BIG PICTURE
Following a 2021 legislative session that commenced in the shadow of the COVID-19 pandemic, the 2022 session welcomed back a sense of normalcy. Legislators returned to their respective chambers in 2022 with virtually no pandemic-related restrictions. Lawmakers concluded business around 1:00 AM in the early morning of Wednesday, March 9, five days earlier than their required adjournment day.

The 2022 General Assembly likely won’t be remembered for the typical differences between Republican and Democrat caucuses, but rather the conflicting priorities of the House and Senate Republicans.

At the onset of session, House Republicans’ priorities included education transparency, strengthening COVID-19 vaccine exemptions under Indiana law, and a major tax cut that included eliminating the depreciation floor on Indiana’s business personally property tax.

The Senate Republicans unveiled some similar priorities, but with a more cautious approach especially with regard to sweeping, permanent tax cuts. Their priorities included ensuring more Hoosiers are eligible for the automatic taxpayer refund, shielding schools from unforeseen funding cuts due to quarantining students, and ending the public health emergency. These conflicting desired outcomes manifested themselves in the final days of session.
As expected, the short session brought a lower number of total bills filed this year (849) compared to last year's budget session (1,011).

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<th>House Bills:</th>
<th>Senate Bills:</th>
<th>Total (percentage of total):</th>
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<tr>
<td>Total Bills Filed</td>
<td>432</td>
<td>417</td>
<td>849</td>
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<tr>
<td>Bills Advanced Past 1st Half of Session</td>
<td>104</td>
<td>160</td>
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<td>Bills Passed Both Chambers</td>
<td>85</td>
<td>95</td>
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<td>Bills Sent to Governor</td>
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**LEGISLATURE PASS COVID HEALTH EMERGENCY, VACCINE MANDATE BILL**

A bill that received its first hearing back in November 2021—two months before the “start” of the 2022 legislative session—ended up being the first bill signed into law by Governor Holcomb. House Enrolled Act 1001 grants the administrative authority required to remain eligible for federal COVID-19 benefits and aligns Indiana's vaccine exemption language to a model similar to the one at the federal level.

Back in November, the original House version of HEA 1001 would have required businesses to accept medical exemptions when signed off by a physician and all religious exemption requests without question. As expected, the Senate extinguished many of the concerns from medical professionals and businesses once the bill landed in the Senate Public Health Committee. Under the final version, employers are required to continue to accept religious exemptions to a vaccine, but can do so based on Title VII of the federal Civil Rights Act, which provides employers with the opportunity to deny exemptions in favor of keeping the workplace safe. A medical exemption would still require a signed note from a medical professional under the bill.

A notable addition to the final version of HEA 1001 is the natural immunity language, which prohibits an employer from requiring an employee to submit to a COVID test if the employee tested positive for the virus within the past three months.
Governor Holcomb received, and subsequently signed, HEA 1001 on Thursday, March 3rd. Upon doing so, the Governor also issued Executive Order 22-09, which officially ended the public health emergency in Indiana.

**$1B TAX CUT BILL SIGNED INTO LAW**

Another topic that saw House and Senate Republicans at odds during session was what to do with Indiana’s projected $5B in surplus dollars. Ultimately, the two sides compromised and sent HEA 1002 to Governor Holcomb. This tax cut package will decrease the individual income tax from 3.23% to 2.9% (the lowest in the country among states with an individual income tax rate), and eliminates the Utility Receipts Tax and Utility Services Use Tax which is expected to cost the state over $200M in revenue per year.

Lawmakers inserted a “trigger” mechanism in the final version regarding the decrease in the individual income tax. HEA 1002 calls for the rate to decrease to 3.15% by December of this year, however, the tax will only continue to decrease after this year if the state’s general fund collections grow by at least 2% in the previous budget year.

Since the beginning of session, House Republicans and Governor Holcomb called for some form of a reduction to business personal property tax—a tax businesses pay on equipment. However, Senate Republicans took the position that any cut to the business personal property tax should be accompanied by a revenue replacement mechanism to make local governments impacted by the cut whole. Ultimately, the business personal property tax was left untouched in the final version of HEA 1002. All stakeholders acknowledged the issue is likely to be addressed again next session.

**CONSENSUS NOT REACHED ON EDUCATION TRANSPARENCY LANGAUGE**

On a daily basis, school teachers, administrators, parents and other activists were in the Statehouse to advocate for their positions on House Bill 1134 and Senate Bill 167. Dubbed the “CRT” (Critical Race Theory) bill or the “parental transparency” language, both bills were a response by GOP legislators to the growing concerns of some parents about the content of school curriculum around the country.
The original bills were largely similar, including language that would have required public schools to post curricular materials on the school’s website, required school corporations to create a “Curricular Materials Advisory Committee,” provided that educators may not promote or condemn certain concepts, and ensured school corporations couldn’t provide students with certain mental, social-emotional, or psychological services without prior parental consent. In both bills, a violation of any of the provisions had the potential to open a school corporation or any other applicable party to civil action. In the House version, however, an educator would have lost his or her license by “willfully” violating the bill.

Both bills received hours of testimony from hundreds of different teachers, students, and other members of the public during the process. SB 167 failed to advance out of the Senate Education Committee after not being called for a vote, resulting in a rare statement from Senate Pro Tem Rod Bray (R-Martinsville) announcing the bill’s demise.

Unlike its Senate counterpart, HB 1134, authored by Rep. Tony Cook (R-Cicero) passed the House largely down party lines, advancing out of committee 8-5 and passing the House 60-37. Facing increasing pressure from education stakeholders, the Senate Education committee approved an amendment that removed a majority of the most controversial provisions of the bill, including all civil actions.

Although HB 1134 passed out of the Senate Education Committee 8-5, it failed to be called down by the Senate Sponsor prior to the 2nd Reading Deadline, effectively killing the bill. None of the education transparency language re-appeared in bills in the final days of session. Sen. Bray later affirmed that some members in his caucus believed the heavily-amended HB 1134 didn’t go far enough, while others believed it still put too much stress on educators.

GOVERNOR HOLCOMB VETOES TWO BILLS—SIGNS REMAINING LEGISLATION
Over the last month, Governor Holcomb repeated his track record from last year, vetoing two bills that were approved by the Republican supermajority legislature.

HEA 1211
The first veto came on March 16, a little over a week following the legislature’s adjournment, of HEA 1211. Until conference committee, HB 1211 contained only provisions that would
require the Indiana Office of Technology (IOT) to perform a request for information on how blockchain technology could be used to increase safety and efficiency in state government. However, in conference committee the bill became a home for other major language changes, including provisions that:

- Prohibited emergency rules from state agencies from being effective for more than 180 days without approval from the Attorney General. Any emergency rule would expire after two years. Further, the Attorney General would have the authority to strike down an emergency rule following review; and
- Required all broadband infrastructure projects funded by the Regional Economic Acceleration and Development Initiative (READI) program to meet the requirements of the Indiana Next Level Connections Broadband Program.

In his veto letter, Governor Holcomb raised concerns that the new broadband language had not been discussed or vetted in any bill during the legislative process as it was inserted into HEA 1211 without any opportunity for public comment. Governor Holcomb further wrote in the veto letter that the new language could jeopardize approximately $154M of broadband projects currently underway through the READI program that would benefit at least 28 counties in the State.

With regard to the rulemaking provisions in HEA 1211, Governor Holcomb agreed generally with the legislature’s intent of ensuring emergency and permanent rules adopted by state agencies are appropriate. However, he again pointed to the lack of consideration given to the language in the legislative process. He also raised concerns that the new layer of review from the Attorney General would create delay in the adoption of rules when true emergencies are present. Lastly, he briefly questioned the legality of the expansion of the legislative council’s powers that the bill provides.

Unlike the HEA 1041 veto, there was no notable outcry from the public or legislators clamoring to override the Governor’s veto. Nevertheless, HEA 1211’s veto is eligible for override when legislators convene on May 24 for Technical Corrections Day.

**HEA 1041**

In what came as a major shock to many, Governor Holcomb vetoed **HEA 1041** the day before it would have become law without his signature.
HEA 1041 captured headlines throughout the session with its intent to prohibit students who were born male but identify as female from participating in a sport or on an athletic team that is designated for women or girls in school sports.

The bill was approved by both chambers largely down party lines, with a handful of GOP legislators joining Democrats in opposition to the bill with a vote of 66-30 in the House and 32-18 in the Senate.

Governor Holcomb’s reasoning for vetoing the legislation had three main points. First, Governor Holcomb expressed concern about the inconsistency and confusion the bill could create. Holcomb pointed to testimony provided by the Indiana High School Athletic Association (“IHSAA”) and agreed with their concerns that the bill was not clear in what or who the procedures listed in the bill would apply to, which would result in different school corporations enforcing different regulations.

Second, Holcomb raised legal concerns of the legislation and noted that similar states with similar laws have had their language struck down in court. He encouraged future legislation to be drafted with those, and current Indiana litigation, in mind.

Lastly, Holcomb echoed a similar concern that was raised during debate in the legislative process, which is the seemingly lack of an existing problem the bill is trying to solve, and questioned the need for state government intervention. Holcomb deemed the effort of protecting the integrity of women’s sports in Indiana a “worthy cause,” but ultimately decided the bill leaves too many unanswered questions.

The Governor’s veto was met with fierce pushback from state legislators, several members of Indiana’s congressional delegation, and the Indiana Attorney General. In a joint statement, House Speaker Todd Huston (R-Fishers) and bill author State Rep. Michelle Davis (R-Whiteland) announced plans for the House to vote to override the veto when lawmakers meet again on Technical Corrections Day. Senate President Pro Tem Rod Bray (R-Martinsville) has yet to make a similar declaration, though his office has told the media that the Senate will consider the veto override if the House sends it to their chamber. A simple majority in both chambers is required to override a Governor veto.
Every major industry saw notable bills proposed and passed in what was a rapid session. Read on below for highlights of the major bills and other more low-profile bills by industry.

**EDUCATION**

Although the controversial HB 1134/SB 143 language dominated a majority of conversations in the education sector, there were a number of other provisions that were proposed that garnered much attention—so much so that many people who frequent the Statehouse donned the 2022 legislative session the “education session.”

After failing to be approved last year, Sen. Jim Tomes (R-Wadesville) resurrected language that would have removed a defense available to school teachers and librarians if charged with distributing “material harmful to minors,” opening educators up to potential Level 6 felonies. The language was originally in HB 1134 and SB 143 and in a stand-alone bill, SB 17. SB 17 was approved by the Senate Chamber, but failed to receive a hearing in the House Education Committee. The language was given a lifeline after it was amended into HB 1369 in the final hours of session. HB 1369, which included several other unrelated provisions and was the final bill considered by either chamber, was killed in the Senate 21-29 with many pointing to the SB 17 language as the reason for its demise.

Building on efforts from last session, the legislature approved HEA 1192 that defines the terms “qualified provider,” and “school based nurse” to allow FSSA to apply to the federal government for a Medicaid plan amendment. The amendment would allow schools to be reimbursed for certain student services they provide today.

The effort to ensure public comment at school board meetings found homes in two different bills this session. The simpler HEA 1130, authored by Rep. Tim O’Brien (R-Evansville), simply states that school boards must allow members of the public to provide oral comment at public meetings. Senate Enrolled Act 83, authored by Sen. Jean Leising (R-Oldenburg), takes the language a step further by including charter school boards to the public comment requirement. It is also more specific than HEA 1130, requiring school boards to allow public comment on particular topics on an agenda before they may take final action. Both bills make clear that local school boards may adopt rules to maintain order in meetings.

In a true rarity, HB 1107 was thunderously shot down 0-50 on the Senate Floor after receiving bipartisan support in the House. The bill would have shifted the burden of proof to school corporations in special education due process hearings. It also would have prohibited non-disclosure and non-disparage agreements between schools and families as a condition of a special education settlement.
Typically reserved for higher education, public schools in Indiana will be able to hire adjunct teachers following the passage of HB 1251. Authored by House Education Chairman Bob Behning (R-Indianapolis), the bill requires a professional to have at least four years of career experience and pass a background check to be eligible for part-time or full-time teaching jobs. School corporations may adopt more stringent requirements if they desire. These adjunct teachers will not be subject to collective bargaining requirements.

If you fail once, try and try again is the motto for Sen. Jean Leising (R-Oldenburg), who after five attempts was finally able to codify language that aims to increase FAFSA participation. SEA 82 ended up far from the original version which would have required all senior high school students to complete the student aid form. The final product only requires schools to present information supplied by the Commission for Higher Education regarding the FASFA to specific students, and does not require any student to complete the student aid form.

Notable bills that failed to advance included HB 1182, which would have required candidates who run for school board offices to include their political affiliation on the ballot, and HB 1072 that would have required public schools to share a portion of their referendum dollars to charter schools in their area. HB 1182 received a hearing in the House Election Committee, but failed to receive a vote. HB 1072 was narrowly approved by the House 52-39 but failed to receive a hearing in the Senate.

LOCAL GOVERNMENT
The potential cut to the business personal property tax and its impact on local units of government was the priority issue in the local government sphere this session. Although no changes to the business personal property tax were made this year, some legislative leaders have already pledged the issue will be addressed again in 2023. Other issues ranging from economic development to eminent domain also saw action this year:

Marion County Republican Senators introduced a number of bills dubbed the “Marion County Crime Package” that included SB6, SB7, SB8, SB9, and SB10. Of those, SEA 7 and SEA 9 passed through both chambers and were signed into law. SEA 7 creates a new Marion County crime reduction pilot program, intended to help funnel grants and extra resources into high-crime areas in Indianapolis. It also establishes a crime reduction board which will oversee interoperability agreements between state and local law enforcement agencies in policing downtown Indianapolis. SEA 7 is a pilot project that the legislature may consider implementing statewide in the future. SEA 9 was authored in response to cases where individuals on home detention violated the terms of their release and committed violent crimes. The
bill provides a better framework for electronic monitoring and home detention policies including new protocols for alerting the supervising agency when a person’s monitor enters an area the person is not allowed to be, or is removed or loses connection.

The legislature also passed **HEA 1300**, which was the House companion bill to SB 6. The bill sets limits on for whom and how often charitable bail organizations may pay bail on behalf of a defendant. The bill also prohibits the state or a political subdivision from paying bail on behalf of a defendant or providing funds or grants to any entity that posts bail for any person.

Multiple annexation bills were discussed in the 2022 legislative session. Notable ones included **SB 73**, which passed the Senate but failed to be considered in the House Local Government Committee, would have eliminated the current municipally-initiated annexation process. Instead it would require a municipality to file a petition containing signatures of at least 51% of owners of non-tax exempt land or the owners of at least 75% of the assessed valuation of land in the proposed annexation territory in order for an annexation to proceed. The only annexation bill that passed this session was **HEA 1110**, which creates a process to allow a third class city to annex a noncontiguous residential development and the right of way of a public highway connecting the development to the city under certain circumstances. HEA 1110 advanced through the process with minimal opposition.

Eminent domain legislation found tough sledding in the legislature. **SB 29**, which would have increased the compensation paid in eminent domain cases from fair market value to at least 120% percent of the fair market value of the property, failed to receive a hearing in the House following approval by the Senate. Further, **HB 1106** died on the Senate floor on the final day of session 19-31. This bill would have required a municipality using eminent domain outside its corporate boundaries (e.g. for a road project) to obtain approval from the county commissioners.

The legislature also gave the state more tools to drive economic growth throughout Indiana communities. **SEA 361** allows the Indiana Economic Development Corporation (“IEDC”) to designate targeted areas as “innovation development districts,” (IDDs). An IDD, which will operate similarly to tax increment financing districts that many municipal governments use for economic development, can capture state sales and income taxes, in addition to local property taxes. The creation of an IDD is dependent on an agreement between the IEDC and the executive of the impacted local government for deals less than $2 billion in new investment. For deals over $2 billion, the IEDC and the local unit are still required to collaborate, but the IEDC has more flexibility to act even more quickly without official local approval to create the IDD. Once an IDD is established, it will have a term of 30 years, with an option to extend after Budget Committee review.
SEA 361 also aims to strengthen Indiana’s workforce by allowing municipalities to establish a workforce retention and recruitment program and fund. Finally, the bill gives the IEDC more flexibility to determine how to allocate tax credits by establishing an overall cap of $300 million, and gives them an additional $300 million in cash incentives for potential projects.

The annual Department of Local Government Finance bill (HEA 1260) contained its customary dozens of clean-up provisions for the agency, and also became a home for many other local government finance-related provisions not necessarily initiated by the department. One notable non-local provision added was language to prevent the State Lottery Commission and Indiana Gaming Commission from authorizing internet gaming without the General Assembly’s approval.

**SEA 145**, the “Dark Box Bill,” passed the House and Senate unanimously. The bill allows tax assessments to be based on construction costs for large commercial properties for the first five years of existence for new structures. The bill came as a response to large commercial property owners filing assessment appeals, resulting in costly litigation around the state between local governments and big box retailers.

All Indiana cities and towns will soon have the ability to issue a request for proposals for solid waste contracts (instead of the current invitation for bids process) under **HEA 1286**. This will help municipalities and local businesses in the trash pick-up process by giving them more contracting flexibility.

The findings of the Interim Wastewater Task Force resulted in **SEA 272**, which permits the Indiana Finance Authority (“IFA”) to serve as the executive branch coordinator for funds allocated or made available to the state or local communities from federal, state, and other sources for purposes related to drinking water, wastewater, or storm water infrastructure and systems. It also charges the IFA to perform certain tasks to improve the efficiency of wastewater infrastructure projects around the state.

Another utility bill, **HEA 1245** prohibits municipally-owned utilities from including contributions in aid of construction in the basis for a capacity related fee or tap fee and creates a process for these fees to be challenged and reviewed by the IURC. This only applies to new fees established after June 30, 2022.

Finally, **HEA 1193** amends the statewide framework for distributing the proceeds of opioid settlement agreements in an effort to convince more litigating communities to opt back into the state settlement agreement. The new deadline for litigating communities to opt in is now July 15, 2022. The bill was approved by both chambers unanimously and signed by the Governor.
HEALTHCARE

While healthcare policy may have taken a backseat to other sectors regarding headlines, the legislature still addressed its priorities of increasing transparency within the medical industry and increasing the number of physicians, nurses, and other healthcare providers who practice in Indiana by streamlining the process for entry into their field.

House Republicans are hoping HEA 1003, a priority piece of legislation, will help solve the nursing shortage facing Indiana. The bill contains many provisions to create new flexibility and remove barriers to nursing education programs. Among other provisions, HEA 1003 allows those who graduate from foreign nursing schools to obtain licenses, provides greater flexibility to nursing students’ clinical training time, and removes the 25% cap on enrollment for high performing nursing programs. HEA 1003 was approved by both chambers nearly unanimously.

In an effort to increase patient safety and transparency, the legislature approved SEA 239, which subjects certain practitioners to disciplinary sanctions if they communicate or disseminate to the general public an advertisement that is deceptive or misleading or does not prominently state the profession or license held by the practitioner during care. Other transparency bills aimed at prescription drug costs (SB 88) and insurance rates (SB 249) failed to advance to the Governor.

In another effort to address shortages in the medical field, the legislature approved SEA 5, authored by Sen. Liz Brown (R-Fort Wayne). The bill permits certain health care professionals who hold similar licenses to practice in other states to be eligible for licenses in Indiana without additional, unnecessary steps. It also allows those who meet certain standards to apply for a provisional license, which must be issued within 30 days. SEA 5 also requires the Speech-Language Pathology and Audiology board to make an effort to enter into reciprocity agreements with other states for individuals licensed to practice in those areas.

The Indiana Department of Health agency bill made numerous technical changes to code. Notably, it contained Governor Holcomb’s agenda priority regarding infant mortality and aligned Indiana’s practices on the subject with the CDC’s best practices. In particular, HEA 1169 creates a standard regarding infant autopsies to help lower the infant mortality rate and ensure comprehensive reporting of infant autopsies.

According to lawmakers, decreasing the tax on prefilled e-cigarette cartridges from 25% to 15% is simply fixing an error from the previous session where lawmakers increased the tax on all vaping products. Most vaping products currently have a 15% retail tax, however the prefilled e-cigarette cartridges were being taxed at 25%. Despite the
backlash from healthcare advocates, the legislature approved SEA 382 and stated the change was to bring parity in the e-cigarette industry.

A bill to combat coerced abortions was signed into law by Governor Holcomb. HEA 1217 will make it a felony to coerce a woman into having an abortion and also subjects abortion providers to criminal charges for failing to report coercion to law enforcement. Following its signature, Indiana became the 19th state with such a law.

Lastly, a bill that aimed to stymie the State’s efforts to reform the Long Term Services and Support (“LTSS”) space failed to advance out of the House Ways and Means Committee after being approved by the House Public Health Committee. SB 407 would have established a framework that would allow LTSS organizations in specific counties to participate in a risk-based managed care pilot program with an array of reporting functions and ultimately slow down reforms being proposed by FSSA.

UTILITIES & ENERGY
Wind and solar siting, electric vehicles, alternate forms of energy generation, and more were discussed in Utility committees this session. Many of these proposals were intended to set Indiana up to be competitive in the future.

Following a controversial bill last session that would have mandated new solar and wind project standards around the State, lawmakers compromised and approved SEA 411, which establishes standards that local units of government may adopt to be considered a “wind energy” or “solar energy” ready community. The bill includes default standards for wind and solar power projects and the bill’s author, Sen. Mark Messmer (R-Jasper), said the voluntary program will set the stage for predictable renewable energy policy for the state.

“Carbon Sequestration,” the process of storing carbon dioxide produced via energy generation or industrial processes thousands of feet underground (rather than releasing it into the Earth’s atmosphere) was a hot topic this session. Several bills regarding the topic were proposed, but ultimately HEA 1209, which lays out a detailed framework for future carbon sequestration projects, was approved by the General Assembly. Two other carbon sequestration bills, HB 1249 and SB 265, aimed to set parameters for a pilot project in Terre Haute, but they failed to advance following concerns raised around subsurface property rights and a pilot project’s potential consequences.

Another bill to clarify Indiana’s electric vehicle infrastructure future was signed into law by Governor Holcomb. HEA 1221, authored by Rep. Ed Soliday (R-Valparaiso), has various provisions including allowing EV charging infrastructure owners to charge by
kilowatt-hour rather than a fixed dollar amount, and permitting the Indiana Utility Commission (“IURC”) to approve changes in price structures for retail energy services. Some Republican lawmakers raised concerns over the portion of the bill that allows the IURC to oversee public-use electric vehicle pilot programs, pointing to other failed electric public transportation projects around the state. HEA 1221 largely passed down party lines.

Small modular nuclear reactors, or “mini nukes” for short, will have a path forward following the adoption of SEA 271. The bill establishes a framework for utilities to build and operate the reactors when they come to Indiana. Currently, there are no small modular nuclear reactors operating in the country. The bill faced pushback on the Senate floor from lawmakers who fear the high costs of building and operating a small modular nuclear reactor could be passed down to ratepayers. SEA 271 was approved by the Senate 39-9 and by the House 70-22.

In an effort to keep materials out of landfills, Rep. Mike Speedy (R-Indianapolis) authored HEA 1226 that establishes the Central Indiana Waste Diversion Pilot Project which aims to determine the most practical means of addressing domestic supply chain disruptions and prevent the unnecessary disposal of potentially valuable recyclable materials. Further, the bill requires the Indiana Environmental Rules Board to match its waste regulation exemptions to the United States Environmental Protection Agency. Lastly, it clarifies that non-hazardous coal mining waste is not subject to regulation under the solid waste rules.

AGRICULTURE
Consumer and farmer protection legislation were at the forefront of agriculture policy this session, from the gas pump to the ownership of land.

Last April, Governor Holcomb vetoed SEA 303 that, among other provisions, would have required gas stations to have duplicative labels on gas pumps that dispense E15 fuel blends. In his statement, the Governor said he found the additional layer of government “unnecessary and confusing.” By law, the General Assembly is required to consider veto overrides before the end of the following session. Although SEA 303 passed out of the Senate 46-2 on its final passage last session, the chamber elected to sustain the veto 24-26 following advocacy efforts from the ethanol industry and corn growers.

It is no longer legal for the public to touch certain exotic animals following the passage of HEA 1248. This bill was dubbed the “Tiger King Bill” thanks to an infamous Indiana business, that was part of the popular “Tiger King” docuseries and that has since been shut down due to federal violations. The bill applies to bears, lions, tigers, leopards, snow leopards, jaguars, and mountain lions. The bill aims to halt the
practice of declawing and mistreating the animals for public entertainment.

A bill that went through various changes during the legislative process was SEA 388, authored by Sen. Mark Messmer (R-Jasper). The bill’s primary objective is to prevent a foreign business entity from acquiring land in Indiana for the purposes of crop farming or timber production, with certain exemptions. For foreign businesses who already own land, the bill requires them to report the acquisition, sale, or transfer of agricultural land to the Indiana Secretary of State and the Attorney General. Later in session, amendments were adopted that require postsecondary educational institutions to submit disclosure reports to the Indiana Commissioner for Higher Education of gifts from foreign sources that meet certain thresholds. Lastly, an amendment authored by Rep. Ryan Dvorak (D-South Bend) would ban Russians and Russian-controlled companies from buying property in Indiana for one year. According to Dvorak, Indiana is the first state to adopt such a policy in response to the recent Russian invasion of Ukraine.

Two bills that received nearly unanimous approval were SEA 129 and HEA 1147, both authored by the chairs of the House and Senate Agriculture Committees. Both bills require the State Seed Commissioner to alter its fees for testing seed purity and germination to match standards for the seed testing industry. It also allows for the State Chemist to establish fees that are necessary for the administration of laws concerning the sale and transfer of plant cultures.

CANNABIS
The Indiana General Assembly continues to grapple more and more with the inevitable policy issues that sprout with a growing cannabis industry. From legalizing medical and adult use marijuana to banning certain hemp products, this short session saw legislators propose a record number of bills impacting the cannabis industry. Despite the tangible enthusiasm, there was not much appetite from the legislature as a whole to make major policy changes this year.

For the second year in a row, the House passed legislation that would create testing and labeling standards for hemp flower while providing hemp farmers and other small businesses access to the market in Indiana. HB 1043, authored by Representative Sean Eberhart (R-Shelbyville), passed the House with a vote of 72-20. Despite the broad support in the House, the bill was not scheduled for a committee hearing in the Senate.

SB 209, authored by Senator Mike Young (R-Speedway), began as a noncontroversial bill. However, a Second Reading amendment was adopted on the Senate floor that banned popular products like Delta-8 from being sold and possessed in Indiana. The Senate passed the bill with a final vote of 36-12. Following an outcry from the hemp industry and consumers alike, the House removed the language at question.
in committee and instead opted to request a summer study to learn more about the industry. The language regarding the summer study committee request ultimately ended up in HB 1369, which was killed in the Senate on the last day of session.

There were a total of thirteen (13) bills filed that proposed to either decriminalize or regulate medical and/or adult use cannabis in Indiana. While this is a record number of bills filed on the topic, the enthusiasm was short lived for supporters as the bills died in their respective committees without receiving a committee hearing. Despite the shortcomings of the bills, legislators from both sides of the aisle remain focused on the policy issue as they have sent letters to the Legislative Council requesting a summer study committee on the topic.

PUBLIC POLICY
Bills that have been under consideration for several years finally saw passage through the legislative process this year in the public policy sphere, while others will likely return for further consideration in future sessions.

Following nearly a decade of being introduced, HEA 1296, allowing Hoosiers to carry handguns in public without a permit, was approved by the General Assembly. On final passage, the bill advanced through the House 68-30 (where it has been approved the past several sessions) and the Senate 30-20 after nearly three hours of floor debate between senators. In the Senate, 9 GOP senators joined all of the Senate Democrats in voting no.

The language certainly did not have a straightforward path to approval. The language was originally in HB 1077, which received nine hours of testimony in the Senate Judiciary Committee after being passed by the House. HB 1077 was amended in the Senate committee to strip the bill and insert a State Police backed provisional license procedure. The bill was then recommitted to the Senate Rules Committee, which is typically a death sentence for bills. The original language then returned in HEA 1296, originally a bill about multiple employer welfare arrangements, and nearly died in the Senate Rules Committee.

Governor Holcomb ultimately signed the bill into law on the last day it was eligible despite the Superintendent of State Police’s staunch opposition to the bill. In a joint statement, Governor Holcomb and the Superintendent said they will still encourage Hoosiers to go through the permitting process—particularly if any Hoosier aims to carry a firearm outside of Indiana.

The General Assembly also relaxed requirements regarding alcohol permits and regulation. HEA 1298 reduces the
length of time that an applicant for an artisan distiller’s permit must hold another permit prior to the date of the application and creates a temporary “craft manufacturer hospitality permit” that makes it easier for craft manufacturers to participate in conventions and festivals on the premises of a host permittee. The bill also provides that the Alcohol and Tobacco Commission may not require physical separation between a bar area and a dining area in a food hall.

The effort to establish an automated work zone safety pilot program was unable to advance to the Governor’s desk, failing to pass out of the House Ways and Means Committee on both occasions (SB 179 was approved by the Senate 35-14, and HB 1035 was approved by the House Transportation Committee). Both bills would have enabled the Indiana Department of Transportation to work with the State Police to administer an automated traffic control system pilot program for the purpose of enforcing work zone speed limits.

An effort to provide guidelines in the world of data privacy also stalled during the process. SB 358, authored by Sen. Liz Brown (R-Fort Wayne), would have created a new Article in Indiana Code that models what has become a national standard in state consumer protection laws. The bill would have granted the Attorney General the responsibility for investigating and enforcing suspected or actual violations of the new article and would have provided an Indiana consumer a framework for the rights surrounding their personal data collected by third party entities.

In an attempt to place greater oversight or limitations on the administrative agencies of state government, Rep. Chris Jeter (R-Fishers) introduced HB 1063 that would have required judicial review of state government agency administrative actions under current law to be tried by a court “de novo.” Current law confines a court ruling to agency record and supplemental evidence. It also would have placed the burden of proof to defend the agency action on the administrative agency. The bill passed out of the House 74-17, but failed to receive a hearing in the Senate Judiciary Committee.

One bill that did not pass but is almost certain to come back next year deals with the distribution of ready-to-drink cocktails (“RTDs”). HB 1219 would have allowed beer wholesalers to distribute RTDs, which would be a major change in Indiana alcohol law.

Not to be overlooked, Indiana now has an official state fossil following the passage of HEA 1013. Rep. Randy Frye (R-Greensburg) authored the legislation giving the mastodon the prestigious title. Rep. Frye explained that the remains of nearly 300 mammoths and mastodons have been found in nearly all of Indiana’s 92 counties and the bill provides a good opportunity to educate young people on the history of the animal.
WHAT'S NEXT?
Lawmakers up for reelection this year are hitting the campaign trail, as primary elections are set to commence on May 3. A number of GOP lawmakers expect stiff competition in primary races, and a number of fundraisers and campaign events have already been scheduled to support the notion. You can see a full list of 2022 primary candidates statewide [here](#).

Technical Corrections Day, the next time lawmakers are set to convene, is scheduled for May 24. Typically, this day is reserved for lawmakers to approve of technical changes in Indiana Code such as redundancies and updating terms. However, House GOP leadership have already announced a plan to take up a Governor veto override vote on HEA 1041. It is unclear whether HEA 1211, the other bill the Governor vetoed, will be voted on at that time in either the House or the Senate. The veto must be dealt with by the House prior to the end of the 2023 legislative session.

Expect the Legislative Council, a committee made up of House and Senate Leadership that meets in the interim, to convene shortly after primary elections conclude to assign interim study committee topics.

Please contact your primary Bose Public Affairs Group Professional with any questions or clarification on any of the topics listed above.