



STATE LEGISLATIVE UPDATE

February 6, 2020

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2020 Indiana General Assembly Week 5

- ▲ We have now reached the halfway point of the 2020 “short” legislative session. This past Monday and Tuesday were the deadlines for House and Senate bills to pass the first chamber and advance to the other side for consideration. The General Assembly has a very brief recess before reconvening next week to begin what will be a very swift second half of session. By statute, the 2020 session must end by March 14th. At this point, March 11th is the target adjournment date, with some backroom chatter that it could be slightly earlier than that. But there is much work left to be done.
- ▲ With over 900 pieces of legislation introduced this year, 283 bills are still alive and kicking – 114 House Bills and 168 Senate bills. When their brief break concludes and the General Assembly resumes its business next week, legislators will have 3 weeks to move bills through the committee process in the second chamber. As is usually the case during the second half of a session, the challenge will be to monitor all legislation that is still alive for amendments that could contain language of a bill that “died” during the first half of the session.
- ▲ The first bill signed into law by Governor Holcomb this session is House Enrolled Act 1007, which uses part of Indiana’s state tax revenue surplus to pay \$291 million in cash for capital projects at Indiana, Purdue, Indiana State, and Ball State universities, as well as Ivy Tech Community College and the University of Southern Indiana. Throughout session, legislators and the Governor have asserted that paying cash for these projects instead of issuing debt will save Hoosier taxpayers approximately \$135 million over 20 years.
- ▲ Several significant pieces of legislation appear to be done for the session, including a bill that would have placed cameras in work zones to monitor speeds of drivers. Senate Bill 268 was not called for a final vote in the Senate. Separate proposals in the House and Senate addressing property rights along Lake Michigan received much attention during the first half of the session. Neither House Bill 1031 nor Senate Bill 325 was called for a final vote prior to key deadlines this week. As a result, both are dead for the session. At issue

is how to delineate what portion of property along the Lake Michigan shoreline is publicly owned and for recreational use and what is private property.

- ▲ Also failing to move forward this session is House Bill 1060. This measure would have prevented local units from adopting or enforcing ordinances regulating building materials or aesthetics of residential structures. It would have grandfathered in existing historical preservation or architectural districts. HB 1060 was removed from the calendar before the 2nd Reading deadline and is dead for the session. Opponents of the bill included cities, counties, architects, insurers, and many others.
- ▲ The deadline to file for re-election for members of the IN General Assembly is Friday February 7th. The list of legislators not seeking re-election in the fall grows by two this week. State Representative Dan Forestal (HD 100 - Indianapolis) becomes the ninth legislator not running, while State Senator Victoria Spartz (SD 20 - Noblesville) announced her official bid for the 5th Congressional District, the seat being vacated by retiring US Congresswoman Susan Brooks. Senator Spartz becomes the tenth legislator not returning to the State House.
- ▲ Key dates for the second half of the 2020 Session:
 - Feb. 10th – General Assembly reconvenes
 - Feb. 27th - Committee report deadline second chamber House & Senate
 - March 2nd – 2nd Reading Deadline second chamber House & Senate
 - March 3rd - 3rd Reading Deadline second chamber House & Senate
 - March 4th - March 14th = Conference Committees
 - March 11th - Anticipated Adjournment Sine Die



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Key Issues

- ▲ Priority legislation that holds teachers harmless from results of the recently implemented standardized test ILEARN is moving through the process, as are bills addressing issues related to surprise health care billing and transparency in pricing. Also progressing into the second half of the session are bills addressing workforce initiatives (including one that focuses on careers in the utility industry) and raising the age to purchase tobacco and vaping products to 21 (in conjunction with the federal regulation that is now in effect).
- ▲ House Bill 1070, the hands-free mobile device bill, is moving through the process after passing the IN House of Representatives by a vote of 86-10. This legislation is a priority bill on Governor Holcomb's agenda. Under the provisions of HB 1070, it would be prohibited to hold or use a telecommunications device in the driver's seat of a motor vehicle while the motor vehicle is in motion unless the device is used in conjunction with hands free or voice operated technology or used to call 911 to report a bona fide emergency.
- ▲ Senate Bill 263 requires any teacher or other school employee who carries a firearm on school property to complete specialized gun safety training. This measure passed the Senate 47-2.
- ▲ Senate Bill 23 will now be considered by the House of Representatives during the second half of the session. SB 23 is the only annexation bill to watch this session. Just as a bill last year proposed, SB 23 would effectively remove the ability of municipalities to initiate annexations. Only voluntary and super-voluntary annexations would be allowed if this legislation is enacted into law. It was approved by the full Senate by a vote of 37-12. How – or if – the IN House of Representatives will address this issue remains to be seen. Last year, the effort was unsuccessful in the House.

Energy and Utilities Generally

- ▲ There are several pieces of legislation moving through the process that are of interest and concern to IMPA and/or our member municipal electric communities. We will continue to monitor legislation and offer input when needed.
- ▲ Most of the attention on the House side of things during the first half of the session has been on House Bill 1414, which has become THE energy/utility bill of the session. The bill was amended on Second Reading last week and was passed by the House by a very narrow margin, 52-41. IMPA remains engaged in all discussions surrounding this legislation. Specifically, here's what the bill currently does:
 - As amended, the sunset (expiration) date of the bill was changed from July 1, 2021 to May 1, 2021.
 - The bill would require 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.
 - Additionally, HB 1414 now 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. The CPCN requirement was deleted from the bill.



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- HB 1414 also 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.
- Under this legislation, a public utility would be allowed to recover the costs of up to 90 days of reserve fuel in a fuel adjustment charge proceeding. (The current threshold is 45 days.)
- Also added to HB1414 is a section 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.
- ▲ Senate Bill 195 requires the State Board of Education (SBOE) to approve a technical education career cluster that focuses on skills related to employment in the electric, natural gas, communications, water, and wastewater utility industries. It requires the Governor's Workforce Cabinet, in consultation with the SBOE, Department of Education, and Department of Workforce Development, to create the specific courses for this career and technical education cluster. The bill passed the full Senate 40-5, and now moves to the House for additional consideration.
- ▲ House Bill 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 and voluntarily requests to hold the utility bill in his/her name. Among several onerous provisions in the bill, language was also added that stipulates if a property owner feels that a municipally owned utility has violated anything in the bill and goes to court, the property owner can seek reasonable attorneys' fees and other costs associated with that litigation. The bill was approved by the full House by a vote of 64-31 and now heads to the Senate for consideration. This bill has broad municipal impact. AIM is working diligently to make the bill better, and IMPA is working with them toward that end.
- ▲ Several bills dealing with broadband have been considered including Senate Bill 177, which moves the Broadband Ready Communities program over to the Office of Rural and Community Affairs (OCRA) from the IN Economic Development Corporation (IEDC). OCRA has many more resources by which to market the program throughout Indiana. Senate Bill 411 urges the Legislative Council to assign to the Interim Study Committee on Energy, Utilities, and Telecommunications the topic of installation and leasing of broadband capacity infrastructure by investor-owned electric utilities to broadband service providers for the provision of broadband internet service to unserved and underserved areas in Indiana.
- ▲ Other legislation of interest for municipal utilities generally (not just electric) include measures dealing with the locating of underground facilities (House Bill 1218), water and wastewater rates and charges (Senate Bill 254), the extension of water and sewer mains (House Bill 1131), and a request for an interim study of storm water fees (Senate Bill 46).
- ▲ Please see this week's Tracking List for additional information on these and other pieces of legislation that are still alive at the half-way point of this 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.