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# Insights

## Take Five: 5 Things You Need to Know About Indiana Government - November 2021

November 17, 2021

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**1. Status of Public Health Emergency**

On Tuesday, November 16th, the Indiana General Assembly met for "Organization Day." This is a yearly occurrence during which both chambers meet to hear speeches from legislative leaders outlining priorities for the upcoming session, complete other technical and ceremonial tasks, and set a date for their return the following January to begin the official legislative session.

This year, however, the House and Senate adopted a resolution that allows the Chambers to return before January at the discretion of legislative leaders. The stated reason for this possible early return is to end the public health emergency (PHE) issued by the Governor in response to COVID-19. The Governor said he would be comfortable ending the PHE as long as the legislature acts to: (1) ensure the state continues to receive enhanced federal funding for Medicaid expenses and food assistance; and (2) allow continued flexibility for a wide range of providers to administer vaccinations.

Speaker Huston has indicated that legislative leaders are on board with this concept but will need to work out the details. Should the legislature return before January, the Speaker indicated that the House and Senate will waive the rules to allow for expedited passage of legislation. However, a wide range of flexibilities are still in place through executive orders that are tied to the PHE. It is unclear how early legislative action will impact these flexibilities that are currently in operation.

**2. Organization Day**

In addition to ending the public health emergency orders as previously discussed, both Speaker Huston and President Pro Tem Bray spoke about prioritizing legislation promoting economic growth and addressing health care costs. Speaker Huston's speech emphasized the importance of continuing to build on pro-life efforts and promised that his caucus would introduce a bill to ensure parents have more insight and input into school curriculum. Senator Bray's remarks expanded further on creating a positive climate for businesses and giving them the economic development tools they need to create growth, and he also spoke about making schools more efficient than they are today. During his speech, Senate Minority Leader Greg Taylor outlined the Senate Democratic Caucus priorities of adding sexual orientation, gender identity, and veteran status to the state's civil rights statute, passing some form of cannabis legalization, and addressing childcare costs. The Governor and each legislative caucus typically release their own in-depth legislative agendas before session begins, and we will keep you updated as these agendas are released. The 2022 session is a "short" session, with official

business beginning in early January and ending no later than March 14.

**3. Potential Tax Cuts**

One topic that has come up consistently in advance of the 2022 legislative session of the Indiana General Assembly is the possibility for the enactment of tax cuts. Speaker Todd Huston is specifically on the record as stating that he believes the business personal property tax is one of the last few taxes Indiana has on the books that limit economic growth. Meanwhile, Rep. Tim Brown, longtime Chair of the House Ways and Means committee who recently announced that his last session as an elected representative would be 2022, has long entertained the idea of putting more money in individuals' pockets by cutting the sales tax and expanding services that are taxed.

How to replace lost revenue from both of these proposals, however, remains a significant hurdle for both proposals. Reducing or eliminating the business personal property tax, for instance, would impact local government revenues. Since Speaker Huston has also committed to not cutting taxes on the backs of local government, many questions remain. A cut in the sales tax rate presents a similar challenge. Although Rep. Brown has discussed expanding the sales tax to cover services as one possible source of replacement revenue for state coffers, such a solution would draw fierce opposition from a variety of fronts.

In conclusion, while legislators continue to publicly discuss these ideas, the details of such legislative proposals remain far from clear. Stay tuned for additional updates as these ideas continue to take shape in early January, around the General Assembly's scheduled start date.

**4. Legislative Agendas**

As the 2022 Legislative Session approaches, interest groups in Indiana are starting to publish their legislative agendas for the year. The Indiana Chamber released its legislative agenda this week, showing support for increasing incentives for attracting remote workers to Indiana, enhancing early childcare access and quality, strengthening college and career readiness and expanding Indiana's economy in the electric vehicle space. The Chamber also plans to oppose mandates that prevent business from making decisions about vaccine requirements for employees. For more information, click **HERE**.

**5. Federal Infrastructure Bill**

After months of deliberations, a bipartisan infrastructure bill has finally made its way through Congress, adding $550 billion over five years to fund improvements in the nation's transportation, water, electric power, and digital infrastructure on top of baseline spending. The bill, which President Biden signed into law Monday, extends highway, safety, transit, rail, pipeline, and research programs that are traditionally included in five-year surface transportation reauthorizations. It also includes provisions to address climate change, codify parts of a Trump-era policy on environmental reviews, impose domestic content requirements, authorize programs to enhance the electric grid and replace lead pipes, and appropriates $445.9 billion in emergency funds. Click **HERE** for a deeper dive into each section of the bill.

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