

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.

2018 Legislative Vote Analysis

Want to know if your legislator voted for pro-economy, pro-jobs legislation? The answers will be revealed in the *2018 Legislative Vote Analysis*, which will be published in May.

2018 Return on Investment

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

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NOT ONE FOR THE RECORD BOOKS

By Kevin Brinegar, president and CEO



The Indiana General Assembly has a strong track record, over many years, of productive legislative sessions that have helped propel our state’s business climate to top 10 status in the country. The 2018 edition does not earn a spot on that list.

Yes, it is more difficult to enact game-changing legislation in a short, non-budget session with elections looming. Yes, there seemed to be a lack of clarity on “what’s next” after a long-term road funding plan was put into place in 2017. But common-sense efforts to address some long-term needs inexplicably fell by the wayside.

One must question why no action was taken on the following when options were available:

- Helping reduce our very costly high smoking rate
- Improving a local government system that may have worked in the 1850s but doesn’t today
- Preparing for an eventual economic downturn by adopting a work share program.

Workforce development was a near universal number one priority. The focus on developing an employer-driven system is in the right place. The legislative grade, however, is incomplete, with much more needed in 2019.

There are a few victories to mention. One, sending a very strong economic development message and enhancing a growing software-as-a-service industry by exempting such transactions from sales taxes. Second, near unanimous support for incorporating computer science courses into all schools. And, continuing to make progress on developing a water resources plan is critical, although the time for actually forming and implementing that plan is drawing closer.

A final exclamation point on the 2018 General Assembly will come during the May special session. While unfortunate it came to this, Governor Holcomb made the right call to bring legislators back to finish their work.

The Legislature failed to pass the measure (House Bill 1316) with the state’s response to the major federal tax reform changes that occurred in December. That’s a big problem to not have reconciled because state taxes are based on the federal definition of adjusted gross income. Without it, Hoosier businesses would incur additional compliance costs. Their required quarterly tax estimates would turn into guesses and ultimately become planning and cash flow challenges.

With that issue addressed in the special session, lawmakers can end on a better note than the disarray of mid-March. But the reluctance to act that plagued the 2018 Legislature can’t carry over to next year.

Indiana can’t afford another session with so many missed opportunities and where lawmakers began to resemble the dysfunction in Congress. We need a return to pushing forth bold policies that move our state forward and help set it apart.

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TOWNSHIP REFORM TRASHED, TAX CODE UPDATE CRASHED ... YET ALAS, SaaS PASSED!

By Bill Waltz, vice president of taxation and public finance

The 2018 session looked quite promising in January. The Indiana Township Association supported a bill that included the merger of over 300 small townships, and the House Republicans endorsed it as a priority bill. The Governor made legislation to clarify the exempt status of software as a service (SaaS) part of his administration's agenda, even referencing it in his State of the State address.

These were both major initiatives of the Indiana Chamber – township reform one that we have steadfastly championed for many years. SaaS clarification was a position more recently developed by our Technology Policy Committee, in conjunction with our Tax Policy Committee, over the last year. Unfortunately, the course for these two items would not prove to be so smooth as it first appeared.

The township reform measure, HB 1005, made its way through the House Government and Regulatory Reform Committee and the House Ways and Means Committee with only modest opposition. Then the Indiana Farm Bureau decided it needed to go all out to protect the antiquated township system. The organization utilized local networks of its members, who are closely aligned with the township political structure, to raise fears and doubts about how the terms of the bill would be implemented.

Rural legislators succumbed to pressure, the support for the bill quickly unraveled and the House Republican leadership lost backing for the measure. As a result – and much to the chagrin of the author, Rep. Cindy Ziemke (R-Batesville), Rep. Kevin Mahan (R-Hartford City), chair of the Government and Regulatory Reform Committee, and many others who worked on and supported the measure – the bill was never taken up for a vote by the full House. But despite the disappointing demise, there are positive aspects to the effort. A renewed awareness of the need for reforms and a flushing out of the issues involved, both politically and administratively, will serve as a good backdrop for further discussions and future legislation.

Meanwhile the SaaS legislation was gaining momentum, but its final impact was not at all certain. Yes, SB 257, the administration's proposal carried by Sen. Travis Holdman (R-Markle), passed the Senate 49-0. However, a quite different approach, in the form of HB 1316, was spurring a separate set of discussions in the House. But discussion is good, and both bills on the subject were moving, so the prospects remained good that something would pass. The problem was that both bills had some troubling language in them – as differing viewpoints led to philosophical debates, and there were lingering fiscal concerns. These issues brought into question what would emerge and whether it would ultimately forward the primary objectives of clarity on the subject.

The Chamber focused its efforts on the House Ways and Means Committee's consideration of SB 257 and making its language as straightforward as possible. A lengthy committee hearing featuring testimony from Chamber Technology Policy Committee members John McDonald of ClearObject and Chris Day of DemandJump apparently swayed the thinking. The committee chose to forego the

undesirable language it previously passed in HB 1316 and instead refine and streamline SB 257. The end result was a clear-cut exemption for most all SaaS transactions and as such was viewed favorably by SaaS advocates. The new and improved SB 257 in turn gained approval of the full House and was concurred on by the Senate. Passage of this leading-edge legislation is yet another progression for our tax climate (only the fourth state with a statutory tax exemption) and will no doubt foster the growth of the SaaS industry in Indiana.

There are numerous people to thank for the success of SB 257, as it was a collective effort by many dedicated to the cause: The Chamber and our SaaS community allies, including TechPoint, together with the vision and support of numerous open-minded policymakers, combined to make it happen. We should start by applauding the Governor, the Office of Management, and Budget and the Department of Revenue. Of course, the authors of the two bills, Sen. Holdman and Rep. Tim Brown (R-Crawfordsville), and their respective caucus leaders were key. Special thanks go to a couple of our Chamber Tax Committee members, Donna Niesen from Katz Sapper Miller and Mark Richards from Ice Miller; they volunteered a good deal of time consulting with us and policymakers on implications of the several iterations of the proposed bills.



The Chamber's Bill Waltz confers with Sen. Travis Holdman (R-Markle), who became Senate Tax and Fiscal Policy Committee Chairman this year.

Another important Chamber-led effort involved Indiana's conformance with the federal tax reforms. After Congress passed sweeping changes to the federal tax code at the end of 2017, it became evident that the degree to which Indiana would conform to those changes would be of great significance to taxpayers. Our adjusted gross income (AGI) is tied to the federal AGI and without any adjustments, taxpayers would experience state tax increases – substantial in some cases. Evaluation of the impacts of the federal reform package on Indiana taxes was not completed by the fiscal leaders until late in the session.

Consequently, the Chamber was forced to react to details that were not formulated until a few weeks before the end. After outlining our serious concerns with the form of the updating, the fiscal leaders agreed to make two much-needed adjustments. All was good until the conference committee report that contained the changes; it fell victim to the last day time crunch and failed to pass before the midnight deadline. This failure became a primary impetus for a May special session, where we expect lawmakers to belatedly align Indiana with the federal tax code and save Indiana businesses from significant tax increases.

EDUCATION AND WORKFORCE DEVELOPMENT POLICY: YOU WIN SOME, YOU ALMOST WIN SOME

By Caryl Auslander, vice president of education and workforce development

The needle moved in the right direction in some areas but remained stagnant in others. Part of this had to do with not opening up the budget to fund meaningful programs (which we knew was not going to happen in a short session) and part was due to frustratingly different philosophies ... more on that later.

Notable progress

Taking the input of our K-12 and technology policy committees, the Indiana Chamber endorsed one of Governor Holcomb's top legislative priorities – having computer science available in every K-12 school in the state.

Senate Bill 172, Computer Science Curriculum, authored by Sen. Jeff Raatz (R-Richmond) requires that every public school, including charter schools, embed computer science training in grades K-12 starting in the 2021-2022 school year. Additionally, at that time, every high school must offer a one-semester elective computer science course to students. Funding was also secured to provide professional development to educators across the state.

The Indiana Chamber took it a step further to request that computer science be a graduation requirement for all high school students. However, once we learned that only 197 of 398 Indiana high schools currently offer computer science as an elective course, we realized that SB 172 was an important first step in the process.

Another win was in response to the Indiana Chamber Foundation's annual employer survey, which indicated that employers are struggling to find workers with strong soft skills or employability skills. Senator Raatz introduced SB 297 to address this issue; it requires the Indiana Department of Education and the Indiana Department of Workforce Development (DWD) to work collaboratively to develop interdisciplinary employability skills in the K-12 standards.

The legislation also codifies the Governor's Work Ethic Certificate program – a high school program developed by DWD, which is directly informed and validated by local employers and provides real-world currency for students associated with it. Employers often guarantee interviews and even provide signing bonuses and higher starting wages for graduates of the program. This legislation also expands the Indiana Career Explorer pilot program to enhance critical college and career readiness to include another 15 middle schools.

A long-time Chamber priority has been to help address the teacher shortage issues by providing increased pay to teachers in high-need areas such as STEM (science, technology, engineering and math) and special education. Senate Bill 387, authored by Sen. Andy Zay (R-Huntington), allows for supplemental pay for teachers (in these high-need areas) outside of the collective bargaining agreement. It also permits differential pay as a part of the negotiated pay scale. This new law represents a huge movement to help ensure that we raise the teaching profession, address shortage needs and allow for students to have the best educators possible in these critical areas.

The Indiana Chamber spent much of the summer and fall of 2017 participating as an appointed member to the Graduation Pathways panel – figuring out alternatives to graduation beyond the

end-of-course assessments. After many hours of meetings and negotiations, we supported recommendations that went before the State Board of Education. The result of those negotiated recommendations was the introduction of HB 1426, authored by Rep. Bob Behning (R-Plainfield).

This bill moves Indiana to a single high school diploma model, which starts at the Core 40 level with an opt-out to the general diploma. It also provides language to explore alternatives to Algebra II; the Chamber supported this language while also stating our push for all high school students to have four years of math as a graduation requirement.

A mixed bag

As we move to workforce development – a top priority for both the Chamber and Governor Holcomb – we made some strides with House Bill 1002. Authored by Rep. Todd Huston (R-Fishers), this served as the House mega workforce bill for the session. It codified the Next Level Jobs employer training grant program established by the Governor in 2017 and increased the funding to \$10 million, which we supported.

We also applauded the author for the creative idea of the establishment of a CTE (career and technical education) student database portal so student information can be provided to local employers for recruitment purposes. Additionally, we support the in-depth analysis and study of all workforce programs by the Legislative Services Agency over the next 10 years. These programs represent good initial steps in helping to address the workforce needs of employers across the state.

Meanwhile, SB 50 had some issues. Authored by Sen. Doug Eckerty (R-Yorktown), this legislation repeals the State Workforce Innovation Council (SWIC) and replaces it with the Governor's Workforce Cabinet. Not only does the Chamber have an appointed seat on SWIC, it is chaired by an Indiana Chamber board member, plus we have five additional board members appointed to the council as well as over a dozen employer members. Our representation is significantly lessened by the Governor's new cabinet, despite assurances and language added at the last minute saying that the employer representative to the cabinet would be made after consulting with us directly.

While we understand the need to sometimes "shake things up" in order to make things more productive, it is disheartening to see that the representative for employers across the state was not included as an appointed member to the panel, despite persistent discussions with legislative leaders and the Governor's office. We also have concerns that dissolution of the SWIC (which is federally mandated) might mean the loss of significant federal funding (the state is seeking a waiver to avoid this). These two events led to our neutral position on the bill. We have had more discussions with the Governor's team since signage of the bill in the hopes that we can continue to have a seat at the table and offer a voice for employers from throughout the state.



DISAPPOINTMENTS OVERSHADOW A FEW VICTORIES

By Mike Ripley, vice president of health care policy and employment law

Simply put, it was one of the Chamber's biggest disappointments of the session: The General Assembly failing to implement reforms to reduce smoking in Indiana. We knew the landscape going in but felt something positive could occur. Since 2018 was a non-budget year, that meant no one realistically expected an increase in the cigarette tax. However, there was hope for the potential of raising the smoking age to 21 and a repeal of the protective class for smokers, which prohibits employers from asking potential hires about the habit.

The Alliance for a Healthier Indiana, of which the Indiana Chamber is a charter member, is committed to seeing improvements in the state's overall health and smoking rankings (currently at 35th and 36th respectively). There were two bills that carried efforts to make that happen.

House Bill 1380, authored by Rep. Charlie Brown (D-Gary), would have raised the legal age for smoking and purchasing cigarettes from 18 to 21. The Chamber and the Indiana Hospital Association, along with a host of others, championed the measure in the House Public Health Committee, where it passed unanimously. In the bill's fiscal impact, the Legislative Services Agency had not attributed a revenue loss to the increase in age.

But House Republican's estimated the revenue loss at \$14 million and sent the bill to the Ways and Means Committee, thus killing the bill for this session since it was impossible to pass the measure by committee deadline (that same day). This concern was not presented to proponents prior to this action being taken and it was apparent that the House Republican caucus simply did not want to vote on the bill this year.

This effort was Rep. Brown's swan song on this issue; he is retiring, and we thank him for his leadership.

In the Senate, Sen. Liz Brown (R-Fort Wayne) authored SB 23, the repeal of the protections for smokers. Senator Phil Boots (R-Crawfordsville), chairman of the Pensions and Labor Committee, informed the Chamber that he wanted his committee members to tell him they wanted the bill to be heard. Only six of the 12 committee members could be swayed to support the bill – Sen. Boots, by the way, was a no, and the bill did not receive a hearing. We subsequently learned Sen. Boots never had any intention of hearing the bill.

Indiana takes pride in having a strong business climate. However, the health of Hoosiers is holding the state back from achieving even more, and this is largely due to the state's high smoking rate (and other unhealthy behaviors). What's more, smokers cost Hoosier employers over \$6 billion per year in additional health care costs, absenteeism and lost productivity. The true victims, of course, are the individuals who suffer the health consequences due to their smoking addiction. For all these reasons, the Chamber and the Alliance for a Healthier Indiana will keep up the fight on this front in the 2019 session.

Asbestos Litigation Can't Get Over Big Hurdle; Positive Opioid Action Taken

Health care and labor relations intersected on several important pieces of legislation.

In response to concerns from the Chamber's manufacturing members, asbestos litigation was one of the organization's top priorities for the 2018 session. As introduced, House Bill 1061, authored by Rep. Matt Lehman (R-Berne), would have fixed the statute of repose for product liability for asbestos, which the Indiana Supreme Court found to be unconstitutional in March 2016.

It also would have brought transparency to the process of when an individual files a claim with a trust and also brings suit in an Indiana court. Specifically, an individual would have to disclose to a jury what trusts they have made a claim to and what trusts they

believe they are entitled to; this would allow a jury to have all the information to make a more informed decision.

To pass the House Judiciary Committee, the bill had to be amended to a study committee for the statute of repose section, with the rest of the bill remaining intact. Subsequently, the bill passed the House and got stalled in the Senate. The Senate Civil Law Committee is simply stacked against the business community on tort issues due to the makeup of the committee favoring trial attorneys.

Chairman Randy Head (R-Logansport) did allow testimony on the bill, but the votes weren't there to pass it out of committee. Attempts were made to change the bill for some compromise but were unsuccessful. There is a slight possibility of having the issue studied this summer. The Chamber will be providing input wherever possible.

In the plus column, successes were realized on the opioid front.

Senator Head authored SB 369, Worker's Compensation Drug Formulary, which requires (in worker's comp cases) the use of prescription drugs listed on a specified drug formulary (i.e., physicians are only allowed to prescribe the drugs on the formulary). There is a process if they elect to use drugs not on the formulary. Creating drug formularies is a fairly recent trend among states. Texas has seen a reduction in prescriptions costs for worker's comp and a reduction in the number of opioids being prescribed in those cases. The belief is that Indiana will see the same welcome trend.

The Chamber, along with the Indiana Manufacturers Association (IMA), pushed hard for this legislation even at the opposition of the Worker's Compensation Board – which ultimately stood down. The Governor signed the bill, but there is potential controversy. The bill specifies a certain drug formulary to be used and a competing formulary vendor in opposition to the bill has raised the question of constitutionality. At Sen. Head's request, the Chamber, IMA and Insurance Institute of Indiana submitted a letter of support for the language in the new law.

Senator Head also authored SB 225 (Continuing Education Requirements) that requires licensed health care practitioners who apply for a controlled substances registration or reregistration to complete two hours of continuing education on the topic of opioid prescribing and opioid abuse. The Chamber supported this needed bill to address the supply side of the opioid problem.

The other drug-related legislation that passed this year came from Rep. Steve Davisson (R-Salem). Undeterred when his recovery and treatment bill died in the House Ways and Means Committee, he resurrected the issue without a fiscal impact component in House Bill 1007, where it was labelled the Employee Substance Abuse Treatment Program. It requires the Division of Mental Health and Addiction to establish best practice guidelines to assist employers with employees who agree to participate in a drug education and addiction treatment program after failing a drug test.

Informational resources and training for employers on substance abuse will also be provided. In addition, an employer would not be liable in a civil action alleging negligent hiring of that employee. The Chamber lobbied extensively in favor of this program, which provides employers the chance to assist employees in addressing their drug problem and keeping them in the workforce. This new law dovetails nicely with the Chamber's recently announced effort to – along with its affiliate, the Wellness Council of Indiana – join forces with Governor Holcomb and his administration to combat the opioid epidemic. The Indiana Workforce Recovery initiative will focus on education and guiding employers through the steps they can take to help.



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TECHNOLOGY AND INNOVATION: MIX OF PROGRESS AND FRUSTRATION

By Mark Lawrance, vice president of engagement and innovation policy

In 2018, the Indiana Chamber championed several key economic development and technology bills to further Indiana's progress with tech, innovation and business growth. An obvious victory was Indiana's move to become the fourth state in the country to eliminate taxation of software as a service (SaaS) (see Bill Waltz's write-up of SB 257 in the tax section). There were a couple other wins; however, most legislation was either cast aside or morphed into summer study committee topics because of the lack of desire to open up the state budget.

Broadband Speed and Availability Initiatives Enacted

House Bill 1065, Broadband Grants and High-Speed Internet, authored by Rep. David Ober (R-Albion), started with the Chamber opposing a key provision concerning which agency is responsible for overall supervision of broadband deployment in Indiana. That provision of the bill was changed (jurisdiction remains with the Indiana Economic Development Corporation) and the legislation was broadened in the Senate to include a rural broadband grant program.

The bill updated the definition of qualified broadband service to more current standards and requires the Indiana Utility Regulatory Commission to study and submit a report of broadband deployment to the Legislature later this year. The Senate amended the bill to provide grants and guidelines for underserved rural areas of Indiana.

We expect this measure to more fully connect the digitally underserved areas of the state. The Chamber appreciates the leadership of retiring legislator Rep. David Ober (R-Albion) on this issue over the past several years, as well as Sen. Erin Houchin (R-Salem) for her work on the rural broadband components of this bill.

The other measure to cross the finish line was HB 1050, Small Cell Wireless Structures, authored by Rep. Ober. It corrected a drafting error in last year's SB 213 to streamline deployment of 5G technology, which allowed communities an unintended two-week window to pass local ordinances or resolutions to exercise authority on small cell structures. This was counter to the law's intent of streamlining the deployment of small cell technology.

House Bill 1050 provided authority for local governments to prohibit placement of new wireless structures in residential right-of-ways within an area designated strictly for underground utilities. The Chamber supported this bill throughout the process and appreciates the leadership of Rep. Ober and Sen. Mark Messmer (R-Jasper) for getting this language corrected.

Rough Road for Autonomous Vehicle Bill, But Truck Platooning Passes Elsewhere

During the waning days and hours of session, House Bill 1341, Autonomous Vehicles (AV), hit a rough patch and failed to pass. The Senate approved the agreed upon conference committee report for Rep. Ed Soliday's (R-Valparaiso) bill, but the House ran out of time to vote on it. The AV portion of the measure died.

A point of contention was the requirement for manufacturers to register an AV with the state in order to drive on Indiana roads. The House version required registration while the Senate version didn't as long as the vehicle met applicable state and federal laws. What we worked with legislators to achieve throughout the session was a reasonable balance between public safety and innovation. In the

very near future, AVs will become part of our daily lives and how we move people and goods. Indiana has the technological and vehicle manufacturing capabilities that can be leveraged in the development of AVs, and the state needs to not be left behind in these developments.

On a positive note, the truck platooning language was previously inserted in HB 1290 and passed.

The Chamber appreciates the work Rep. Soliday put into the AV effort. We don't foresee the issue will be taken up during the May special session, but it could be addressed by an executive order from Governor Holcomb, who prioritized this policy, or during the 2019 legislative session.

Regional Development, Certified Tech Park Tax Credits Get Study Committee Treatment

Senate Bill 353, Regional Development Tax Credit, authored by Sen. Dennis Kruse (R-Auburn), originally would have created a more useable economic incentive for community "place-making" projects. Added to the study committee version of SB 353 is the study of how to enhance the activity of successful Indiana certified technology parks. The Chamber appreciates the opportunity to have both topics further explored to better educate legislators on their possible impact to enhance regional economic growth opportunities.

Bill to Dampen Establishment of Local Economic Improvement Districts Passes

House Bill 1278, authored by Rep. Sean Eberhart (R-Shelbyville), will now make it more difficult to establish an Economic Improvement District (EID) within a community. An EID is a financing mechanism for a defined district to provide revenue for a variety of local improvements and services. The Chamber opposed this bill in committee as it raised the threshold to establish an EID from a simple majority (50% + 1) to 60% of property taxpayers AND assessed valuation in each district. It also put a 120-day time restriction to get a petition signed by the necessary taxpayers. Communities in Indiana are seeking solutions to fund needed services to enhance their attractiveness; this effort makes it much more difficult to accomplish that.

There's Always Next Year

The data center tax credit measure (HB 1340), authored by Rep. Jim Pressel (R-Rolling Prairie), would have provided a sales tax exemption for equipment purchases and electricity use for data centers in Indiana. It required a \$10 million floor of data equipment in one location to be eligible for the 10-year exemption. The bill was never heard; the hope is it will gain traction during the 2019 session.

House Bill 1080, authored by Rep. Justin Moed (D-Indianapolis), would have allowed light rail to be considered in transportation options for central Indiana. Unfortunately, it did not pass in the Senate in large part because of a poison pen amendment from Sen. Mike Delph (R-Carmel). As companies like Amazon consider where they wish to locate, mass transit can be an important consideration in their decision.



WATER, ALCOHOL AND MORE

By Greg Ellis, vice president of energy and environmental policy

The headline: A plan to address drinking water, wastewater and storm water management needs in Indiana should happen sooner rather than later. That's all possible thanks to HB 1267 which establishes a water infrastructure taskforce to develop the long-awaited, long-term strategy.

This was a legislative priority for the Chamber and aligns with our 2014 water study and the Indiana Vision 2025 economic development plan. Leading the issue at the Statehouse were Rep. Ed Soliday (R-Valparaiso) and Sen. Ed Charbonneau (R-Valparaiso) who had dueling, similar pieces of legislation. While the matter seemed simple on its face, there was considerable disagreement between the House and Senate on specific language of the bill – particularly on who will serve on the taskforce. Things game down to the eleventh hour before a compromise was reached with language from SB 361 being placed in HB 1267, which passed in the nick of time.

Indiana's outdated alcohol laws also received considerable attention in 2018. The General Assembly passed SB 1, which made it legal to buy alcohol on Sunday in Indiana. This wasn't a priority issue for the Chamber but we believe that it was important to move on from this discussion (which the General Assembly did after years of debate). Along these lines, we also supported SB 26; it would have made it possible for pharmacies, grocery stores and convenience stores to sell cold beer, but it didn't get the approval of the General Assembly despite having the support of many businesses and the public.

More Water Infrastructure Progress

Senate Bill 269, authored by Sen. Eric Koch (R-Bedford), requires the Indiana Department of Transportation to consider the impact on local commerce and residents when closing roads and bridges for construction, maintenance and/or repair. It also requires notice of regional water, sewage or solid waste districts' plans 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. This should help cut down on duplication of small water utility infrastructure.

Meanwhile, SB 362 requires a public water or wastewater utility that is organized as a legal entity after June 30, 2018, to be under the jurisdiction of the Indiana Utility Regulatory Commission (IURC) for a period of 10 years. In the past, some of these utilities were able to opt out of IURC jurisdiction. As of July 1, 2017, just 78 of the 535 water utilities and 35 of the 551 wastewater utilities were under the jurisdiction of the IURC. These new utilities will also have to demonstrate that they have the financial, managerial, technical and legal capability of operating and maintaining their systems. This should cut down on the number of failing or distressed utilities that need to be taken over by another utility.

Environmental and Energy Tally Shows Mostly Victories

House Bill 1115 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. The Chamber supported this bill because it should add protections and insulate businesses from certain lawsuits while creating more access to public recreation.

House Bill 1233 is the Indiana Department of Environmental Management's (IDEM) annual omnibus bill for technical corrections and minor modifications. This bill is noteworthy because IDEM made some changes to its environmental crimes statute (Ind. Code 13-22) after consultation with the Chamber and other organizations. The changes are consistent with existing federal law. This was done in order for IDEM to have the ability to make modifications to existing programs delegated by the U.S. Environmental Protection Agency. In addition, IDEM is attempting to get Section 404 of the Clean Water Act permitting (dredging and wetlands) delegated from the federal government.

The Chamber supported HB 1289, which would have restricted the power of a unit of local government (a county, city, town or township) to regulate the development of natural resources on private property. The legislation passed out of the House easily but failed to get a hearing in the Senate Natural Resources Committee. We supported the bill because it would have fixed problems that Indiana businesses have experienced with local government trying to prevent actions allowed under state permits or Indiana law. It also would have likely reduced litigation costs.

Other notable bills that died were ones the Chamber actively rallied against. House Bill 1403 would have increased waste disposal fees for many of our member companies. The bill was never taken up in committee. Senate Bill 168 would have banned the sale or use of coal tar pavement products. The Chamber and some member companies testified against the bill in committee, which is as far as the measure got.

On the energy watch, HB 1225 and HB 1338 both dealt with wind power and potential conflicts of interests at the local level when siting wind turbines. While the Chamber doesn't believe there is a problem in this area, we nonetheless supported transparency in dealing with local government but opposed other restrictions being imposed on wind power generation.

Ultimately, HB 1225 did not receive any action while HB 1338 had a committee hearing but no vote. That was a welcome outcome given these had the potential to limit the expansion of and increase the cost of wind energy.



Water resources was a frequent topic in 2018 for the Chamber's Greg Ellis and Sen. Ed Charbonneau (R-Valparaiso).

Labor

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Two Wins and One Continued Source of Frustration

House Bill 1035 contains minor changes to unemployment insurance (UI). Authored by Rep. Dan Leonard (R-Huntington), the measure allows the Department of Workforce Development (DWD) to review appeals on decisions in which an individual has contested income withholding or wage garnishment for overpayment of benefits. Currently, an employer may impose a collection fee for income withholding to repay UI benefit overpayments at \$12 or 3% of withholding. That will now change to a flat \$12, which is preferable. Additionally, the legislation codifies policy already being executed by DWD regarding worker's compensation being excluded as a wage for UI purposes.

Late in the session, Rep. Ed Clere (R-New Albany) alerted the Chamber to a DACA (Deferred Action for Childhood Arrivals) issue that we initially took a neutral position on. We then discovered the problem: It was possible for an individual to be legally entitled or authorized to work in Indiana after having provided documents of identification and authorization under the I-9 process for employment, yet not be entitled to obtain or re-obtain a professional license required for their specific field because of an existing statute that required an individual to either be a U.S. citizen or qualified alien (2011 law change).

There was an example of a nurse who was working but was unable to renew her professional license because of the Professional

Licensing Agency's interpretation of the statute. Although the situation was labeled as a problem for DACAs, we believe that the issue had the potential for a larger impact. Thus, the Chamber testified in favor of the fix in SB 419. We want to thank Chamber Labor Policy Committee Chair Dave Swider and committee member Chris Schrader for their vital input on this discussion.

That leaves us with this year's work share bill, HB 1109, authored by Rep. Heath VanNatter (R-Kokomo), who is the chairman of the House Labor and Pensions Committee. The Chamber lobbied him, DWD and the Governor's office on the importance of the issue. The DWD had a change-over in staff and there was originally some hope that might lead to a change in philosophy – either view work share in a favorable light or at worst remain neutral. That hope was short-lived.

In late January, Rep. VanNatter was given an opposition piece from DWD detailing what was wrong with the issue. It was all the same things we've heard and addressed before, including with a study last year. The Governor's office never really weighed in on the issue, while the IMA remained steadfast in opposition – despite members of theirs being in favor of the policy. In the end, Rep. VanNatter decided that without support from the Governor or DWD, he shouldn't hear the bill. Efforts are already underway to further educate on this important policy, which will benefit companies and their employees in the eventual economic downturn.

4 Drivers

33 Goals

1 Mission

The Indiana Chamber and its many statewide partners are working today to ensure that by the year 2025 **"Indiana will be a global leader in innovation and economic opportunity where enterprises and citizens prosper."**

INDIANAVISION
2025
A PLAN FOR HOOSIER PROSPERITY
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LEGISLATIVE SCORECARD 2018

Bill #	Title/Description	Chamber Position	1st House				2nd House				9	10	Status
			1	2	3	4	5	6	7	8			
CIVIL JUSTICE													
HB 1061	Asbestos Litigation Transparency	S											Died
ECONOMIC DEVELOPMENT													
HB 1019	Monthly Gasoline Tax Rate Determination	O											Died
HB 1278	Economic Improvement Districts	O											Signed
HB 1080	Central Indiana Transportation Projects	S											Died
HB 1284	Tax Increment Financing	SIP											Died
HB 1288	Economic Development Matters	S											Signed
SB 1	Sunday Carryout Sales of Alcohol	S											Signed
SB 26	Cold Beer Sales	S											Died
SB 69	Prohibition of Tollways Around Indianapolis	O											Died
SB 10	Town Employees Holding Elected Office	O											Died
SB 170	Eligibility for Economic Development Incentives	O											Died
SB 276	Tax Increment Financing	O											Died
SB 353	Study Committees on Regional Tax Credit and Certified Tech Parks	S											Signed
EDUCATION/WORKFORCE DEVELOPMENT													
HB 1002	Workforce Funding and Programs	S											Signed
HB 1074	Various Higher Education Matters	S											Signed
HB 1264	Competency Based Education	S											Died
HB 1426	Education Matters	S											Signed
SB 7	School Calendar Adjustment	O											Died
SB 50	Governor’s Workforce Cabinet	N											Signed
SB 172	Computer Science Course Offering/Training	S											Signed
SB 297	Employability Skills Curriculum	S											Signed
SB 387	Teacher Permits, Examinations and Salaries	S											Signed
ENERGY/ENVIRONMENT													
HB 1012	Prohibition on the Use of Neonicotinoid Pesticides	O											Died
HB 1115	Landowner Immunity for Trail Access	S											Signed
HB 1225	Wind Power Devices	O/S											Died
HB 1233	Environmental Management Matters	S											Signed
HB 1267	Water Infrastructure Taskforce	S											Signed
HB 1289	Local Regulation of Natural Resource Development	S											Died
HB 1338	Wind Farm Siting and Conflicts of Interest	O/S											Died
HB 1403	Hazardous Waste Disposal Fee Increase	O											Died
SB 168	Ban on Sale or Use of Coal Tar Pavement Products	O											Died
SB 269	Road and Utility Repair	S											Signed
SB 362	Regulation of Water and Wastewater Systems	S											Signed
SB 411	Distressed Utilities	S											Signed

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

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HEALTH CARE/INSURANCE												
HB 1007	Mental Health Access (Drug Addiction Workforce Recovery Program)	S										Signed
HB 1308	Insurance Matters	SIP										Signed
HB 1380	Cigarette Purchasing Age and Taxes	S										Died
SB 181	Coverage for Pharmacist Care	O										Died
SB 225	Continuing Education Requirements	S										Signed
SB 290	Worker’s Compensation Matters	S										Signed
SB 307	Medical Marijuana	O										Died
SB 369	Worker’s Compensation Drug Formulary	S										Signed
LABOR												
HB 1036	Unemployment Insurance	S										Signed
HB 1198	Work Sharing Unemployment Benefits	S										Died
SB 23	Repeal of Protections for Off Duty Tobacco Use	S										Died
SB 419	Professional and Occupational Licenses	S										Signed
TAXATION/PUBLIC FINANCE												
HB 1003	Streamlining Agency Reporting Requirements	S										Signed
HB 1005	Township Reforms	S										Died
HB 1023	Annexation Remonstrance Waivers	S										Signed
HB 1104	Various Tax Matters	S										Died*
HB 1323	Heavy Equipment Rental Excise Tax	S										Signed
HB 1316	Internal Revenue Code Update	S										Died*
SB 196	Elimination of Assessment Trending Adjustments	O										Died
SB 242	State and Local Tax Administration	S										Died*
SB 257	Sales Tax on Software Exemption Clarification	S										Signed
TECHNOLOGY												
HB 1050	Small Cell Structures	S										Signed
HB 1065	Broadband Grants and High-Speed Internet	S										Signed
HB 1290	Transportation Finance (HB 1341’s Truck Platooning)	S										Signed
HB 1340	Sales Tax Exemption for Data Warehouse	S										Died
HB 1341	Autonomous Vehicles	S										Died

* Being discussed for action in May special session.

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