



AGRIBUSINESS COUNCIL OF INDIANA NEWSLETTER

Promoting Agribusiness Policy in Indiana

March 17, 2017

Legislative Developments at the Indiana Statehouse

House Bill 1237- Grain Buyers and Warehouse Licensing

HB 1237- Grain buyers and warehouse licensing- is scheduled to be heard before the Senate Agriculture Committee on Monday, March 20, at 10:00am. ACI lobbyist, Mark Shublak, has been in constant contact with legislators and relevant stakeholders to produce a favorable amendment for ACI members. Please see the attached for the current draft of the proposed amendment.

On Friday, March 17, the ACI Governmental Affairs Committee undertook extensive review and discussion of the latest working draft of House Bill 1237. Generally speaking, the committee felt that the current working draft should become an amendment to the bill that would substantially address all of agribusinesses' concerns with the introduced legislation.

Please contact Mark Shublak at (317)-236-5981; mark.shublak@icemiller.com if you have any questions or concerns regarding the amendment's language.

SB 515: Tax Administration

Mark Shublak testified in the House Ways and Means committee on Senate Bill 515, which clarifies the sales tax exemption for agricultural machinery and equipment.

The bill also makes it clear that agribusinesses are occupationally engaged in agricultural production when applying fertilizer and seeds on property owned by farmers. However, the bill as drafted currently does not include consumables like fuel, pesticides, and transportation equipment used to transport material from an agribusiness to onsite locations.

After the hearing, ACI met with Ways & Means Vice Chair Bob Cherry, a representative from the Department of Revenue, and committee staff to discuss an amendment. The amendment will be proposed next week and it's likely to include an exemption for consumables such as fuel and pesticides.

We are hopeful, but cannot guarantee, that transportation equipment will be included in the amendment as well. Exempting transportation equipment is a large policy question that will favor agribusiness but reduce revenue to the State government. Traditionally, some agribusinesses have claimed the exemption for some of their equipment, but the basis for that

claim is fact sensitive. In some cases, agribusinesses have erred in their expansive interpretation of this equipment being exempted.

SB 275: Nondomiciled Commercial Driver's License

The House Roads and Transportation Committee met on Wednesday to hear SB 275- Nondomiciled Commercial Driver's Licenses. The legislation is designed to streamline the licensing process for out-of-state commercial drivers. Under current statute, it has proven difficult for out-of-state and foreign drivers to receive nondomiciled licenses in Indiana. Unfortunately, this has led to a negative impact on agribusinesses, considering their reliance on seasonal and migratory workers. SB 275 seeks to alleviate this burden placed on the agricultural industry by requiring the Indiana Bureau of Motor Vehicles to issue nondomiciled commercial driver's licenses if the applicant conforms with the federal regulation 49 CFR 383.

The last day for bills to be heard in committees is April 3.

House Agriculture and Rural Development Committee

The House Agriculture and Rural Development Committee met on Thursday, March 16, to hear Senate Bills 282-Spay/Neuter Program, 293- Interim Study Committee, and 294- Bovine Tuberculosis Testing. All three bills were voted out of the committee and will be eligible for Second Reading next week.

Senate Bill 282 is a follow-up to last year's establishment of the Spay-Neuter Program Fund. Currently, the program is administered by the Bureau of Motor Vehicles but this bill will shift administration responsibilities to the Indiana Board of Animal Health. The bill passed out of committee by a vote of 11-0.

Senate Bill 293 proposes a summer study on service animals and possible reform. Senator Leising, the bill's author, is concerned that the federal enabling statutes for service animals are far too broad and are vulnerable to abuse. Therefore, she proposes that the State study the issue and see if there is anything that the Indiana legislature can do to mitigate some of these abuses. The bill passed out of committee by a vote of 11-0.

Senate Bill 294 will split the cost of bovine tuberculosis testing between the State of Indiana and its various counties. Recently, there was an outbreak of bovine tuberculosis in Franklin County and cost over \$60,000 to test herds within a 10 mile radius of the first diagnosis. It was argued that bovine tuberculosis is a statewide issue, and the cost should not be solely covered by the counties. The bill passed out of committee by a vote of 11-0.

In Other News...

Department of Transportation Hours of Service Study

As anticipated, the U.S. Department of Transportation (DOT) Inspector General submitted a letter to Congress on the DOT's Hours of Service (HOS) study. The letter confirms what many trucking industry and HOS coalition members have expressed – that the proposed rule does not identify a net benefit.

Please [click here](#) to read the letter and see the attached for further details from The Fertilizer Institute.

Planting Season Reminder

It's that time of year again, and it's important to keep in mind some key tips on safety:

- Transport Safely
 - o Be sure to use warning signs while using public roads. This will help keep drivers aware of the possible danger, and will hopefully mitigate accidents.
- Follow the Label
 - o Labels are important as they contain product warnings and directions for proper use.
- Maintain Equipment
 - o Make sure your equipment is well maintained and that it's been inspected before seasonal use. If you had your equipment serviced before the end of last season, it does not mean that the equipment is still in proper condition.
- Store Fuel Properly
 - o Store fuel away from machinery and fire sources. Keeping your fuel containers secured ensures that damage is minimal in the event of a fire.
- Stay Healthy
 - o Despite working long hours, agribusiness operators should still eat and sleep well. Sleep deprivation or malnutrition results in a deterioration of mental functions, meaning that equipment operation is more dangerous.
- Watch for Children
 - o Noisy and large equipment can attract curious children. It's important to make sure your children are safely secured at all times.

Four Bills You Should Know More 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

Updated Key Dates for the 2017 General Assembly

April 3-House & Senate Bills Committee Report Deadline

April 5- House & Senate Bills Second Reading Deadline

April 6- House & Senate Bills Third Reading Deadline

April 21- Anticipated Sine Die

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

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

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.



MEMORANDUM

To: Transportation Committee
Government Affairs Committee
TFI Affiliated State Associations

From: Justin Louchheim, Director of Government Affairs

Subject: Motor Carrier Hours of Service: IG Letter cements permanent fix

Date: March 15, 2017

As anticipated, the U.S. Department of Transportation (DOT) Inspector General submitted a letter to Congress on the DOT's Hours of Service (HOS) study. The letter confirms what many trucking industry and HOS coalition members have expressed – that the proposed rule does not identify a net benefit.

The IG letter, which can be viewed [HERE](#).

From Politico:

DOT, IG find no 'net benefit' to Obama-era trucking rules
By LAUREN GARDNER

The DOT inspector general has signed off on the department's congressionally mandated report that found no net benefit from Obama-era hours of service requirements for truckers, setting in motion their unraveling.

The IG certified that the report — which studied the "restart" regulation's effect on driver operations, fatigue, health, longevity and safety — complies with requirements outlined in the fiscal 2016 spending bill.

According to the letter to Transportation Secretary Elaine Chao and appropriators released today, DOT's study "did not explicitly identify a net benefit" from the 2013 mandate for drivers to take two nighttime periods during the 34-hour restart on those factors.

DOT submitted its report to the IG on Jan. 5 in the final days of the Obama administration.

Lawmakers included a "fix" to the provision mandating the report in the most recent continuing resolution for fiscal 2017, ensuring that the restart rule in effect immediately preceding the 2013 update would be applied to truckers if the study failed to meet the stipulated benchmarks.

The drafting error would have forced regulators to rely on a rule from the early 2000s, which trucking groups said would have wreaked havoc on the industry.

As always, please let me know should you have any questions.

All the best,
Justin

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