



AGRIBUSINESS COUNCIL OF INDIANA NEWSLETTER
Promoting Agribusiness Policy in Indiana
February 17, 2017

Legislative Developments From the Indiana Statehouse

HB 1018- Vehicle Operation

The recent addition to House Bill 1018 is a big win for the agribusiness industry. HB 1018 proposes that vehicles cannot be driven on major highways without being covered in a manner that would prevent a vehicle's contents from dripping, leaking, or otherwise escaping a vehicle. ACI conveyed its concerns to legislators, and the bill now provides an exemption for vehicles transporting agricultural products.

HB 1237- Grain Buyers and Warehouse Licensing

This past Thursday, House Bill 1237 came to the House floor on Second Reading. Representative Lehe, the bill's author, offered an amendment to delete a provision requiring grain buyers to provide educational materials to producers upon contract execution. HB 1237 will be eligible for its final Third Reading debate next week. These are some of the highlights for the bill:

- Amends notice that is required on contracts for the purchase of grain from producers;
- Allows the director of the agency to issue subpoenas and order to compel production of records;
- Requires the director to provide certain information to the grain indemnity board
- Specifies that producers who have not requested a refund the the program after June are participants in the grain indemnity program;
- Changes the future coverage period from 12 months to 15 months; and,
- Requires the grain indemnity board to develop certain educational information for producers.

ACI is pleased that the onerous provisions that required notice to a customer when coverage expired, and distribution of educational materials by grain buyers is not contained in this bill.

SB 476- Grain Buyers and Warehouse Licensing

Senate Bill 476 has undergone major changes that are beneficial to ACI members. Through the amendment process, SB 476 no longer requires grain buyers to provide educational materials for producers. Further, language requiring grain buyers and warehouse operators to notify producers when coverage expires has been deleted. These are some highlights for the bill:

- Specifies that a lien against a licensee terminates the earlier of:
 - 1) when the licensee discharges the claim; or,
 - 2) 15 months after the delivery of grain to a first purchaser for sale or storage under a bailment
- Requires the director to consider claims due depositors for the six month period before April 8, 2015, as a result of a licensee's failure before April 8, 2016; and,
- Amends the coverage period for delivered grain.

ACI is still uncomfortable with provisions providing for retroactive coverage, however we believe that impact has been mitigated to the last failure only. ACI will continue to monitor this bill for further changes.

Note:

ACI encourages its members to call their legislators regarding these two grain bills. Members will want to emphasize two items:

- Both bills *should not* require grain buyers to deliver educational brochures upon contract execution; and,
- Grain buyers *should not* have the duty to disclose to customers when grain coverage has expired.

The House legislators can be found by calling (800) 382-9842.

The Senate legislators can be found by calling (800) 382-9467.

Information on your legislators can be found online at the following link:
<https://iga.in.gov/legislative/find-legislators/>

HB 1002- Transportation Infrastructure Funding

On Thursday of last week, with a vote of 61-36, the Indiana House of Representatives passed HB 1002 which provides long-term, dedicated and stable funding for state and local roads and bridges. Roads and Transportation Committee Chairman Ed Soliday explained the bill's provisions, which include the following:

- Increases the gasoline tax, special fuels tax and motor carrier surcharge tax each by 10 cents to restore lost buying power;
- Indexes all fuel tax rates annually using a formula that incorporates CPI-U and Indiana personal income growth (the indexing sunsets in 2024);
- Transfers the remaining 4.5 pennies of the sales tax on gasoline from the General Fund to the State Highway Fund;
- Implements a \$15 annual statewide infrastructure improvement fee on all vehicles registered in Indiana;
- Implements a \$150 annual statewide infrastructure improvement fee on all electric vehicles registered in Indiana and increases the current alternative fuel vehicle fee to \$150;
- Requires INDOT to further study tolling and submit a waiver to the federal government to allow tolling on existing interstates (the first toll road implemented cannot be within 75 miles of an existing toll facility); and,
- Lowers the minimum population threshold applicable to the municipal wheel tax/surtax from 10,000 to 5,000 persons.

SB 515- Tax Administration

Senate Bill 515 provides tax exemptions for certain agricultural equipment and machinery. This week, SB 515 was heard in the Senate's Tax and Fiscal Policy committee, where Chairman Hershman offered an amendment. The amendment expands the sales tax exemption for agricultural equipment to include machinery that applies fertilizers, insecticides, seeds, etc. as well as machinery that assists with extracting, harvesting, or processing agricultural commodities. This amendment was adopted, and the bill was passed out of committee unanimously. ACI is generally pleased with this amendment and continues to work with the Indiana Department of Revenue ensure the language will address the needs of our members.

“No More Stringent Than” Veto Override

Both chambers of the legislature now have voted to override former Governor Pence's veto regarding environmental regulation. House Enrolled Act 1082, also known as the “No More Stringent Than” bill, prevents the state government from enacting environmental rules beyond what was set by the federal government. [Please click here](#) for the full analysis.

Indiana Grain Indemnity Corporation, Final Rule

The Indiana Grain Indemnity Corporation published a final rule in the *Indiana Register* to reflect a 2010 statutory change no longer requiring registration of a grain buyer in Indiana. This particular rule removes the word “registered” for purposes of the inspection and verification of records rule, 825 Indiana Administrative Code 1-3-2. Under the current rule, each year that producer premiums are collected, the board shall determine the number of randomly selected grain buyers to be audited. Before the rule change, not less than five percent of the total *registered* grain buyers in Indiana would be selected. Now that this rule change is effective, the number shall not be less than five percent of the total grain buyers in Indiana.

Five Bills You Should Know About:

HB 1234- Storage of Agricultural Ammonia

Provides for the regulation by the state chemist of farmer-owned facilities that store ammonia or ammonia solutions.

HB 1235- Regulation of Processed Manure Based Fertilizer

Requires the state chemist to adopt rules regulating the distribution of manure based fertilizer.

SB 90- Doing Business or Marketing as a Cooperative

Provides that it is unlawful for a business entity that is not a cooperative or mutual entity to use the term “cooperative” or “co-op” in its business name if it is misleading, or advertise to its customers that it is a cooperative.

SB 421- Above Ground Storage Tanks

Repeals the law requiring owners of certain above ground storage tanks to register their tanks with the Indiana Department of Environmental Management.

Please note that the House Committee Report deadline is Tuesday, February 21. The Second Reading Deadline is Thursday, February 23. The Third Reading Deadline is Monday, February 27.

The Senate Committee Report deadline is Thursday, February 23. The Second Reading Deadline is Monday, February 27. The Third Reading Deadline is Tuesday, February 28.

To review all bills ACI is tracking, click here: [Link](#).

To read the full text of this session's bills, click here: [Link](#).

Full calendars can be found at the following links: [House Calendar](#) & [Senate Calendar](#).

Please direct any questions, comments, or edits of the Bill Track Report to Mark Shublak at (317)-236-5981; mark.shublak@icemiller.com or Lesa Dietrick at (317)-236-2252; lesa.dietrick@icemiller.com.