

STATE LEGISLATIVE UPDATE

February 25, 2022

2022 INDIANA GENERAL ASSEMBLY WEEK 8

GENERAL INFORMATION

- There are now about 2 weeks left in the 2022 legislative session. This week marked the second half committee deadline in both the House of Representatives and Senate. Next week, both the House and Senate will conclude 3rd Reading and then begin the final phase of the session – conference committees. Again, while the statutory adjournment date is March 14th, it could be sooner.
- Many House bills were altered by the Senate during the second half of the session.
- Several high profile issues including tax policy, school curriculum, gun permitting and administrative authority to name a few, remain unresolved this week. All will likely be decided during the conference committee process.
- On the election front, the Indiana General Assembly will have many new faces after the November 2022 general election. In the May 3rd Primary election, there are 40 contested Republican primaries for the IN House of Representatives and Senate.
 - Of those 40 Republican primaries, 23 primaries of have an incumbent legislator being challenged by a non-incumbent Hoosier, while three have incumbent legislators paired against each other due to the redrawn legislative district maps.
 - On the Democratic side of things, there are nine contested primaries, two of which feature challengers facing off against incumbent legislators. There are no Democrat incumbent legislators paired together in the same district.

SPECIFIC LEGISLATION OF INTEREST

- House Bill 1077 – Taking the prize for the longest committee hearing this session is the Senate Judiciary Committee and its hearing on House Bill 1077. HB 1077 is the controversial gun permitting bill making its way through the legislative process. As it passed over from the House to the Senate, HB 1077 would allow those who can legally carry a handgun now to do so without a permit. This practice is commonly referred to as “Constitutional carry” or “permit-less carry.” The bill was significantly amended late Wednesday night. One of the primary complaints heard about the permitting process is the delay applicants have experienced in the application process. As amended, HB 1077 addressed that concern by keeping the handgun permit requirement in Indiana in place, but it would enable qualified candidates who have applied for a permit to obtain a “provisional permit” to carry a handgun during the time they are waiting to receive their full permit. The idea is that this would end complaints about delays in the permitting process.
- House Bill 1106 – Eminent domain continues to receive attention as the session moves toward its completion. In the Senate Local Government Committee this week, HB 1106 was approved and sent to the full Senate for further consideration. The underlying bill would require the county legislative body to approve the use of eminent domain by municipalities in unincorporated territory and places several other procedural requirements on the use of

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eminent domain outside municipal boundaries. An amendment was adopted that exempts municipally-owned utilities from the provisions requiring county legislative approval. The language of Senate Bill 29 as it passed the Senate was incorporated into HB 1106. SB 29 raises the base compensation owed to property owners for the total taking of their property to 120% of the appraised market value. Utility easements/ROWs would not be included.

- **House Bill 1110** – HB 1110 allows a third class city to annex a noncontiguous residential development and the right of way of a public highway connecting the development to the city. The bill allows a homeowner's association board for a residential development that is noncontiguous to a third class city to petition the legislative body of the third class city, if certain criteria are met, and request to be annexed. The bill also requires the city to satisfy statutory requirements for annexation including adopting a written fiscal plan and annexation ordinance and conducting an outreach program. It also changes population parameters to reflect the population count determined under the 2020 decennial census. HB 1110 was approved by the second chamber 46-1, but because the bill was amended, it will be returned to the House for concurrence or dissent.
- **Senate Bill 147** – Senate Bill 147, as previously reported, would add underground pumped storage hydropower to Indiana's list of "clean energy resources." Pumped storage hydropower technology means energy that is generated by passing water through a turbine as it moves from a higher reservoir to a lower one. The process has not been used much in Indiana, primarily because of terrain. Proponents of the legislation suggest that abandoned mines and quarries in Indiana could allow the state to use this technology and consequently, attract economic development opportunities to those areas. This bill was approved by the full House this week, 92-0.
- **Senate Bill 271** – As previously reported, Senate Bill 271 would make a significant change in energy policy for the state of Indiana. For the purposes of the CPCN process, SB 271 would open the door for the building of small modular nuclear reactors, or SMRs, by public utilities for the generation of electricity for use by Indiana utility customers, at the site of retiring coal or natural gas generation facilities in Indiana, and potentially at the site of a nuclear generation facility located out-of-state but for Indiana customers (Cook facility in Michigan). The bill also adds SMRs to the statutory list of what constitutes clean energy projects in Indiana and allows for certain incentives for those projects that are constructed after June 30, 2023. SB 271 passed the House of Representatives this week, 70-22. The bill was not amended in the House, so it will now head to the Governor for his consideration and potential signature into law or veto.
- **Senate Bill 278** – As amended, SB 278 establishes - rather than allowing the President of Indiana University to appoint - an eleven member IN Geological and Water Survey Advisory Council at Indiana University. The bill establishes the Center for Water and the Center for Energy within the Indiana Geological and Water Survey (Survey) at IU to carry out the Survey's statutory duties concerning Indiana's water and natural energy resources. The bill author, Senator Andy Zay (R-Huntington) sees SB 278 as a means to remake the 185 year old Survey so that they can become more of an "outward facing entity" and thereby be more of a useful tool for legislators and agencies with regard to water and energy infrastructure matters.

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- **Senate Bill 411** – As this legislation passed the Senate, it established the Commercial Wind and Solar Energy Ready Communities Development Center within the IN Economic Development Corporation (IEDC). It would set up a process for the IEDC to certify local units as wind and solar ready communities if they met certain requirements and siting standards. The certification process would be completely voluntary and a local option if the local unit chose to do it. If a local unit would receive certification as a Commercial Solar/Wind Energy Ready Community and if the project owner would submit for approval under and would follow the standards provided in the legislation, the IEDC would authorize the community to receive over a 10-year period of time \$1/MWh of electricity generated by the project. SB 411 was approved by the House Utilities, Energy and Telecommunications Committee last week, but was recommitted to the Ways and Means committee because of potential fiscal impact. This week, the Ways and Means Committee significantly amended the bill by removing all of the IEDC certification and incentive language. There was concern about who was paying the incentive, the developer or the state. What is left in the bill are minimum state siting standards for wind and solar development. Under these provisions, the bill remains 100% voluntary and local units can adopt these standards or have additional requirements. They can also continue to issue moratoriums. As of Thursday afternoon, SB 411 is eligible for consideration by the full House on Monday.

Please see this week's updated tracking list for additional information on these and other pieces of legislation that are potentially continuing their journey through the legislative process.

