



Legislative Wrap-Up

American Academy of Pediatrics

May 3, 2019

General Assembly Overview

Late in the evening, the Indiana General Assembly wrapped up all business for the year on Wednesday, April 24, five days earlier than the required date.

Of the 1,347 bills filed, 293 successfully navigated the legislative process and may soon become law. Governor Eric Holcomb is expected to sign a vast majority, if not all, legislation in the coming weeks.

In what came as a surprise to many, Rep. Dave Frizzell (R-Indianapolis) announced his retirement from the state legislature. Frizzell, who was the chairman of the House Family, Children and Human Affairs Committee, spent 27 years representing the southern portion of Indianapolis. Frizzell will be retiring from his position June 30.

Key Legislation

State Budget

Last Tuesday, GOP leaders unveiled the final version of the state's biennial budget. Those in attendance included Governor Holcomb, House Speaker Brian Bosma (R-Indianapolis), and Senate President Pro Tem Rodric Bray (R-Martinsville). **HEA 1001** was the only measure lawmakers were mandated to pass, and in what was the last piece of legislation acted on by both chambers, the Senate approved the budget 41-8 while the House supported it 67-31 on its final passage. Sen. David Niezgodski (D-South Bend) was the sole democrat who voted in favor of the bill. Highlights of the \$34.6 billion budget include:

- \$147.4 million two-year expected **surplus for the state**, keeping total reserves over \$2 billion.

- \$736 million increase in **K-12 education**.
- \$502 million increase to the budget for the **Indiana Department of Child Services**. The first budget proposal from the House allocated the full \$572 million increase originally requested from DCS. However, lawmakers say the agency has seen improvements over the past few months and no longer require the full amount.
- \$1 billion funding for **infrastructure projects**, including interstate improvements, trails, and rural broadband development.
- Doubles the funding available for the **Next Level Employer Training Grants** (from \$10 million a year to \$20 million) and **Workforce Ready Grants** (\$2 million to \$4 million a year).

A final version of the budget faced a late obstacle when legislators discovered the expected revenue for the state was \$100 million less than what was initially forecasted.

The budget faced criticism from Democratic legislators for what some believed to be an excessive amount of reserves, not funding certain programs, such as the Amtrak Hoosier State line that runs from Indianapolis to Chicago, and prioritizing issues they believed were not crucial to the state.

The full state budget for Fiscal Years 2020 and 2021 can be found [here](#).

Hate Crimes

Perhaps the most controversial issue was wrapped up fairly early on. The hate crimes issue, originally Senate Bill 12, passed out the Senate in the first half of session after Sen. Aaron Freeman (R-

Indianapolis) amended the bill to remove the list of victim characteristics. This change caused Sen. Ron Alting (R-Lafayette), one of the bill's co-authors, to join Democrats in voting against the bill.

Instead of giving SB 12 a hearing in the House Courts and Criminal Code Committee, House legislators opted to insert their own bias crimes language into **Senate Enrolled Act 198**, a bill that originally dealt with increasing the penalty for using and selling controlled substances on a juvenile facility. The House's language, authored by Rep. Greg Steuerwald (R-Avon), allows a judge to consider if a crime was committed with bias due to a victim's real or perceived characteristic as already laid out in Indiana code.

Despite pushback from local businesses and Democratic legislators, SB 198 passed out of the House 57-39, was concurred on in the Senate 34-14, and was signed into law by the Governor on April 3.

Marion County Capital Improvement Board

Legislation that will keep the Indiana Pacers at Bankers Life Fieldhouse for 25 more years and allow for the construction of a \$150 million soccer stadium successfully advanced to the governor in the final days of session.

SEA 7 went through several changes while navigating the legislative process. However, the final version of the bill establishes the fiscal mechanism the CIB can use to fulfill its 25 year vision. In addition, the House Ways and Means Committee removed the provision requiring a soccer franchise to agree to a deal with Major League Soccer prior to constructing a stadium.

After originally dissenting with changes made by the House, the Senate withdrew its dissent decision and concurred with House amendments on SEA 7 44-4.

Gaming

As of September 1, adults over the age of 21 will be able to legally wager on sporting events as part of the General Assembly passing **HEA 1015**. What was originally SB 552, all gaming language was amended into HB 1015 due to Indiana law requiring all income generating provisions be originated in House bills. The 9.5 percent tax rate placed on sports bets is the primary income generating provision requiring the change.

2019 Indiana General Assembly in Numbers:

1,358 - Total bills introduced

939 – Bills that died in the first half of session.

126 – Bills that died in the second half of session.

293 – Total bills eligible to become law.

22% - Percent of bills successfully passed.

93 – State budget amendments filed on chamber floors.

9 – State budget amendments adopted on chamber floors.

8 – How many consecutive years Sen. Jean Leising (R-Oldenburg) has filed cursive writing legislation.

90 – How many times First Dog Henry Holcomb tweeted during the General Assembly.

165 – Bills Governor Holcomb has already signed into law.

Sen. Mark Messmer (R-Jasper), the bill's main author, described the legislation as "the type of opportunity that won't come again in our lifetime." In addition to sports wagering, HEA 1015 moves up the date allowing live-dealer table games at horse-track casinos and allows for the owner of a Gary casino to relocate the casino located on Lake Michigan to another location in Gary for a \$20 million fee - \$80 million less than what was originally proposed.

Also in the bill is a provision to allow for a new casino to open in Terre Haute pending a referendum vote in Vigo County, where Terre Haute is located. Potential casino operators would then submit proposals to the Indiana Gaming Commission in order to operate the new casino. If all of the provisions of HEA 1015 are met, Indiana would have a total of 12 traditional casinos and two horse track casinos.

The final version received mixed support from both sides of the isle. It was adopted in the House 59-36, notably receiving a no vote from the bill's primary House sponsor. It then passed through the Senate 37-12, with the only no votes coming from Republican members. HEA 1015 is now eligible for action by Governor Holcomb, where it could be signed into law.

Hemp

The 2018 Farm Bill permanently removed hemp from the federal Controlled Substances Act. As a result, hemp is now treated like a regulated

agricultural commodity and is no longer misaligned with marijuana. In response to this federal legislation, the General Assembly passed **SEA 516**, which is the landmark hemp legislation that legalizes the commercial production of hemp in Indiana.

SEA 516 requires the State Seed Commissioner to develop a state regulatory program for hemp production in Indiana, which ensures Hoosier farmers operate under a tailor-made regulatory structure as opposed to a one-size fits all approach from the federal government. It also establishes the Indiana Hemp Advisory Committee (IHAC) to work collaboratively with the State Seed Commissioner in the development of our regulatory structure. IHAC consists of subject experts in the hemp industry and other established agricultural stakeholders and has a two year sunset duration.

SEA 516 also criminalizes the possession and sale of "smokable" hemp in Indiana beginning July 1, 2019.

Education

The new two-year state budget makes a **record investment in K-12 education**. The \$763 million in new money is more than either version of the budget previously passed by the House and the Senate, which equates to about a 4.5 percent increase each year for K-12 funding when looking inside and outside the school funding formula. A few of the highlights from the budget include:

- 2.5 percent increase in **formula funding** over the biennium.
- \$5 million increase each year dedicated to **ELL funding**.
- \$15 million increase for the **Teacher Achievement Grant**.
- \$150 million toward the **Post-1996 Teacher's Retirement Fund**, reducing schools' obligation from 7.5 percent to 5.5 percent.
- A **hold harmless provision** to mitigate certain complexity funding loses.
- A request for a **summer study committee** to examine the complexity formula.

- Funding newly created programs created by **HEA 1008** (Teacher and Student Advancement Grant Program) and **HEA 1009** (Teacher Residency Grant Pilot Program).

Other bills of interest in the education sector include **HEA 1003**, which focuses on school corporation expenditure targets, and **HEA 1005** that amends the date for Indiana's first secretary of education.

HEA 1003 will encourage schools to make "every reasonable effort" to not transfer more than 15 percent of its budgeted spending out of the education fund. Any school not accomplishing the request would be required to publicly acknowledge the shortcoming and explain its expenditures. Lawmakers believe this push toward more money in the education fund will trickle down to teacher salaries.

House Speaker Brian Bosma's legislation will move up the date for the first appointed state secretary of education from 2025 to 2021. Bosma's reasoning for **HEA 1005** was the sudden announcement from current state superintendent Jennifer McCormick that she would not seek re-election in 2020. This legislation was one of the first bills signed by the governor in early April.

Health Care

Addressing Indiana's high mortality rate, currently seventh highest in the country at 7.3 percent (Indiana State Department of Health, 2018), was one of the priorities of both the Governor and the General Assembly during the session.

- Rep. Cindy Kirchhofer (R-Beech Grove) brought fourth **HEA 1007** which would establish a perinatal navigator pilot program to provide referrals for services and home-visit programs in Indiana's 13 highest risk counties in addition to allowing medical providers to screen for signs of substance abuse in pregnant women.
- **HEA 1547**, also authored by Kirchhofer, allows minors ages 16-17 to make decisions on their healthcare during and immediately after pregnancy without their parents' consent. Previously, Indiana law generally did not approve of minors making decisions regarding their own healthcare. A similar bill died in the first half of session due to concerns of parents being left out of the

process completely. HEA 1547, which passed out of both chambers unanimously, requires physicians to try to contact the pregnant teen's parents.

A bill advanced through the process....now what?

- Prior to being sent to the Governor, both the Speaker of the House and the Senate President Pro Tem must approve of the bill via a signature.
- Once the bill is *delivered to the governor's office*, the Governor has seven days to sign or veto the bill.
- If the governor does not act within the seven days, the bill becomes a law without his signature.
- If the Governor vetoes the bill, both the House of Representatives and the Senate can override it with a constitutional majority vote in both chambers.
- All new laws take effect July 1st of the session year unless otherwise specified in the enrolled act.

In addition to those bills, the state budget granted Medicaid an additional \$65 million on top of what was requested by the Family and Social Services Administration, resulting in a grand total of nearly \$2.5 billion in funding for the Medicaid Assistance fund.

HB 1444, which would have been the first tax on e-cigarettes in Indiana, failed on the last day of session. What began as a 20 percent tax was transformed into a study committee, but then dropped to a 5 percent proposed tax. Legislators ultimately believed the tax was too low to be considered effective and, from a public health standpoint, it would not have the desirable deterrence effect on children.

Notably, four bills that would remove or alter practice agreement requirements for **advanced practice registered nurses** were proposed this session, none of which passed. **HB 1464** and **SB 343** both died on second reading after being met with strong opposition in the House; while **HB 1097** and **SB 394** died after failing to be called down before the third reading deadline.

Public Policy

Firearms

Multiple firearms bills saw movement throughout the session. Bills passed ranging from civil immunity to increasing the punishment for transferring machine guns to minors.

Recently, the governor signed **HEA 1284**, or what has been called the "stand your ground law," in front of attendees at the National Rifle Association Convention in downtown Indianapolis. Originally, the legislation solely focused on giving civil immunity for individuals who use justified force in certain circumstances. Later in the session, language was amended into the bill to establish guidelines for people carrying firearms in churches located on school property and changed certain gun licensing regulations.

Other gun bills on their way to the governor include **HEA 1651**, also known as the "red flag law", which aims to keep guns out of the hands of dangerous individuals and **SEA 119**, which will increase the punishment for transferring ownership or possession of a machine gun to anyone under the age of 18 up to a Level 3 felony.

One bill that failed to get its conference committee adopted in the final days of session was **HB 1253**. Rep. Jim Lucas's (R-Seymour) legislation would have allowed school corporations to use state grants to pay for specialized weapons training for teachers and staff. Controversy surrounding live projectiles being used in training sessions may have contributed to the bills failure.

Alcohol

Rep. Ben Smaltz (R-Auburn) was the author of this year's comprehensive alcohol legislation. **HEA 1518** went through a plethora of changes on its way to the governor's desk. The final version of the bill, most notably, features the language permitting the future \$300 million Bottleworks District on Mass Ave. to own a special \$50,000 alcohol permit in order to allow all of its vendors to sell alcohol. Smaltz's language also contains enabling language for selling alcohol for carryout at the State Fairgrounds and selling liquor from golf carts.

Farm wineries and artisan distilleries are now allowed to be the proprietors of a restaurant and transfer alcohol to the restaurant from its winery or distillery thanks to **SEA 609**; and **SEA 179** will amend the definition of "entertainment" to add elements

for purposes of alcohol regulation.

Abortion

There were two primary abortion-related bills that were discussed and passed during this session.

- **HEA 1211**, authored by Rep. Peggy Mayfield (R-Martinsville), is already the subject of a lawsuit by the ACLU of Indiana against the State. The bill would nearly ban a common second-trimester procedure except when the mother's life is at risk.
- Sen. Liz Brown (R-Fort Wayne) authored **SEA 201**, which will expand the list of health care professionals who can opt out of providing abortion related services based on religious or moral objections.

Both bills advanced out of the chambers down party lines with the lone exception being Sen. Phil Boots (R-Crawfordsville), who joined Democrats in voting against both bills.

Utilities and Transportation

Utilities

Various topics regarding utilities were introduced during this session.

- What was largely regarded as the "data center" bill, **HEA 1405** gives tax exemptions to data centers when purchasing equipment. Senator Mark Messmer said his legislation could be the biggest economic development bill of the session.
- Rep. Ed Soliday (R-Valparaiso) authored language in **HEA 1278** establishing the 21st Century Energy Policy Development Task Force. The task force would be responsible for evaluating aspects of the state's electric generation portfolios and ensure Indiana is equipped to meet future electric utility needs. Notably, an 18 month moratorium on any final IURC approvals of filings for a Certificate of Public Convenience and Necessity (CPCN) or purchase power agreements over a 250 MW threshold was not approved by the Legislature.

- To address one of Governor Holcomb's priorities, Sen. Messmer also authored **SEA 460** to establish the rural broadband fund to provide broadband service providers grants for broadband projects in rural areas of Indiana.
- **SEA 471** increases penalties for those who trespass or vandalize property that is considered a "critical infrastructure facility." Examples of these types of facilities would be a fenced-in area that houses chemical plants, steelmaking facilities, electric utility facilities, natural gas facilities, transportation facilities (railroad switching yard, port or trucking terminal), pharmaceutical facilities, or telecommunications equipment. The measure received some backlash from organizations that believe the bill could infringe on free speech rights under the First Amendment to peacefully protest near any of the above mentioned properties.

Transportation

In what has become an increasingly popular industry, Rep. Sean Eberhart (R-Shelbyville) authored legislation setting guardrails on the peer to peer vehicle sharing industry. **HEA 1362** defines "peer to peer vehicle sharing" in Indiana code and establishes requirements regarding safety and insurance policies. Peer to peer car sharing allows car owners to rent out their vehicles to others via a phone app.

Unlike peer to peer services, Indiana lawmakers decided to extend the prohibition on all subscription auto sales with **HEA 1237**. Rather than buying or leasing vehicles, a subscription service allows an individual to pay an all-inclusive monthly fee, typically covering maintenance and insurance, and gives them the ability to swap cars within days' notice, depending on the program. HEA 1237 will extend the ban on the service another year to May 2020 while stakeholders work on a permanent plan.

HEA 1482 was a broad transportation bill that codifies several existing rules dealing with salvage recyclers, temporary license plates, and altering the composition of the Motor Vehicle Sales Advisory Board, in addition to various other technical changes. Notably, the bill adds provisions regarding uniform warranty reimbursement between auto manufacturers and auto dealers.

HEA 1470 amends the Transmission, Distribution, and Storage Improvement Charges (TDSIC) statute and applies to investor-owned utilities. HEA 1470 provides a new streamlined cost recovery process for infrastructure projects under which the IURC would approve new TDSIC plans that are filed by utilities if they are found to be "reasonable".

What's Next?

The Legislative Council will now begin the process of determining what topics will be studied during the interim and assigning those topics to summer study committees.

As of writing, Governor Holcomb has yet to act on 128 of the 293 bills that advanced through the legislature. You can continue to track what the Governor has and has not signed at iga.in.gov.



Priority Legislation

[HEA 1007 Perinatal Care \(Kirchhofer, C\)](#)-

Requires the state department of health (department) to establish a perinatal navigator program. Requires a health care provider to: (1) use a validated and evidence based verbal screening tool to assess a substance use disorder in pregnancy for all pregnant women who are seen by the health care provider; and (2) if the health care provider identifies a pregnant woman who has a substance use disorder and is not currently receiving treatment, provide treatment or refer the patient to treatment. Requires the department to establish guidelines for health care providers treating substance use disorder in pregnancy. Adds the department of child services to the list of agencies to which a health care provider may not release the results of certain tests given to a pregnant woman.

Current Status: 04/18/2019 Signed by the Speaker

[HB 1367 Health Facilities Requirements Concerning Residents \(Austin, T\)](#) –

Requires a health facility to disclose to each prospective resident in writing: (1) information concerning the long term care ombudsman, including contact information for the long term care ombudsman and the state department of health; and (2) any policy under which a resident would be required to pay a full monthly rate regardless of whether the resident resides at the facility for the whole month. Requires that in the development and execution of a care plan for the resident that a health facility facilitates, at the request of the resident, the inclusion of a resident representative.

Current Status: Signed by Governor

[HB 1444 - Study committee \(Brown, T\)](#) –

Indiana General Assembly, 2019 Session 1444 that would have been the first tax on e-cigarettes in Indiana failed on the last day of session. What began as a 20% tax dropped to a 5% proposed tax; after the fat was trimmed in the conference committee report and ultimately transformed the bill into an interim study of the taxation of CBD oil and vaping products. The purpose of the bill was clouded by the end of session leading to its defeat.

Current Status: 04/24/2019 Dead Bill: Fails to advance by conclusion of 2019 legislative session

[HB 1542 Human Services Matters \(Kirchhofer, C\)](#) –

Provides that a managed care organization may not require a licensed psychiatrist to be certified by the American Board of Psychiatry and Neurology for purposes of credentialing or contracting with the psychiatrist while the psychiatrist is practicing at a community mental health center. Prohibits a city, town, or county from requiring a business or other entity to pay for or establish a program to accept unused medication. Adds gabapentin to the definition of "controlled substance" for purposes of the Indiana scheduled prescription electronic collection and tracking (INSPECT) program. Provides that the rules of the INSPECT program that were adopted before its repeal are considered to be adopted under the new INSPECT law. Requires a health plan that denies prior authorization for certain prescription drugs to provide an alternative list of prescription drugs or alternative treatments covered by the health plan. Requires the board of veterinary medical examiners to study the regulation of veterinary technicians.

Current Status: 04/24/2019 Conference Committee Report Adopted (H) Report 1: adopted by the House; Roll Call 632: yeas 97, nays 0; Rules Suspended.

[HB1543 Inpatient Addiction Treatment \(Kirchhofer, C\)](#) –

Provides that when determined by the treatment plan to be medically necessary, the office of Medicaid policy and planning shall provide coverage for inpatient detoxification using the American Society of Addiction Medicine Patient Placement Criteria.

Current Status: 05/01/2019 Signed by Governor

[HB1546 Prior Authorization and Medicaid \(Kirchhofer, C\)](#) –

Specifies that after December 31, 2020 the prior authorization for health care services statute applies to the risk based managed care Medicaid program. Requires, after December 31, 2020, that a Medicaid managed care organization use a standardized prior authorization form prescribed by the office of the secretary of family and social services.

Current Status: 04/23/2019 Signed by the Speaker

[HB 1547 Consent to Pregnancy Services of a Minor \(Kirchhofer, C\)](#) –

Allows a minor who is at least 16 years of age and: (1) pregnant; (2) in labor; or (3) postpartum; to consent to health care concerning the pregnancy, delivery, and postpartum care. Requires a health care provider to make a reasonable effort to contact a minor's parent or guardian before or at the initial appointment and before providing treatment and document in writing each attempt to contact the parent or guardian. Requires the health care provider to act in the manner that is in the best interests of the minor and the fetus. Requires the health care provider to make one additional attempt to contact the parent or guardian of a minor for consent if providing continuing care to the minor. Makes technical corrections.

Current Status: 04/29/2019 Signed by Governor

[HB 1548 Medicaid Advisory Committee \(Kirchhofer, C\)](#) –

Adds appointments by the Indiana Association of Health Plans and the Indiana Primary Care Association to the Medicaid advisory committee (committee). Increases the membership of the committee by providing for the president pro tempore of the senate and the speaker of the house of representatives to each appoint six members (instead of one member). Provides that three of the members appointed by the president pro tempore and three of the members appointed by the speaker shall serve on a standing fiscal subcommittee of the committee. Requires that three of the members appointed by the speaker of the house of representatives and three of the members appointed by the president pro tempore be members of the minority party. Requires the committee to create a standing fiscal subcommittee. Provides that subcommittees of the committee may convene as often as needed. Requires the committee to review, study, and make advisory recommendations concerning certain subjects before July 1, 2021.

Current Status: 04/29/2019 Signed by Governor

[SB 359 Individualized Mental Health Safety Plans \(Crider, M\)](#) –

Individualized mental health safety plans. Requires the division of mental health and addiction to establish a standard format for individualized mental health safety plans. Requires psychiatric crisis centers, psychiatric inpatient units, and psychiatric residential treatment providers to: (1) collaboratively develop a mental health safety plan with each patient; (2) explain the benefits of coordinating care and sharing mental health safety plans with mental health providers in the community that can help with the patient's safe transition back into the community; and (3) make a good faith effort before a patient leaves a facility at which the patient is receiving care to obtain the patient's consent to disclose the patient's individualized mental health safety plan with mental health providers, integrated school based mental health providers, and mental health community paramedicine programs that will be supporting the patient's safe transition back into the community and, if applicable, school.

Current Status: 04/17/2019 Senate concurred in House amendments; Roll Call 524: yeas 46, nays 0

[SB 392 Medicare supplement and Medicaid study \(Houchin, E\)](#) –

Requires an insurer that makes a Medicare supplement policy available to an individual eligible for Medicare based on age to make at least one "Plan A" Medicare supplement policy available to an individual eligible for Medicare based on disability. Specifies enrollment and insurance producer compensation requirements that apply to the "Plan A" policy. Requires the Medicaid advisory committee to study and make recommendations before November 1, 2019, concerning Medicaid reimbursement and school based health centers.

Current Status: 04/24/2019 Conference Committee Report Adopted (H) Report 1: adopted by the House; Roll Call 637: yeas 98, nays 0; Rules Suspended.

[SB 575 Hospitals \(Charbonneau, E\)](#) –

Requires the executive board of the state department of health to amend a rule to reflect current private publications used in hospital licensure rules. Beginning May 1, 2020, provides that a hospital license expires every two years from the date of issuance. (Current law provides that a hospital license to expire one year after issuance.) Urges legislative council to assign the topic of hospital licensure to an interim study committee during the 2019 interim and sets forth requirements of the study.

Current Status: Current Status: 04/29/2019 Signed by Governor

For a complete bill track click [here](#).

For more information



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In The News

Governor says he could boost Child Services agency again Indianapolis celebrates life of Richard Lugar

Indiana budget includes \$73M for new Purdue animal hospital Indiana e-cigarette tax dies on last day of legislature

Holcomb signs bill strengthening 'stand your ground' law Bill legalizing sports betting, allowing for a Terre Haute casino heads to Gov. Holcomb

Holcomb celebrates victories

Mental health provisions stripped from school safety bill