



STATE LEGISLATIVE UPDATE

February 21, 2020

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2020 Indiana General Assembly Week 7

- ▲ If the General Assembly can hit its target adjournment date of March 11th, that means there are now 2½ weeks left in the 2020 legislative session. Second half committee deadlines for both the House of Representatives and the Senate are next Thursday, February 27th.
- ▲ The 2nd and 3rd Reading deadlines for both the House and Senate are set for March 2nd and 3rd, respectively. That will leave about a week for the conference committee process to play out.
- ▲ As announced back on Organization Day in November, House Speaker Brian Bosma will step down from his leadership post before the end of this session, and then from his legislative seat after the session is complete. In December, State Representative Todd Huston was selected as the Speaker-Elect, working closely with Speaker Bosma throughout the current session. With the legislature targeting March 11th to finish its business, Representative Huston is expected to take over as Speaker of the House on March 9th.
- ▲ Next week will be very busy at the State House as numerous issues remain on the table.

General Interest

- ▲ Senate Bill 350 would create a regional development authority framework for central Indiana that would allow local officials to work together on significant economic development initiatives. Specifically, SB 350 would authorize counties and municipalities within the Indianapolis metropolitan area to establish a Central Indiana Regional Development Authority (RDA) Pilot program that would sunset on July 1, 2025. SB 350 requires counties and municipalities that wish to establish the development authority to adopt substantially similar resolutions to adopt a preliminary strategic economic development plan (preliminary development plan). The bill provides that

the development authority shall be governed by a strategy committee composed of members selected according to the terms of the preliminary development plan that has been adopted to establish the development authority.

- ▲ The distracted driving bill moved closer to passage this week after the Senate Homeland Security and Transportation Committee considered House Bill 1070. This measure is the hands-free mobile device bill. After lengthy testimony, and an amendment to clarify some of the language, the committee approved the bill by a vote of 8-1, and now heads to the full Senate for further consideration. This legislation is a priority for Governor Holcomb. Under the provisions of HB 1070, drivers of motor vehicles would be prohibited from holding or using a telecommunications device while the motor vehicle is in motion, except in emergencies.
- ▲ Senate Bill 23 remains the only annexation bill to watch this session and it is looking like we will not have to watch it much longer. SB 23 would effectively remove the ability of municipalities to initiate annexations, and only voluntary and super-voluntary annexations would be allowed if this legislation would become law. It passed the full Senate by a vote of 37-12. With only one week left before the committee deadline, it looks like the House committee chair will not schedule SB 23 for a hearing.
- ▲ As reported previously, House Bill 1027 proposed to eliminate the remaining 13 township assessor positions that are in 9 counties across Indiana and would transfer the responsibilities to the county assessors effective in 2023. The bill was narrowly approved by the House, 53-44. The bill was heard in the Senate Local Government Committee, where many concerns were raised by Senators, as well as several local government representatives. No vote was taken, and there is no intention of reconsidering it.



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Energy/Utilities

- ▲ This week, both the House and Senate jurisdictional utilities committees met. On the House side of things, the House Energy, Utilities and Telecommunications Committee heard Senate bills 177, 254 and 343.
 - Senate Bill 177 moves the Broadband Ready Program to the Office of Community and Rural Affairs (OCRA) from the IN Economic Development Corporation (IEDC). The bill was held until next week's meeting.
 - Senate Bill 254 is another effort by the General Assembly to help address the issue of long-term lead exposure in water lines, specifically the replacement of lead water pipes owned by a water utility customer. SB 254 modifies the IURC's ability to adjust rates for water or wastewater utilities in connection with eligible infrastructure improvements and the bill expands current law to include municipal water utilities that are under the jurisdiction of the IURC. Currently, there are 24 municipally owned water utilities under IURC jurisdiction. The bill would also allow Indiana's jurisdictional water utilities to more quickly recover the cost of addressing emerging water pollutants. The committee approved the bill unanimously, and it will be eligible for consideration by the full House of Representatives.
 - Senate Bill 343 changes the Rural Telephone Cooperative Act to the Rural Communications Cooperative Act, allowing the formation of non-profit cooperative corporations for the purpose of broadening the resources for rural broadband development. SB 343 was unanimously approved and now heads to the full House.
- ▲ Over in the Senate, the Senate Utilities Committee met to consider House Bills 1131 and 1165.
 - 1131 pertains to the extension of water and sewer mains. It provides that, with respect to a water or sewer main extension performed in connection with an extension agreement that is entered into after June 30, 2020, a municipally-owned water or sewer utility is subject to IURC jurisdiction for rates and charges and other rules which govern water main or sewer main extensions, regardless of whether the municipally-owned utility is under IURC jurisdiction. In committee, numerous amendments were inserted into the bill. AIM has been very active on behalf of Indiana's cities and towns. Please see the AIM weekly Legislative Summary for more detailed information.
 - HB 1165 seeks to clarify last year's legislation (HEA 1347) that prohibits municipal utilities (water, electric, wastewater, gas, etc.) from ever holding property owners liable for the unpaid utility bills of their tenants, unless the property owner specifically requests to hold the utility bill in his/her name. This year's bill seeks to clarify a perceived loophole from last year's bill, but after passing the full House of Representatives, it ended up confusing the issue even more. (Please see the Week 4 Update for details on the provisions in the bill as it passed the full House of Representatives.) In the Senate committee, HB 1165 was amended in yet another effort to "simplify" language. The amended legislation now says that in property rental situations, all rates, charges, and other fees for municipally owned utility services (other than municipal sewer services) must be paid by the person who occupies (and not owns) the property and who uses the services to that property. Municipalities cannot require a property owner to co-sign a service agreement or otherwise be held responsible for the tenant's bills. Deleted from the bill was the provision concerning attorneys fees.



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▲ On tap next week in the Senate Utilities Committee will be a hearing on House Bill 1414, the electric generation facilities legislation, commonly dubbed the “coal bailout bill.” Again, this is THE energy bill of the 2020 legislative session. As amended in the House, HB 1414 contains the following provisions:

- The sunset (expiration) date of the bill is May 1, 2021.
- Requires public utilities to provide at least three years advance notice to the IURC before terminating a power agreement with a legacy generation resource in which the utility has an ownership interest, with the IURC making determinations for reasonable cost recovery through a fuel adjustment charge proceeding.
- Requires public utilities to give the IURC at least 6 months advance notice if they plan to sell, transfer or close a reliable capacity resource in Indiana that is at least 80 MWs unless it is already set forth in the public utility’s most recently filed Integrated Resource Plan (IRP). It provides that a public utility may not retire, sell, or transfer a reliable capacity resource unless: (1) the public utility first notifies the IURC of the public utility’s intent to do so; and (2) the IURC conducts a public hearing to receive information concerning the reasonableness of the planned retirement, sale, or transfer. That hearing must take place within 120 days after the utility gives notice to the IURC.
- Provides that if a public utility cites a federal mandate as the basis, in whole or in part, for the planned retirement, sale, or transfer of the reliable capacity resource, the IURC may consider whether the cited federal mandate is in force, has not expired or been revoked, and is not merely anticipated to be enacted.

- A public utility would be allowed to recover the costs of up to 90 days of reserve fuel in a fuel adjustment charge proceeding.
- A section was added to give funding priority to displaced coal mine workers who apply for workforce ready grants, though it doesn’t include additional funding for those workers.

▲ Stay tuned for a fast and furious next couple of weeks as we race to the finish line of the 2020 legislative session.

The sessions of the Indiana General Assembly are broadcast over the Internet. In order to access the daily activities of committees and all Floor activities, go to www.in.gov/iga.