



Legislative Update

121st General Assembly

Wednesday, February 27, 2019

Week Eight Overview

The General Assembly was an exciting place this week as the first half of session came to a close. Any legislation that has not passed out of its originating chamber is now considered dead. Those bills that have passed out of either the House of Representatives or the Senate will move to the other chamber to start the legislative process again. Each piece of legislation will once again have to pass a committee hearing, as well as a second and third reading. As a reminder, this session is a “long session” and statutorily must adjourn by April 29, 2019.

Points of Interest

Budget

House Bill 1001, Biennial Budget (Rep. Todd Huston (R-Fishers))- After a flurry of proposed amendments last week, the House budget passed on third reading (by a vote of 65-32). The bill continues to focus on major topics such as funding for the Department of Child Services (DCS), Medicaid costs, and K-12 education funding. Now that the bill has passed, it heads to the Senate for consideration and potential amendments.

Healthcare

Senate Bill 394, Advanced Practice Registered Nurses (Sen. Ed Charbonneau (R-Valparaiso) and Sen. Michael Crider (R-Greenfield)) - This piece of legislation has passed in the Senate will now begin the process over again in the House of Representatives. It provides that an advanced practice registered nurse, who has prescriptive authority and has operated under a practice agreement with a practitioner for at least three years, may operate without a practice agreement if certain conditions are met.

Gaming Matters

Senate Bill 552, Gaming Matters (Sen. Mark Messmer (R-Jasper))-The major gaming and sports wagering bill of this session has passed in the Senate. It provides guidelines and oversight for certain practices of sports betting and also deals with determining the eventual location of the Gary casino licenses. This piece of legislation still has a lot of moving pieces, and we look for more changes in the House.



Session Floor Highlights

House of Representatives

House Bill 1001, Biennial Budget (Rep. Todd Huston (R-Fishers))- Appropriates money for capital expenditures, the operation of the state, K-12 and higher education, the delivery of Medicaid and other services, and various other distributions and purposes. Provides for bonding authority for capital projects for higher education institutions. Renames the build Indiana fund the lottery surplus fund. Eliminates all the build Indiana fund accounts. Declares the policy of the state that no person may be denied coverage for a preexisting condition under a plan of health coverage offered or administered by the state. Specifies that the preexisting condition exclusion provisions of the Patient Protection and Affordable Care Act (PPACA) are in effect and enforced in Indiana, regardless of the legal status of the PPACA. Repeals the Indiana technology fund. Eliminates the office of state based initiatives. Makes the budget agency responsible for coordinating federal assistance to state agencies. Prohibits certain state agency action regarding federal assistance. Requires state agencies to provide federal assistance information to the budget agency. Requires the budget agency to: (1) prepare an annual report summarizing the federal assistance received by state agencies during the preceding federal fiscal year; (2) publish a comprehensive federal assistance review plan; and (3) perform a review of the current impact and projected future impact of federal mandates and regulations on Indiana. Makes the budget agency the state's single point of contact to review and coordinate proposed federal financial assistance and direct federal development. Permits the trust fund for self-insurance for employees, including retired employees, for the state police department, conservation officers of the department of natural resources, and the state excise police to invest in the same investments as the state police pension plan instead of the public employees' retirement fund (the trust fund could not invest in equity securities). Permits the retiree health benefit trust fund to invest in the same investments as the public employees' retirement fund instead of in the same manner as public deposits may be invested. Requires a periodic actuarial study of the retiree health benefit trust fund. Provides that employer contributions to the retirement medical benefits account (RMBA) on behalf of a participant must be sufficient to provide the specified benefit. Changes the administration and investment decisions for the RMBA from the budget agency to the Indiana public retirement system (INPRS). Changes responsibility for reports concerning other post-employment benefits (OPEB) from the office of management and budget (OMB) to the INPRS. Changes responsibility for reports concerning local pensions from the OMB to the INPRS. Changes references to Governmental Accounting Standards Board Statements that apply to OPEB reports. Adds the two deputy budget directors as alternate members of the budget committee, and specifies that one of the deputy directors shall take the place of the budget director when the budget director is not present. Removes the restriction on the Indiana horse racing commission using money distributed under a distribution agreement for administrative purposes. Requires 0.5% of the money distributed under a distribution agreement to be deposited in the Indiana horse racing commission's operating fund. Establishes the problem gambling program fund. Specifies that the part of the problem gambling fee that is retained annually by the Indiana gaming commission must be deposited into the fund. Provides that the money in the fund is continuously appropriated. Renames the state board of accounts trust and agency fund the examinations fund. Annually appropriates money in the fund for the payment of the state board of accounts' expenses for examinations. Provides that money in the fund does not revert to the state general fund. Requires that the state board of accounts certify the expense incurred for an examination as needed. (Currently, expenses may not be certified more often than monthly.) Provides that

the money in the Indiana twenty-first century research and technology fund is continuously appropriated. Provides that the money in the Indiana regional cities development fund is continuously appropriated. Provides that a taxpayer may submit, beginning in 2021, a personal property tax return using an online submission system established by the department of local government finance in collaboration with county assessors. Establishes requirements to be eligible to claim the Indiana research expense income tax credit effective January 1, 2019. Increases the cap on the scholarship granting organization scholarship tax credit from \$14,000,000 to \$15,000,000 for the state fiscal year beginning July 1, 2019, and to the greater of \$16,000,000 or 120% of the credits awarded in the prior state fiscal year for state fiscal years beginning after June 30, 2020. Provides various tax exemptions for the College Football Playoff Group for the College Football Playoff National Championship, including ancillary events. Replaces the postwar construction fund with a fund named the state construction fund. Dedicates \$1,800,000 to the state construction fund from a part of the cigarette tax revenue formerly appropriated to the department of natural resources. Repeals the state police building account and directs the revenue formerly deposited in the account to the state construction fund. Removes the reduction from the motor vehicle highway account fund for the appropriation to the department of transportation for traffic safety. Transfers \$325,000 each month to the motor carrier regulation fund from the motor vehicle highway account fund. Requires the bureau of motor vehicles to determine the allocation to counties from the motor vehicle highway account fund that is based on motor vehicle registrations. Changes the annual appropriation from the motor vehicle highway account for assisting counties in employing a full-time county highway engineer from \$920,000 to the amount necessary to make distributions to counties. Provides that proceeds received under the First Amendment to the Amended and Restated Indiana Toll Road Concession and Lease Agreement entered on September 21, 2018, are to be deposited in a new fund known as the toll road lease amendment proceeds fund for certain state highway projects. Establishes the next level connections fund to be used to accomplish the transportation plan of the department of transportation. Terminates the appropriation to the state police department of part of the handgun license fees as of July 1, 2019. Transfers any balance remaining in the fund holding these fees to the state general fund on June 30, 2021. Provides that money in the state department of toxicology's breath test training and certification fund is continuously appropriated. Requires the division of disability and rehabilitative services to establish a cost participation schedule for purposes of the first steps program. Repeals the statutory cost participation schedule. Provides that the money in the division of family resources child care fund is continuously appropriated. Removes the requirement that a school corporation distribute to the state general fund 3% of the federal reimbursement for claims paid under the federal Medicaid program.

House Bill 1185, Bunkhouse Safety Requirements (Rep. Sharon Negele (R-Attica))- Defines "bunkhouse". Provides that, before January 1, 2021, the commission may adopt rules to exempt bunkhouses from being required to be equipped with an automatic fire sprinkler system.

House Bill 1362, Peer to Peer Vehicle Sharing (Rep. Sean Eberhart (R-Shelbyville))- Defines peer to peer vehicle sharing. Provides requirements for a peer to peer vehicle sharing program. Provides that a shared vehicle may not be shared on a peer to peer vehicle program if any safety recalls have not been repaired. Provides insurance requirements for a shared vehicle if the vehicle will be shared on a peer to peer vehicle sharing program. Provides that the bureau of motor vehicles may not suspend the driving privileges of a shared vehicle owner for failure to submit proof of financial responsibility at the time an accident occurred if the vehicle was shared through a peer to peer vehicle sharing program at the time the accident

occurred. Imposes the peer to peer vehicle sharing excise tax for passenger motor vehicles and trucks shared through a peer to peer vehicle sharing program. Exempts a passenger motor vehicle or truck from the auto rental excise tax if the passenger motor vehicle or truck is shared through a peer to peer vehicle sharing program. Authorizes the Evansville legislative body to adopt an ordinance to impose the Vanderburgh County supplemental auto rental excise tax on passenger motor vehicles shared through a peer to peer vehicle sharing program. Authorizes the Marion County city-county council to adopt an ordinance to impose the Marion County supplemental auto rental excise tax on passenger motor vehicles shared through a peer to peer vehicle sharing program. Provides that a political subdivision may not enact or enforce an ordinance, resolution, policy, or rule to regulate peer to peer vehicle sharing.

Senate

Senate Bill 243, Nonconsensual Pornography (Sen. Aaron Freeman (R-Indianapolis))- Defines "intimate image" and provides that a person who: (1) knows that an individual does not consent to the posting of an intimate image of the individual on the Internet; and (2) posts the image on the Internet; commits internet distribution of an intimate image, a Class A misdemeanor. Increases the penalty to a Level 6 felony for a second or subsequent offense.

Senate Bill 322, Sales Tax Administration (Sen. Travis Holdman (R-Markle))- Provides that a marketplace facilitator is required to collect and remit state sales tax as a retail merchant when it facilitates a retail transaction for sellers on the marketplace facilitator's marketplace. Specifies circumstances in which a marketplace facilitator or a seller would not be required to collect and remit the state sales tax on the retail sale. Retains provisions that go into effect on July 1, 2019, for state sales tax collection and remittance requirements of a person or marketplace facilitator that facilitates a retail transaction for sellers that rent or furnish rooms, lodgings, or accommodations in Indiana. Repeals the definition of facilitator that is set to go into effect on July 1, 2019

Senate Bill 552, Gaming Matters (Sen. Mark Messmer (R-Jasper))- Authorizes sports wagering at riverboats, racinos, a Vigo County casino, and satellite facilities. Provides for the administration and conduct of sports wagering. Imposes initial and annual fees on a licensed owner, operating agent, vendor, or permit holder conducting sports wagering. Imposes initial and annual licensing fees on vendors conducting sports wagering. Specifies that a vendor contracting with a certificate holder has the same authority to conduct sports wagering as the certificate holder. Requires the use of official data to determine the winner of in-play wagers. Requires the Indiana gaming commission (IGC) to deposit vendor license application fees in the sports wagering fund. Requires the IGC to deposit sports wagering service provider license application fees in the sports wagering fund. Sets forth duties for the IGC concerning: (1) sports wagering; and (2) granting certain gambling licenses. Requires the IGC to adopt administrative rules. Specifies that the IGC may act upon information received from a sports governing body in considering requests to prohibit wagering on particular events or to prohibit making wagers of a particular type. Establishes a sports wagering service provider license. Provides that certain items must be acquired from a person that holds both a supplier's license and a sports wagering service provider license. Provides that certain services must be obtained from a person holding a sports wagering service provider license. Specifies that required background checks apply to employees engaged in activities related to sports wagering. Specifies permissible sports wagering wagers. Prohibits wagering on e-sports. Provides the process for withholding delinquent child support from sports wagering

winnings. Makes changes to the appointment of members on breed development advisory committees. Provides each horsemen's association, certain licensees, and any association for backside benevolence shall submit to an audit by an independent public accountant and submit the report to the commission. Repeals the provision that prohibits money distributed to a horsemen's association from being used for lobbying. Authorizes a holder of a Gary riverboat license to change locations under certain circumstances, to another location in Gary or to Vigo County. Provides that, if gaming operations are relocated within the city of Gary, certain units of government may receive supplemental payments from wagering tax distributions. Provides a procedure if the owner of one of the Gary riverboat licenses applies to operate in Vigo County to notify the other riverboat owners who may then file a declaration of interest to compete for ownership of the riverboat license to be located in Vigo County. Sets forth the procedure to determine the value of the Gary riverboat license being proposed to be relocated to Vigo County. Provides that the IGC may determine that the holder of the Gary riverboat license may be required to sell its license to another riverboat owner that filed a declaration of interest. Requires a licensed owner or permit holder operating a casino in Vigo County to enter into a development agreement. Provides that a riverboat operating in Vigo County shall pay: (1) \$2,000,000 to the Indiana horse racing commission annually to be distributed to the breed development funds; (2) \$1,500,000 to the department of natural resources (DNR) and DNR will deposit the payment in the West Baden Springs historic hotel preservation and maintenance fund (fund), each year, for three years; (3) certain sums to the city of Evansville, each year, for three years. Provides that the state treasurer shall distribute the tax revenue from an operating agent operating a riverboat in a historic hotel district (operating agent) to the state general fund and the fund. Provides that if the balance of the fund exceeds \$25,000,000, distribution of tax revenue from the operating agent shall be paid to the state general fund. Repeals the maximum number of owner's licenses that may be issued to a riverboat owner. Provides that a racino is authorized to conduct wagering on table games after submitting a plan to the IGC that meets requirements for table games for riverboats. Provides distributions of taxes from live table games at racetracks. Provides that beginning after June 30, 2020, a licensed owner or racino may not deduct more than \$9,000,000 from adjusted gross receipts from wagering on gambling games. Provides that a racino shall distribute monthly 12% of the adjusted gross receipts of live table game wagering. Imposes a gambling game tax for wagering on table games at racinos. Provides that a Gary riverboat operation relocated to Vigo County and any future relocation of a license is prohibited from relocating within 75 miles of another racetrack, riverboat, inland casino, riverboat operated by an operating agent, or relocated casino. Makes technical corrections and other changes to conform with recent changes to the riverboat law.

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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