





Legislative Update

122ND INDIANA GENERAL ASSEMBLY

THURSDAY, FEBRUARY 24TH, 2022

 **Week Five Overview**

 Indiana senators significantly altered multiple bills sent over from the House last week, indicating a chasm between the policy priorities of Senate and House Republican leadership. With the Senate House and Provider Services Committee being canceled Wednesday, economic development took the focus for this week.

Education: Fewer than 60% of Indiana's 2021 high school graduates completed a FAFSA form, according to the National College Attainment Network. When explaining SB 82, Sen. Leising (R-Oldenburg) said that left at least \$65 million in potential federal aid unclaimed by Hoosier students. Sen. Leising brings the bill in an effort to increase the number of Indiana students who complete the federal college financial aid application. The House Education Committee changed the proposal to only require that school officials provide high school seniors and their parents with more information about the FAFSA. The issue is being weighed by the Legislature for the third year in a row. Proposed FAFSA mandates have passed the Senate in each of the past two legislative sessions but have not advanced in the House. Similar measures have been adopted in Louisiana, Texas, and Illinois. Leising said those laws have resulted in significant increases in FAFSA participation rates.

Tax Cuts: Gov. Eric Holcomb signaled Wednesday that tax cuts are likely this year. "As we see our economic growth continue, we believe that we can do – not just contemplate – this year ... potentially some significant tax cuts, still having the appropriate funding for our priorities in 2023 which are many and great," Holcomb said. Specifically, the Governor supports changes to the business personal property tax and said he would lean toward an individual income tax reduction over sales tax changes for businesses. Previously the Governor had questioned whether tax cuts should wait until next year when a new budget is crafted, but he said state budget officials have done modeling on revenue and expenses that make it more likely.

Economic Development: HB 1147, authored by Rep. Lehe (R-Brookston), passed third reading by the Senate Monday (47-0). The Legislation would charge farmers more money to get their seed tested by the state. The Office of Indiana State Chemist offers to test seed for purity and germination, but only charges about half as much as what private companies do. Officials with the agency say that makes it harder for them to provide that service. Among other things, the bill would allow the state chemist to

keep fees in line with industry standards and change them more often. A similar bill, SB 129 authored by Sen. Leising (R-Oldenburg), is working its way through the Indiana House and was just signed by the President Pro Tempore.

The Senate passed HB 1221, authored by Rep. Soliday (R-Valparaiso), that would allow the Indiana Utility Regulatory Commission (IURC) to approve pricing structures for retail energy service. It also would allow anyone who makes electric-vehicle charging stations available to the public to charge by kilowatt-hour rather than a fixed dollar or time amount. Sen. Eric Koch, a Republican from Bedford, said electric-vehicle pilot programs will allow Indiana policymakers to figure out what works and what does not work. The bill already passed the House unanimously, but only passed (33-13) in the Senate. It has now been returned to the House for approval on Senate amendments.

SB 271, authored by Sen. Koch (R-Bedford), passed third reading (70-22) on Tuesday. This legislation directed the IURC to adopt rules by July 1, 2023, that would permit small modular nuclear reactors to be used to generate electricity in the Hoosier State. This does not mandate any utilities to switch to nuclear power. Rather, it opens the door for utilities to consider constructing a nuclear generating facility by putting in place the regulations that would guide its development and use. State Rep. Soliday (R-Valparaiso), the sponsor of the measure, said nuclear is a "cleaner energy" option that ensures Indiana can meet its base load energy needs as Hoosier utilities continue retiring coal-fired power stations in favor of renewables.

SB 1 from Sen. Holdman (R-Mackle) passed unanimously in the House Thursday and now goes to Gov. Eric Holcomb for enactment. Now an additional estimated 440,000 taxpayers will receive a tax refund depending on how they filed in 2021. A base refund of \$125 will be issued to these newly eligible Hoosiers, increasing the total amount of Indiana tax refunds received. Even without meeting the state's usual income threshold of \$1,000 or more annually, qualifying citizens will receive this bonus. These funds were created as the result of a surplus from 2021 state revenues. Its proposal earlier this year promoted a "simple and fair" automatic taxpayer refund and had Holcomb's support.



Looking Ahead

The committee report and second reading deadlines for the House have now passed. For the Senate, committee reports are due on February 24th and second readings are due February 28th. With this Legislative Session being sped up, March 14th will conclude the 2022 Legislative Session.

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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