



# Barnes & Thornburg LLP

## Legislative Update

### 119<sup>th</sup> General Assembly

**Friday, March 27, 2015**

Greetings! Both chambers worked through busy calendars during week 12 of the legislative session. SB 101 *Religious Freedom Restoration* sparked passionate debate in the House and Senate. Many Hoosiers gathered in the Statehouse to protest the bill, arguing that it endorses discrimination. In spite of protests and negative media attention, the bill passed the legislature and was sent to the Governor for consideration. The Governor signed the legislation into law on Thursday. The Governor also signed HB 1065 *Use of Investigational Drugs, Biological Products, and Devices*. The bill, also known as the “right to try” bill allows a patient to receive an experimental or nonconventional medical treatment if a physician determines that the patient has been diagnosed with a terminal disease or condition and does not have comparable or satisfactory treatment options.

### **Week 12 at the Statehouse**

#### **Committee Highlights**

The Senate Tax and Fiscal Policy committee met on Tuesday. The committee considered HB 1273 *Marion County Economic Development*, commonly referred to as the Indy Eleven stadium bill. The bill proposes an \$80 million state contribution to a stadium construction project. Before arriving in the Senate, the bill faced opposition from those concerned about using tax dollars to help fund a private project. Senator Hershman offered an amendment that essentially proposes a new plan. The amendment authorizes Indiana University to finance a \$20 million project to renovate IUPUI’s Carroll Stadium, where Indy Eleven currently plays. The amendment requires the State Budget Committee to approve IUPUI’s renovation plan and conditions approval upon the school entering into a lease agreement with a professional soccer team (Indy Eleven). Representatives from IU and Indy Eleven testified in support of the new plan. The committee passed the bill as amended with a vote of thirteen to zero. The committee also considered HB 1044 *Rockville Food and Beverage Tax*. The committee first discussed two proposed amendments, one authorizing Greenwood to collect a food and beverage tax and one authorizing a food and beverage tax on travel plazas on Indiana toll roads. After a brief discussion, the committee voted to pass the bill as amended. The committee also passed HB 1281 *Local Government Investment*, HB 1398 *Northwest Regional Development Authority*, and HB 1388 *Property Tax Matters*.

The Senate Education committee met on Wednesday to consider several bills. HB 1636 *Charter Schools* passed with a vote of nine to zero. The bill contains many provisions that impact charter schools. One such provision requires any sponsor receiving an application for a charter school that already operates under a different sponsor to alert the current sponsor in writing. This is aimed at stopping “charter shopping,” a practice by which some

underperforming charter schools have found new sponsors just before they would have otherwise been closed, allowing them to remain open. The committee also considered HB 1637 *Various Education Issues*. Among other provisions, the bill requires that the guidelines and thresholds for remediation established by the State Board of Education must include criteria and thresholds determined by the Commission for Higher Education in consultation with state educational institutions. The bill passed with a vote of eight to one. HB 1638 *School Transformation Zones* and HB 1414 *School Safety Drills* were also discussed, but they were held for further consideration and possible amendments next week.

The Senate Local Government committee met on Wednesday to discuss two bills. HB 1264 *Political Subdivision Internal Controls* provides political subdivisions with more specific guidelines about financial control and reporting. Two weeks ago, the committee heard concerns about unclear language within the bill. On Wednesday, the committee revisited HB 1264, along with a proposed amendment addressing those concerns by providing additional clarifying language. For example, the bill requires personnel to be trained on financial reporting standards and procedure and the amendment provides a definition of personnel. The amendment also postpones the effective date to July 1, 2016. The committee voted to pass the bill as amended. The committee then confronted a more contentious topic. HB 1300 *Ordinances Related to Building and Housing Laws* proposes a process by which local governments may implement their own building and housing ordinances, provided the Indiana Building Commission approves the ordinance. The bill also prohibits a local government from adopting an ordinance that requires a landlord to participate in a Section 8 program, a federal voucher program that helps secure affordable housing for those who qualify. Currently, landlords may choose whether to accept section 8 vouchers. Supporters of the bill testified that landlords, as private business owners, should decide whether to participate in the section 8 program. Those in opposition argued that the state should not get involved in the issue. After a lengthy discussion, the committee voted to pass the bill with a vote of four to two.

On Thursday the Senate Appropriations committee heard from the Indiana Economic Development Corporation. The committee heard testimony from the the Economic Development for a Growing Economy Tax Credit. The IEDC representative explained that the State Budget Agency approves every EDGE deal. Also discussed was a proposal to expand the rail system that connects the NW region with Chicago. The project would be supported in part by a federal grant that requires a matching contribution. In order to meet the matching requirement, the RDA has requested \$7.5 million per year for 30 years. Several people testified in support of the project, arguing that expanding the rail line will capture economic activity that's being lost to communities with more accessible transportation options. IEDC members also took part in the discussion of HB 1403 *Regional Cities Initiative*, which proposes a new grant program that would be managed by the IEDC. Under the bill's initiative, local governments could form a Regional Development Authority and then apply for a grant to fund a regional economic growth project. Supporters of the bill argue that it would provide local governments with a strong incentive to work together on projects for regional economic growth. The committee adopted two amendments. Senator Kenley offered an amendment that provides additional guidelines about administering the grant program. The committee adopted the amendment by consent. The second amendment involved a specific funding

source named within the bill. The bill proposes to fund its initiative, in part, through the existing Excess Liability Fund which ordinarily may only be accessed to fund projects related to petroleum storage tank clean up. The amendment provides that the IEDC must adhere to those same restrictions when funding projects for the Regional Cities Initiatives. However, the committee heard testimony that the amendment, in effect, overrides the current process for accessing the Excess Liability Fund. The committee voted to pass the bill with both amendments but Chairman Kenley noted that he expects a floor amendment to address the Excess Liability Fund issue.

The Senate Appropriations committee also considered the fiscal impact of several substantive bills. The committee room was packed with people eager to testify about HB 1540 *Various Gaming Matters*. Representatives from casinos urged the committee to help the industry before more jobs are lost. Several people also testified to request additional support to help French Lick resort and the surrounding communities. The bill was held and will be discussed again sometime next week. The committee will also hear HB 1001 *State Biennial Budget* next week.

### **Session Update**

On Monday, the House considered SB 101 *Religious Freedom Restoration*. Several legislators spoke in opposition of the entire bill, arguing that it authorizes discrimination and may negatively affect economic development by deterring businesses from coming to Indiana. After lengthy discussion the bill was ultimately passed with a vote of sixty-three to thirty-one. The House also passed SB 506 *Fleet Vehicle Registration* and SB 35 *Speed Limits in School Zones* on Third Reading this week.

On Tuesday, the Senate voted to concur with the minor changes made to SB 101 in the House, thus passing the bill on to the Governor who signed it into law on Thursday. The Senate also passed several bills on Third Reading including HB 1188 *Student Teaching*, HB 1194 *High School Diplomas*, and HB 1603 *Property Tax Appeals*.

Legislators mourned the loss of a colleague, Representative Earl Harris from East Chicago. Representative Harris served for more than thirty years. He fought to bring economic growth to Northwest Indiana and many credit him for the development of the region's casino industry. Our thoughts are with his family and friends during this difficult time.

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