

# Legislative Agenda

## Chamber Outlines Bill Positions

By Kevin Brinegar, president and CEO, Indiana Chamber of Commerce

This **second edition** of the Indiana Chamber's 2018 *Legislative Agenda* continues an evolving public policy process for the organization and the state's business community.

Chamber policy committees, composed of statewide volunteer leaders, meet throughout the year. They identify key issues, research the topics and help define policy positions, which are adopted each fall by the Chamber's Board of Directors.

The organization's policy positions are outlined in the annual *Legislative Business Issues* publication, with the 2018 edition presented to all members of the General Assembly at the beginning of the current session. *Legislative Agenda* matches those policy positions with specific feedback on the bills introduced in the House and Senate.

This publication provides clear input on issues that not only affect the Indiana business community, but communities, families

and individuals throughout the state. We strive to provide you with a clear understanding of our positions on key bills that will assist you as you proceed during this legislative session.

Please contact me or any of the members of our government affairs team with questions about this *Legislative Agenda*.

**NOTES:** This second edition considers all bills as of 2/12. The absence of a bill from this list does not mean the Indiana Chamber has, or will have, no position on the legislation. The review process continues throughout the legislative session.



= Chamber priority bills

## HOUSE BILLS

### HB 1002 REORGANIZATION OF WORKFORCE FUNDING/PROGRAMS (Huston)

Requires an annual workforce related program review by the Legislative Services Agency. Repeals the training 2000 program and fund and the Indiana regional cities development fund, effective July 1, 2019, and provides for program phase outs. Requires the State Workforce Innovation Council to review each proposed grant award by the Department of Workforce Development before the grant is awarded. Establishes the next level workforce training and development fund as a dedicated fund for certain state workforce training and development programs. Dedicates all corporate adjusted gross income tax revenues to the fund. Establishes the employer workforce training grant fund to provide money for grants to eligible employers that incur costs or expenses for training programs that allow their employees or prospective employees in Indiana to attain a work-related degree, certification or credential. Requires the State Board of Education, when establishing an apprenticeship as a graduation pathway requirement, to establish



as an apprenticeship only an apprenticeship program registered under the federal National Apprenticeship Act or another federal apprenticeship program administered by the U.S. Department of Labor. **Position: SUPPORT IN PART Reason:** Workforce needs represent the top issue we hear about from our member companies. The Chamber supports many of the provisions within the bill and are reviewing others and making any necessary recommendations. We are also engaging our members for input. Overall, the Chamber applauds the effort in this legislation to make necessary changes to assist in tackling workforce development needs.

**Contact: Caryl Auslander (317) 264-6880**

### HB 1003 AGENCY REPORTING REQUIREMENTS (Gutwein)

Repeals the requirement that the Office of Management and Budget (OMB) perform a cost-benefit analysis of certain rules for the three-year period following the rules' effective dates. Repeals a statute that allows: (1) state agencies to submit comments on proposed legislation to OMB; and (2) OMB to

review, amend and transmit the comments to the Legislative Services Agency for posting on the General Assembly's web site. Eliminates or consolidates various state agency reporting requirements. Repeals the following: (1) Pilot program for state registration of privately certified individuals. (2) Family support program. (3) The early education evaluation program. (4) The health needs assessment component of the state Department of Health's duty to conduct health planning. (5) Certain reporting requirements of the Indiana Department of Environmental Management and the Department of Insurance. Provides that the Lake Michigan marina and shoreline development commission law expires July 1, 2019. **Position: SUPPORT Reason:** This bill is the product of a comprehensive review focused on finding and weeding out cumbersome bureaucratic requirements that offer little or no value to good government.

**Contact: Bill Waltz (317) 264-6887**

#### HB 1023 ANNEXATION REMONSTRANCE WAIVERS (Bacon)

Allows (rather than requires) a sewage works contract to include a release of the property owner's right of remonstrance to an annexation of the property served by the sewage works. Removes a provision providing that a person waives the person's remonstrance rights upon connecting to the sewage works. **Position: SUPPORT Reason:** The Chamber views the right to remonstrate against a proposed annexation as a fundamental right of property owners and taxpayers. It should not be an absolute requisite, and automatic operation of law, that by connecting to sewage facilities the owner must forfeit these rights. In most cases, the owner not only pays for the sewer service, they pay a premium for that service. The sewer connection and any potential annexation are fairly considered as totally separate matters.

**Contact: Bill Waltz (317) 264-6887**

#### HB 1036 UNEMPLOYMENT INSURANCE (Leonard)

Excludes worker's compensation and occupational diseases compensation payments from the definition of "wages" for unemployment insurance purposes. Establishes a flat fee of \$12 as the employer's collection fee for withholding amounts from an individual's income to repay unemployment insurance (UI) benefit overpayments. Allows an individual to request a review by the commissioner of the Department of Workforce Development (DWD) or the commissioner's designee of an adverse decision following an administrative hearing in which the individual contests the income withholding. **Position: SUPPORT Reason:** Part of the bill simply codifies policy already being executed by DWD regarding worker's compensation being excluded as a wage for UI purposes. Also, the bill streamlines the collection fee to a flat \$12, which is preferable.

**Contact: Mike Ripley (317) 264-6883**

#### HB 1050 SMALL CELL WIRELESS STRUCTURES (Ober)

Provides the definition of "wireless support structure" does not include a utility pole owned or operated by: (1) a public utility; (2) a municipality; (3) an electric membership corporation; or (4) a rural electric cooperative. It provides that with respect to the construction, placement or use of small cell facilities and associated supporting structures, a permit authority may prohibit the placement of a new wireless support structure in a right-of-way within an area that is designated before May 1, 2017, strictly for underground or buried utilities, if the area was zoned for residential use before May 1, 2017. The bill removes a requirement that a permit authority's prohibition on placement of utility poles and wireless support structures be applied in a non-discriminatory manner and it makes conforming changes.

**Position: SUPPORT Reason:** This bill remedies issues related to the drafting error from SEA 213-2017 that allowed local entities to circumvent the intent of that bill which streamlined the permitting process for small cell equipment.

**Contact: Mark Lawrance (317) 264-7547**

#### HB 1051 SUNDAY SALES OF ALCOHOLIC BEVERAGES FOR CARRYOUT (Smaltz)

Allows the following to sell alcoholic beverages for carryout on Sunday from noon until 8 p.m.: (1) A package liquor store, grocery store, convenience store or drug store; and (2) A restaurant that satisfies the requirements to sell carryout. (The introduced version of this bill was prepared by the Alcohol Code Revision Commission.) **Position: SUPPORT Reason:** The Chamber supports more logical and equitable alcohol policies that level the playing field for producers, distributors and retailers, as well as facilitate consumer convenience, including, but not limited to: sales of alcoholic products by licensed retailers should be available seven days a week; eliminating the temperature restriction for retail cold beer sales; and discouraging underage and inappropriate consumption of alcohol by expanding education, substance abuse and wellness programs, and enforcement of underage restrictions.

**Contact: Greg Ellis (317) 264-6881**

#### HB 1061 ASBESTOS LITIGATION (Lehman)

Specifies causes of action that may constitute a product liability action. Repeals provisions pertaining to product liability actions that are based upon: (1) property damage resulting from asbestos; and (2) personal injury, disability, disease or death resulting from exposure to asbestos. Requires certain disclosures regarding asbestos bankruptcy trust claims in civil asbestos actions. Provides medical criteria to set aside and preserve the claims of asbestos and silica claimants without physical impairment, and gives priority to asbestos and silica claimants with malignant conditions and impairing nonmalignant conditions. Urges the Legislative Council to



assign to the appropriate interim study committee the topic of the appropriate statute of repose duration for certain product liability actions. **Position: SUPPORT Reason:** A study committee will look at a much needed fix regarding the statute of repose for product liability for asbestos, which was determined unconstitutional by the Indiana Supreme Court. Without this fix, it opens up countless Hoosier businesses for unnecessary litigation, making Indiana's legal environment less friendly than surrounding/competing states for jobs and investment. The bill also brings transparency to the legal process. This does not stop anyone from bringing suit against a company they believe caused exposure to asbestos. What the bill does do is allow a jury to have all the information to make a decision. The individual must disclose what trusts they have made a claim to and what trusts they believe they are entitled to. Additionally, the bill also gives priority to those who currently have diseases related to asbestos.

**Contact: Mike Ripley (317) 264-6883**

#### HB 1065 HIGH SPEED INTERNET (Ober)

Transfers the supervision and administration of the high speed internet service deployment and adoption initiative from the Indiana Economic Development Corporation (IEDC) to the Indiana Utility Regulatory Commission (IURC). Changes the minimum speed thresholds for broadband services to at least 25 megabits per second downstream and at least four megabits upstream. (Current law sets the minimum speed threshold at 384 kilobits per second in at least one direction.) Changes the minimum and maximum speed thresholds for those geographic areas which are a priority to the IURC in developing and implementing high speed internet service. Directs the IURC to study certain topics regarding broadband services in Indiana and issue a report to the Interim Study Committee on Energy, Utilities and Telecommunications before September 1, 2018. **Position: SUPPORT Reason:** We support the upgrade in minimum thresholds of broadband services that's contained in this bill.

**Contact: Mark Lawrance (317) 264-7547**

#### HB 1080 CENTRAL INDIANA PUBLIC TRANSPORTATION PROJECTS (Moed)

Repeals the prohibition that prevents certain counties in central Indiana from: (1) purchasing; (2) leasing; (3) acquiring; (4) constructing; or (5) operating a light rail project. **Position: SUPPORT Reason:** All options of public transportation should be allowed for consideration with mass transit projects in central Indiana.

**Contact: Mark Lawrance (317) 264-7547**

#### HB 1104 PROPERTY TAX MATTERS (Leonard)

Makes numerous changes associated with a variety of matters within the jurisdiction of the Department of Local Government Finance (DLGF). Makes technical corrections. **Position: SUPPORT IN PART Reason:** The Chamber generally supports the efforts of the DLGF to identify and

amend minor administrative matters that will allow them to function more efficiently and serve their role of overseeing and applying the laws governing assessments and local unit budget formation. This support should not be interpreted as maintaining a position on any specific items which they choose to address in this voluminous bill, but rather support for the DLGF and the Legislature in promoting discussion and refining the statutes so they may be implemented as clearly and efficiently as possible.

**Contact: Bill Waltz (317) 264-6887**

#### HB 1115 LANDOWNER IMMUNITY FOR TRAIL ACCESS (Hamilton)

Specifies that with respect to the statute that restricts a landowner's liability for an injury to a person or property caused by an act or failure to act of another person using the landowner's premises for certain recreational purposes, those purposes include another person going on or through the premises for the purpose of accessing a trail, a greenway, a park or another similar area used for recreational purposes. Makes a technical change to include in the statute that lists Indiana Code provisions that: (1) are outside the Indiana Code title concerning civil law and procedure; and (2) confer immunity; the statute that provides immunity to owners of land used by persons for hunting, fishing, or trapping. **Position: SUPPORT Reason:** The bill clarifies that a property owner is not liable for an injury when a person goes upon or through the owner's land to access a trail, a greenway, a park or another similar area used for recreational purposes. It insulates business and individual property owners from liability.

**Contact: Greg Ellis (317) 264-6881**

#### HB 1233 ENVIRONMENTAL MANAGEMENT MATTERS (Wolkins)

Corrects or resolves various issues related to the Indiana Department of Environmental Management (IDEM). **Position: SUPPORT Reason:** IDEM annually identifies issues that require correction in its "clean up" bill.

**Contact: Greg Ellis (317) 264-6881**

#### HB 1267 WATER INFRASTRUCTURE TASKFORCE (Soliday)

Establishes a Water Infrastructure Taskforce consisting of 15 members, including five ex officio members, two members of the Senate, two members of the House of Representatives and six members appointed by the Governor based on recommendations from certain organizations (*one of which will be the Indiana Chamber of Commerce*). Provides that the Legislative Services Agency shall provide staff support to the taskforce. Requires the taskforce to comply with the open meetings and public records laws. It also requires the taskforce to: (1) study drinking water systems, wastewater management systems and storm water management systems; (2) create an empirical decision making tool that will allow



policymakers to prioritize water infrastructure projects; and (3) develop a long-term plan for addressing drinking water, wastewater and storm water management needs in Indiana. Requires the taskforce to submit a report containing certain recommendations to the General Assembly and the Governor not later than December 1, 2018. ... **Position SUPPORT Reason:** This bill is consistent with one of the drivers of the Chamber's *Indiana Vision 2025* plan. The taskforce will develop a long-term plan for addressing drinking water and wastewater needs in Indiana. An integral part of a water resources plan is the ability of the state's water utilities to create and execute long-range plans.

**Contact: Greg Ellis (317) 264-6881**

#### HB 1278 ECONOMIC IMPROVEMENT DISTRICTS (Eberhart)

Provides that a petition to establish an economic improvement district (district) may be filed with the clerk (instead of the legislative body) of the county or municipality. Requires a person that intends to file a petition for the establishment of a district to first provide the clerk with written notice of the person's intent before initiating the petition process. Provides that a petition for the establishment of a district may be filed with the clerk not later than 60 days after the date on which the person filed the notice of intent. Requires the clerk to retain the paper copy of a petition for not less than 90 days from the date the petition is filed. Provides that the clerk of the county or municipality shall publish notice of a hearing on the proposed district, mail a copy of the notice to each owner of real property within the district, and include the hearing date in the notice. ...

**Position: SUPPORT IN PART/OPPOSE IN PART Reason:** While there are some issues with the current Economic Improvement District (EID) statute (such as how the percent of property owners is counted), the Indiana Chamber believes that if a group of taxpayers want to tax themselves to make improvements, they should be able to do so. We feel that even as amended, the 120-day limit to get requisite signatures on the petition may not be enough. Also, while the original bill had a 66% signature threshold that was amended to 60%, we believe that a simple majority is sufficient to create an EID.

**Contact: Mark Lawrance (317) 264-7547**

#### HB 1288 ECONOMIC DEVELOPMENT (Torr)

Provides that, if the Indiana Economic Development Corporation (IEDC) determines that a business, school corporation, or charter school (entity) that has received a grant award under the training 2000 program is noncompliant with the terms of its grant agreement, the IEDC shall, after giving notice to the entity and an opportunity to explain the noncompliance, provide the entity with a written demand for return or repayment of an amount not to exceed the sum of all grants previously awarded to the entity. Requires an entity to return or repay the amount demanded by the IEDC within 30 days. Provides for the expiration of provisions in the enterprise zone statute relating to the functions of the IEDC, and

authorizes similar functions to be performed by: (1) the Urban Enterprise Association in the enterprise zone; and (2) the fiscal body of the municipality in which the enterprise zone is located. Provides for the expiration of the provision that requires a zone business to pay a registration fee to the IEDC. Eliminates the enterprise zone fund. ... **Position: SUPPORT Reason:** Allowing IEDC to enforce compliance of a Training 2000 grant program with a grantee is supported and will ensure those funds are used for the designated purpose. Making the changes to the Urban Enterprise Zone statute and bringing its administration from the state to the local level, coordinating with the Urban Enterprise Association makes sense and allows more local control. We also support changing the definition of the "disadvantaged business enterprise" with the federal definition of a "small disadvantaged business."

**Contact: Mark Lawrance (317) 264-7547**

#### HB 1289 LOCAL REGULATION OF NATURAL RESOURCE DEVELOPMENT (Ellington)

Changes the definition of "urban area" for purposes of a land use statute in the area planning law to include any lands or lots used for residential purposes where there are at least 20 residences (currently eight residences) within any quarter mile square area. Restricts the power of a unit (a county, city, town or township) to regulate the development of natural resources on private property. Defines "development of natural resource" as the extraction of mineral resources, the sale or removal of merchantable timber or the harvest, sale or removal of other vegetation. Allows for the enforcement of local ordinances concerning the use of a road or damage to a road. **Position SUPPORT Reason:** This bill will fix past and current problems that Indiana businesses have experienced with local government trying to prevent actions allowed under state permits or Indiana law. It should reduce litigation costs as well.

**Contact: Greg Ellis (317) 264-6881**

#### HB 1301 INSURANCE MATTERS (Carbaugh)

Updates names of health care provider billing forms. Requires that public-private agreements must contain performance bond and payment bond requirements. Provides for electronic filing of single copies of articles of incorporation, amendment, merger, consolidation, dissolution and reorganization of insurers with and by the secretary of state, rather than multiple paper copies. Repeals the law providing for a multistate surplus lines insurance compact, which has not gone into effect due to an insufficient number of states enacting the legislation. Amends the law concerning taxation of surplus lines producers on business sold to insureds whose home state is Indiana. Requires health maintenance organizations (HMO's) to be member insurers in the life and health insurance guaranty association. **Position: SUPPORT IN PART Reason:** Although not many left, HMO's should be included in the health insurance guaranty association for solvency issues – and most importantly the protection of the consumer.

**Contact: Mike Ripley (317) 264-6883**



## HB 1316 SALES TAX ON SOFTWARE (T. Brown)



Provides that for purposes of the sales tax, a person is a retail merchant making a retail transaction when the person grants the end user the right to: (1) use prewritten computer software delivered electronically; or (2) remotely access prewritten computer software over the Internet, over private or public networks, or through wireless media.

Provides, however, that a transaction in which a person grants the end user the right to remotely access prewritten computer software over the internet, over private or public networks, or through wireless media is not a retail transaction if the end user is a business that uses the prewritten computer software to carry out core functions of the end user's business. Specifies that in the case of taxable transactions in which a person grants the end user the right to remotely access prewritten computer software over the internet, over private or public networks, or through wireless media, the transaction is subject to a sales and use tax rate of 3%. Provides for a one-time sales and use tax rate reduction to 6.75% if the amount of revenue on retail transactions that involve remotely accessed prewritten computer software and taxed at a gross retail tax rate and use tax rate of 3% exceeds \$250 million in a state fiscal year. **Position:**

**SUPPORT IN PART Reason:** The Chamber supports the clarification of the status of exempt status of services that are provided via software, software as a service (SaaS), and believes it is the intent of this bill to further that objective by statutory definition. Additionally, the Chamber supports the provisions to identify software transactions as business inputs, which good policy dictates not be taxed. However, the Chamber is concerned that other provisions may raise new questions and as a consequence, run counter to the objective of clarifying and simplifying the state of the law in this area. The Chamber will work with the author to alleviate these concerns.

**Contact: Bill Waltz (317) 264-6887**

## HB 1323 MOTORIZED EQUIPMENT VEHICLE RENTAL EXCISE TAX (Huston)

Excludes certain motorized equipment vehicles from the assessment of the personal property tax. Imposes an excise tax on the rental of motorized equipment vehicles (excise tax). Provides procedures for the sourcing, collection and distribution of the excise tax. Provides that the excise tax is apportioned and distributed to local governmental units in the same manner that property taxes are apportioned and distributed. **Position:**

**SUPPORT Reason:** The Chamber supports the reduction of the personal property tax on business equipment and given the mobile nature of this type of rented equipment, it is more logical to apply an excise tax which can serve as a revenue replacement.

**Contact: Bill Waltz (317) 264-6887**

## HB 1341 AUTONOMOUS VEHICLES (Soliday)

Provides that a local government may not enact a measure, ordinance or other restriction that prohibits the authorized use of: (1) an automated driving system; (2) an automated vehicle;

or (3) an on demand automated vehicle network. Provides that a person in possession of a valid driver's license may operate an automated vehicle on a public highway. Requires automated vehicles to comply with all applicable federal and state laws pertaining to the type of motor vehicle being operated. Prohibits the use of an automated driving system or an automated vehicle that does not comply with federal and state laws concerning the functions operated by the automated driving system or the type of motor vehicle being operated. Provides that it is a Class C misdemeanor to operate an automated driving system or automated vehicle that does not comply with applicable federal and state laws. Requires all automated vehicles to be registered with the Bureau of Motor Vehicles. Requires any person who operates an automated vehicle to maintain proof of financial responsibility with the bureau. Requires a person who operates, platoons or tests an automated vehicle to have at least \$5 million worth of financial responsibility per entity. ... **Position: SUPPORT Reason:** This bill paves the way to ensure safe testing of autonomous vehicles (AVs) in Indiana. It is a good start to amending traffic laws to allow the operation of AVs and also truck platooning (allowing properly equipped trucks) to "tailgate" each other for greater efficiency.

**Contact: Mark Lawrance (317) 264-7547**

## HB 1374 FINANCING AND TRANSPORTATION (Soliday)

Consolidates and rewrites various statutes related to the Indiana Finance Authority (IFA), including statutes: (1) establishing the IFA; (2) specifying the powers, duties, and purposes of the IFA and the members of the IFA; and (3) governing the following programs and funds administered by the IFA: (A) state facility financing, health facility financing, educational facility financing, recreational development financing and economic development project financing; (B) the wastewater revolving loan program, the drinking water revolving loan program, the supplemental drinking water and wastewater assistance program, and the environmental remediation revolving loan program; (C) the flood control revolving fund; (D) the infrastructure assistance program; (E) the local infrastructure program; and (F) the allocation of volume cap under federal law for private activity bonds. ... **Position: SUPPORT Reason:** This is an agency bill that better aligns the functions of the IFA with the financing of infrastructure projects in Indiana (water, wastewater, flood control, economic development and transportation infrastructure projects, state education facilities, etc.). It changes the governance structure of IFA and repeals some programs they currently finance and manage. We support most of the changes this bill would make to continue to enhance the finance and investment in various infrastructure around Indiana.

**Contact: Greg Ellis (317) 264-6881**

## HB 1426 EDUCATION MATTERS (Behning)

Urges the Legislative Council during the 2018 through 2020 interims to assign to the Education Interim Study Committee the

task of studying issues relating to a school corporation's ability to provide adequate career counseling to students. Requires the State Board of Education to establish one Indiana diploma for individuals who successfully complete high school graduation requirements. Provides that each Indiana diploma must include one of the following designations: (1) General designation. (2) Core 40 designation. (3) Core 40 with academic honors designation. (4) Core 40 with technical honors designation. Requires the State Board to create an alternate diploma for students with significant cognitive disabilities. Requires, in adopting Core 40 curriculum models, the state board to consider math course requirements other than Algebra II. Provides that, for each school year beginning after June 30, 2019, a high school shall administer as part of the statewide assessment a nationally recognized college entrance exam. Eliminates the requirement of end-of-course assessments to be administered as part of the statewide assessment program ... **Position: SUPPORT Reason:** The Chamber supports a single diploma model, as long as it is rigorous and starts at the Core 40 level with an opt-out to the general diploma. We also support conforming changes to reflect the work of the Graduation Pathways Taskforce recommendation passed by the State Board of Education last fall. **Contact: Caryl Auslander (317) 264-6880**

## SENATE BILLS

### SB 1 SUNDAY CARRYOUT SALES (Alting)

This bill allows package liquor stores, grocery stores, convenience stores, drug stores and qualifying restaurants to sell alcoholic beverages for carryout on Sunday from the hours of noon until 8 p.m. (The introduced version of this bill was prepared by the Alcohol Code Revision Commission during 2017.) **Position: SUPPORT Reason:** See. HB 1051.

**Contact: Greg Ellis (317) 264-6881**

### SB 10 TOWN EMPLOYEES HOLDING ELECTED OFFICE (Bohacek)

Provides that the requirements for certain government employees to hold office do not apply to a town having a population of less than 2,500. **Position: OPPOSE Reason:** The Chamber opposes the intent of this bill to roll back the conflict of interest provisions for locally elected officials if they serve in a town of less than 2,500 in population.

**Contact: Mark Lawrance (317) 264-7547**

### SB 50 WORKFORCE DEVELOPMENT; CAREER AND TECHNICAL EDUCATION (Eckerty)



Establishes the College and Career Funding Review Committee to study certain issues and to submit a report to the Governor and the Legislative Council. Provides that the Governor shall appoint a secretary of workforce training. Provides that if an

employer has entered into an agreement with the Indiana Economic Development Corporation (IEDC) for EDGE credits, the IEDC may enter into an additional agreement with the employer to also provide tax credits to individuals who relocate to Indiana to become employed by the employer in a new high demand, unfilled job, if the corporation determines that the jobs are not likely to be filled by current Indiana residents. Establishes a state income tax credit for expenditures and donations made on behalf of an employee or student to meet the requirements for portable workforce credentials that are required or beneficial for targeted employment identified by the Department of Workforce Development (DWD). Requires the newly established Board for Technical Education to identify workforce training programs that are underperforming and request that the budget agency reduce allotments for the programs for the state fiscal year and limits the amount of tax credits in that state fiscal year to the amount the allotments are reduced. Requires the State Board of Education, when establishing an apprenticeship as a graduation pathway requirement, to establish as an apprenticeship program only an apprenticeship program registered under the federal National Apprenticeship Act or another federal apprenticeship program administered by the U.S. Department of Labor. ... **Position: SUPPORT IN PART/OPPOSE IN PART Reason:** The Chamber supports ideas in this bill such as the relocation and employer training tax credits as well as an increased focus on career counseling. However, we oppose efforts to add additional levels and layers of government bureaucracy in the establishment of a Board for Technical Education, and for increasing high school to a fifth year.

**Contact: Caryl Auslander (317) 264-6880**

### SB 172 COMPUTER SCIENCE CURRICULUM (Raatz)



Establishes the Next Level Computer Science Grant Program and the Next Level Computer Science Fund to award grants, after June 30, 2019, to eligible entities to implement teacher professional development programs for training in teaching computer science. Requires the Department of Education to: (1) administer the program and fund; and (2) develop guidelines to award grants from the fund to eligible entities. Requires (beginning July 1, 2021) each public school, including a charter school, to offer a computer science course as a one semester elective course in its curriculum at least once each school year to high school students. Requires (beginning July 1, 2021) each public school, including a charter school, to include computer science in the public school's curriculum for students in kindergarten through grade 12. **Position: SUPPORT Reason:** The Chamber is hearing from an increasing number of employers that they need more employees with experience in STEM or computer science. These courses provide not only incredible knowledge in high-demand, high-wage fields, but also provide critical thinking and soft skills that are so important to employers. With the growing number of tech companies moving to Indiana, as well

as the notion that almost every company these days is a tech company of some sort, it is more important than ever that Hoosier students have the availability of computer science courses in all K-12 schools across Indiana.

**Contact: Caryl Auslander (317) 264-6880**

#### SB 177 THE INDIANA HIGH SCHOOL DIPLOMA (Kruse)

Requires the State Board of Education to establish one Indiana diploma for individuals who successfully complete high school graduation requirements. Provides that each Indiana diploma must include one of the following designations: (1) General designation. (2) Core 40 designation. (3) Core 40 with academic honors designation. (4) Core 40 with technical honors designation. Requires, in adopting Core 40 curriculum models, the State Board of Education to consider math course requirements other than Algebra II. **Position: SUPPORT Reason:** The Chamber supports a single diploma model, as long as it is rigorous and starts at the Core 40 level with an opt-out to the general diploma. We also support exploring alternatives to Algebra II, as long as we require students to take four years of math in high school.

**Contact: Caryl Auslander (317) 264-6880**

#### SB 225 CONTINUING EDUCATION REQUIREMENTS (Head)

Establishes continuing education requirements for licensed health care practitioners who apply for a controlled substances registration. Provides that the continuing education requirements expire July 1, 2025. **Position: SUPPORT Reason:** The Chamber supports measures that reduce the supply of opioids. This bill educates providers that have a CSR (controlled substance registration) and as a result, could reduce the number of opioid prescriptions and potentially decrease the overall supply of controlled substances.

**Contact: Mike Ripley (317) 264-6883**

#### SB 232 ACCESS TO FOOD PROGRAM (Ruckelshaus)

Establishes the access to food program under the administration of the Indiana Housing and Community Development Authority (IHCDA). Provides that the purpose of the program is to focus on: (1) distribution of fresh and nutritious food; and (2) education in food preparation and nutrition in food deserts. Defines "food desert." Requires the IHCDA to convene an annual meeting to share best practices and information concerning effective programs. **Position: SUPPORT Reason:** Because of Indiana's poor health rankings, the Chamber supports initiatives that can improve the health of Hoosiers. Access to healthy foods is a positive measure.

**Contact: Mike Ripley (317) 264-6883**

#### SB 242 TAX ISSUES (Holdman)

Makes numerous changes to a broad array of state tax

provisions administered by the state Department of Revenue (DOR). **Position: SUPPORT Reason:** This bill represents provisions identified by DOR that are often referred to as clean-up items. The Chamber is supportive of DOR's efforts to amend statutes where needed to make its interaction with the taxpayers more efficient and effective.

**Contact: Bill Waltz (317) 264-6887**

#### SB 257 SALES TAX ON SOFTWARE (Holdman)



Provides that for purposes of the sales tax, a person is a retail merchant making a retail transaction when the person grants a user the right to use prewritten computer software delivered electronically. Specifies, however, that a transaction in which a user is granted the right to remotely access prewritten computer software: (1) is not considered to be a transaction in which prewritten computer software is delivered electronically; and (2) does not constitute a retail transaction (and is therefore not subject to sales tax); unless the prewritten computer software is also available in a substantially similar form to be purchased, rented or leased in a physical medium or delivered electronically. Provides that if the transaction is for prewritten computer software that is both: (1) remotely accessed; and (2) electronically delivered or delivered by means of a tangible medium; the transaction is not considered a retail transaction if the transaction includes a service, the service is the true object of the transaction, the prewritten computer software is essential to the use or provision of the service, and the prewritten computer software is provided exclusively in connection with the service. **Position: SUPPORT Reason:** This bill simply clarifies the exempt (nontaxable) status of services that are performed via the application of software. The bill does not create a new exemption. Indiana, for the most part, does not apply sales tax to services. Sales tax is applied when a customer buys a tangible (physical) product, not when the benefit someone receives is an intangible value of the specialized service they receive from a service provider who makes use of sophisticated software. The nature of these service arrangements has gotten confusing and some lines have not been stated so clearly in the law. Unfortunately, well-intentioned attempts to set out more definition only complicated matters. Questions will remain, but this bill sets out and codifies the basic delineations. More importantly, it will convey a message that Indiana is not a state that taxes services provided through software.

**Contact: Bill Waltz (317) 264-6887**

#### SB 261 RECORDING OF ANNEXATION REMONSTRANCE WAIVERS (Bray)

voids an annexation remonstrance waiver executed on or before July 1, 2003. voids a waiver executed after June 30, 2003, and before July 1, 2018, unless the waiver was recorded in the county where the property is located before January 1, 2019. voids a waiver executed after June 30, 2018, unless the waiver was recorded in the county where the property is located within 30 business days after the date the waiver was

executed. Provides that a waiver executed after June 30, 2003, that was properly recorded expires 15 years after the date the waiver was executed. Provides that waivers voided under the bill do not invalidate annexations that were effective before July 1, 2018. **Position: SUPPORT Reason:** The Chamber views the right to remonstrate against a proposed annexation as a fundamental right of property owners and taxpayers. It should not be an absolute requisite, and automatic operation of law, that by connecting to sewage facilities the owner must forfeit these rights. In most cases, the owner not only pays for the sewer service, they pay a premium for that service. The sewer connection and any potential annexation are fairly considered as totally separate matters.

**Contact: Bill Waltz (317) 264-6887**

#### SB 269 ROAD AND UTILITY REPAIR (Koch)

This bill requires the Indiana Department of Transportation (INDOT) to consult with the appropriate: (A) county commissioner; (B) county executive; (C) mayor; or (D) town executive; whenever a proposed INDOT action adversely affects certain local interests including commerce. After consultation, it requires the commissioner of INDOT to either: (A) approve a proposed INDOT action subject to the concerns of the appropriate local representative; or (B) remand a proposed INDOT action to appropriate department personnel for the purpose of devising a revised action that is less destructive to certain local interests. It also provides that the hearing officer appointed to conduct a hearing concerning a petition to establish a regional water, sewage or solid waste district is required to provide notice of the hearing to the executive of a city or town that has a municipal sewage works or public sanitation department having extraterritorial jurisdiction within the boundaries of the area to be included in the proposed district. ... **Position: SUPPORT Reason:** The Chamber supports this bill as it requires INDOT to consult with local officials when a road or bridge project may have an adverse impact on commerce and explore whether there are alternative plans. Other provisions should prevent unnecessary duplication of facilities, which will increase utility costs.

**Contact: Greg Ellis (317) 264-6881**

#### SB 297 EMPLOYABILITY SKILLS CURRICULUM (Raatz)

Provides that the Department of Workforce Development (DWD) will establish standards that provide students with career and college planning resources under the Indiana career explorer program and standards. Provides that, not later than July 1, 2019, each school within a school corporation shall include interdisciplinary employability skills standards established by the Department of Education (DOE), in conjunction with DWD and approved by the State Board of Education, in the school's curriculum. Provides that, if the department determines that the pilot program for instruction in and use of the Indiana career explorer program and standards should be extended by at least 15 additional schools, if

possible based on the interest from schools. Provides that the State Board of Education, in consultation with DOE and DWD, may approve an alternative internet-based system and standards. Establishes the work ethic certificate program and fund, administered by DWD. **Position: SUPPORT Reason:** The Chamber is supportive of the creation of employability skills standards, as we hear from employers every day about the need for student graduates with stronger soft skills. In addition, the Chamber is very supportive of the Governor's successful Work Ethic Certificate program and we welcome it to be codified into law, with the hopes that funding can be secured during the 2019 session.

**Contact: Caryl Auslander (317) 264-6880**

#### SB 353 REGIONAL TAX CREDITS (Kruse)

Urges the Legislative Council to assign to an interim study committee the task of studying issues related to the establishment of a regional development tax credit. **Position: SUPPORT Reason:** While the Chamber would have liked to see the original bill passed, having a thorough study of this tax credit helps pave the way for this place-making tax credit to be considered in 2019.

**Contact: Mark Lawrance (317) 264-7547**

#### SB 361 WATER INFRASTRUCTURE TASKFORCE (Charbonneau)



Establishes a Water Infrastructure Taskforce consisting of two members of the Senate, two members of the House of Representatives and five Governor's appointees. Requires the taskforce to: (1) study drinking water systems and wastewater management systems; and (2) develop a long-term plan for addressing drinking water and wastewater needs in Indiana. Requires the taskforce to submit a report containing certain recommendations to the General Assembly and the Governor not later than December 1, 2018. **Position: SUPPORT Reason:** See HB 1267.

**Contact: Greg Ellis (317) 264-6881**

#### SB 362 REGULATION OF WATER AND WASTEWATER SYSTEMS (Charbonneau)

Provides that a water or wastewater utility that begins providing service to the public after June 30, 2018, is subject to the jurisdiction of the Indiana Utility Regulatory Commission (IURC) with respect to rates and charges and other matters for the period of 10 years beginning on the day on which the water or wastewater utility begins providing service to the public. Amends the laws concerning the wastewater revolving loan program and the drinking water revolving loan program to require a demonstration that each participant to which a loan would be made has the financial, managerial, technical and legal capability of operating and maintaining its system and has developed or is in the process of developing an asset management program. Establishes new requirements for water treatment plants and wastewater treatment plants applying to the Indiana Department of



Environmental Management for the issuance or amendment of a permit, including a cost-benefit analysis, a capital asset management plan and a cybersecurity program. **Position:** **SUPPORT Reason:** This bill is consistent with one of the drivers of the Chamber's *Indiana Vision 2025* plan, which has identified water resources as an important consideration in economic development. This bill requires a cost-benefit analysis and asset-management plan before a new water or wastewater utility can provide service. It also keeps new utilities under the review of the IURC for 10 years when they could have otherwise opted out of IURC jurisdiction. This should reduce the number of small utilities that become distressed or troubled under Indiana law thus keeping customers' costs lower. It builds on Senate Bills 416 and 511 from 2017.

**Contact: Greg Ellis (317) 264-6881**

#### SB 369 WORKERS' COMPENSATION DRUG FORMULARY (Head)

Except during a medical emergency, prohibits workers' compensation and occupational disease compensation reimbursement for drugs specified in the ODG Workers' Compensation Drug Formulary Appendix A published by MCG Health as "N" drugs. Permits a prescribing physician to request to prescribe an "N" drug. Provides that, if the employer approves the request, the prescribing physician may prescribe the "N" drug. Provides that, if the employer does not approve the request, the employer shall: (1) shall send the request to a third party that is certified by the Utilization Review Accreditation Commission to make a determination concerning the request; and (2) notify the prescribing physician and the employee of the third party's determination not more than five business days after receiving the request. Provides that, if the third party's determination is to deny the request, the employer shall notify the prescribing physician and the employee, and the employee may apply to the Worker's Compensation Board for a final determination concerning the third party's determination. Provides that, if the employer fails to notify the physician and the employee of the third party's determination, the prescribing physician's request is considered approved, and reimbursement of the "N" drug is authorized.

**Position:** **SUPPORT Reason:** Texas adopted a drug formulary in 2011 and has seen significant savings in prescription medications, as well as decreased prescriptions of opioids and other narcotics. Currently, Arizona, Ohio, Oklahoma, Tennessee and Washington (to name a few) have joined Texas in implementing drug formularies for worker's compensation. Keeping worker's compensation costs down and helping to stop the supply of opioids is reason to support this bill.

**Contact: Mike Ripley (317) 264-6883**

#### SB 387 TEACHER CONTENT AREA EXAMINATION WAIVER (Zay)

Provides that the Department of Education may grant an initial practitioner license to an individual who: (1) took the content area examination twice and did not pass; (2) received a score

that is not more than one standard error of measure lower than the passing score for the examination; (3) has been hired by a school corporation; and (4) meets certain other requirements. Provides that a school corporation may, for open teaching positions in the school corporation each school year, hire not more than 10% of individuals who meet the requirements to be eligible for an initial practitioner license without passing the content area examination. Requires an individual who receives an initial practitioner license without passing the content area examination to participate in and successfully complete the Indiana mentor and assessment program.

Establishes eligibility requirements for a career specialist permit. Provides that an applicant may not obtain a proficient practitioner license unless the applicant has passed the approved content area examination in the subject matter area in which the applicant intends to teach. ... **Position:**

**SUPPORT Reason:** The Chamber supports supplemental pay for teachers in high-need areas, specifically outside of the collective bargaining agreement in the hopes of attracting the best talent into our classrooms. We support having the ability to have career specialist permits to allow for highly-trained career professionals to teach in the classrooms.

**Contact: Caryl Auslander (317) 264-6880**

#### SB 411 DISTRESSED UTILITIES (Koch)

Amends a provision in current law concerning the acquisition of distressed water or wastewater utilities to require that, upon filing a petition with the Indiana Utility Regulatory Commission (IURC) to include the cost differentials of the transaction as part of the acquiring utility company's rate base, the acquiring utility company must provide notice to its customers that the petition has been filed (current law requires the acquiring utility company to provide notice to its customers if the proposed acquisition will increase the utility's rates by more than 1% of the utility company's base annual revenue). Also amends a provision in the law concerning the sale or disposition of a municipally-owned utility to provide that in determining whether the sale or disposition according to the parties' proposed terms and conditions is in the public interest, the IURC shall accept as reasonable the valuation of the property as determined through an appraisal and review made under the procedures set forth in the statute. **Position** **SUPPORT Reason:** This bill will clarify some issues with current law that have recently been litigated. It should reduce litigation costs of water/wastewater utilities going forward that would have been rolled into utility rates as an increase.

**Contact: Greg Ellis (317) 264-6881**

#### SB 417 DISTANCE BETWEEN WATER WELL AND SEPTIC SYSTEM (Doriot)

Requires the Natural Resources Commission and the State Board of Health to adopt joint rules establishing a minimum distance that must exist between a residential septic system and the location in which a water well is drilled. Provides that the holder of a water well driller's license may be reprimanded

by the director of the Department of Natural Resources (DNR) for a first violation of these rules, that the holder of a water well driller's license who commits a second or subsequent violation of these rules commits a Class B infraction and that the director may revoke the water well driller's license of a licensee who commits a third violation of these rules.

**Position: SUPPORT Reason:** The bill requires the DNR and the state Department of Health to adopt rules with the purpose of ensuring well water is not contaminated by residential septic systems. This bill is consistent with one of the drivers of the Chamber's *Indiana Vision 2025* plan. The Chamber supports a comprehensive Indiana water policy to better manage this valuable resource and promote our water resources as a strong economic attractor.

**Contact: Greg Ellis (317) 264-6881**

# Legislative Agenda



## Quick Reference: Position by Bill Number and Title

\*\*\* = Chamber Priority Bill   OIP=Oppose in Part   • NIP=Neutral in Part   • SIP=Support in Part

### HOUSE

- \*\*\* HB 1002 REORGANIZATION OF WORKFORCE FUNDING AND PROGRAMS – **SIP**
- HB 1003 AGENCY REPORTING REQUIREMENTS – **SUPPORT**
- HB 1023 ANNEXATION REMONSTRANCE WAIVERS – **SUPPORT**
- HB 1036 UNEMPLOYMENT INSURANCE – **SUPPORT**
- HB 1050 SMALL CELL WIRELESS STRUCTURES – **SUPPORT**
- HB 1051 SUNDAY SALES OF ALCOHOLIC BEVERAGES FOR CARRYOUT – **SUPPORT**
- \*\*\* HB 1061 ASBESTOS LITIGATION – **SUPPORT**
- HB 1065 HIGH SPEED INTERNET SERVICE – **SUPPORT**
- HB 1104 PROPERTY TAX MATTERS – **SIP**
- HB 1115 LANDOWNER IMMUNITY FOR TRAIL ACCESS – **SUPPORT**
- HB 1233 ENVIRONMENTAL MANAGEMENT MATTERS – **SUPPORT**
- \*\*\* HB 1267 WATER INFRASTRUCTURE TASK FORCE – **SUPPORT**
- HB 1278 ECONOMIC IMPROVEMENT DISTRICTS – **SIP/OIP**
- HB 1288 ECONOMIC DEVELOPMENT – **SUPPORT**
- HB 1289 LOCAL REGULATION OF NATURAL RESOURCE DEVELOPMENT – **SUPPORT**
- HB 1301 INSURANCE MATTERS – **SIP**
- \*\*\* HB 1316 SALES TAX ON SOFTWARE – **SIP**
- HB 1323 MOTORIZED EQUIPMENT VEHICLE RENTAL EXCISE TAX – **SUPPORT**
- HB 1341 AUTONOMOUS VEHICLES – **SUPPORT**
- HB 1374 FINANCING AND TRANSPORTATION – **SUPPORT**
- HB 1426 EDUCATION MATTERS – **SUPPORT**

### SENATE

- SB 1 SUNDAY CARRYOUT SALES – **SUPPORT**
- SB 10 TOWN EMPLOYEES HOLDING ELECTED OFFICE – **OPPOSE**
- SB 50 WORKFORCE DEVELOPMENT; CAREER AND TECHNICAL EDUCATION – **SIP/OIP**
- \*\*\* SB 172 COMPUTER SCIENCE CURRICULUM – **SUPPORT**
- SB 177 THE INDIANA HIGH SCHOOL DIPLOMA – **SUPPORT**
- SB 225 CONTINUING EDUCATION REQUIREMENTS – **SUPPORT**
- SB 232 ACCESS TO FOOD PROGRAM – **SUPPORT**
- SB 242 TAX ISSUES – **SUPPORT**

\*\*\* SB 257 SALES TAX ON SOFTWARE – **SUPPORT**

SB 261 RECORDING OF ANNEXATION REMONSTRANANCE WAIVERS – **SUPPORT**

SB 269 ROAD AND UTILITY REPAIR – **SUPPORT**

SB 297 EMPLOYABILITY SKILLS CURRICULUM – **SUPPORT**

SB 353 REGIONAL TAX CREDITS – **SUPPORT**

\*\*\* SB 361 WATER INFRASTRUCTURE TASK FORCE – **SUPPORT**

SB 362 REGULATION OF WATER AND WASTEWATER SYSTEMS – **SUPPORT**

SB 369 WORKERS' COMPENSATION DRUG FORMULARY – **SUPPORT**

SB 387 TEACHER CONTENT AREA EXAMINATION WAIVER – **SUPPORT**

SB 411 DISTRESSED UTILITIES – **SUPPORT**

SB 417 DISTANCE BETWEEN WATER WELL AND SEPTIC SYSTEM – **SUPPORT**