



# STATE LEGISLATIVE UPDATE

## February 16, 2018

*This report and its contents are the proprietary work-product of IMPA. Please do not reproduce or distribute this report, in whole or in part, without the express permission of IMPA. © 2018*

### 2018 Indiana General Assembly Week 7

- ▲ This week was the first full week of the second half of the 2018 “short” legislative session. While somewhat quiet, several committee hearings took place. It is important to note that the committee deadline is now just about a week and a half away, followed by the conference committee process and then final adjournment of the General Assembly no later than March 14th. At this time, it does not appear that the legislature will conclude its business before that date.
- ▲ In the most significant development this week, Senate President Pro Tem David Long (R-Ft. Wayne) announced his intention to retire from the Indiana Senate later this year on November 6th. Senator Long has served in the Indiana Senate for 22 years and as the President Pro Tem of that chamber for the last 12 years. This will initiate only the third Leadership change of this magnitude in the last 38 years – 1980, 2006, and now 2018. Senator Long’s announced departure follows the exit of two prominent and key long-time Senate leaders last year, Luke Kenley and Brandt Hershman. Senator Long’s term is not up until 2020, so his replacement will be selected by a caucus of Senate District 16 Republican precinct committeemen after November 6th.
- ▲ One of the higher profile issues this session, Sunday sales of alcohol, has taken one more step toward passage this week. Senate Bill 1 was heard by the House Public Policy Committee. The measure was amended to move up the effective date of the measure. Originally, if approved, it would have gone into effect on July 1, 2018. As amended and approved by the committee by a vote of 9-1, SB 1 would now be effective immediately upon

passage. The bill now moves to the full House for consideration. The House version, House Bill 1051, awaits committee action.

- ▲ There has been no new activity to date on any of the annexation-related legislation in the second chamber.
- ▲ The committee calendar will grow next week, as several priority issues will receive attention, including gun rights, workforce development and potentially rural broadband deployment.

### Energy/Electric Utility Specific Issues

- ▲ From an energy and electric utility perspective, the remainder of the legislative session will continue to be quiet. However, that does not mean sitting back and not paying attention. This is the time when mischief can often occur, though none is expected.
- ▲ Of interest this week, the House Energy, Utilities and Telecommunications Committee held a brief informational hearing on the topic of the Indiana Utility Receipts Tax (URT). This hearing was held jointly with the House Ways and Means Committee given the fiscal impact that the URT has on the state’s overall budget. The URT is imposed on utilities, including municipal electrics, at a rate of 1.4% on utilities’ gross receipts from the retail sale of utility services, and is a straight pass through cost to customers in rates. INDIEC, the large industrial energy users group, has identified the URT as a significant contributing factor to higher energy costs for the 20 intensive users the group represents, and argues that



# STATE LEGISLATIVE UPDATE

## February 16, 2018

*This report and its contents are the proprietary work-product of IMPA. Please do not reproduce or distribute this report, in whole or in part, without the express permission of IMPA. © 2018*

### Energy/Electric Utility Specific Issues (cont.)

eliminating or reshaping the URT could provide possible relief. According to a tax competitiveness and simplification report commissioned by former Governor Pence, alterations to the URT such as elimination could have a negative fiscal impact on the Indiana General Fund to the tune of approximately \$220-\$240 million in lost revenue. Lowering or eliminating any tax that has an impact on municipal electric customers would be seen as beneficial, but how the state replaces the lost revenue and upon whom that obligation would fall remains a concern. There is no legislation on this topic moving or pending in this legislative session.

- ▲ IURC Nominating Committee met on February 6th to interview the applicants for the vacant Commissioner position on the IURC. The Nominating Committee met in executive session on Thursday this week to decide on the three individuals whose names would be sent to Governor Holcomb for his selection. The Governor's formal selection and announcement is anticipated next week.
- ▲ Finally this week, House Bill 1050, the small cell wireless structures in municipal ROWs legislation, was heard in the Senate Commerce & Technology Committee. HB 1050 provides that the statute concerning permits for wireless facilities and wireless support structures applies only to permits issued by a municipality to a communications service provider. It stipulates that a resolution or ordinance that was adopted by a municipality after April 14, 2017 and before May 2, 2017 and that designates an area as strictly for underground or buried utilities, applies only to those areas that are zoned residential and where there is existing underground utility infrastructure. HB 1050 passed out of

the committee un-amended by a vote of 9-1 and is headed to the full Senate for consideration. While Senate Bill 258 was the companion bill in the Senate, it did not move out of the Senate. HB 1050 is the only bill advancing that deals with the issue of small cell wireless facility permitting.

- ▲ It is anticipated that both the House and Senate Utilities Committees will meet next week.

### Deadlines to keep in mind for the second half of session:

- ▲ **February 27th** – House committee report deadline
- ▲ **March 1st** – Senate committee report deadline
- ▲ **March 5th** – House 3rd Reading Deadline
- ▲ **March 6th** – Senate 3rd Reading Deadline
- ▲ **March 6th/7th** – Conference Committee process begins
- ▲ **March 14th** – Statutory Deadline to Adjourn Sine Die