

STATE LEGISLATIVE UPDATE

April 16, 2021

2021 Indiana General Assembly Week 15

- Week 15 of the 2021 state legislative session is complete, with just a few legislative days left before the self-imposed last day of the current session. It is important to note that when the General Assembly does finish its business next week, the departure from the State House will be temporary. Due to delays in receiving census information, legislators will return later this year to complete the redistricting of state legislative and Congressional district maps. These schedule changes require legislative action and are contained in House Bill 1372.
- We are at the Conference Committee point of the session, which means that over the next few session days, everything is very fluid, and language can conceivably be pulled out from one bill and inserted into another in the blink of an eye. No subject matter is truly dead until the last gavel drops. We are keeping a keen eye out for anything that could impact IMPA or our municipal electric members.
- Crafting a new biennial state budget is the only thing the legislature is required to do. This budget will spend approximately \$36 billion. On Thursday this week, the most important piece of the budget puzzle – the final state revenue forecast – was received by legislators. The April forecast provided much good news for the budget preparers, with approximately \$2 billion in new revenue to figure out how to appropriate. This breaks down into \$860 million in new money for fiscal year 2022, and \$1.1 billion for fiscal year 2023. With this new positive outlook and additional dollars, legislators will now sit down and hammer out necessary upward revisions to House Bill 1001, the state budget.
- As has been discussed in previous updates, legislation pertaining to the Governor's emergency powers, House Bill 1123, was adopted by both chambers of the legislature in early April. On April 9th, Governor Holcomb wasted no time and vetoed HB 1123 based on its constitutionality. This week, as was anticipated, the General Assembly overrode that veto. HB 1123 addresses the Governor's emergency declaration powers and has been a focus of the General Assembly since session began. HB 1123 provides that the General Assembly may call itself into an emergency session if the Legislative Council adopts a resolution making certain findings concerning a state of emergency declared by the Governor. It is upon this provision that the Governor based his veto. The maximum length of an emergency session would be 40 days. The bill provides that in an emergency session, the General Assembly may enact only bills relating to the agenda stated in the Legislative Council's resolution. The bill establishes the 10-member Legislative State of Emergency Advisory Group that would serve as a conduit between the executive and legislative branches of government, by consulting with the Governor on an emergency and then communicating with the rank-and-file members of the General Assembly with data and other information. HB 1123 would also create an economic stimulus fund in which discretionary federal stimulus dollars received by the state would be deposited. The Legislature would be responsible for appropriating the funding if lawmakers are in session. If lawmakers are not in session,



IMPA
INDIANA MUNICIPAL POWER AGENCY

For more information, contact Carolyn Wright, Vice President - Government Relations, at cwright@impa.com or at (317) 575-3873.

STATE LEGISLATIVE UPDATE

April 16, 2021

state agencies could decide how to spend the funding, but the decisions would be subject to review by the State Budget Committee. Any stimulus money received before April 29, 2021, would not be affected by the change.

- **House Bill 1381**, which deals with renewable energy development siting standards, was expected to be voted on by the full Senate this week. Tuesday was the deadline for bills to be considered on 3rd Reading, the final consideration before the conference committee process began. However, the Senate sponsor of the bill, Senator Mark Messmer, did not call the bill for a final vote because there was not enough support to pass it. As you may recall, the House version of HB 1381 mandated uniform state standards for wind and solar development projects throughout Indiana. A Senate committee amendment was adopted into HB 1381 that changed the legislation's approach from mandating the process for local governments to abide by to a more locally controlled version that would incentivize local participation. The amended bill gave counties more local control, including the option of keeping already approved and more strict ordinances or they could adopt renewable energy districts, or REDs, which would designate certain areas for development and follow certain state set standards. Proponents of the amended bill said it would have allowed counties that have adopted more restrictive ordinances to keep those ordinances, but they could instead adopt this framework and work with renewable developers to make sure an area is functional and would benefit the community. To incent local participation, it would have allowed a local unit to impose a one-time construction fee for each wind or solar power device included in a wind or solar project application filed after June 30, 2021, payable by the renewable project owner. A construction fee could not exceed \$3,000/megawatt of installed wind capacity and \$1,000/megawatt of installed solar capacity, and the local unit imposing the fee would have been able to allocate a percentage of the fee for the benefit of residents and businesses, or for other use, within the project's footprint or within the RED. The legislation specifically defined a commercial solar energy system as a system with nameplate capacity of at least 10 MWs. Technically, this legislation is dead for the session, however, there could still be opportunities for parts of it to be resurrected during the final days of the session.
- As we embark on the 16th and final week of the current portion of the session, we will continue to monitor any and all remaining legislation for any impact on IMPA and our municipal electric members.
- Once the dust settles after the final gavel falls, look for the legislative wrap-up summary. For now, please see this week's Tracking List for further information on many bills of interest.



For more information, contact Carolyn Wright, Vice President - Government Relations, at cwright@impa.com or at (317) 575-3873.