

2011 LEGISLATIVE REPORT



In what many have called, “the most politically charged legislative session in recent Indiana history,” the 2011 Indiana General Assembly finished its business on Friday, April 29. The General Assembly sent 231 bills to Governor Daniels for consideration, including a two-year \$28 billion budget. Governor Daniels signed 229 bills and vetoed two bills. (These are the first two vetoes by Governor Daniels since the 2009 legislative session).



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The most high-profile bills coming out of the 2011 Legislative Session included: education reform (including new teacher performance standards, school vouchers and the expansion of charter schools), new legislative district maps for the state legislature and Congress, the defunding of Planned Parenthood and the state budget. However, these headline grabbers were not the only thing legislators were working on. They also passed legislation that will positively impact business, including: an overhaul of the state unemployment system and a 2% drop in the state's corporate income tax rate.

The two bills vetoed were House Enrolled Act (HEA) 1177 and Senate Enrolled Act (SEA) 215. HEA 1177 would have required a majority of the members of the board of trustees for Indiana and Ball State universities to be residents of Indiana and required all trustees to be citizens of the United States. SEA 215 would have allowed prosecutors and law enforcement to keep up to 100% of the proceeds from civil forfeitures. The current law allows for prosecutors and law enforcement officials to only keep proceeds relating to the cost of the particular law enforcement action. The rest is to be paid to the Common School Fund.



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Led by director of public policy, Sheri Miller Story, The Chamber ramped up its efforts in lobbying this year spending four-six days per month at the Indiana State House; meeting with the St. Joseph County legislative delegation and other key leaders in the House and the Senate, as well as Indiana Chamber officials; attending committee hearings and tracking legislation on the floor of each house.

For a full account of all legislation that was passed and sent to the governor, please view: <http://www.in.gov/gov/billwatch.htm>. For a complete listing of all the bills that were introduced in the 2011 session, including those that did not pass out of the legislature, please view: <http://www.in.gov/apps/lisa/session/billwatch/billinfo?year=2011&session=1&request=all>.

CHAMBER ACTIVITIES

The Chamber took its first-ever bus trip to the Indiana State House in coordination with the Greater Elkhart Chamber on February 15. Over 40 business professionals from St. Joseph and Elkhart Counties took part in this daylong lobbying effort; boarding the buses in the early morning and getting to Indianapolis just in time to have lunch with 12 legislators and receive a state and federal briefing from the Indiana Chamber staff and updates from the Indiana Economic Development Corporation. Participants were then given time to meet with legislators one-on-one at the State House or meet with other key state officials; and ended their day with a return trip to northern Indiana. This is the first, of what we plan to be many, lobbying trips to Indianapolis with Chamber members.

2011 also was the first time The Chamber hosted Third House Meetings for members and the community alike. Third House Meetings give citizens an easy opportunity to communicate with their legislator(s) during the legislators' busiest time, by bringing them together for a public meeting. The Third House Meetings were very successful and provided lively dialogue between our elected members and the public.



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2011 THIRD HOUSE MEETINGS

IN ATTENDANCE	JAN 22	FEB 19	MARCH 19	APRIL 16	ATTENDANCE %
Senator Arnold	X	X	X	X	100%
Senator Broden	X	X	X	A	75%
Senator Charbonneau					-
Senator Mishler	X	A		A	25%
Senator Zakas					-
Representative Bauer	A				-
Representative Dvorak	X	X	X		75%
Representative Fry	X	A			25%
Representative Neese	A	A	A	A	-
Representative Niezgodski	X	A		X	50%
Representative Wesco	X	X	X	A	75%

Citizen Attendance	47	125	68	12	252
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X = Present

A = Chamber was made aware of absence ahead of time

CHAMBER LEGISLATIVE PRIORITIES AND OUTCOMES

Before the 2011 Indiana General Assembly started, The Chamber released its 2011 Legislative Priorities. The Legislative Priorities outlined the issues of interest to The Chamber and its members. We monitored these issues throughout the legislative session and have a report of many of the key bills, many of which became laws, that were of interest to The Chamber and its members. Issues that we monitored included: economic development, school funding and administration, local government modernization, local government fiscal flexibility and accountability, legislative redistricting, basic health insurance plan, long-term funding for transportation infrastructure, stable and alternative energy sources, workforce training tax credits and unemployment compensation, as well as a few others. On the following pages are the key bills of interest to The Chamber for the 2011 Indiana Legislative Session.



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ECONOMIC DEVELOPMENT/TAXATION/PUBLIC FINANCE

PASSED HEA 1001 - STATE BUDGET

Establishes the state appropriations and expenditures for the next two years, 2012-13.

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PASSED HEA 1004 - TAX BILL

Originally two separate bills, this one bill comes together to include a reduction in the corporate income tax rate from 8.5% to 6.5% and studying the local option to exempt personal property.

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PASSED HEA 1007 - TAX INCENTIVES

Provides a number of new local incentives and economic development tools.

NOTE: Other tax provisions moved to HEA 1004

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PASSED SEA 459 - STREAMLINED SALES AND
USE TAX CONFORMITY

Brings the state into compliance with the Streamlined Sale & Use Tax Agreement and promotes efforts to collect internet sales tax.

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PASSED PROVISION IN HEA 1004 (ORIGINALLY HB 1008)
- VENTURE CAPITAL INVESTMENT TAX CREDIT

Expands credit from \$500,000 to \$1,000,000 for qualified Indiana businesses after December 31, 2011. (Passed as part of HEA 1004)



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ECONOMIC DEVELOPMENT/TAXATION/PUBLIC FINANCE CONT.

PASSED PROVISION IN HEA 1004 (ORIGINALLY HB 1435)
- AMENDED PROPERTY TAX RETURNS

Extends the time period to amend personal property tax returns from six months to one year.
(Passed as part of HEA 1004)

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DEFEATED PROVISION IN HB 1001
- 21ST CENTURY FUND REDUCTION

Reduces the Indiana 21st Century Research and Technology Fund by approximately 40%.

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DEFEATED SB 148 - INHERITANCE TAX & ESTATE TAX

Phases out the inheritance tax beginning July 1, 2013. Provides that the estate tax and generation skipping transfer tax do not apply after June 30, 2018.

NOTE: Sent to summer study committee

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DEFEATED SB 222 - TRANSPORTATION/LOGISTICS
INCOME TAX CREDIT

Provides tax incentives for fixed assets in logistics industry.

NOTE: Sent to summer study committee



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SCHOOL FUNDING AND ADMINISTRATION

PASSED HEA 1002 - CHARTER SCHOOLS

Expands the number of authorizers of charter schools, removes limits imposed on current authorizers, expands funding for virtual charter schools and creates accountability mechanisms for authorizers.

PASSED HEA 1003 - SCHOOL CHOICE SCHOLARSHIPS

Provides scholarships to low- and middle-income students to help pay the cost of tuition and fees at a public or private school that charges tuition.

PASSED HEA 1340 - ADULT EDUCATION

Better aligns the Department of Education, State Board of Education, Department of Workforce Development and State Workforce Innovation Council to provide greater effectiveness in delivering adult education opportunities.

PASSED HEA 1341 - SPECIAL EDUCATION GRANTS

Requires a school corporation to expend the portion of its special education funds that are generated by students in private schools by serving those private school students who generated the funds.



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SCHOOL FUNDING AND ADMINISTRATION CONT.

PASSED **HEA 1429 - TEXTBOOKS AND OTHER CURRICULAR MATERIAL**

Expands definition of “textbook” to include certain hardware, software and digital content. Adds a definition of “curricular materials” and requires the Department of Education to review them. Requires governing body of each school corporation to adopt textbooks for the school corporation.

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PASSED **SEA 1 - TEACHER PERFORMANCE**

Provides for performance-based pay. Restructures teacher evaluation processes to include measures of student academic performance. Eliminates layoff procedures and salary schedules based entirely on seniority. Creates teacher evaluation categories with consequences.

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PASSED **SEA 575 - TEACHER COLLECTIVE BARGAINING**

Limits collective bargaining to wages and benefits.

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SCHOOL FUNDING AND ADMINISTRATION CONT.

DEFEATED HB 1369 - EDUCATION ISSUES
(SCHOOL ADMINISTRATION PERFORMANCE)

Requires school districts to provide administrator salary bonuses of up to 5% based on student academics and other performance measures. Allows school districts to hire superintendents who are not state licensed. Makes other changes.

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DEFEATED SB 171 - SCHOOL START DATE AND CALENDAR

Establishes school start time parameters; allows schools with traditional calendars to extend the school year beyond June 10.

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DEFEATED SB 294 - PROBATIONARY TEACHER CONTRACTS

Provides that a school corporation may hire a teacher who has not previously taught for the school corporation on a probationary contract.

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DEFEATED SB 496 - PARENTAL TRIGGER

Empowers parents of students in chronically failing schools to petition to reorganize the school.

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2011 LEGISLATIVE REPORT

LOCAL GOVERNMENT

PASSED **HEA 1074 - SCHOOL BOARD ELECTION**
Moves ALL school board elections in Indiana to the general election.

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PASSED **SEA 32 - VOTE CENTERS**
Gives counties the option to establish vote centers for elections.

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DEFEATED **HB 1022 - NEPOTISM/CONFLICT OF INTEREST**
Prohibits nepotism and conflict of interest for a county, city or town officeholder/candidate; with notable exemptions.

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DEFEATED **HB 1357 -LOCAL GOVERNMENT REORGANIZATION**
Contained various township reform measures such as: binding county council review of township budgets; establishment of countywide poor relief standards; and requiring township capital improvement plans.

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DEFEATED **HB 1469 - LOCAL GOVERNMENT ISSUES**
Abolishes township boards and transfers duties to county council.

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2011 LEGISLATIVE REPORT

LOCAL GOVERNMENT CONT.

DEFEATED SB 303 - OPTION FOR SINGLE COUNT EXECUTIVE

Creates the option for a single county executive with a county commissioner vote.

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DEFEATED SB 386 - LOCAL GOVERNMENT MODERNIZATION

Requires additional financial impact information and changes voting blocks for local government modernization efforts.

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DEFEATED SB 405 - TOWNSHIP REFORM

Transfers fiscal responsibility for township government to the county council and eliminates township boards. Adds in other township reform measures.

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HEALTH CARE

PASSED HEA 1233 - STATE BOARDS & COMMISSIONS

Creates the Insurance Interim Study Committee to examine insurance issues & worker's compensation matters, taking up the activities of expired Mandated Benefits Task Force.

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PASSED HEA 1260 - SCHOOL CORPORATION
HEALTH INSURANCE

Attempts to get health insurance plan costs for public school corporations more under control, including eventually switching coverage to state plan.

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PASSED SEA 461 - HEALTH CARE REFORM MATTERS

Makes changes to Medicaid & insurance statutes to comply with the federal Patient Protection & Affordable Care Act.

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DEFEATED HB 1018 - SMOKING BAN IN PUBLIC PLACES

Prohibits smoking in vast majority of public places, exempting bars/taverns, casinos, nursing homes and fraternal clubs.

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2011 LEGISLATIVE REPORT

HEALTH CARE CONT.

DEFEATED HB 1080 - HEALTH PLAN ACCESS TO PROVIDERS

Allows physicians to close their practices to new patients who have health insurance plans that they do not want to honor.

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DEFEATED SB 65 - OUT-OF-NETWORK HEALTH PROVIDER PAYMENTS

“Assignment of benefits” bill that allows network providers to put a limit on the number of patients they would accept from network.

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DEFEATED SB 87 - CONTRACTS FOR DENTAL SERVICES

Prohibits dental insurers and health maintenance organizations from requiring dentists to accept certain payments.

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TRANSPORTATION

PASSED SEA 473 - PUBLIC-PRIVATE PARTNERSHIP
(P3) AUTHORIZATION

Authorizes public-private partnerships for transportation infrastructure projects without requiring statutory authority for each individual project.

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ENERGY / ENVIRONMENT

PASSED HEA 1128 - RENEWABLE ENERGY SOURCES

Adds hydrogen and coal bed methane to the list of renewable energy sources.

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PASSED SEA 251 - CLEAN ENERGY

Allows the tracking of costs by power companies related to federally mandated environmental controls; creates a voluntary renewable energy program w/ incentives; and creates provisions allowing the recovery of costs related to nuclear power facilities.

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2011 LEGISLATIVE REPORT

ENERGY / ENVIRONMENT CONT.

DEFEATED HB 1457 & SB 260 - CLEAN ENERGY
IMPROVEMENT FINANCING DISTRICT

Allows political subdivision to establish a clean energy improvement financing district for the purpose of issuing bonds to fund clean energy improvements for voluntary participants in the program.



2011 LEGISLATIVE REPORT

LABOR / EMPLOYMENT LAW

PASSED HEA 1203 - RIGHT TO SECRET BALLOT
IN UNION ELECTIONS

Provides the right to vote by secret ballot in union organizing elections.

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PASSED HEA 1216 - PUBLIC WORKS PROJECTS

Increases threshold that triggers a common construction wage hearing on public construction projects. Authorizes study committee on prohibiting union-only project labor agreements on public construction projects.

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PASSED HEA 1450 - UNEMPLOYMENT INSURANCE

Mitigates effects of unemployment tax increase on all employers by placing them in Schedule E through 2020. Reduces benefits to the long-term jobless to incentivize them to truly seek and accept employment.

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PASSED HEA 1538 - MINIMUM WAGE
REQUIRED BY LOCAL UNIT

Prohibits a local unit of government from setting a minimum wage that exceeds the state or federal minimum wage.

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2011 LEGISLATIVE REPORT

LABOR / EMPLOYMENT LAW CONT.

PASSED SEA 411 - DISCLOSURE OF GUNS AT WORK

Prohibits employers from obtaining information as to whether employees are bringing guns to work.

PASSED SEA 590 - ILLEGAL IMMIGRATION

Makes attempt to determine legal status of immigrants but does not include discriminatory “Arizona-style” provisions. (Does not include “three strikes and you’re out of business” language.)

DEFEATED HB 1468 - RIGHT-TO-WORK

Established right-to-work policy for all private and public sector employees except construction workers.

NOTE: Sent to summer study committee



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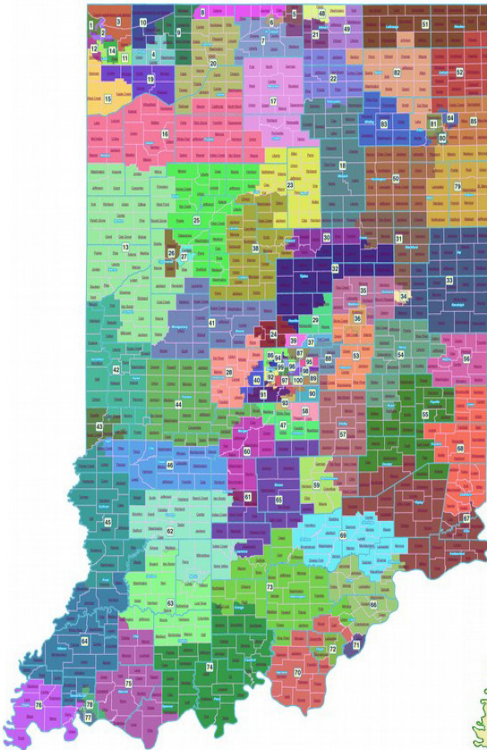
LEGISLATIVE REDISTRICTING

PASSED HEA 1601 - LEGISLATIVE REDISTRICTING

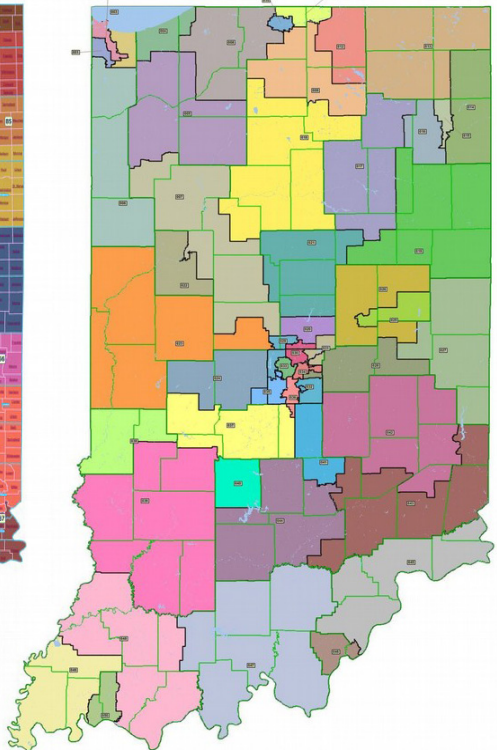
Updates the Indiana House and Senate legislative districts based on 2010 census data.

NOTE: As a result of these new legislative districts, St. Joseph County loses two members of its delegation, Senator Charbonneau and Representative Neese.

PROPOSED INDIANA HOUSE DISTRICTS



PROPOSED INDIANA SENATE DISTRICTS





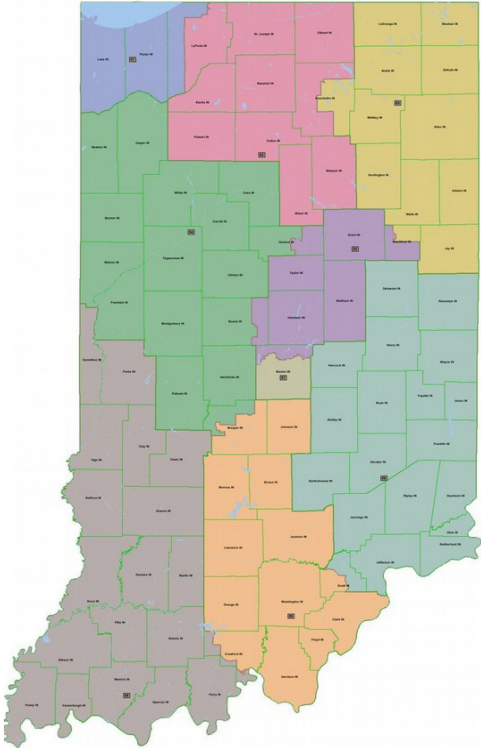
2011 LEGISLATIVE REPORT

LEGISLATIVE REDISTRICTING CONT.

PASSED HEA 1602 - CONGRESSIONAL REDISTRICTING

Updates Indiana congressional districts based on 2010 census data.

PROPOSED INDIANA CONGRESSIONAL DISTRICTS





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2011 ST. JOSEPH COUNTY STATE DELEGATION

INDIANA SENATE

DISTRICT (RESIDENCE)	NAME (PARTY)	COMMITTEES (POSITION)
SD8 (LaPorte)	Jim Arnold (D)	Appointments & Claims (RMM), Elections, Homeland Security, Transportation & Veterans Affairs (RMM), Pensions & Labor, Public Policy (RMM), Public Safety Subcommittee
SD10 (South Bend)	John Broden (D)	Appropriations (RMM), Courts & Juvenile Justice Subcommittee, Elections, Judiciary, Tax & Fiscal Policy
SD5 (Valparaiso)	Ed Charbonneau (R)	Appropriations (RM), Energy & Environmental Affairs, Health & Provider Services, Provider Services Subcommittee Rules & Legislative Procedure
SD9 (Bremen)	Ryan Mishler (R)	Agriculture & Natural Resources (CHR), Appropriations, Health & Provider Services (RM), Providers Services Subcommittee, Tax & Fiscal Policy (RM)
SD11 (Granger)	Joe Zakas (R)	Appointments & Claims (CHR), Civil Matters Subcommittee (CHR), Corrections, Criminal & Civil Matters, Judiciary (RM), Probate Code & Trusts Subcommittee (CHR), Public Policy

INDIANA HOUSE

DISTRICT (RESIDENCE)	NAME (PARTY)	COMMITTEES (POSITION)
HD6 (South Bend)	B. Patrick Bauer (D)	Joint Rules (RMM)
HD8 (South Bend)	Ryan Dvorak (D)	Courts & Criminal Code, Environmental Affairs (RMM), Utilities & Energy
HD5 (Mishawaka)	Craig Fry (D)	Financial Institutions, Government Reduction, Insurance (RMM), Public Health
HD48 (Elkhart)	Tim Neese (R)	Environmental Affairs, Interstate & International Cooperation, Local Government (CHR), Utilities & Energy
HD7 (South Bend)	David Niezgodski (D)	Elections & Apportionment, Employment, Labor & Pensions (RMM), Interstate & International Cooperation
HD21 (Osceola)	Tim Wesco (R)	Employment, Labor, & Pensions, Government & Regulatory Reform, Public Policy



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HOW THEY VOTED

Votes listed below are votes ONLY on FINAL PASSAGE of specific legislation and do not include votes on previous readings, amendments, or in committee.

ECONOMIC DEVELOPMENT, TAXATION, PUBLIC FINANCE

BILL #	TITLE	ARNOLD	BRODEN	CHARBONNEAU	MISHLER	ZAKAS	BAUER	DVORAK	FRY	NEESE	NIEZGODSKI	WESCO
HEA - 1001	State Budget	N	N	Y	Y	Y	N	N	N	Y	N	Y
HEA -1004	Tax Bill	Y	Y	Y	Y	Y	N	N	N	Y	N	Y
HEA - 1007	Tax Incentives	N	N	Y	Y	Y	Y	Y	N	Y	Y	Y
SEA - 459	Streamlined Sales and Use Tax Conformity	Y	Y	Y	Y	Y	E	N	Y	Y	Y	Y

Y = Yes vote | N = No Vote | X = Did participate in vote | E = Excused from voting



2011 LEGISLATIVE REPORT

SCHOOL FUNDING AND ADMINISTRATION

BILL #	TITLE	ARNOLD	BRODEN	CHARBONNEAU	MISHLER	ZAKAS	BAUER	DVORAK	FRY	NEESE	NIEGODSKI	WESCO
HEA- 1002	Charter Schools	N	N	Y	Y	Y	N	N	N	Y	N	Y
HEA -1003	School Choice Scholarships	N	N	Y	N	N	N	N	N	N	N	Y
HEA -1340	Adult Education	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
HEA -1341	Special Education Grants	N	E	Y	Y	Y	Y	Y	Y	Y	Y	Y
HEA -1429	Textbooks and Other Curricular Material	Y	N	Y	Y	Y	N	N	Y	Y	Y	Y
SEA - 1	Teacher Performance	N	N	Y	Y	Y	E	E	N	Y	N	Y
SEA - 575	Teacher Collective Bargaining	N	N	Y	Y	Y	N	E	E	E	N	Y

Y = Yes vote | N = No Vote | X = Did participate in vote | E = Excused from voting

LOCAL GOVERNMENT

BILL #	TITLE	ARNOLD	BRODEN	CHARBONNEAU	MISHLER	ZAKAS	BAUER	DVORAK	FRY	NEESE	NIEGODSKI	WESCO
HEA - 1074	School Board Election	Y	E	Y	Y	Y	N	E	Y	Y	Y	N
SEA - 32	Vote Centers	Y	Y	Y	Y	Y	N	N	N	Y	N	Y

Y = Yes vote | N = No Vote | X = Did participate in vote | E = Excused from voting



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HEALTH CARE

BILL #	TITLE	ARNOLD	BRODEN	CHARBONNEAU	MISHLER	ZAKAS	BAUER	DVORAK	FRY	NEESE	NIĘGODSKI	WESCO
HEA - 1233	State Boards and Commissions	Y	Y	Y	Y	Y	y	Y	Y	Y	Y	Y
HEA - 1260	School Corporation Health Insurance	Y	Y	Y	Y	Y	Y	E	Y	Y	Y	Y
SEA - 461	Health Care Reform Matters	Y	Y	Y	Y	Y	X	Y	X	Y	Y	Y

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TRANSPORTATION

BILL #	TITLE	ARNOLD	BRODEN	CHARBONNEAU	MISHLER	ZAKAS	BAUER	DVORAK	FRY	NEESE	NIĘGODSKI	WESCO
SEA - 473	Public-Private Partnership (P3) Authorization	Y	N	Y	Y	Y	Y	E	E	E	Y	Y

Y = Yes vote | N = No Vote | X = Did participate in vote | E = Excused from voting



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ENERGY / ENVIRONMENT

BILL #	TITLE	ARNOLD	BRODEN	CHARBONNEAU	MISHLER	ZAKAS	BAUER	DVORAK	FRY	NEESE	NIEZGODSKI	WESCO
HEA - 1128	Renewable Energy Sources	Y	Y	Y	Y	Y	N	N	N	Y	N	Y
SEA - 251	Clean Energy	Y	N	Y	Y	N	N	N	N	Y	N	Y

Y = Yes vote | N = No Vote | X = Did participate in vote | E = Excused from voting

LABOR / EMPLOYMENT LAW

BILL #	TITLE	ARNOLD	BRODEN	CHARBONNEAU	MISHLER	ZAKAS	BAUER	DVORAK	FRY	NEESE	NIEZGODSKI	WESCO
HEA - 1203	Right to Secret Ballot in Union Elections	N	E	Y	Y	Y	X	N	N	Y	N	Y
HEA - 1216	Public Works Projects	N	N	N	Y	N	N	N	N	Y	N	Y
HEA - 1450	Unemployment Insurance	N	N	Y	Y	Y	N	N	N	Y	N	Y
HEA - 1538	Minimum Wage Required by Local Unit	N	N	Y	Y	Y	N	N	N	Y	N	Y
SEA - 411	Disclosure of Guns at Work	Y	N	Y	Y	Y	X	Y	Y	Y	Y	Y
SEA - 590	Illegal Immigration	N	N	Y	Y	Y	N	N	N	Y	N	Y

Y = Yes vote | N = No Vote | X = Did participate in vote | E = Excused from voting



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NOTES 





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