



# STATE LEGISLATIVE UPDATE

## February 2, 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 5

- ▲ Week 5 of the 2018 state legislative session has been busy and is now complete. Both the House and Senate committee deadlines were this week, so lots of legislation has been moving. With those committee deadlines also comes the impending half-way point of the session early next week. While much legislation has been considered, many of the 902 introduced bills will not have received a committee hearing by the deadline, thus rendering them “dead” for the session. However, as any student of the legislative process can attest, nothing is ever really “dead” until the General Assembly adjourns Sine Die, which will occur March 14th.
- ▲ Also this week, current House Energy, Utilities, and Telecommunications Chairman David Ober (R-Albion) announced that he will not seek re-election in 2018. He joins a growing number of legislators who will not return after this year’s fall election. All candidates for office must file with the Secretary of State’s Office by February 9th.
- ▲ 13 State Representatives are not running: Linda Lawson (D-Hammond), Charlie Brown (D-Gary), Scott Pelath (D-Michigan City), Bill Friend (R-Macy), Kathy Richardson (R-Noblesville), Greg Beumer (R-Farmland), Clyde Kersey (D-Terre Haute), Wes Culver (R-Goshen), Milo Smith (R-Columbus), Tom Washburne (R-Evansville), Steve Stemler (D-Jeffersonville), David Ober (R-Albion), and Jim Baird (R-Brazil), who is running for the open Congressional District 4 seat. Former Reps. Lloyd Arnold and Mike Braun have already resigned.
- ▲ 2 State Senators are not running: Doug Eckerty (R-Yorktown) and Jim Smith (R-Charlestown). Former Senators Luke Kenley and Brandt Hershman have already left the legislature and been replaced.

### General Interest

- ▲ Momentum continued this week on efforts to legalize the sale and use of CBD oil (cannabidiol). In the House, House Bill 1214 was approved 93-0 and Senate Bill 52 is eligible for a final vote in the Senate on Monday next week.
- ▲ On the annexation front, several bills are being considered. Senate Bill 268, would have given a county executive veto power over a municipal annexation, thus making annexation policy even more onerous. The bill was defeated in the Senate this week, by a vote of 20-28. Senate Bill 261, which deals with annexation waivers is ready for a final vote in the Senate next week, as is Senate Bill 171, which limits a municipality to one annexation ordinance per year and voids an annexation ordinance if the total gross assessed value of property in the annexation territory is more than 15% of the total gross assessed value of the annexing municipality.
- ▲ Gun rights continue to be a major focus as the session progresses. This week, the Senate Judiciary Committee approved Senate Bill 33, which would allow legal possessors of firearms to carry those firearms on church property - including church schools. Additionally, House Bill 1424 extends the current 4-year carry permit to a 5-year permit, with a one time National Instant Criminal Background Check System (NICS) federal background check required at the time of permitting, but an individual would be exempt from the background check when purchasing a gun. The bill also removes the fees associated with a lifetime carry permit, which creates a significant fiscal impact to the state. The bill is eligible for a vote by the full House next week.



# STATE LEGISLATIVE UPDATE

## February 2, 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*

### General Interest (cont.)

- ▲ Raising the cigarette tax and the legal age to purchase tobacco products received much attention this week. House Bill 1380 was amended in committee and the provision to increase the cigarette tax by \$2.00 was removed. The remaining bill raised the age to legally buy tobacco products from 18 to 21 years of age. The bill passed out of committee unanimously. However, the bill's path to the full House was derailed when it was reassigned to the House Ways and Means Committee after the committee deadline had passed, effectively killing the measure for the session.
- ▲ Senate Bill 418, this session's "hate crimes" bill, was killed when the Senate Corrections and Criminal Law Committee did not vote on the measure. SB 418 sought to put aggravating circumstances (aggravators) into the criminal sentencing code for crimes committed against individuals because of perceived or actual characteristics of the individual.
- ▲ Senate Bill 69, which would prohibit highway tolls within 15 miles of Indianapolis, was heard in the Senate Homeland Security and Transportation Committee. It failed to garner enough support and is not moving forward this session.

### Energy/Electric Utility Specific Issues

- ▲ The session continues to be relatively quiet for IMPA and Indiana's municipal electric utilities. We are monitoring bills, working with other stakeholders, and offering input on any legislation that is relevant to our industry.

- ▲ Both committees with jurisdiction over energy and utility matters met this week for the final time during the first half of the session. The House Energy, Utilities and Telecommunications Committee met last Monday and considered amendments to House Bill 1065, which pertains to high speed internet service. As amended, HB 1065 keeps the state's high speed internet deployment initiative with the IN Economic Development Commission (IEDC), and changes the definition of "high speed internet service" to say that the minimum speed thresholds for broadband services must be at least 25 megabits per second downstream and at least 3 megabits upstream. (Current law sets the minimum speed threshold at 384 kilobits per second in at least one direction, the equivalent of dial-up.) It also provides that the Office of Technology will consult with and assist the IEDC with the application for state and federal grants. The bill directs the IURC to study certain topics regarding broadband services in Indiana and to report their findings to the Interim Study Committee on Energy, Utilities, and Telecommunications by October 1, 2018. HB 1065 was approved 92-0 by the full House and now goes over to the Senate for consideration.
- ▲ The Senate Utilities Committee also met this week to amend Senate Bill 125 and to consider two other bills, Senate Bill 356 and 411.
- ▲ Senate Bill 125, which deals with underground utility facilities, was amended in committee this week. The bill creates a completely new section of Indiana Code that pertains to the registration of excavation contractors. Under the bill, excavation contractors must be comply with Indiana's 811 statute (call before you dig) and must be registered with the Secretary of State's office and provide appropriate documentation of that registration to a communications provider or utility. The bill also authorizes the IURC or its pipeline safety division to refer contractors that violate the law and that are foreign entities not registered to do



# STATE LEGISLATIVE UPDATE

## February 2, 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.)

business in Indiana over to the Attorney General's office, and the AG can levy fines of not more than \$10,000 for a violation. Not more than once a year, communications service providers or utilities are required to provide a list of its contractors operating in Indiana to the IURC or its pipeline safety division upon request, unless there is an investigation under Indiana's 811 statute, which may require additional submission of information. SB 125 will be considered by the full Senate next week.

- ▲ Senate Bill 356 authorizes the Office of Community and Rural Affairs (OCRA) to award grants to qualified broadband providers for certain broadband projects in areas in Indiana that are unserved. The bill was approved unanimously and will be considered by the full Senate next week.
- ▲ The final bill heard by the committee was Senate Bill 411, dealing with distressed water or wastewater utilities. The bill provides that a utility company must provide notice to all of its customers when a petition is filed with the IURC regarding the acquisition of distressed water or wastewater utilities no matter what the impact is on rates. Current law requires utility companies to provide notice to customers only when a rate increase greater than 1% is anticipated due to the proposed acquisition. SB 411 also provides that in determining if the sale or disposition of the non-surplus utility property is in the public's best interest, the IURC shall accept as reasonable the valuation of the property as determined through a statutory appraisal and review process, set out in current law. The bill came out of committee unanimously and will be considered by the full Senate next week.

### Key Regulatory Updates

- ▲ Seven individuals have applied for the open Commissioner position on the Indiana Utility Regulatory Commission (Chairman Jim Atterholt's resignation was effective January 12th):
  - **Rep. David Ober** (R-Albion), current Chair of the House Utilities, Energy and Telecommunications Committee
  - **Eric M. Hand** – Deputy Consumer Counselor
  - **Stephanie Krevda** – IURC Executive Director of External Affairs
  - **Allen Mounts** – Director of the Evansville Water and Sewer Utility
  - **Michael R. Shaver** – President of Wabash Scientific, a governmental consulting firm
  - **Marcus Turner** – Avon Town council member, and IURC principal utility analyst
  - **Tristan Vance** – Director of the Indiana Office of Energy Development
- ▲ The IURC Nominating Committee will publicly interview each applicant on Tuesday, February 6, 2018. Once those interviews are complete, the Nominating Committee will give Governor Holcomb a list of three candidates for his consideration.