



March 8, 2019

TOP STORIES

Take Action Now to Support Passage of a Strong Bias Crimes Law

Indiana companies are in an intense battle for talent as they struggle to find enough skilled workers. That's why it's so critical for the state to remove any real or perceived mark against it. We simply can't fill all the jobs and expand business by relying on Hoosiers alone. Indiana must be seen as a welcoming place. Not having a strong bias/hate crimes law greatly hinders that effort.

It is the Chamber's strong preference that a list of specific protected individuals – either spelled out or referred to – be as comprehensive as possible and, in particular, include sexual orientation and gender identity.

If Indiana is going to enact a real bias crimes law this year – to actually take the state off of the list of just five states without such a law – it's up to business leaders and citizens like you to demand state legislators take action. Here's what you can do to help: <https://p2a.co/yXuYao8>.

More information on this issue is available at www.indianachamber.com/biassheet.

Resources: Kevin Brinegar at (317) 264-6882 or email: kbrinegar@indianachamber.com; Adam H. Berry at (317) 264-6892 or email: aberry@indianachamber.com

Amendment Discussed to Upgrade of Business Personal Property Tax Exemption

*Senate Bill 233 – Business Personal Property Tax Exemption
Authored by Sen. Aaron Freeman (R-Indianapolis)*

This bill increases the acquisition cost threshold for the business personal property tax exemption from \$20,000 to \$40,000.

Chamber Position: Support

SPONSORED BY: Reid Health

The graphic has a blue background with a blurred image of a city street. It contains the text: 'You lose 17 days a year commuting to and from work in large metro areas. What would you do with those 17 days?' Below this is a black bar with a green circular icon containing a white 'Y' and the text 'CLICK HERE'.

<https://www.reidhealth.org/provider-careers/what-would-you-do-with-17-days>

The Latest: Heard by the House Ways and Means Committee on Wednesday; held pending consideration of a potential amendment.

Indiana Chamber Action/Commentary: This bill received complete support in the Senate, passing 48-0. It is a follow-up to legislation the Chamber successfully promoted in 2015 to establish a “de minimis” exemption for personal property tax filing. In testifying before the House Ways and Means Committee this week, the Chamber explained its support for both the original legislation and this adjustment to upgrade that legislation.

The primary objective for the original exemption was to alleviate a taxpayer from having to pay more to prepare a return than what they ultimately owe in tax. The initial \$20,000 threshold relieved about half of all business personal property owners from having to file a return. As the threshold has been re-examined, it turns out that the \$20,000 threshold isn’t sufficient to fulfill the original objective. By raising the threshold to \$40,000, the exemption will now cover an additional 28,300 returns. The new threshold expands the exemption to cover filers who, on average, pay only about \$145 in tax per return. Most taxpayers will still pay more than \$145 to their accountant, so the change will better fulfill the objective of exempting those whose ultimate tax liability is dwarfed by the cost of compliance.

Because the expanded exemption reduces tax collections by only a nominal amount (about \$4 million as a cumulative statewide total), the revenue loss to individual units of government will be negligible. In the House, the author has now proposed an amendment that would further enhance the exemption by changing how the new \$40,000 threshold would be calculated. The new proposal is to determine the value of the property based on its depreciated value rather than the acquisition cost, as it is currently calculated. The effect of this would be to encompass taxpayers whose property was acquired at a price above \$40,000, but due to its age and the application of the applicable depreciation schedules is presently valued under the \$40,000 threshold. The committee expressed concern with the potential fiscal impact and the greater reduction of tax collections that would result as a consequence of such an amendment and elected to withhold consideration of the amendment pending further analysis.

Resource: Bill Waltz at (317) 264-6887 or email: bwaltz@indianachamber.com

Interest in Water Infrastructure Continues to Flow, While 'State Superintendent' Bill Returns to the Spotlight

Senate Bill 4 – Water and Wastewater Utilities and Runoff
Authored by Sen. Ed Charbonneau (R-Valparaiso)

This bill requires the Indiana Finance Authority (IFA) to divide the state of Indiana into study areas and to hold annual meetings with the officers and employees of the water and wastewater utilities located in each study area. Authorizes the utilities within a study area to meet voluntarily to determine area water and wastewater priorities, promote cooperation among the utilities, and consider other matters. ... Requires every water utility, at least once in each calendar year, to perform an audit of its water distribution system to determine the causes of the water utility’s “non-revenue water” (leaks or lost water).

Chamber Position: Support

The Latest: The House Utilities Committee heard this bill on March 6 and no one spoke in opposition. The bill passed out of the committee 10-0 and is now eligible for further action on the House floor.

Indiana Chamber Action/Commentary: The Indiana Chamber testified in support of this bill. This bill builds on the Chamber's 2014 water study and is consistent with the Chamber's past positions on water resources. It is also consistent with the Chamber's *Indiana Vision 2025* plan, which has identified water resources as an important consideration in economic development.

This bill will establish study areas and require the IFA to conduct annual meetings in the study areas with water utilities. The goal is to set priorities and needs for investment in infrastructure as well as the prudent management of water resources. By requiring water utilities to conduct water audits for "lost water", it will help set priorities for needed infrastructure investment. The measure also fixes some confusion created in SB 362 (2018) in that it defines a wastewater treatment plant (for regulatory purposes) does not include wastewater treatment plants installed by businesses to treat their own wastewater.

House Bill 1005 (State Superintendent of Public Instruction), authored by Rep. Brian Bosma (R-Indianapolis), was heard in the Senate Education and Career Development Committee on Wednesday. This Chamber priority bill would move up the date for making the state superintendent an appointed position from 2025 to 2021. The opposition to the bill centered mainly around the word "preferable" and the desire for it to be removed to ensure this position is held by an educator. That was not Speaker Bosma's intent and would eliminate too many quality individuals. As was noted in the hearing, that rationale would have precluded former Gov. Mitch Daniels from being Purdue University president – a position for which he's been lauded nationally for his actions. The Indiana Chamber expects "preferable" will stay in the criteria listing, and we will continue to strongly advocate for this bill. No action was taken by the committee.

Resources: Greg Ellis at (317) 264-6881 or email: gellis@indianachamber.com; Jason Bearce at (317) 264-6880 or email: jbearce@indianachamber.com

EVENTS/INFORMATION

UPDATED – The second edition of the Indiana Chamber 2019 *Legislative Agenda* is now online at www.indianachamber.com/agenda. This document matches our policy positions (developed by employees from member companies and approved by our board of directors) to specific legislation as it currently stands.

Our positions on several key bills have changed to full support due to our concerns being addressed; HB 1002 (Career and Technical Education Matters) is one example. Of note: The Chamber is now officially opposed to SB 12 (Bias/Hate Crimes) because the measure, as amended on the Senate floor, does nothing to get Indiana off the list of states without a bias/hate crimes law.

The 2019 Legislative Directory will keep you connected with state legislators during the General Assembly session and beyond. It's available as a handbook and app.

<https://www.indianachamber.com/directory/>

NEXT WEEK: March 12 – Chamber Day Dinner (formerly Legislative Dinner) – Join top policymakers and business leaders from throughout the state at the premier legislative event of the year, held at the Indiana Roof Ballroom. The keynote will be delivered by Arthur C. Brooks, president of the American Enterprise Institute and best-selling author. Register to attend at <https://www.indianachamber.com/event/chamberday/>!