

123rd GENERAL ASSEMBLY

FRIDAY, MARCH 15TH, 2024

Overview of the Second Session of the 123rd Indiana General Assembly

On the evening of Friday, March 8th, the House of Representatives and the State Senate adjourned sine die, marking an end to the 2024 Legislative Session of the 123rd Indiana General Assembly. 739 House Bills and Senate Bills were introduced this session. Of the introduced bills, 95 House Bills and 77 Senate Bills (172 total) were passed by the state legislators.

Of the 172 bills that have been sent to the Governor, 2 have yet to be signed into law. The 2 unsigned bills are:

- HEA 1002, Enforcement of Equal Educational Opportunity (Rep. Chris Jeter)
- HEA 1338, Security of Property and Meeting Decorum (Rep. J.D. Prescott)

To track the Governor's progress in signing bills into law, click <u>here</u>, or you can reference your personalized bill tracker link for updates. The Governor has seven days from when he receives the bill from the legislature, to sign the bill into law or veto the bill. If the seven day period expires and the Governor has taken no action, the engrossed bill becomes law on the eighth day. Governor Holcomb's deadline for action on HEA 1002 and HEA 1338 is Tuesday, March 19th.

The 2024 Legislative Session implemented legislation covering a wide array of policy areas. Once effective, the new laws passed this session will impact Hoosiers, state and local governments, and businesses in a variety of ways. Details of major legislation passed concerning various policy sectors are discussed below.

HEALTH

In their brief 9-week session, Indiana lawmakers navigated the complexities of several key health care bills. While several legislative efforts were passed by the General Assembly, many other bills are likely to carry forward into the next legislative session. A few key bills are highlighted below.

HEA 1426, Long Acting Reversible Contraceptives (Rep. Rita Fleming) mandates Indiana hospitals to offer women covered by Medicaid the choice of having a subdermal contraceptive implanted before discharge following childbirth. The author touted statistics showing more than half of pregnancies in Indiana are unintended, and by reducing unintended pregnancy, the state could save an estimated \$86 million annually. Several constituent organizations voiced opposition to HEA 1426, arguing the state's policy should include coverage for other forms of birth control, such as IUDs. The legislation ultimately passed the session with bipartisan support.

HEA 1259, Health Care Matters (Rep. Brad Barrett) incorporated new provisions, including language from SB 139, Psilocybin Research Fund (Sen. Ed Charbonneau). The bill establishes a fund for institutions to utilize when conducting research on a drug's potential benefits when used to treat individuals with mental health disorders. Additionally, several provisions from HB 1327, Health and Insurance Matters (Rep. Donna Schaibley) were incorporated into the bill.

HEA 1385, Emergency Medical Services (Rep. Brad Barrett) was also signed into law requiring health plans to compensate out-of-network ambulance providers for transports at rates determined by local units. In cases where these rates have not been established, insurers will reimburse either the lesser of the provider's bill or the Medicare base rate at 400%.

EDUCATION

Reading proficiency remained a top priority for lawmakers and Governor Holcomb this session. The Governor noted in his State of the State Address that nearly 1 in 5 third-graders in Indiana are not reading at a proficient level. In response, lawmakers outlined an action plan through SEA 1, Reading Skills (Sen. Linda Rogers). The law requires students to take IREAD exams in second grade, with mandatory intervention and remediation for those who do not meet the proficiency standard. If a student fails the exam three times, automatic retention is enforced. While the bill outlines certain exceptions to the retention requirement, some educators expressed concerns about the requirement. Ultimately, Governor Holcomb signed the bill into law. The hope is that this legislation will go a long way in improving Indiana's literacy rate statewide.

In his final session as Governor of Indiana, Eric Holcomb collaborated with the Commission for Higher Education prioritizing a bill that works to get our workforce credentialed faster. The Indiana College Core (ICC) was established in 2012, allowing high school students to undertake 30 hours of college-level work that can be transferred to public state institutions. However, since its inception, only 209 schools offer College Core, while 241 additional schools strive to meet the standard. SEA 8, Higher Education Matters (Sen. Jean Leising), mandates Indiana high schools to develop a plan to offer the ICC starting in the 2024-2025 school year. SEA 8 also requires four-year institutions to investigate the feasibility of offering three-year bachelor's degrees, and codifies the reverse transfer program.

In the previous session, Rep. Chuck Goodrich, established the Indiana Career Scholarship Account (CSA)—a program designed to finance post-secondary education, training, certification, and credentialing examinations—with a specific focus on Career and Technical Education (CTE) opportunities, with the passing of his bill HEA 1002-2023. During this year's session, HEA 1001, Education and Higher Education Matters (Rep. Chuck Goodrich) expanded the scope of CTE opportunities by allowing funding from CSA accounts to cover the cost of obtaining a driver's license. The legislation acknowledges the financial challenges many students face in accessing transportation. Overall, lawmakers aim to provide students with a range of support mechanisms to help them achieve their goals from pursuing higher education to exploring CTE opportunities.

Legislators looked to pass legislation that attempts to safe guard and promote diversity, free inquiry, and expression within state educational institutions with SEA 202, State Educational Institutions Matter (Sen. Spencer Deery). This prohibits employees, contractors, and applicants from making statements of personal support for certain polices or political and ideological movements. Additionally, restrictions are placed on basing decisions on expressed viewpoints. Faculty members and or contractors that fail to meet this criteria are subject to review by state institutions and the Commission of Higher Education.

A prevailing theme of the 2024 Legislative Session centered on the ongoing debate concerning the separation of church and state. Notably, HEA 1137, Release for Religious Instruction (Rep. Kendell Culp) mandates principals to allow students to leave school for religious instruction, in line with Indiana law permitting up to 120 minutes per week for voluntary instruction.

LOCAL GOVERNMENT

The state legislature addressed local control during the 2024 session with several bills aimed at county and municipal governments. HEA 1158, County Contracts (Rep. Matt Lehman) passed both chambers and was signed by Governor Holcomb on Wednesday. HEA 1158 expands the role of the county executive, authorizing them to execute county contracts that allow a county officer to carry out constitutional duties, as well as contracts that appropriate funds from the county fiscal body. The enrolled act also allows a county attorney to advise the county executive against a contract if it does not comply with state law, and allows the county executive to void any contract that does not comply with the review process.

HEA 1338, Security of Property and Meeting Decorum (Rep. J.D. Prescott) provides another example of the expansion of local control this session. HEA 1338 allows boards, commissions, councils, or other bodies of public agencies to adopt rules or policies governing the conduct of meetings. The enrolled act authorizes local governing bodies to implement rules and policies to ensure local government meetings are conducted properly, as well as gives government entities or employees immunity in the implementation of such rules. HEA 1338, as amended during the last week of session, also requires the public access counselor to only consider plain text of Indiana's public access laws or applicable court case.

In an attempt to address the shrinking number of local newspapers in Indiana, lawmakers sent SEA 252, Notice Publication (Sen. James Buck) to Governor Holcomb's desk this week. SEA 252 increases options for political subdivisions required to publish legal notices, allowing them to publish in a newspaper that has been circulating for twelve consecutive months, rather than three years. The enrolled act also allows website views to be paid circulation, increasing feasibility of public legal notice publication, especially in smaller towns throughout the Hoosier state.

As much as the General Assembly worked to support local government this session, the legislature also worked to hold local units accountable. SEA 135, Redistricting Deadline (Sen. Mike Gaskill) passed each chamber unanimously, and was signed into law by Governor Holcomb on Monday. A report done by the Indiana Local Government Redistricting Project found that, by the end of 2022, 23 counties, 12 school corporations, and as many as 90 cities and towns had not redistricted, as was required by state law. SEA 135 addresses this issue by requiring redistricting authorities to redistrict or recertify election districts before June 30, 2025. If a redistricting authority does not comply, the district shall receive no payment for salary or fees, as fixed by law, until the district complies. SEA 135 had bipartisan support as it moved throughout the legislative process, with proponents of the bill championing voter integrity and fair elections.

STATE GOVERNMENT

The General Assembly addressed several administrative issues at the state level this legislative session. Election security, disaster preparedness, and legislative oversight were all on the agenda. With the continued improvement of artificial intelligence (AI), many lawmakers were worried about how AI could impact election matters. HEA 1133, Use of Digitally Altered Media in Elections (Rep. Julie Olthoff) was unanimously supported by legislators and signed by Governor Holcomb on Tuesday. The enrolled act defines 'fabricated media' as an audio or visual recording that has been altered without the individual's consent, and conveys an altered message that a reasonable person would not be able to recognize as altered. Election campaign materials that contain fabricated media without a disclaimer may be subject to civil action from the altered individual. SEA 150, Artificial Intelligence and Cybersecurity (Sen. Liz Brown) also addresses the emergence of AI. The enrolled act creates a task force to study how AI can be used by state agencies, and provides that entities such as political subdivisions, school corporations, and state agencies may adopt a cybersecurity policy. Passed unanimously by both the House and the Senate, SEA 150 hopes to increase securities around AI usage.

After several intense weather events this summer, and in the aftermath of the COVID-19 pandemic, lawmakers are revamping Indiana's state disaster response plan. SEA 190, State Disaster Relief Fund (Sen. Cyndi Carrasco) expands aid available to local units and individuals after a disaster event. The enrolled act increases the amount of money local units can receive from the State Disaster Relief Fund, and increases the amount of compensation for damages and losses for an individual from \$10,000 to \$25,000. SEA 190 passed both chambers unanimously, signaling bipartisan support for Hoosiers in crisis. The enrolled act was signed by Governor Holcomb on Wednesday. SEA 234, Disaster Emergency (Sen. Chris Garten) also deals with emergency protocol. The enrolled act amends guidelines for a state of disaster emergency declared by the Governor. The legislation prohibits the Governor from extending a state-wide declaration of disaster emergency past 60 days without authorization from the General Assembly. SEA 234 also specifies that if a state-wide state of disaster emergency has ended, the Governor may not call a new state of disaster emergency that applies to the entire state unless the new disaster is wholly unrelated to the earlier disaster.

Firearms for state officers was also addressed this session. HEA 1084, Privacy of Firearms Financial Transactions (Rep. Jake Teshka) contains a provision, formerly SB 14, adding state officers (Attorney General, Secretary of State, State Comptroller, and Treasurer of State) to the list of individuals who may carry a handgun in the state capitol building and on the property of the state capitol complex.

ECONOMIC & BUSINESS DEVELOPMENT

Alcohol policy was another topic addressed in the 2024 Legislative Session. This session, the General Assembly passed HEA 1086, Alcoholic Beverage Sales (Rep. Jake Teshka), which repeals the ban on social hour and allows restaurants to sell specialty cocktails to go in qualifying containers. Rep. Teshka, introduced HEA 1086 in attempt to help restaurants adapt following the COVID-19 pandemic and remain competitive within the industry. The legislature also passed HEA 1025, Mixed Beverages (Rep. Ethan Manning), which allows for liquor-based, pre-mixed beverages to be sold by an individual holding a wine wholesalers permit. Wine wholesaler permits can be concurrently held with a beer wholesale permit or a liquor wholesale permit, thus allowing beer sellers to also sell liquor-based canned cocktails.

Additionally, workforce development was a priority for legislators this session in hopes of addressing workforce shortage across a variety of sectors. An amendment during the conference committee for HEA 1380, Various Education Matters (Rep. Bob Behning) in attempt to address firefighter, emergency medical technician, and other emergency medical service shortages. The added language allows an individual who is at least 16 years old to enroll in and attend a training program for certification as a Firefighter I, Firefighter II, or emergency medical technician. The previous age requirement to enroll in these training programs was 18 years old. Legislators also introduced language to address staffing shortages in nursing education programs. HEA 1259, Health Care Matters (Rep. Brad Barrett) includes a provision to allow the majority of nursing program faculty to be part-time employees of an approved postsecondary educational institution or a hospital that conducts a nursing education program. Lastly, the legislature expanded youth employment eligibility with SEA 146, Youth Employment (Sen. Linda Rogers) and HEA 1093, Employment of Minors (Rep. Kendall Culp). Former state law prohibited minors ages 14 through 16 from working past 7 p.m. on a school night and past 9 p.m. on other nights. HEA 1093 extends those hours so teens can work later. The law also bans restrictions on working hours for 16- to 18-year-olds. SEA 146 allows a person who is at least 18 years of age to ring up a sale of alcoholic beverage and allows a waiter, waitress, or server who is at least 18 years of age to serve alcoholic beverages in a dining room of a restaurant or hotel.

Transportation matters emerged before the state legislature this session through SB 52, Prohibition on Use of Dedicated Lanes (Sen. Aaron Freeman). SB 52—a bill that would have put a moratorium on dedicated bus lanes until a completion of a study— was dropped towards the end of session. In exchange, IndyGo made a deal vowing to prioritize the maintenance of two lanes of traffic flow where feasible on its Blue Line. On Monday, March 11th, Indianapolis was recommended by the Federal Transit Administration to receive \$141.9 million in funding for the Blue Line project.

The General Assembly decided to add a gaming provision to SEA 256, Fiscal Matters (Sen. Ryan Mishler) on the last day of session. The addition provides that transfers may not be made by the Budget Agency, the State Board of Finance, or any other entity to the Indiana Gaming Commission without prior review by the Budget Committee.

BUDGET & TAXES

Although this was not a budget session, legislators did not shy away from addressing various state agency budgets, as well as statewide tax policies. HEA 1120, State and Local Administration (Rep. Jeffery Thompson) underwent major changes during the last week of session. Advocates for local control were successful in amending many portions of the bill that dealt with local taxation, including removing the potential extension of the 4% cap on the maximum levy growth quotient (MLGQ) into 2026. The extension of the one-year gap was projected to cause a \$54 million loss for school corporations. While not included in the final version of the bill, the extension of the MLGQ, as well as the use of an influence factor or assessed value deduction for assessment of excess residential acreage, and the agricultural land base rate formula have been assigned to the State and Local Review Task Force to study over the interim. The enrolled act also had several provisions added from SEA 256 during the conference committee process. HEA 1120 creates a new process for challenging controlled projects where the scope of the project changes after going through the petition and remonstrance process, allowing at least ten persons within the political subdivision to file a petition contending the change of project scope and call for a public hearing. Additionally, the enrolled act increases the amount of funding regional mental health facilities are able to receive from awarded grants for incarcerated individual mental health from \$2.5 million to \$5 million. In the final addition of provisions from SEA 256, HEA 1120 states that the Office of Family and Social Services (FSSA) shall set a required minimum percentage of reimbursement for personal care services, which includes structured family caregiving and attendant care. Additionally, the FSSA now must prepare and present a plan for monitoring Medicaid Oversight Committee, including plans to improve transparency, and an explanation of the issues that lead to the \$1 billion shortfall in 2023.

HEA 1121, Local Income Taxes (Rep. Jeffery Thompson) also became a 'fiscal catchall' piece of legislation for the 2024 session. Although the bill received far less debate, it contains several major provisions related to fiscal matters. HEA 1121 focuses on allowing specific counties and municipalities to implement various tax rates specific to the needs of a local unit. For example, the city council of Hammond, IN can now enact an additional 1% tax on all food and drink sold in Hammond restaurants, which could result in an estimated \$2 million a year in new revenue for the city. The enrolled act requires all of the money collected through the tax to be spent in connection with the West Lake commuter rail project, downtown development, or other applicable infrastructure improvement projects. HEA 1121 also seeks to provide relief to countyrun correctional or rehabilitation facilities, allowing for the use of specified local income tax rates for the operating expenses of those facilities. Mental health funding has been a primary focus of local units in recent years, and additional funding towards incarceration facilities may help to ease the economic burden counties are facing.

SEA 256, Fiscal Matters (Sen. Ryan Mishler) was one of the final bills to be voted on during the 2024 Legislative Session, as it covers a broad range of tax and budget matters for the State of Indiana. SEA 256, among other things, authorizes the Indiana Economic Development Corporation (IEDC) to designate Innovation Development Districts (IDD), which operate very similarly to Tax Increment Financing (TIF) allocation areas, on top of existing allocation areas. This provision requires approval from the Budget Committee and any local unit executives currently controlling the allocation area. If there is an agreement and an IDD is implemented, the local unit would be prohibited from extending or expanding allocation areas until the IDD expires, and prohibited from additional debt issuances on their own incremental assessed value. The enrolled act also tasks the State and Local Review Task Force to study the removal and subsequent addition of the same parcel from an existing TIF in the interim.

CRIMINAL LAW

This session, a number of measures were passed in each chamber to further regulate Indiana's prisons and correctional facilities and increase security. First, SEA 23, Damage to a Penal Facility (Sen. Vaneta Becker) makes the act of intentionally damaging a fire suppressant system within a penal facility a Level 6 felony. This issue was brought by Sen. Becker after multiple instances occurred where inmates damaged fire suppressant systems that not only resulted in thousands of dollars of damage to the correctional facility, but such actions posed a security risk for inmates and correctional officers. Additionally, legislators passed a measure regulating the flight of drones near correctional facilities with SEA 182, Regulation of Drones near Correctional Facilities (Sen. Eric Koch). Currently, neither the Federal Aviation Administration nor state statute prohibits drones from flying over state correctional facilities where items such as cellphones, tobacco, drugs, and other substances have been dropped inside correctional facilities via drones, posing a large security threat. The crime of committing trafficking with an inmate as a Class A misdemeanor. However, if the article trafficked is a controlled substance, a deadly weapon, or a cell phone or wireless communication device, the offense is a Level 5 felony.

Additionally, the General Assembly passed HEA 1235, Prohibited Causes of Action Concerning Firearms (Rep. Chris Jeter). Prompted by the twenty-year long lawsuit between the City of Gary and gun manufacturers, HEA 1235 eliminates the ability for municipalities to bring lawsuits against gun manufacturers except for breach of contract. Instead, such lawsuits may only be brought by the Attorney General. As a result, this legislation renders the ongoing dispute between the City of Gary and gun manufacturers moot.

Lastly, the General Assembly examined competency evaluation standards for criminal proceedings in HEA 1238, Competency Evaluation (Rep. Wendy McNamara). The legislation requires the division of mental health and addiction to establish a training program to certify a competency evaluator to assist a court in determining competency. Evaluators may include: an advanced practice registered nurse with a certification as a psychiatric mental health nurse practitioner or a physician assistant who specializes in psychiatry or mental health. HEA 1238 provides that a licensed individual may examine a defendant and testify as to whether the defendant can understand the criminal proceedings and assist in the preparation of the defendant's defense. Subsequently, the law allows a court to dismiss criminal charges, without prejudice if the defendant has a certain diagnosis and the defendant is charged with a misdemeanor or Level 6 felony.

ENVIRONMENTAL AFFAIRS

The legislature addressed several environmental issues throughout the 2024 Legislative Session, looking at a wide range of topics such as septic and sewer systems, wetlands protections, and agricultural land. Wetlands in particular were an area of great focus for lawmakers, following the May 2023 ruling by the United States Supreme Court that the Clean Water Act does not cover wetlands that lack a continuous surface connection to a large body of water. This meant that only 20% of Indiana's wetlands were considered protected moving forward. SEA 246, Assessment of Wetlands Classified as Wildlands (Sen. Susan Glick), Chair of Natural Resources

Committee, seeks to incentivize property owners to preserve their mature wetlands by providing the opportunity for ½ acre parcels to be classified as wildlands for purposes of property tax assessment. Legislators also tasked the Indiana Department of Environmental Management (IDEM), as well as representatives of the building industry, to meet over the summer and discuss the issue of wetlands. These conversations aided legislators in drafting HEA 1383, Wetlands (Rep. Alan Morrison). The enrolled act redefines what is considered to be a Category III wetland, reducing the number of mature wetlands that fall under the most protected status, as developed by IDEM. HEA 1383, was fast-tracked and signed by Governor Holcomb on February 12, 2024, the first bill to pass the Governor's desk this session.

Utilities and utility infrastructure were common topics, and appeared in several priority bills this session. Whether it be voting rights of smaller utility companies, the reporting requirements of the Indiana Utility Regulatory Commission (IURC), or the relationship between utility services providers and customers, legislators were interested in trying to improve current policy. A priority measure for Republicans this session was addressing lead in citizens' drinking water, especially after the Environmental Protection Agency (EPA) released a fast-tracked plan to replace all customer-owned lead water service lines. SEA 5, Lead Water Line Replacement and Lead Remediation (Sen. Eric Koch) was signed into law by Governor Holcomb on Monday. The enrolled act enables utility companies to implement funding from the EPA and the IURC more efficiently, and at an overall lower cost. SEA 5 allows utilities to require landlords to enroll in a program to replace the lead pipes they own through their utility, or be forced to pay it themselves. SEA 5 was supported unanimously in both the House and the Senate, with supporters for the enrolled act championing the environmental and public health benefits brought by the removal of lead service lines.

Sewage systems, another key part of utility infrastructure, also received attention from lawmakers this session. HEA 1352, Inspection of Residential Onsite Sewage Systems (Rep. Robert Morris) was authored to clarify sewage system inspection requirements. The enrolled act permits an officer or employee of a local health department to inspect residential and nonresidential onsite sewage systems if: (1) the manufacturer of the sewage system recommends inspection; (2) if the owner of the property requests the inspection; or (3) a complaint is filed with the local health department.

Protections for agricultural land and farmers were also high on the list of bill matters for the 2024 Legislative Session. Growing national concern for foreign interest in American land was addressed in HEA 1183, Foreign Ownership of Land (Rep. Kendell Culp). HEA 1183 prohibits either a citizen or business entity of a foreign adversary, as defined by the federal government, from purchasing land within a 10 mile radius of a military installation, and may not acquire or lease agricultural land located within Indiana. Another focus of environmental legislative this session was addressing funding permissions of the Indiana Department of Environmental Management (IDEM). HEA 1242, Excess Liability Trust Fund – Rep. Alan Morrison (R – Brazil) is a follow-up piece of legislation to SEA 246-2023, which began the conversation at the state level about aboveground and underground storage tanks. HEA 1242 allows IDEM to pay an excess liability trust fund claim to replace underground petroleum storage tanks being decommissioned and replaced with an underground or aboveground petroleum storage tank. The enrolled act also provides remaining funds that have not been allocated at the end of the fiscal year shall roll over and be used the following year for the same purpose. HEA 1242 passed unanimously through both the House and the Senate and was signed into law by Governor Holcomb.

💶 📕 Session Wrap Up

Legislators are slated to return to the Statehouse in June to make various technical corrections and begin interim study committees. Interim study committees are utilized to take a closer look at important issues facing the state. Findings from these committees often inform decisions on legislation in future sessions. Study committees are comprised of 16 members—8 members each from the Senate and the House.

Thank you for allowing us to work with you during the 2024 Legislative Session. We look forward to the 2025 Legislative Session beginning next January. As a reminder, the 2025 Legislative Session will be long session as the General Assembly is tasked with creating the next biennial budget for the state.

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

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