



LEGISLATIVE UPDATE 123RD GENERAL ASSEMBLY

FRIDAY, FEBRUARY 16TH, 2024

Week Six Overview

Legislators returned from their mid-session break this week. House bills that were passed before the break have begun to be heard in Senate committees; likewise, Senate bills that were passed before the break have begun to be heard in the House. Additionally, for your reference, a bill's primary sponsor will be indicated when mentioning the bill in our weekly legislative update. The listed legislator is the bill's primary carrier as the bill progresses through the respective chamber.

Committee Highlights

HEALTH

Senate Health and Provider Services: Committee members began the second half of the legislation session with a lengthy itinerary of bills. First on the agenda, HB 1205, Mental Health Center Reporting – Sen. Scott Baldwin (R – Noblesville), which would require that community mental health centers (CMHC's) specify new information as part of their annual report. Such information includes patient demographics, number of diagnoses, and the average time from initial engagement to an offered initial evaluation, among other things. HB 1205 passed in committee unanimously (9-0).

Several breast cancer survivors testified in support of HB 1058, Breast Cancer Screening and Services – Sen. Jean Leising (R – Oldenberg). Provisions of this bill would include, among other things, that a facility performing a mammography examination provide an assessment of the patient's breast tissue density using specified classifications. HB 1058 would provide vital information aiding in early breast cancer detection. It passed in committee unanimously (10-0).

Legislators in the Senate had the opportunity to hear one of Governor Holcomb's priority bills, HB 1102, Child Care – Sen. Greg Walker (R – Columbus). Amendment 9 was adopted by consent, which would set forth that a licensee may not provide care for more than three children who are less than 12 months of age. In an aim to address Indiana's child care shortage, a provision in HB 1102 would provide childcare for

employees of contracted entities with public or private schools. HB 1102 passed as amended in committee (8-2).

HB 1259, Professions and Occupations – Sen. Liz Brown (R – Fort Wayne) would allow the Indiana State Board of Nursing to issue, by examination, a registered nurse license to graduates of a foreign nursing school, among other things. HB 1259 would reduce current licensure barriers, while addressing the concerns of Indiana’s nursing shortage. The goal of this bill is to expand pathways into nursing while maintaining high quality standards. HB 1259 passed the committee unanimously (9-0).

House Public Health: The committee convened to hear a new slate of bills from the Senate this week. These bills aim to improve Hoosier Health through investment in research funds, mental health, and mobile integrated healthcare. On Tuesday, legislators heard SB 10, Community Cares Initiative Grant Pilot Program – Rep. Brad Barrett (R – Richmond). SB 10 establishes a funded pilot program to assist in the costs of expanding mobile integrated health care programs and mobile crisis teams across the state. The grant program would empower local communities to rehabilitate Hoosiers and reduce calls for service, SB 10 passed unanimously in committee (13-0).

In addition, legislators heard SB 139, Psilocybin Treatment Program – Rep. Martin Carbaugh (R – Fort Wayne) which seeks to help those suffering with mental health issues. Several individuals testified that psilocybin has been a breakthrough therapy for those who have been resistant to other treatment. The bill will not legalize psilocybin, but will establish a therapeutic psilocybin research fund to provide financial assistance for research institutions in Indiana to study the use of psilocybin to treat mental health and other medical conditions. SB 139 passed in committee (12-1). Rep. Matt Hostettler (R – Patoka) opposed, with concern that this bill would monetize the drug.

House Insurance: The committee met on Wednesday morning to discuss SB 273, Biomarker Testing Coverage – Rep. Brad Barrett (R – Richmond). SB 273 proposes, among other things, requiring a health plan to provide coverage for biomarker testing for the purposes of diagnosis, treatment, appropriate management, or ongoing monitoring of a disease or condition when biomarker testing is supported by medical and scientific evidence. The bill heard unanimously supportive testimony, with testifiers speaking to the prevention benefits of biomarker testing for diseases such as Alzheimer’s, ALS, and dementia. SB 273 passed committee (11-0).

EDUCATION

Senate Education and Career Development: Legislators gathered to hear several bills that would impact education in Indiana. Priority bill HB 1001, Education and Higher Education Matters – Sen. Jeff Raatz (R – Richmond), Chair of Senate Education and Career Development, proposes that an annual grant amount awarded under the

Career Scholarship Account program may be used for costs related to obtaining a driver's license following certain conditions. In addition, the timeframe for parents to utilize the Career Scholarship Account (CSA) increases from 7 to 30 days, providing more flexibility during the application period. HB 1001 was held in committee for further discussion.

Also heard in committee was HB 1042, Transition to Teaching Scholarships – Sen. Jeff Raatz (R – Richmond). This bill provides that any remaining balance in the Hoosier Educator Scholarship Fund may be used to fund additional Transition to Teaching scholarships. When the Transition to Teaching program opened in the fall, there were over 300 applicants within an hour. HB 1042 would allow more applicants to be awarded as it would use the remaining balance, supporting opportunities to increase teachers in Indiana, it passed unanimously (10-0).

The committee also heard a bill to increase the safety of students and staff in schools through HB 1104, School Safety – Sen. Spencer Deery (R – West Lafayette). Within HB 1104, school resource officers would have the option to participate in the 1977 pension aimed at retaining high quality officers. A provision of the bill includes violence prevention and trainings to school's current safety plans. HB 1104 passed in committee (11-0), with recommitment to Appropriations.

House Education: On Wednesday, members of the committee gathered for several hours to hear testimony on key education bills. One of the priority bills for this session is SB 1, Reading Skills – Rep. Jake Teshka (R – South Bend). Nicknamed the “Every Child Learns to Read” bill, SB 1 makes major changes to improve early identification and remediation for students struggling to read. The bill, among other things, requires certain schools to offer summer school courses for students who are not reading proficient or are at risk of not being reading proficient. SB 1 is not expected to increase total state expenditures for summer school. The key to the bill is starting early for Indiana, as early as kindergarten. In testimony from the Secretary of Education, Dr. Katie Jenner, she shared that this bill is meant to put in place proactive solutions for improving literacy, while limiting retention. SB 1 was passed in committee, (8-4), with Democrats opposed.

SB 6, Reading Proficiency – Rep. Robert Behning (R – Indianapolis), Chair of House Education, is the sister bill to SB 1. While SB 1 focused on students reading before and in the third grade, SB 6 focuses on grades fourth through eighth. SB 6 requires the Department of Education to develop a method to identify students in fourth grade through eighth grade who: (1) did not pass the determinant evaluation of reading skills approved by the State Board of Education; and (2) are at risk of not being proficient in reading as determined by the statewide summative assessment. The DOE would be required to develop guidance for schools to support students who are found at risk. After hearing several individuals testify in support of SB 1, it passed in committee unanimously (10-0).

SB 202, State Educational Institution Matters – Rep. Behning (R – Indianapolis), Chair of House Education, was heard last in committee. Provisions of the bill would mandate that students take the Scholastic Aptitude Test (SAT) and file a Free Application for Federal Student Aid (FAFSA), encouraging pathways to higher postsecondary education. However, individuals testified in opposition of other language within the bill that they believe would subject professors to tenure review every 5 years. After two hours of testimony, Rep. Behning decided hold the bill for further discussion.

GOVERNMENT

Senate Local Government: The committee met on Thursday afternoon to hear a variety of bills related to local government affairs. All bills were heard and amended by the committee. Chairman James Buck (R – Kokomo) held all bills after amendments to be further amended and voted on next week. HB 1158, County Contracts – Sen. Travis Holdman (R – Markle) was amended by consent prior to the bill’s details being discussed. Amendment #2, authored by Rep. Matt Lehman (R – Berne), would among other things, propose confining the bill to contracts that involve the purchase of: (1) real property; (2) tangible or intangible personal property; or (3) services. The amendment would also expand the role of the county attorney to disapprove a contract if they determine the contract exposes the county to potential liability, or if the contract does not comply with state law. As amended, HB 1158 would require that the above defined contracts be subjected to a review process by the county executive, which would have the ability to execute contracts on behalf of the county. HB 1158 was held for further amendments.

HB 1329, Local Government Matters – Sen. Scott Baldwin (R – Noblesville) was the last bill to be heard by the committee. Amendment #4, authored by Chairman Buck, was taken by consent prior to discussion of the bill. Amendment #4 would specify that the reference in the bill to a “license bond” does not refer to a performance bond. License bonds are a guarantee to the local municipality or state that the contractor will abide by the relevant laws in this area, while performance bonds guarantee that a contractor will fulfill the terms of the contract. As amended, HB 1329 would allow certain license bond obligors, such as building contractors, to initiate civil action against a political subdivision that does not recognize or allow an obligor to post a license bond, as well as outlines proposed awards for civil action. The bill also, among other things, clarifies that local health departments cannot require a septic inspection as a condition of sale of property. HB 1329 was held for further amendments.

House Utilities, Energy and Telecommunications: The committee met on Tuesday to discuss two bills related to utility infrastructure. SB 5, Lead Water Line Replacement and Lead Remediation – Rep. Ed Soliday, Chair (R – Valparaiso) was first heard by the committee after passing the Senate unanimously last week. An amendment that

was proposed spur of the moment during committee by Chairman Soliday was adopted by consent. The amendment would strike the word “state” from the bill, therefore clarifying that all funding for SB 5 would be federal money, as well as would ensure water utility companies use all other available remedies before completely disconnecting service. SB 5, a priority measure for Senate Republicans, proposes requiring landlords to enroll in a program to replace the lead pipes they own through their water utility or be forced to pay for it themselves. The proposed program would be funded either by federal government monies or the Indiana Finance Authority, which has made funding available to Indiana drinking water utilities to help offset the cost of replacing lead pipes to their customers. With regulatory approval, utilities can also pass some costs to ratepayers. If a landlord refuses, the bill would allow the utility company to enter the property to replace the lead service line, or the utility would be able to disconnect water service to the property. Several testified in support of the bill, stating the health risks caused by lead tainted water, and touting the proposed program’s focus on safety, cost, and efficiency. SB 5 passed committee as amended (12-0), and moves to the House Ways and Means Committee.

House Elections and Apportionment: SB 29, Town Party Conventions – Rep. Ben Smaltz (R – Auburn) would specify the manner of nomination applicable to a candidate for town office in a small town (a town with a population less than 3,500 people), based on the year in which the election occurs. The bill clarifies that in elections in even numbered years, small towns will automatically file by primary ballot with no option for a convention. However, in odd numbered years, small towns would have to automatically have a convention unless an ordinance was filed to move the candidacy to a municipal election. The bill passed committee (11-0).

The committee also heard SB 135, Redistricting Deadline – Rep. Tim Wesco (R – Osceola). The bill would require the redistricting or the recertification of election districts before June 30, 2025 as some municipalities have failed to redistrict since the 2020 census. Additionally, the bill assesses a penalty if a redistricting authority fails to redistrict or recertify election districts by withholding the pay of members of local units. The bill would not go into effect until 2025 as to not interfere with the elections in 2024. The bill passed the House committee (11-0) and has been moved to second reading.

ECONOMIC & BUSINESS DEVELOPMENT

House Government and Regulatory Reform: With growing improvements in technology with artificial intelligence (AI), Indiana has been seeking for ways to stay ahead of the curve. The House Committee on Government and Regulatory Reform heard SB 150, Artificial Intelligence and Cybersecurity– Rep. Matt Lehman (R – Berne) to do just that. The bill would, among other things, create an AI task force that would study the use of AI by state agencies. Those in opposition to the bill testified the task force’s creation would be redundant and the language of the bill

targets certain companies. Ultimately, the bill was held in committee and did not receive a vote.

The committee also heard SB 221, State Board of Accounts – Rep. Matt Lehman (R – Berne). This bill would, among other things, limit the authority of the director of the Special Investigations Department to investigations involving public money subject to financial examinations by the state board. Additionally, the bill provides an internal audit or risk assessment, conducted by or on behalf of the state, shall remain confidential and the state and other individuals may not divulge this information unless required to do so in accordance with a judicial order. SB 221 passed committee (10-0).

House Public Policy: On Tuesday, the House Public policy committee heard SB 20, Municipal Riverfront Development District Permits – Rep. Matt Lehman (R – Berne), Chair of Tax and Fiscal Policy. SB 20, which specifies that the Alcohol and Tobacco Commission may issue restaurant permits to a municipal riverfront development district established by a town, and not just larger cities. The current statute does not allow for towns to have restaurants that can sell alcohol on premise—only cities are currently granted this ability. The bill passed in committee (12-0).

The House Committee on Public Policy heard SB 58, Restaurant Carryout Sales – Rep. Phil GiaQuinta (D – Fort Wayne), which would exempt a specialty market from the retail requirement to sell alcoholic beverages for carryout. A specialty market is defined as a market that holds a beer and wine retailers permit and is engaged in the retail sale of specialty foods such as meats, fruits and vegetables, and gourmet cheeses. Under current law, 60% of gross retail income from alcoholic beverage sales must be derived from sales of alcoholic beverages intended for consumption on the premises where the sale is made. Passage of SB 58 would remove this 60% requirement if a specialty market already has an existing alcohol retailers permit. Amendment #5 – Rep. GiaQuinta exempts a specialty market holding a retailer's permit issued in September 2019 from the gross retail income requirements to sell alcoholic beverages for carryout. The original date for permits issued was January 1, 2024. The amendment was adopted, and the bill passed in committee (12-0).

SB 205, Collaborative Brewing – Rep. Ethan Manning (R – Logansport) would allow a small brewery to manufacture beer for another small brewery if the receiving small brewery manufactured at least 40 barrels of beer in the previous calendar year. The bill passed committee (12-0).

Senate Public Policy: The Senate Public Policy Committee heard HB 1025, Mixed Beverages – Sen. Kyle Walker (R – Indianapolis), which concerns the sale of alcohol products—specifically the sale of ready-to-drink (RTD) canned mixed beverages. The bill adds a definition of “mixed beverage” into state law defining it as a “prepared cordial, cocktail, or highball that is in a can or container that holds not more than

twenty-four ounces” and contains between 0.5% and 15% alcohol by volume. The intent of this bill is to allow competition within the alcohol industry as malt beverages and RTDs are marketed, merchandised, and geared toward beer consumers, but are currently only able to be sold by liquor wholesalers, not beer wholesalers. HB 1025 would allow beer wholesalers to sell these mixed beverages if they hold a wine wholesalers permit. Wine wholesaler permits can be concurrently held with a beer wholesale permit or a liquor wholesale permit. The bill passed committee (9-0).

The committee also heard HB 1086, Alcoholic Beverage Sales – Sen. Kyle Walker (R – Indianapolis). The bill would allow a bar or restaurant to prepare, sell, and deliver alcoholic beverages for carryout in sealed, non-original containers and would allow the bar or restaurant to reduce the price of alcoholic beverages during a part of the day. The bill would also, among other things, require a retailer to obtain either liquor liability insurance or an endorsement with at least \$500,000 coverage to obtain or renew a retailer’s permit. This requirement would go into effect after June 30, 2024. Amendment #4 was proposed in committee by Sen. Kyle Walker, and removes provisions of the bill regarding the sale of alcoholic beverages to be consumed off premises via carryout cocktails. Amendment #3 was proposed by the committee Chair Sen. Ron Alting (R – Lafayette) which moves up the end time for price reduction, also known as happy hours, from 10:00 pm to 9:00 pm. Both amendments were adopted by consent, and the bill passed committee as amended (9-0).

Lastly, HB 1197, Alcohol and Tobacco Commission – Sen. Ron Alting, Chair Public Policy Committee (R – Lafayette), if passed into law, would allow for the Alcohol and Tobacco Commission (ATC) to provide notices electronically. Further, the bill would allow the ATC to issue 10 new permits to the city of Noblesville, and it would repeal certain redundancies cleaning up language pertaining to beer gardens and the patio service of alcohol as a result of corresponding legislation passed last session. The bill also allows those who qualify to add a food hall permit—a three-way retailer’s permit allowing for on-premises consumption, and it adds craft manufacturers to host permittees for events. Amendment #10 – Chair Sen. Alting would allow a hotel to create a designated smoking area on the outside patio of a hotel. Additionally, the amendment would allow the ATC to issue three-way permits allowing for on-premises consumption in the City of Delphi and in the Hoosier Heartland Corridor Overlay District. The amendment was adopted by consent, and the bill passed committee (9-0).

BUDGET & TAXES

Senate Insurance and Financial Institutions: The committee heard several hours of testimony on Wednesday on HB 1385, Payment for Ambulance Services – Sen. Tyler Johnson (R – Leo). Prior to testimony, the committee adopted Amendment #8, authored by Sen. Johnson, by consent. Amendment #8 proposes limiting the bill to only ambulance services that exist out of a healthcare system, moves the effective date to January 2025, and removes the state employee health plan from the scope of

the bill, in order to remove any fiscal impact during a non-budget year. The amendment would also require a health plan operator to provide payment for an ambulance service provided to a covered individual either: (1) at a rate set by the county or municipality in which the ambulance service originated; (2) at the rate of 400% of the current published ambulance rate; or (3) according to the ambulance service provider's billed charges; whichever is less. As a whole, HB 1385 would require a health plan operator to provide payment to a nonparticipating ambulance service provider for ambulance service provided to a covered individual according to the amended stipulations above. Those testifying against the bill argued that the bill would disproportionately affect small business, and burden them with a higher premium cost, which would eventually be passed down to employees or customers. Those testifying in support of the bill argued that there is an extreme scarcity of EMS service in the state, driven by a lack of money in the system, and this bill helps to provide supplemental funds to help deal with the issue. HB 1385 passed committee as amended (7-1).

CRIMINAL LAW

Senate Corrections and Criminal Law: HB 1182, Regulation of Controlled Substances – Sen. Susan Glick (R – LaGrange) would relocate requirements that the state Board of Pharmacy must comply with when adopting interim rules declaring a substance a synthetic drug from the professional licensing law to the statutes governing administrative rulemaking. Two amendments to the bill were proposed and adopted in committee. Amendment #2 allows pharmacists to conduct immunizations, and Amendment #3 adds additional variants of fentanyl to the list of controlled substances. The bill passed committee as amended (8-0).

HB 1203, Possession of Xylazine – Sen. Tyler Johnson (R – Leo) would make the possession of Xylazine a Class A misdemeanor. If the person has a prior unrelated conviction for possession of Xylazine, the bill would increase the penalty to a Level 6 felony. Additionally, HB 1203 exempts individuals using, distributing, or manufacturing Xylazine for veterinary purposes. The bill passed committee (5-1) with Sen. Rodney Pol voting no citing the bill's failure to target suppliers and dealers. Chair of the committee Sen. Aaron Freeman (R – Indianapolis) stated his willingness to work with Sen. Pol on an amendment addressing suppliers and dealers to be introduced upon the bill's second reading.

House Courts and Criminal Code: SB 36 Interference with Boundary Marker – Rep. Joanna King (R – Middlebury) would create a civil penalty for a person who knowingly or intentionally moves a boundary marker: a permanent geographic indicator used by land surveyors. Additionally, the bill permits a court to order a person who moves a boundary marker to pay for the cost of reestablishing the boundary marker. The bill passed in committee (12-0).

SB 70, Bail and Release Review Commission – Rep. Gregory Steuerwald (R – Avon) would establish a 16-member Bail and Release Review Commission. The newly established commission would be responsible for reviewing, among other things, bail, bail reform, and pretrial release. SB 70 stems from the passage of SJR 1 in last year’s legislative session which generated discussion on bail reform. Passed in 2023, SJR 1 provided that an offense other than murder or treason is not bail-able if the proof is evident or the presumption strong and the state proves by clear and convincing evidence that no release conditions will reasonably protect the safety of any other person or the community. The bill passed the House Committee on Courts and Criminal Code (12-0).

SB 182 Regulation of Drones Near Correctional Facilities – Rep. Gregory Steuerwald (R – Avon) would amend two sections of the Indiana criminal code related to the delivery of contraband via drone and the act of interfering with a correctional officer. Currently, neither the Federal Aviation Administration nor state statute prohibits drones from flying over state correctional facilities; SB 182 would prevent such action. During the hearing, testimony was provided on behalf of the Indiana Department of Corrections noting several occurrences where items such as cellphones, tobacco, drugs, and other substances have been dropped inside correctional facilities via drones, posing a large security threat. SB 182 passed committee (12-0) and has been moved to second reading.

Senate Judiciary: As proposed in committee, HB 1101, Courts for Children Three Years of Age and Younger in Need of Services – Sen. Eric Koch (R – Bedford). The bill would establish a safe baby court and provides that a child in need of services is an eligible individual for this court program. Subsequently, a parent or guardian of a child in need of services may be responsible for paying certain fees. Chair Sen. Brown offered Amendment #2 which removes the term “at-risk family” from the bill as the term is not defined in existing statute. In committee discussion, those opposed to the bill stated the Department of Child Services (DCS) should already be doing what the bill provides. Ultimately, the bill passed committee (9-2) with Sen. James Buck (R – Kokomo) and Sen. Susan Glick (R – Lagrange) both voting ‘no.’ Sen. Buck explained his “no” vote as a protest as he believes the government has failed in its duties to do what the taxpayers have paid it to do.

 **Session Floor Highlights**

SENATE

On Monday and Tuesday, the Senate convened honoring two former state senators: John Ford and Chip Perfect. Additionally, the Senate recognized civic engagement amongst Hoosier youth this week. Sen. Chris Garten (R – Charlestown) and Sen. Greg Taylor (D – Indianapolis) recognized the Indiana Legislative Youth Advisory Council on Monday, and Sen. Jean Leising (R – Oldenburg) recognized members of the

Indiana 4-H program. On Thursday, HB 1090, Transportation Matters – Sen. Michael Crider (R – Greenfield) and HB 1412, Canine Standard of Care – Sen. Blake Doriot (R – Goshen) both passed on second reading and have been moved to third reading.

HOUSE OF REPRESENTATIVES

On Monday and Tuesday of this week, the House met to honor two retiring Representatives, Rep. Hatfield and Rep. Lyness. The House also passed down multiple bill lists to assign incoming Senate bills to their respective committees. On Thursday, the House honored Rep. Dennis Zent (R – Angola) on his retirement. Additionally, the following bills were read for a second time and ordered to engrossment: SB 19, License Suspension – Rep. Julie Olthoff (R – Crown Point); SB 20, Municipal Riverfront Development District Permits – Rep. Matt Lehman (R – Berne); SB 58, Restaurant Carryout Sales – Rep. Phil GiaQuinta (D – Fort Wayne); SB 205, Collaborative Brewing – Rep. Ethan Manning (R – Logansport); SB 221, State Board of Accounts – Rep. Lehman; and SB 286, Selection of Poet Laureate – Rep. Ed Clere (R – New Albany).

BILLS SIGNED INTO LAW

On Monday, Governor Holcomb signed HEA 1383, Wetlands – Rep. Alan Morrison (R – Brazil) into law. This was the first bill to be enacted and signed into law in the 2024 legislative session.

Looking Ahead

As we continue to the second half of the legislative session, the following are the deadlines for the remainder of the legislative session:

- The deadline for House Committee Reports is Tuesday, February 27th.
- The deadline for Senate Committee Reports is Thursday, February 29th.
- The last day for second reading of Senate engrossed bills in the House is Thursday, February 29th.
- The last day for second reading of House engrossed bills in the Senate is Monday, March 4th.
- The last day for the third reading of Senate engrossed bills in the House is Monday, March 4th.
- The last day for the third reading of House engrossed bills in the Senate is Tuesday, March 5th.

At this point, we are anticipating session to conclude a week earlier than originally scheduled. Adjournment of both houses must occur no later than Thursday, March 14th.

Please feel free to contact a member of our legislative team should you have questions, need full copies of bills or amendments, or have any questions on matters pending before the Indiana General Assembly.

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