

LEGISLATIVE UPDATE



Indiana Outdoor Management Association

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In Week 14, the Governor and the legislature agreed to property tax reform in SB1, which passed out of the House 65-29. The Senate filed a motion to concur and can vote to concur as early as Monday. It gives homeowners a 10% credit on every homestead's bill up to \$300. It caps the total income tax rates for all counties at 2.9%, down from 3.75%, but authorizes municipalities inside the counties to impose rates of up to 1.2%, which is a new ability. This will enable local units to make up some of the lost revenue, but to do so, they must face their constituents and raise taxes. It also provides businesses with relief with business personal property tax by raising the minimum property value threshold that triggers when a business pays the tax on their equipment, from \$80,000 to \$1 million next year and \$2 million the following year. It eliminates the 30% floor for depreciating equipment put into use after 1/1/2025. A business's personal property tax rate is determined by taking an average of all its equipment's depreciated value (based on the equipment category), which previously could not go below 30%. It would now be able to go lower.

Thursday was the committee report deadline for House bills in the Senate and Senate bills in the House. Many committees did not meet, having completed their work last week. Next Tuesday is the third reading deadline for House bills in the Senate and Senate bills in the House. Any bills that fail to pass their assigned committees or on third reading are dead. However, the language may be amended into another bill in a conference committee.

See the back page of this report for a full explanation of the conference committee process. When a bill passes the second chamber with amendments, it will return to its originating chamber. The author can decide whether to file a motion to concur with (accept) or dissent to (reject) the amendments. The Indiana Constitution requires that both chambers vote on and approve the same language for all legislation. Therefore, the originating chamber must vote on the amended language, concurring with the amendments. The leaders in both chambers must then sign the bill, which usually takes a couple of days to collect signatures, and then it will be sent to the Governor. If the author dissents, then the leaders of both chambers assign a conference committee consisting of four members (conferees)—usually one from each caucus, including the author and the sponsor —to find a compromise supported by both chambers.

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Dead bill language (passed one chamber) can be revived when it is included as an amendment in a conference committee report. Sometimes, the original bill's language will be removed entirely and replaced with language from another bill in a conference committee.

On Wednesday, the state will release the revenue forecast, which is the anticipated revenue the state will collect over the next two years. The forecast is based on economists' state and national policy analysis and trends. It is a significant factor in determining the total budget's final amount. By law, the legislature cannot go any later than Midnight on April 29, but we anticipate the final day will be April 24 or 25. We will be there to monitor it all and keep you updated. You can also view the latest status of your bills by clicking the link above.

HB1531-Various Immigration Matters, authored by Rep. J.D. Prescott (R-Union City), prohibits employers with ten or more employees from knowingly or intentionally recruiting, hiring, or employing an unauthorized alien after June 30, 2025. Violation could result in a total or temporary suspension of an employer's operating or business license (i.e., pesticide applicator).

Our concern, to which we testified in the House Judiciary Committee, is the vagueness of the process of how the Attorney General's (AG) office initiates an investigation, and that, whatever the method of initiating, rival companies or individuals could use it to harass member companies.

We shared this concern with the AG and Sen. Liz Brown (R-Fort Wayne), the chairwoman of the Senate Judiciary Committee, to which the bill was assigned. She chose not to hear the bill before the deadline, so as a bill, it is dead. However, because the bill passed one chamber, the language is still eligible for insertion in another bill as an amendment in a conference committee. This possibility is further increased by the fact that the Governor's office has indicated support for at least part of the bill.

The bill contains multiple sections, and most are related to authorizing state and local agencies to enforce federal immigration laws. Enhancing immigration enforcement was a campaign promise made by Governor Braun during the campaign. This will be something we will watch closely during conference committees.

The last few weeks, we have worked in a supporting role with Syngenta's lobbyist to amend a law passed in 2024 that prohibits Indiana institutions from transferring intellectual property, including data, to entities owned, operated, or controlled by foreign adversary governments. Purdue College of Agriculture conducts public research using products from Syngenta. Syngenta has a Chinese investor with a controlling interest. China is considered a foreign adversary, so Syngenta is a business controlled by a foreign adversary under the law. We could not find a legislative solution because it was very late in the session, and the legislature's ongoing concern about Chinese influence. The parties are looking at their agreements for an internally-driven non-legislative solution.

SB 1 Enters Final Stretch

Senate Bill (SB) 1 reappeared on the House schedule this week in the House Ways & Means Committee. The bill was significantly amended to add in SB 518, Sen. Linda Rogers' (R-Granger) school property tax bill, and parts of House Bill 1402, Rep. Jeff Thompson's (R-Lizton) local government finance bill

Thirty-six second reading amendments were drafted, and seventeen were presented. But only one amendment, thirty-six, authored by Rep. Thompson, was adopted into the bill. The amendment increased the supplemental homestead tax credit to 10% of assessed value with a \$300 maximum. Rep. Thompson, the bill sponsor, stated SB 1 would result in lower property tax bills for two-thirds of homeowners this year.

According to Rep. Thompson, rising property taxes stem from growing assessed values and increasing local government debt. His version of SB 1 begins shifting the state from a levy system to a rate-based system.

SB 1 creates stackable credits for fixed-income seniors and disabled veterans, decreases the local income tax rates, creates controls on local government debt and transparency, exempts small businesses from personal property tax, and saves farmers through various tax reforms.

In a rare event, Speaker Todd Huston (R–Fishers) spoke in support of the bill on second and third reading. While the Speaker stated the bill is delivering "historic taxpayer savings," House Democrats raised alarm bells.

Ranking Minority Member of the Ways & Means Committee, Rep. Gregory Porter (D-Indianapolis), criticized the bill during floor debate. He raised concerns over the estimated \$3 billion in lost revenue to local government.

Rep. Mike Andrade (D-Munster) added his concern that local units will be forced to raise income taxes to cover basic services.

SB 1 passed out of the House on Thursday, April 10, with a vote of 65-29. It will now return to the Senate author, Sen. Travis Holdman (R-Markle), to file a concurrence or dissent motion.

Conference Committee Process Underway

At this point, 133 bills have been amended by the second chamber. 42 of those have already been concurred upon by their author, received a majority vote in their chamber of origin, and sent to the Governor for final approval.

Several bills have already received dissent motions, and chamber leadership has begun assigning conference committee members. This indicates that conference committee meetings could start taking place as soon as next week.

In a conference committee, one member of each caucus from each chamber serves as the voting member, with several advisors. Once a final agreement is reached, the bill is referred to as a Conference Committee Report (CCR). Each CCR must receive a final majority vote in each chamber before going on to the Governor. You may see the bills eligible for conference committee here.

Governor-S Action

Once a bill passes the legislature, it is referred to as an "Enrolled Act". All enrolled acts must be reviewed and approved by the Governor before they become law. Indiana's Governor has three actions he can take on legislation: sign into law, veto, or not sign and allow it to become law after seven days.

Enrolled acts do not automatically arrive on the Governor's desk the day they pass the legislature. Each one requires procedural signatures from leadership in both chambers, the Speaker of the House and President Pro Tempore. It then goes to the Lieutenant Governor to sign. These signatures are perfunctory. However, the seven-day countdown only begins once the signatures are received, and the bill arrives on the Governor's desk.

You may see when and what enrolled acts reach the Governor's desk and when he signs them on his <u>Bill Watch Website</u>.

2025 UPCOMING DEADLINES

HOUSE: Senate Bills

2nd Reading: Monday, April 14, 2025 3rd Reading: Tuesday, April 15, 2025

SENATE: House Bills

2nd Reading: Monday, April 14, 2025 3rd Reading: Tuesday, April 15, 2025

HOUSE & SENATE

Anticipated Sine Die: Thursday, April 24 Statutory Sine Die: Tuesday, April 29

2025 GOVERNOR BILL WATCH

Click <u>HERE</u> to view the Governor's website on enrolled acts/bills reaching his desk.

The Corydon Group

2025 Legislative Team

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Managing Principal

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Senior Vice President Vice President

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Manager, Communications & Vice President

Policy

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Senior Vice President Senior Advisor

TRISTAN M. FRIEDERCH GRACE A. SARRAZIN

Legislative Intern Legislative Intern

CONFERENCE COMMITTEES

The conference committee process is the process of reconciling bills to guarantee that every piece of language receives a constitutional majority vote in both chambers before it becomes law. Please see the graphic below which helps explain the conference committee process.



