



Legislative Update

121st General Assembly

Friday, March 7th, 2019



Week Nine Overview

Greetings! The General assembly commenced the second half of session this week. It began slowly but picked up as bills got assigned to committees for hearings. Both chambers, especially committee chairs, reviewed in detail the bills assigned to their respective committees.

Wednesday saw an uptick in activity as it was a committee day, and lots of newly assigned bills were scheduled and debated.

Looking forward to next week, expect more committee hearings, amendments, as well as some second readings in both the House and Senate. As a reminder this is a “long” session with the General Assembly statutorily scheduled to adjourn on April 29.

Save the Date for Indiana POWER Women’s Caucus Fundraiser

Please consider attending the 2019 POWER Women’s Caucus Silent and Live auction. The Indiana POWER Women’s Caucus is a 501(c)(3) organization created by the female legislators. The Caucus works to raise funds for POWER’s scholarship program, which awards scholarships to deserving non-traditional women students in Indiana! The event will take place next Wednesday, March 13th, from 5:00 p.m. – 7:00 p.m. at the Skyline Club. If you are interested in making a donation to the auction contact Heather Willey at heather.willey@btlaw.com or 317/231-6448. The event is free to attend, and you can RSVP to email powercaucusin@gmail.com.



Points of Interest

Budget

House Bill 1001, Biennial Budget (Rep. Todd Huston (R-Fishers)) - On Tuesday, in the Senate Appropriations committee, a presentation regarding public funding for higher education took place. The presentation included testimony from the following academic institutions:

- ❖ Indiana State University
- ❖ Ivy Tech Community College
- ❖ Purdue University
- ❖ Indiana University
- ❖ Ball State University
- ❖ Vincennes University
- ❖ University of Southern Indiana

These universities gave presentations about how the previous year's funding was allotted, and also presented their new budget requests for this year.

Education

House Bill 1005, State Superintendent of Public Instruction (Rep. Brian Bosma (R-Indianapolis)) - The superintendent of public instruction has been an elected position. Currently, this office will become an appointed position on January 11, 2025. This bill seeks to amend that date to January 11, 2021. On Wednesday, in the Senate Education and Career Development committee, the committee heard testimony only. It will be subject to vote on a later date.

Healthcare

Anatomical Gifts and Individuals with Disabilities (Sen. Eric Koch (R-Bedford)) - This bill prohibits certain health care entities from discriminating against potential transplant recipients solely on the basis of disability and authorizes an individual to seek injunctive relief against an entity believed to be in violation of the law. It also prohibits a state employee health plan, insurer, or health maintenance program from denying coverage for anatomical gifts, transplantation, or related treatment and services solely on the basis of disability. After passing in the House Public Health committee, it will move back to the floor for a second reading.

Utilities

Senate Bill 4, Water and Wastewater Utilities and Runoff (Sen. Ed Charbonneau (R-Valparaiso)) - This bill urges the creation of a storm water management task force in order to study issues related to storm water management systems. Suggested task force membership would consist of legislators from the House and Senate, along with appointees from the Governor. In the Utilities, Energy, and Telecommunications Committee, it passed unanimously and will soon have a second reading.



Session Floor Highlights

The following bills of interest had their first reading and will soon be heard in committee before a second reading on the floor.

House of Representatives

Senate Bill 7, Marion County Capital Improvement Board (Sen. Ryan Mishler (R-Breman)) - Allows the expansion of the professional sports development area (tax area) in Marion County. Provides for the capture of covered taxes in the expanded tax area. Authorizes the city-county council to adopt a resolution that continues imposition of the increase to the county supplemental auto rental excise tax through February 28, 2038. Authorizes the city-county council to adopt a resolution that continues imposition of the increase to the county admissions tax through February 28, 2038. Authorizes the city-county council to adopt a resolution that continues the capture of local income taxes attributable to the tax area until

December 31, 2040. Provides that revenues available for deposit in the sports and convention facilities operating fund may be pledged to secure and provide for the payment of bond or lease obligations of the board. Provides that if restricted deposits are insufficient to fully repay the board's obligations, revenues collected by the board from certain taxes must be used. Establishes an additional professional sports development area in Marion County to capture state and local revenue for capital improvements. Provides for the issuance of indebtedness to finance a multipurpose soccer stadium.

Senate Bill 76, Sentencing (Sen. James Merritt (R-Indianapolis)) - Makes dealing in a Schedule I or II narcotic drug as a Level 2 felony nonsuspendible if the person has a prior unrelated felony conviction for certain drug dealing offenses.

Senate Bill 519, Drug Penalties (Sen. Eric Koch (R-Bedford)) - Provides that if a person commits the offense of: (1) dealing; or (2) an attempt or conspiracy to commit dealing; in a controlled substance, the person may be tried in any county where the person performed an act in furtherance of the offense. Replaces heroin with cocaine or a narcotic drug in certain offense enhancements in the offense of dealing in cocaine or a narcotic drug. Adds an element to certain offense enhancements relating to controlled substances by aggregating the weight of a drug over a period of not more than 90 days.

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.

Senate

House Bill 1444, Taxation of Electronic Cigarettes (Rep. Timothy Brown (R-Crawfordsville))

- Imposes a tax on electronic cigarettes that contain nicotine at a rate of \$0.04 per fluid milliliter of consumable material. Deposits the revenue from the tax in the state general fund.

House Bill 1052, Local Income Tax and Other Financing Matters (Rep. Jeffrey Thompson (R-Lizton))

- Changes the allocation of local income tax (LIT) revenue that is based on property taxes to be based on maximum permissible property tax levies instead of actual levies. Provides that if a township passes a local public question on whether the county in which the township is located should be required to fund and carry out a public transportation project under the central Indiana public transportation projects statute, the township board shall adopt a resolution to impose a special local income tax rate on the local taxpayers residing in the township, instead of the fiscal body of the county. Allows political subdivisions to enter into public-private agreements with an operator to accomplish the design, financing, construction, acquisition, improvement, renovation, equipping, operation, or maintenance of a regional jail. Requires the department of local government finance to prepare a report before January 1, 2020, concerning school funding in each school corporation for the period beginning July 1, 2018, and ending June 30, 2019. Requires the department of education to prepare a report before January 1, 2020, concerning school funding in the surrounding states, Indiana, and each school corporation in Indiana for the period beginning July 1, 2018, and ending June 30, 2019.

House Bill 1185, Bunkhouse Safety Requirements (Rep. Sharon Negle (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 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 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.

House Bill 1402, Innkeeper's Taxes and Other Local Taxes (Rep. Michael Karickhoff (R-Kokomo)) - Renames the convention center operating fund established under the Vanderburgh County innkeeper's statute to the convention center operating, capital improvement, and financial incentive fund (fund). Provides that expenditures from the fund for a convention center in Vanderburgh County may be used only for operating expenses, capital improvements, and financial incentives to attract new businesses. Changes the date on which Vanderburgh County innkeeper's tax revenue deposited in the fund decreases from the amount equal to the revenue generated by a 2% innkeeper's tax rate to the amount equal to the revenue generated by a 1% innkeeper's tax rate. Allows the Clark County and Floyd County councils to adopt substantially similar ordinances to increase the innkeeper's tax rate in both counties from 4% to 6% (these taxes were imposed by state law in 1976). Allows the Allen County council to adopt an ordinance to increase the innkeeper's tax rate in the county from 7% to 8%. (The tax was imposed by state law before 1980). Provides that if an ordinance to increase the innkeeper's tax rate to 8% is in effect in Allen County, the minimum part of

the innkeeper's tax proceeds used to provide development and promotion grants within the county increases from $\frac{2}{7}$ to $\frac{3}{8}$. Allows the fiscal body of White County to levy the county innkeeper's tax on resorts and any other buildings or structures in the county in which lodging is regularly furnished for consideration. Repeals the innkeeper's tax law specific to Howard County. (Howard County elected to impose an innkeeper's tax under the uniform innkeeper's tax law beginning in 2014.) Provides that the maximum innkeeper's tax rate for Howard County under the uniform innkeeper's tax law is 8% on the gross income derived from lodging income. (Current law authorizes a maximum tax rate of 5% under the uniform innkeeper's tax law.) Authorizes Brown County to impose a \$1 admissions tax upon admissions to the indoor performing arts center. Specifies how the revenue may be used. Permits the county to enter into an operating lease with the convention and visitors commission and a contract with a nonprofit organization to operate the indoor performing arts center. Authorizes the fiscal body of the city of Attica (in Fountain County) to impose a food and beverage tax. Authorizes the town of Danville to impose a food and beverage tax. Authorizes the city of Greenwood to impose a food and beverage tax. Authorizes the town of Whitestown to impose a food and beverage tax.

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

Brian Burdick, Partner

Office: (317) 231-7393

Email: brian.burdick@btlaw.com

Joe Loftus, Partner

Office: (317) 231-7213

Email: joseph.loftus@btlaw.com

Heather Willey, Partner

Office: (317) 231-6448

Email: heather.willey@btlaw.com

Sabra Northam, Associate

Office: (317) 231-7323

Email: sabra.northam@btlaw.com

Jacob German, Associate

Office: (317) 231-7538

Email: Jacob.German@btlaw.com

Jordan Zakary, Legislative Intern

Office: (317) 231-6145

Email: Jordan.zakery@btlaw.com

Patrick Stone, Legislative Intern

Office: (317) 231-6419

Email: Patrick.stone@btlaw.com