resource Data) may stand as her ultimate achievement. It directs the state's Indiana Utility Regulatory Council (IURC) to collect data from water users and producers to provide a first step toward a plan to effectively manage Indiana's precious water supply. Congratulations to all involved – including Rep. David Wolkins (R-Winona Lake) who helped guide the bill through the House Utilities Committee.

Another Sen. Gard effort was SB 131 that addresses multiple Indiana Department of Environmental Management (IDEM) technical type issues. The Chamber supported these corrections as efficiencies. We also were in favor of SB 210 (Solid Waste Management Districts or SWMDs), which died due to a tie vote. But Sen. Gard managed to substitute the elements of SB 210 into SB 131 with an assist from Rep. Wolkins. As a result: SWMDs must now meet certain performance criteria and accountability; however, the various funding mechanisms are not affected and will be examined by a summer study committee.

Tough Buzzer-Beater

Keeping up her aggressive pace for her last legislative go-round, Sen. Gard introduced SB 130 (Environmental Boards) which consolidates the existing air, water and solid waste boards into one environmental board. The Chamber supports an efficient and effective rulemaking process, but after two surveys of its environmental committees did not support this single board premise. To find people that possess the technical skills to be able to adequately understand and discuss all three distinct disciplines would be challenging.

The Chamber aligned with Rep. Matt Pierce (D-Bloomington) and the Hoosier Environmental Council to oppose other SB 130 provisions: having four of the 16 board members be administration ex-officio appointments with votes, as well as having the IDEM commissioner on the board with the opportunity to challenge and comment. The Chamber felt the IDEM commissioner and the four ex-officio appointments should be available as resources for the board, not as board members with voting rights.

The Chamber did support the allowance to have technical

advisory subcommittees, plus the presence of independent technical and legal counsel that would report to the environmental board.

Ultimately, the concept was inserted into HB 1002 and made it through to become law. The final language states that the board "shall select an independent third party who is not an employee of the state to serve as technical secretary of the board" and "may select an independent third party who is not an employee of the state to serve as legal counsel of the board." There is no provision as to how the technical secretary and legal counsel would be paid – thus rendering these critical positions ineffective. The Chamber believes that this arrangement is a wrongful direction but will to work with all parties to make this new environmental board work.

Other Bills That Made It on the Legislative Court

Senate Bill 11 requires a fiscal impact review of all rules three years after adoption; it was originally directed at environmental rules but later changed to include all rules. The Chamber supported this effort and asked that a thorough cost-benefit analysis of a rule be done before adoption and questioned what could be done if the three-year review revealed that the cost far out-weighted the benefits – however no adjustment seemed to be part of SB 311.

Also scoring a victory was Sen. Lonnie Randolph (D-East Chicago) with his SB 168 (Underground Storage Tank Fees). This measure allows a new tank owner to use the state tank cleanup fund even though the previous owner may have not properly paid into the fund. The Chamber supported SB 168 as it promotes the clean-up of tanks and the sale and reuse of a property – the property then becomes a "clean" site, a viable business and a tax asset instead of a liability.

Meanwhile, Rep. Eric Koch (R-Bedford) pushed through HB 1107, which requires the Natural Resources Commission, in regulating oil and gas wells, to adopt rules for the reporting and disclosure of hydraulic fracturing (aka "fracking") treatments. Indiana is an energy-rich state with substantial natural resources, including coal, oil and natural gas. The Chamber supported fracking as a technology that allows the effective mining of gas and oil. Essentially, HB 1107 directs the Indiana Department of Natural Resources to adopt rules for fracking that will ensure it is done in a safe and environmentally responsible manner.

Near the end of the game, Sen. Gard put Senate Resolution 65 on the floor; it urges the Legislative Council to "assign an interim study committee the topic of extraterritorial jurisdiction granted to municipalities." Local government's use of extraterritorial jurisdiction has become an increasing concern in the area of water, sewer and perhaps other utilities. A summer study committee now likely will review this issue.



Mike Ripley

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several changes, including a specific exclusion for Medicare because of the number of calls senators were receiving about the issue. The coalition expressed its concern that this language might place Indiana out of compliance with the rest of the states that had already adopted the compact, along with any others that would soon be passing compact language.

The "fix" came on the last day of session via the conference committee report, in which language exempting Medicare in the

definition of "health care" was removed; added was language specifying that Indiana's participation in the compact does not include the administration of the federal Medicare program unless the General Assembly takes action that specifically authorizes the inclusion of Medicare in the compact. This removed the language that was causing the problem and still provided the political cover needed for the Medicare issue. Eventually, the conference committee report was adopted in both houses and signed into law.

LEGISLATIVE SCORECARD 2012

Bill #	Description	Chamber Position	1st House				2nd House				9	10	Status
			1	2	3	4	5	6	7	8			
Civil Justice													
HB 1206	Third Party Lawsuit Lending	S	■	■									Died
SB 5	Funding of Lawsuits	O	■	■									Died
SB 7	Insurance Premium Discount for Metal Roof	O	■										Died
SB 29	Employer-Purchased Insurance	O	■										Died
SB 87	Proof of Collateral Source Payments	O	■										Died
SB 111	Group Personal Excess and Umbrella Insurance	S	■	■	■	■	■	■	■	■	■	■	Signed
SB 239	Property and Casualty Insurance Claim Payment	O	■										Died
SB 245	Unfair Claim Settlement Practices	O	■										Died
Economic Development/Infrastructure													
HB 1057	Alcoholic Beverage Sales	S	■										Died
HB 1073	Public Mass Transportation	SIP	■	■									Died
HB 1131	Sunday Sales of Alcoholic Beverages for Carryout	S	■										Died
HB 1154	Local Purchasing and Public Works Preferences	S	■	■	■	■	■	■	■	■	■	■	Signed
HB 1228	Logistics Development Incentives	S	■										Died
HB 1231	IEDC Collaboration	O	■										Died
HB 1241	Rural Entrepreneurship Areas	S	■	■	■	■	■						Died
HB 1277	Indiana Nanotechnology Initiative	S	■										Died
HB 1297	Transportation and Logistics Income Tax Credit	S	■										Died
HB 1354	Small Breweries	S	■										Died
HB 1356	Transportation Funding Programs	S	■										Died
SB 20	Alcoholic Beverages	SIP	■										Died
SB 106	Cold Beer Sales	S	■										Died
SB 163	Economic Development Incentive Accountability	O	■										Died
SB 302	Technology Equipment Property Tax Exemption	S	■	■	■	■	■	■	■	■	■	■	Signed
SB 309	Local Purchasing and Public Works Preferences	S	■	■	■	■	■	■	■	■	■	■	Signed
SB 319	Certified Technology Parks	O/S	■										Died
SB 321	Transportation and Logistics Income Tax Credit	S	■	■	■	■	■						Died
SB 349	Incentives Compliance Reporting	O	■										Died
Education													
HB 1045	Formula for Choice Scholarship Grants	O	■										Died
HB 1047	Study Committee on School Disannexation	S	■	■	■	■	■	■	■	■	■	■	Signed
HB 1089	Farm to School Plans	O	■										Died
HB 1118	University Tuition and Fees	O	■										Died
HB 1157	Tax Credit for Tuition	S	■										Died
HB 1176	Retention for Reading Deficiency	O	■										Died
HB 1189	Multiple ADM Counts	S	■	■	■	■	■	■	■	■	■	■	Signed
HB 1205	Superintendent Contracts	S	■	■	■	■	■	■	■	■	■	■	Signed
HB 1219	Parent Initiatives for School Reorganization	S	■	■									Died
HB 1244	Funding Choice Scholarships	O	■										Died
HB 1260	Absenteeism and Dropouts	S	■										Died
HB 1313	School Instructional Time	O	■										Died
HB 1315	Choice Scholarship Funding	O	■										Died
HB 1316	Income Tax Credit for Educational Expenses	S	■										Died
HB 1321	School Corporation Accountability	S	■										Died
HB 1324	School Accountability and Turnaround Academies	O/S	■	■	■	■	■	■	■	■	■	■	Partially in HB 1376
HB 1376	Administration (Study of accountability and HB 1324 provisions)	S	■	■	■	■	■	■	■	■	■	■	Signed

Bill #	Description	Chamber Position	1st House				2nd House				9	10	Status
			1	2	3	4	5	6	7	8			
Education (cont.)													
SB 129	ISTEP	O	█										Died
SB 159	Teacher Union Dues	S	█										Died
SB 179	Virtual Instruction Course Requirement	S	█	█	█	█	█	█	█	█	█	█	Died
SB 182	State Educational Institutions; Credit Transfers	S	█	█	█	█	█	█	█	█	█	█	Signed
SB 198	Choice Scholarship Eligibility	S	█	█									Died
SB 214	Choice Scholarship Administration	O	█										Died
SB 248	Referendum on Use of Balanced School Calendar	O	█	█	█	█	█	█	█	█	█	█	Died
SB 280	School Finance	S	█	█	█	█	█	█	█	█	█	█	Passed in 1189
SB 289	Higher Education Grant	S	█										Died
SB 296	Certified Scholarship Program Eligibility	S	█	█	█	█	█	█	█	█	█	█	Signed
SB 331	Choice Scholarship Eligibility	S	█	█									Died
SB 373	Common Core State Standards	O	█	█									Died
SB 374	Graduation Rate Determination	S/O	█										Died
Employment/Labor													
HB 1001	Employee's Right-to-Work	S	█	█	█	█	█	█	█	█	█	█	Signed
HB 1097	Injuries to or Death of an Employee	O	█										Died
HB 1151	Work-Sharing Unemployment Benefits	S	█										Died
HB 1161	Employment Status of Job Applicants	O	█										Died
HB 1173	Various IOSHA Matters	S	█	█	█	█	█	█	█	█	█	█	Signed
SB 205	Employment Status of Applicants	O	█	█									Died
SB 232	Unemployment Compensation	S	█	█	█	█	█	█	█	█	█	█	Died
SB 241	Public Works Projects	S	█	█									Died
SB 337	Child Labor Law	S/O	█	█	█	█	█	█	█	█	█	█	Died
Environment													
HB 1107	Hydraulic Fracturing (Fracking)	S	█	█	█	█	█	█	█	█	█	█	Signed
SB 130	Environmental Board Consolidation	O	█	█	█	█	█	█	█	█	█	█	Passed in HB 1002
SB 131	Environmental Matters	S	█	█	█	█	█	█	█	█	█	█	Signed
SB 132	Water Utility Resource Data	S	█	█	█	█	█	█	█	█	█	█	Signed
SB 168	Underground Storage Tank Fees	S	█	█	█	█	█	█	█	█	█	█	Signed
SB 210	Solid Waste Management Districts	S	█	█	█	█	█	█	█	█	█	█	Passed in SB 131
SB 311	Fiscal Impact Review for Rules	S	█	█	█	█	█	█	█	█	█	█	Signed
SR 65	Study Committee on Extraterritorial Jurisdiction for Municipalities	S	█	█	█	█	█	█	█	█	█	█	Signed
Health Care													
HB 1043	Individual Out-of-State Health Insurance	O/S	█										Died
HB 1044	Tobacco Use by Job Applicants	S	█										Died
HB 1050	Health Care Sharing Ministries	S	█	█	█	█	█	█	█	█	█	█	Signed
HB 1063	Smoking Ban	S	█										Died
HB 1071	Local Ordinances Concerning Ephedrine Sales	O	█										Died
HB 1149	Smoking Ban	S	█	█	█	█	█	█	█	█	█	█	Signed
HB 1269	Health Care Compact	S	█	█	█	█	█	█	█	█	█	█	Signed
SB 21	Coverage for Smoking Cessation Drugs	O	█										Died
SB 230	Worker's Compensation	O/S	█	█	█	█	█	█	█	█	█	█	Died
SB 303	Dental Benefits	O	█	█	█	█	█	█	█	█	█	█	Died
SB 335	Prescription Drug Costs	O	█	█									Died
SB 406	Recovery of Medical or Health Care Expenses	S	█										Died

Bill #	Description	Chamber Position	1st House				2nd House				9	10	Status
			1	2	3	4	5	6	7	8			
Local Government Efficiency													
HB 1003	Public Access Issues (language from HB 1093)	S											Signed
HB 1005	Nepotism/Conflict of Interest	S											Signed
HB 1254	Township Reform	S											Died
HR 28	Resolution on Township Reorganization	S											Signed
SB 110	County Government Reorganization	S											Died
SB 170	Nepotism/Conflict of Interest	S											Passed in HB 1005
SB 174	Local Government Reorganization	SIP/OIP											Died
Taxation/Public Finance													
HB 1072	Tax Administration	S											Signed
HB 1119	Use Tax Nexus and Collection	S											Died
HB 1190	Real Property Reassessment	S											Passed in SB 19
HB 1195	Property Tax Appeals	N											Signed
HB 1199	Inheritance Tax	S											Passed in SB 293
HB 1376	Automatic Taxpayer Refund (and variety of other provisions)	SIP											Signed
SB 19	Real Property Reassessment	S											Signed
SB 109	Deposit of Public Funds by Local Units	S											Signed
SB 142	Property Tax Issues	OIP											Died; but acceptable provisions passed in HB 1195
SB 143	Automatic Taxpayer Refund	SIP											Died; but parts passed in HB 1376
SB 293	Inheritance Tax	S											Signed
SB 344	State Taxation	SIP											Passed in HB 1072
SB 353	Sales Tax on Gasoline	S											Died
Technology/Telecommunications													
HB 1201	State Provision and Use of Telecommunications Service	S											Signed

■ = Policy passed in other bill(s)

Source: IndianaNet® – For more information, visit www.indianachamber.com/indiananet.asp

Status and Position Key			
1 – First Reading	5 – Committee Referral	9 – Conference Committee	N – Neutral
2 – Committee Action	6 – Committee Action	10 – Action by Governor	O/S – Oppose/Support in Part
3 – Second Reading	7 – Second Reading	S – Chamber Supports	OIP – Oppose in Part
4 – Third Reading	8 – Third Reading	O – Chamber Opposes	SIP – Support in Part