

State Legislative Update

April 18, 2025

2025 INDIANA GENERAL ASSEMBLY WEEK 15

General Legislative Information

- We are at the final stage of the legislative process for the 2025 session - Conference Committees. Legislation that was amended in the other chamber and does not receive a concurrence by the chamber of origin, will be eligible for conference committee. Everything is very fluid, and language can conceivably be pulled out from one bill and inserted into another in the blink of an eye. No subject matter is truly dead until the last gavel drops. That said, this week's update will not discuss specific legislation per se, as nothing is final until a conference committee report is finalized by both the House and Senate.
- We are keeping a keen eye out for anything that could impact IMPA or our municipal electric utilities during the final days and hours of the session. Most of the energy and utility bills we tracked throughout the session have moved on to the Governor's desk, but there are still several of interest that will not be finalized until the last hours of session.
- The General Assembly must complete its business by April 29th and the target adjournment date is April 24th or 25th. There are still several weighty issues that are unresolved, not the least of which is House Bill 1001, the two-year, biennial state budget. House and Senate fiscal conferees will be spending the final session days in negotiations, working out their differences. Other issues that remain unresolved include bills addressing hospital pricing and transparency, road funding, elections, and a handful of other matters.
- The final state revenue forecast that legislators will use to finalize Indiana's two-year biennial state budget was released on Wednesday this week, and as Scooby-Doo and Astro (Jetsons reference) would say when trouble was afoot, "Ruh roh!" The updated April forecast is not good news and indicates that legislators have about **\$2 Billion LESS** to work with than what the December 2024 forecast called for. This closes a window on several funding opportunities as legislators craft the budget, meaning that legislators must now look for areas to REDUCE spending levels and that will not be an easy task. All of this must be done by the end of next week preferably, but by April 29th by statute. Additionally, the current budget cycle for the 2025 fiscal year ending June 30th is also facing a \$400 million deficit which makes the total shortfall about \$2.4 Billion! Legislators are now saying that everything is on the table for consideration including tax increases of all kinds and additional program cuts.
- Of the 1,204 pieces of legislation introduced for consideration this year, plus 21 joint resolutions, 337 (156 Senate bills, 2 Senate Joint Resolutions, and 178 House bills and 1 House Joint Resolution) survived the first half of the session. Approximately 255 have made it through the second chamber. As of Thursday morning, dissent motions have been filed on 51 bills that were amended in the other chamber, ensuring that

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a conference committee either has been or will be convened in the next few days to work out differences. Concurrence motions total approximately 100. Bills that made it through the second house without any amendments are headed straight to the Governor for signature into law. 98 bills have been signed by the Governor so far.

- Senate Bill 1 is this session's major property tax relief legislation that was approved by the House last week following that chamber's approval of a significant amendment. The Senate concurred with those changes by a vote of 27-22. Key provisions include a new homestead property tax credit for the lesser of 10% or \$300, on a final property tax bill, along with new deductions for homesteads, farmland, and other residential property. The bill also includes certain limitations on general obligation debt and fire protection territory rates. As a method to replace revenue, SB 1 now includes the ability for cities and towns to adopt their own LIT rate instead of relying on the county and raises the county maximum LIT expenditure rate from 2.5% to 2.9%. All of these LIT changes will go into effect in 2028. The bill also raises the Business Personal Property Tax exemption to \$2M and eliminates the 30% depreciation floor on all new equipment. It is projected that local units of government will lose revenue over the next three years per a fiscal analysis done by the Legislative Services Agency. Governor Braun signed SB 1 into law on Tuesday.
- Stay tuned for the post-session, dust-settling wrap-up coming once the General Assembly completes its work!

