

STATE LEGISLATIVE UPDATE

January 21, 2022

2022 INDIANA GENERAL ASSEMBLY WEEK 3

GENERAL INFORMATION

- The third week of the 2022 legislative session is now in the books. So far, this has been one of the busiest and fast-paced sessions of the General Assembly in recent memory. Committees were in full swing and will continue in that mode until the committee deadlines hit next week. Additionally, it was a short week with the MLK Day holiday on Monday! So, just like that, in a little more than a week, we will be at the end of the first half of the 2022 session. Bills that do not receive a hearing by the below deadlines will be considered “dead” in their original form.
- About 850 pieces of legislation have been introduced for consideration this year. Only a fraction of these will make it through the entire process and be enacted into law.
- Reminder of key dates for the remainder of the first half of the 2022 legislative session:
 - January 25 - House Committee Deadline
 - January 27 - Senate Committee Deadline
 - January 31 - House 3rd Reading Deadline
 - February 1 - Senate 3rd Reading Deadline

SPECIFIC LEGISLATION OF INTEREST

- **Tax Policy** - The House and Senate continue to differ in their approach to the topic of tax reductions, with the House of Representatives continuing to take a more aggressive approach to reducing tax burdens on Hoosiers and the Senate taking a more conservative approach, largely wanting to wait until next year’s budget cycle to permanently reduce certain taxes. This week, HB 1002 passed the House 68-25, and now heads to the Senate for consideration. The House GOP cites a budget reserve at the end of the fiscal year in June of \$5.1 billion as the reason \$1 billion should be returned to the taxpayers now. Among the provisions of HB 1002 would be reduction of the individual income tax rate from 3.23% down to 3% by 2026, exemption of the minimum tax on business personal property after January 1st for new equipment purchased by businesses (known as the 30% depreciation floor), and a repeal of the 1.4% utility receipts tax.
- **Turn Signals** - Senate Bill 124 unanimously passed the Indiana Senate and addresses an interesting aspect of the state’s motor vehicle turn signal statutes. Under current law, drivers in Indiana are required to use a turn signal every time they are about to make a turn or change traffic lanes. The current law also mandates the turn signal begin at least 200 feet prior to the turn or lane change, or 300 feet if the vehicle is traveling in excess of 50 mph. The bill’s author, Senator Aaron Freeman (R-Indianapolis) argues that in urban areas, this requirement is unreasonable and leads to unnecessary traffic stops. The bill simply removes the distance requirement and stipulates drivers use turn signals in a reasonable period of time before stopping, slow turning, or changing lanes.
- **State Fossil** - Currently Indiana is one of only 5 states in the nation that does NOT have a state fossil designated. House Bill 1013 designates the mastodon as the official state fossil of Indiana. According to committee testimony by a Hanover College professor, remains of approximately 300 mammoths and mastodons have been found in nearly all of the state’s 92 counties. HB 1013 passed out of committee unanimously.
- **Public Comments at School Board Meetings** - Under the provisions of House Bill 1130, school boards throughout Indiana would have to allow public comments at a public meeting. The school boards

STATE LEGISLATIVE UPDATE

January 21, 2022

would not be able to limit public comment to less than 3 minutes at meetings. No other governing body (including city or town councils, or the General Assembly) would be required to allow public comment and can maintain its ability to limit any comments.

ENERGY/UTILITY LEGISLATION OF INTEREST

- **Small Modular Reactors** - The Senate Utilities Committee heard 3 hours of testimony from numerous nuclear energy experts and other stakeholders on Senate Bill 271, legislation that creates a framework for the siting of small modular nuclear reactors with a rated generating capacity of up to 350 MWs in Indiana. This would be a significant shift in potential energy policy for the state. This was a topic discussed by the 21st Century Energy Policy Development Task Force this past fall, though no formal recommendation was made.
 - Specifically, the bill requires the IN Utility Regulatory Commission (IURC), in consultation with IDEM, to adopt rules concerning the granting of certificates (CPCN) for the construction, purchase or lease of small modular nuclear reactors in Indiana for the generation of electricity for use by Indiana utility customers or at the site of a nuclear energy production or generating facility that supplies electricity to Indiana retail customers as of July 1, 2011 (Cook facility in Michigan). SB 271 also adds small modular nuclear reactors to the statutory list of what constitutes clean energy projects in Indiana and allows for certain financial incentives for those projects that are constructed after June 30, 2023. The current version of the bill only addresses siting and the promulgation of rules related to small modular nuclear reactors and does not provide specific cost recovery mechanisms.
- **Electric Vehicle Charging Pricing** - As amended, House Bill 1221 does the following: provides that a person, including a joint action agency (IMPA specifically) that owns, operates, or leases electric vehicle (EV) charging equipment and makes the EV supply equipment available for use by the public for compensation may charge the public for that use based in whole or in part on the kilowatt hours of electricity sold. It specifies that a person that makes EV supply equipment available for use by the public for compensation, regardless of whether the person charges the public for such use based on the kilowatt hours of electricity sold, the amount of time spent by an EV at a designated charging space, or a combination of both is not a public utility solely by reason of engaging in electric vehicle charging. Additionally, the bill authorizes the Indiana Utility Regulatory Commission (IURC) to approve time-varying price structures and tariffs or other alternative pricing structures and tariffs for jurisdictional utilities providing retail energy service. Finally, HB 1221 allows an investor-owned utility to establish a public use EV pilot project that would allow them to install, own or operate charging infrastructure or make-ready infrastructure to support public use EVs. Public use EVs are defined as electric school buses, electric transit buses or and electric vehicles used by a public or private commercial enterprise to deliver goods/services to the public. The full House will vote on this bill next week.
- **Wind and Solar Siting** - After last session's controversial attempts to implement statewide siting standard legislation for commercial wind and commercial solar projects (greater than 10 MWs) throughout Indiana, the IN General Assembly is taking one more shot at it. This week, Senate Bill 411 was heard in and approved by the Senate Utilities Committee. This year's bill seeks to establish a process for the IN Economic Development Corporation (IEDC) to certify local units as Energy Ready Wind/Solar Communities. State incentives would be available to local units that accept standards on setbacks, heights and other facets of commercial wind and solar projects and apply for this certification. The certification process is completely voluntary and is a local option if the local unit chooses to do it. Last year's legislation was controversial because it impinged too much on local control. SB 411 still has a long way to go in the process as several concerns were raised during committee testimony.