



Legislative Update

121st General Assembly

Friday, February 22, 2019

Week Seven Overview

The General Assembly is nearing the half-way point as action continues to be steady in both the House of Representatives and the Senate. Committee report deadlines have now passed in both chambers, meaning that legislators are mainly focused on second and third readings.

Looking ahead, there are some important deadlines to put on your calendars. The Senate's second reading deadline will be on Monday, February 25th, with their third reading deadline the next day on Tuesday, February 26th. While the House's second reading deadline has passed, their third reading deadline will be on Monday, February 25th. Both Chambers will take a short break from February 27th through March 1st.

As a reminder, this is a long session of the General Assembly that is scheduled to conclude no later than April 29th, 2019.

Points of Interest

The Budget

House Bill 1001, Biennial Budget (Rep. Todd Huston (R-Fishers))- This session's major budget bill was heard in the Ways and Means Committee on Tuesday. There were several amendments voted upon during this committee meeting. Out of several amendments heard, only Chairman Huston's proposed amendment #22 passed. The other proposed amendments either failed by vote or were withdrawn. As amended, the bill passed in committee. Additionally, the bill passed second reading and will have a third reading early next week.

Department of Child Services

House Bill 1198, Department of Child Services (Rep. David Frizzell (R-Indianapolis))- This bill attempts to define "child", for purposes of provisions regarding the filing of a petition to terminate a parent-child relationship involving a delinquent child or a child in need of services, as an individual who is: (1) less than 18 years of age; and (2)

a delinquent child or a child in need of services. This bill passed in the House Family, Children, and Human Affairs Committee and on second reading. It is scheduled for third reading early next week.

Ride and Vehicle Sharing

House Bill 1362, Peer to Peer Vehicle Sharing (Rep. Sean Eberhart (R-Shelbyville))- Seeking to recognize peer to peer vehicle sharing, this bill aims to create regulations and tax policy for this new and unregulated market. Considerations going forward are safety, insurance compliance, and transparent agreement processes. This bill passed out of the Ways and Means Committee and on second reading. It will have a third reading early next week.



Session Floor Highlights

The following bills of interest all passed third reading in their respective chambers and have been referred to the opposite chamber.

House of Representatives

House Bill 1150, Monetary Awards for Exonerated Prisoners (Rep. Gregory Steuerwald (R-Danville))- Provides that a person whose conviction is vacated is entitled to compensation in the amount of \$50,000 for each year that the person was wrongfully incarcerated in the department of correction, with certain exceptions. Establishes the exoneration fund. Specifies that the criminal justice institute shall administer the fund and receive and process claims for compensation from the fund. Specifies fund eligibility requirements. Provides that a person's: (1) eligibility for; or (2) receipt of; proceeds from the exoneration fund does not prevent the person from applying for, enrolling in, or receiving the benefit of certain treatments, programs, or services if the person is otherwise eligible to receive the desired treatment or participate in the desired program or service. Requires a person to waive, release, or discharge certain claims against certain state entities and state employees in order to apply for or receive compensation. Specifies that compensation from the fund is paid in equal sums over a 5 year period. Allows a person to appeal an adverse fund eligibility determination.

House Bill 1333, Nonconsensual Pornography (Rep. Mike Speedy (R-Indianapolis))- Defines "intimate image" and makes it a Class A misdemeanor for a person to distribute an intimate image of an individual whom the person: (1) knows does not consent to the distribution of the intimate image; and (2) knowingly or intentionally distributes the intimate image with the intent to annoy, harm, harass, intimidate, threaten, or coerce; the other person. Increases the penalty to a Level 6 felony for a second or subsequent offense.

House Bill 1518, Alcohol Beverage Matters (Rep. Ben Smaltz (R-Auburn))-

Establishes requirements that a sales clerk in a grocery store or drug store must satisfy beginning July 1, 2021, in order to sell alcoholic beverages. Provides that a grocery store that is a specialty or gourmet food store is primarily engaged in the retail sale of wine and miscellaneous specialty foods. Amends for consistency provisions allowing a manufacturer that has two types of production facilities in one building to serve alcohol from a single bar. Specifies that a person with an interest in an artisan distiller's permit may have an interest other manufacturer's permits. Allows a patron to carry wine into: (1) a restaurant; or (2) an art instruction studio. Requires the alcohol and tobacco commission (ATC) to post on its Internet web site quarterly reports of permittee noncompliance rates and report the rates annually to the legislative council. Disqualifies persons having certain criminal convictions from receiving certain alcoholic beverage permits or being appointed to the ATC or local ATC board. Provides that expunged criminal convictions may not be considered in determining an individual's eligibility to: (1) receive certain alcoholic beverage permits; or (2) be appointed to the alcoholic beverage commission or to a local board. Allows a private club to allow a customer to run a tab for alcohol purchases. Allows a brewery or farm winery permit holder to: (1) sell their product to a supplemental caterer for an outdoor event; and (2) sell wine (in the case of a brewery) or beer (in the case of a farm winery) without a retailer's permit. Amends the definition of "entertainment complex" to apply to all municipalities and facilities that have permanent seating for at least 800 individuals. Removes provisions restricting the permits issued for civic centers, auditoriums, marinas, stadiums, exhibition halls, convention centers, community centers, or social centers to political subdivisions of a certain population. Provides that a retailer's permit with carryout privileges that is exempt from gross retail requirements remains exempt if the permit is transferred to a new location. Increases the criminal and civil penalties for various offenses that involve minors and liquor. Provides that the money collected for various fees is distributed to the ATC's enforcement and administration fund. Makes the following changes to permit escrow: (1) reduces the total period that a permit may remain in escrow to three years and provides that the permit reverts to the ATC if the permit is not active or an extension approved when escrow expires; (2) requires a request for escrow or an extension of escrow to occur at a public meeting; (3) prohibits a permit from being escrowed after June 30, 2019, if the permit holder or the permit holder's affiliates have a permit in escrow that is of the same type and issued for the same jurisdiction; (4) prohibits ownership transfer of a permit in escrow except under certain conditions. Makes the following changes regarding permit ownership transfers: (1) requires ATC review of an itemized purchase agreement; (2) requires the ATC to maintain a public data base of information regarding private sales. Provides that if municipal voters approve a public question to increase a municipality's retailer's permit quota, the municipality may establish an entertainment revitalization area in which additional three-way retailer's permits may be issued. Repeals provisions regarding the following: (1) malt manufacturer's permit; (2) malt wholesaler's permit; (3) malt dealer's permit;

(4) malt excise tax; (5) seasonal resort hotel permit. Establishes a salon permit for a \$250 annual fee that allows a licensed beauty salon to serve complimentary wine or beer to a customer who is receiving paid salon services. Allows the ATC to issue retailer's permits for: (1) a three-way retailer's permit (a master food hall permit) for a food hall containing multiple food and beverage vendors for an initial fee of \$50,000; and (2) a one-, two-, or three-way permit (food hall vendor's permit) for a person that has vendor food and beverage space within a food hall for an initial fee of \$2,500 or \$5,000. Provides that for a vending space that is more than 2,000 square feet, a one-way, two-way, or three-way permit must be purchased subject to availability under the quota. Allows the holder of a food hall vendor's permit to have an interest in a brewer's permit. Provides requirements for an outdoor beer garden. Provides that an application for renewal of a permit may be filed not later than six months (instead of one year) after the permit expires. Provides that an alcoholic beverage retailer's permit may be issued for proposed premises located within 200 feet of a church if: (1) the permit is issued before the church occupies the location; or (2) another exempt retailer's permit is already active within 200 feet of the church. Clarifies that an additional location of a farm winery that is separate from the winery may sell beer. Allows a retailer permittee or a holder of a supplemental caterer's permit operating at certain collegiate stadiums to purchase alcoholic beverages and have the alcoholic beverages stored in areas approved by the alcohol and tobacco commission to be later served at the stadium. Adds a county that owns a marina to the units that may receive an alcoholic beverage permit for the marina. Allows a restaurant to charge a corkage fee for each bottle of wine carried in to the restaurant, regardless of whether the restaurant actually opens the bottle or serves the wine. Provides that as long as a municipality has a riverfront development project district, the municipality may not establish an entertainment revitalization district. Provides that a holder of a permit for the state fairgrounds may, if the permit holder is a small brewery, farm winery, or artisan distillery, sell the alcoholic beverages produced by the permit holder for carryout. Specifies that if a small brewery, farm winery, or artisan distillery: (1) has two production facilities in one building and serves both types of products from a single bar; and (2) the law applicable to one of the permits regarding the presence of minors in the bar area is more prohibitive or restrictive than the law applicable to the other permit, the more prohibitive or restrictive law applies.

Senate

Senate Bill 12, Sentencing and Bias Crimes (Sen. Mike Bohacek (R-Michigan City)) - Provides that a court may consider bias in imposing a criminal sentence. Specifies the manner in which bias crime data shall be reported to the state police department.

Senate Bill 566, Residential Tax Increment Financing (Sen. Jeff Raatz, (R-Centerville))- Permits redevelopment commissions in counties having a population of

not more than 100,000 to establish a program for residential housing development and a tax increment funding allocation area for that program. Defines "residential housing" as housing that consists of single family dwelling units.

Senate Bill 563, Economic Development (Sen. Travis Holdman, (R-Markle))-

Establishes the small business innovation voucher program to provide vouchers to eligible small businesses to be used by the business to purchase research and development support or other forms of technical assistance and services from an Indiana institution of higher education or other authorized research provider. Provides that the Indiana economic development corporation (IEDC) shall administer the program. Provides that the program is subject to appropriation from the general assembly. Amends the definition of "sales" and adds a definition of "telecommunication services" and "broadcast services" under the state adjusted gross income tax provisions. Amends the provisions for determining when sales, other than sales of tangible personal property, are derived from sources within Indiana for purposes of determining the state adjusted gross income of corporations and nonresident persons. Provides that a taxpayer (with certain exceptions) is not entitled to receive an industrial recovery tax credit for a qualified investment made after December 31, 2019. Amends the definition of "new employee" for purposes of the economic development for a growing economy tax credit to include employees that maintain their residence outside Indiana. Allows a taxpayer to assign all or part of a venture capital investment tax credit, subject to certain limitations. Amends the definition of "qualified investment" under the Hoosier business investment tax credit to include the purchase of: (1) retooled or refurbished machinery; (2) new energy conservation and pollution control equipment; and (3) new onsite digital manufacturing equipment. Adds state gross retail and use taxes to the types of taxes against which a taxpayer may claim a Hoosier business investment tax credit. Amends the headquarters relocation tax credit to extend the credit to an eligible business that: (1) acquired at least \$4,000,000 in venture capital within either six months prior to or six months after applying for the credit; and (2) commits to: (A) relocating its headquarters to Indiana; or (B) relocating the number of jobs that equal 80% of the business's payroll to Indiana. Provides that the total amount of headquarters relocation tax credits that may be approved in a state fiscal year for all eligible businesses that qualify for the tax credit under the new provision may not exceed \$5,000,000. Establishes the redevelopment tax credit (credit). Requires a taxpayer to apply to the IEDC for the credit. Provides that a taxpayer may claim a credit against state tax liability if: (1) the taxpayer makes a qualified investment for the redevelopment or rehabilitation of real property located within a qualified redevelopment site; and (2) the qualified investment is approved by the IEDC. Provides that the amount of the credit is equal to: (1) the qualified investment made by the taxpayer and approved by the IEDC in an agreement; multiplied by (2) the applicable credit percentage determined by the IEDC. Specifies the maximum applicable credit percentages that apply to qualified investments. Allows a taxpayer to assign all or part of a redevelopment tax credit, subject to certain limitations.

Authorizes the IEDC to include in an agreement for the tax credit provisions that require the taxpayer to repay all or part of a credit awarded over a period of years. Provides that an agreement for the redevelopment tax credit must include a repayment provision for the amount of any credit award that exceeds \$10,000,000. Requires the IEDC to establish measurements for evaluating the performance of the redevelopment tax credit and evaluate the tax credit program on a biennial basis. Requires the IEDC to collect data on the effectiveness of an assignment of both the venture capital investment tax credit and the redevelopment tax credit and report its findings to the legislative council before November 1, 2022. Urges the legislative council to assign to an appropriate interim study committee the task of studying the development of regional airports throughout Indiana

Please feel free to contact a member of our legislative team should you have questions regarding the happenings in the Indiana General Assembly!

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