



Legislative Update

122ND INDIANA GENERAL ASSEMBLY

THURSDAY, March 10th, 2022

Week Ten Overview

As expected, this was the last week of session. Although they had until March 14th, legislators pushed through the night and finished early in the morning on Wednesday, March 9th. Below are some key legislation discussed this week.

Crime: Bail charities will face the same licensing requirements as private bail bondsmen under a bill passed in the final hours of the General Assembly. HEA 1300 from Rep. Mayfield (R-Martinsville) would prevent nonprofits from bailing out anyone with a violent felony or with a previous violent conviction. It also gives the State's Department of Insurance the authority to certify bail charities and revoke their license if they violate rules with fraud, deception, and dishonesty. HEA 1300 is less restrictive than earlier versions, which would have capped the amount of money bail charities could post and limit them to misdemeanor cases. The Engrossed Act only restricts them to nonviolent offenders and forbids charitable bail organizations from using tax dollars to post bail. Rep. Mayfield stated that there is currently no oversight over bail charities, leaving both the community and their clients at risk. It also gives the Department of Insurance the ability to license bail charities and revoke that license in case of fraud or other rule violations. The Engrossed Act now goes to Governor Holcomb to sign or veto.

Constitutional Carry: Indiana lawmakers approved legislation on Tuesday that would eliminate the license requirement to carry a handgun. Under HEA 1296 by Rep. Smaltz (R-Auburn), anyone who legally can carry a handgun would now be able to do so without first obtaining a permit. This includes most Hoosiers 18 years and older. The Engrossed Act would also elevate the offense of theft of a firearm from a Level 6 felony to a Level 5 felony, meaning someone convicted could be imprisoned between one and six years and may be fined as much as \$10,000. Lawmakers had taken the first step to accomplishing this year's goal when they made the permit for a gun license free through last year's legislation. The original language was in HB 1077, however, proponents of the bill sought a new home for this language after the Senate Judiciary Committee amended the bill to still require permits to

carry a handgun, and only allowed for permitless carry for qualified applicants while they await their permit. After several proposed Conference Committee Reports, the constitutional carry language landed in HEA 1296, completely replacing the Interim Study on Multiple Employment Welfare Arrangements and Employee Medical Claims language that was originally in the bill.

The legislation split Senate Republicans, many of whom stood opposed to the legislation alongside law enforcement. State Police Superintendent Douglas Carter and many other police officers raised concerns that the lack of a registry for firearm carriers will endanger police and make tracking criminals more difficult. Sen. Liz Brown (R-Fort Wayne) said she was voting against the legislation in order to “Back the Blue” and urged her colleagues to do the same. The House voted to pass first (68-30), followed by the Senate (30-20) after almost three hours of debate on the Senate floor. Currently, 21 other states allow permit-less carry, with Indiana and others potentially joining them soon.

Economic Development: Through HEA 1002, Rep. Brown (R-Crawfordsville), Indiana lawmakers approved a \$1.1 billion tax cut package on the last day of the legislative session, which could reduce Indiana's income tax rate from 3.23% to 2.9% over seven years, among other tax reliefs. The income tax cut will take place over seven years. Once fully phased in, Indiana's tax rate would be tied for the lowest flat income rate in the country. However, the majority of the tax cut could take longer than seven years to go into effect, and there is no guarantee a large chunk of the tax cut will even happen. After the first tax cut in 2023, future tax cuts may only occur if state revenue growth reached 2% the prior year. However, that threshold is often met unless there is a serious economic downturn like there was in 2020 due to the pandemic. Rep. Porter (D-Indianapolis) noted that Republicans did not include such triggers when they “slashed” the corporate tax rate for the last several years. Rep. Porter voiced concerns that the legislation is more hesitant to provide individuals a tax relief than past legislation has been on businesses. He also stated the legislature should have done more to help struggling Hoosiers now – such as a temporary suspension of the state gas tax. The Engrossed Act’s tax reliefs also includes the elimination of two utility taxes that, according to Rep. Brown, will cost the state \$200 million a year, however, will help Hoosier ratepayers. The package does not include any reduction in the business personal property tax, which had been part of both House Republicans and Gov. Eric Holcomb's agenda. If the Governor signs the Engrossed Act, the utility tax elimination will take effect on July 1 of this year, however, the first cut of the individual income tax will not happen until January 2023.

The House and Senate gave final approval to SEA 361, Sen. Mishler (R-Bremen), Tuesday night in the final hours of the legislative session. The measure heads to Gov. Holcomb, who made modernizing the state’s economic development toolkit a top legislative priority. He is expected to sign the Engrossed Act into law in an effort to help the state be more nimble when recruiting new business ventures. It underwent several

changes in the House and Senate over the past two months, mostly focused on addressing local governments' concerns over losing control and input in the formation of innovation districts designed to help the state create thousands of jobs. If the expected investment in a district is calculated to be less than \$2 billion, the Indiana Economic Development Corporation (IEDC) would have to get consent from the local mayor or county commissioners to move forward. If the deal is worth more than \$2 billion, likely a mega-deal that requires fast action, then the IEDC could establish a district without a formal agreement but would have to continue to collaborate with the local officials. However, the IEDC would have to establish rules on how they plan to collaborate with locals first to create the district. The final Engrossed Act removed a provision that would have created a six-member district board to oversee the local district fund and govern operations in the district. Rep. DeLaney (D-Indianapolis) stated that he thought it did not go far enough to solve the state's issues with not being able to offer large incentives and that there should be a statewide fund with designated for big projects. SEA 361 also reworks the IEDC tax credit toolkit, establishing an overall \$300 million cap on the tax credits that can be given in incentives. Additionally, it gives the IEDC \$300 million in cash incentives to give out for deals.

Healthcare: After a number of additions and changes in the Conference Committee Report, HEA 1169, authored by Rep. Clere (R-New Albany), passed in both Chambers on Tuesday with language from now "dead" HB 1158 and SB 392. The Engrossed Act is largely "code cleanup" and makes many administrative quality of life changes for providers. It allows Advanced Practice Registered Nurses and Physician's Assistants to sign first steps treatment plans and orders for Diabetes Self-Management. It also corrects the term "nurse practitioner" to "advanced practice registered nurse" in code language, and updates outdated code references to "qualified pharmacists". Additionally, it allows a board of pharmacy to issue provisional licenses to out-of-state drug distributors and allows pharmacy technicians to give immunizations. The Engrossed Act also makes a number of positive changes for home health agencies, such as allowing them to enter into cooperative agreements under the Hoosier Care Connect program.



Looking Ahead

The General Assembly has wrapped up its work for the year nearly six days early, with it officially ending on Wednesday a little before 1:00 AM. Next week, we will be sending out a final bill tracker and newsletter summarizing the session as a whole.

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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