



STATE LEGISLATIVE UPDATE

January 19, 2018

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2018 Indiana General Assembly Week 3

- ▲ Week 3 of the 2018 legislative session is now in the books. The Indiana General Assembly is now moving at full speed. Committees are in full swing and will continue in that mode until the committee deadline hits, which is two weeks away. Just like that, we will almost be at the end of the first half of the session.
- ▲ Some of the most positive economic development news came on Thursday morning when Amazon announced that the Indianapolis metropolitan area was among the 20 finalists for their \$5 billion second North American Headquarters. It is anticipated that Amazon will bring upward of 50,000 high paying jobs to whatever area they end up locating. Over 230 cities and regions in the US, Canada and Mexico have submitted proposals. To even be included in the list of 20 finalists is a huge success!
- ▲ In the IN General Assembly, a total of bills 902 pieces of legislation have been introduced for consideration this year. Breaking that down, there are 438 Senate Bills, 13 Senate Joint Resolutions, 450 House Bills, with 1 House Joint Resolution. Again, only a fraction of these will make it through the entire process and be enacted into law.
- ▲ The resignation/retirement count for legislators who will not be seeking reelection this year holds steady at 16. The deadline to file for reelection is February 9th, so at that time, we will have a better idea as to whether other incumbent legislators will be hanging up their legislative cleats.

General Interest

- ▲ In a session somewhat devoid of major policy initiatives, the rather popular issue of Sunday alcohol sales in Indiana advanced one step closer to reality this past week. In the Senate, Senate Bill 1 moved un-amended through Second Reading on Thursday, and will be eligible for a final vote in the Senate next Tuesday. On the House side, House Bill 1051 was approved by the House Public Policy Committee by a vote of 12-1, and is now eligible for consideration by the full House. Both of these pieces of legislation, once approved by their respective chambers, will then move to the other side of the State House and go through the process all over again. In the end, only one bill will be necessary. It remains to be seen which version that will be.
- ▲ Also on the alcohol front, there was a Senate Public Policy Committee hearing this week on Senate Bill 26, which would allow for the sale of cold beer in grocery stores, pharmacies and gas stations, another hot button issue for many stakeholder groups. However, that measure was defeated in committee, 9-1.
- ▲ There is also momentum taking hold to legalize CBD oil (cannabidiol), specifically making a legal hemp product that contains less than .3% of THC, an ingredient in cannabis. House and Senate Leadership appear to be supportive.
- ▲ Workforce development continues to be a significant focus for the legislature this session. House Bill 1002 contains provisions championed by House Republican Leadership. The goal of this legislation is to change things up with regard to training and education opportunities for employees and employers by more closely aligning workforce development programs and funding with what is actually needed in the marketplace. The bill is expected to be heard



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in the House Ways and Means Committee in the coming days. The Senate will also have a version of a workforce development bill, the details of which have not been released but will likely be inserted into a vehicle bill. It is anticipated that the Senate Bill will also be comprehensive.

- ▲ The House Transportation Committee approved House Bill 1341, which pertains to driverless vehicles. The measure would allow people who have a valid driver's license to operate automated vehicles on public road ways. They must also have \$5 million in financial responsibility. The bill also establishes a state automated vehicle oversight task group to be made up of state and local officials to which people who want to operate or test such vehicles would be required to submit an application and gain approval before operating them. The committee approved HB 1341, 12-0.
- ▲ Several local government related bills saw committee activity this week, including a measure dealing with the recording of annexation remonstrance waivers (Senate Bill 261), and a measure that would limit municipalities to the adoption of one annexation ordinance per calendar year (Senate Bill 171).

Energy/Electric Utility Specific Issues

- ▲ On the energy/electric utility front, both the House and Senate jurisdictional committees for utility matters met this week. Bills related to small cell wireless structures, underground locates, distributed generation, water infrastructure and wind farm siting and conflicts of interest were heard by those committees.

- ▲ The House Energy, Utilities and Telecommunications Committee met Wednesday and discussed several bills of interest. House Bill 1050, authored by Chairman Dave Ober, deals with the issues of small cell wireless support structures in ROWs. This is a follow-up bill to last year's Senate Enrolled Act 213, which allowed municipalities during a very narrow window of time to pass resolutions that would designate underground only utility areas. HB 1050 does not preclude the local ordinances that were passed, but simply narrows the parameters of last year's legislation. The measure also amends the definition of "wireless support structure" so that it excludes a utility pole owned or operated by a public utility (IOU), a municipality or an REMC. The intent of the legislation is to refocus the policy discussion to the deployment of new small cell wireless facilities. The bill was held for amendment and a vote next week.
- ▲ Also heard was House Bill 1267, which establishes a Water Infrastructure Task Force to study certain water infrastructure issues and develop a long term plan for addressing drinking water, wastewater and storm water management need in Indiana. Basically, it is a task force that would take all of the previous studies done in these areas and come up with the best plan going forward. The bill was held and will be voted on next week.
- ▲ House Bill 1069, is a follow-up to last year's net metering policy changes. HB 1069 applies only to investor-owned electric utilities and is intended to assist school corporations and municipalities that installed net metering facilities after December 31, 2017. It extends the terms and conditions of their net metering tariffs for 5 additional years. Those entities would continue to be credited for excess electricity at the retail rate plus the 25% premium. The bill was held and the committee will vote next week.



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Energy/Electric Utility Specific Issues (cont.)

- ▲ The final bill heard was House Bill 1338, which addresses wind farm siting – specifically setback requirements - and conflicts of interest involving elected and non-elected officials with respect to a proposed wind farm development project. After lengthy discussion, this bill was also held for amendment and vote at a later meeting.
- ▲ Over on the Senate side of things, the Senate Utilities Committee met Thursday with three bills on the docket. Senate Bill 125 deals with underground utility facilities. This legislation, authored by Senator Jim Merritt, is the result of several incidents of gas line damages involving telecommunications provider Metro Net and their contractors last summer. The bill would require a communications service provider to furnish documentation that their employees and contractors are properly trained, registered to do business in Indiana, and have a signed statement agreeing to comply with Indiana's 811 (underground facilities) statute. As introduced, SB 125 also includes notification and best practice provisions. The bill was held as several amendments are being considered.
- ▲ Senate Bill 156 was the only bill voted out of committee. This measure contains similar updated governance language for Indiana's rural telephone cooperatives as was approved last year for the rural electric cooperatives. The bill was approved 7-0.

- ▲ Senate Bill 258 is the Senate effort to address wireless support structures and is intended to tighten last year's law concerning the siting of small cell towers in municipal ROWs. As drafted, SB 258 will preempt the underground utility area designation resolutions and ordinances that were allowed under last year's SEA 213, but also adds additional consumer oversight through the IURC. The bill was held as several amendments will be considered.

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 2018 IMPA Legislative Dinner being will be held on Monday evening, January 22nd, at the Indiana Historical Society. It is mission critical to have a strong turnout of our municipal electric communities! Hope to see you there!