

November 2023 Minutes

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State Budget Committee Minutes
November 14th, 2023, 1:00 PM EST
Indiana Statehouse
Ways and Means Committee Room 404
200 W. Washington St., Indianapolis, IN 46204

Members:

Representative Jeff Thompson, Chair
Senator Ryan Mishler
Representative Gregory Porter
Zachary Jackson, State Budget Director

Alternate Members:

Senator Chris Garten
Senator Fady Qaddoura
Representative Bob Cherry
Representative Edward DeLaney
Joe Habig, Deputy State Budget Director
Lisa Acobert, Deputy State Budget Director

Chairman Jeff Thompson called the meeting to order at 1:40 PM EST.

Chairman Thompson explained the minutes of the October 2023 Meeting will be presented at the December Budget Committee Meeting and then introduced the agenda.

Review Items

Following the Horse Racing Commissions presentation by Mr. David Rothenburg and Ms. Deena Pittman, Senator Chris Garten asked where the revenue is deposited from the fees, fines, and penalties, and the circumstances in which fees, fines, and/or penalties increase. Mr. Rothenburg stated that most of the revenue goes into the general fund and that portion of the nomination fees goes into the purses as awards. The agency does not see any of the revenue generated and that the criteria for raising fees, fines, and penalties is to match the surrounding states or the national averages for the different fees, fines, and penalties.

During the Department of Natural Resources (DNR) presentation by Ms. Kirsten Haney and Mr. David Bausman, Senator Garten asked about how fees amounts were calculated, how the fine and penalties amounts were instituted, and about how future fees, fines, and penalties will be implemented. Mr. Bausman replied that each division differed on how the fees are charged. The different methods include market rates (property rental division rates), national/state average rates (fish and wildlife licensing fees), set replacement rates (animal replenish rates), or commonly accepted rates. The civil penalties and fines are in a range and the list of factors that will either enhance or mitigate offenses will be listed in the rules and DNR is willing to provide any historical data for all fines and penalties. There is currently no civil penalties in the division of water, which used to have some civil penalties, and if DNR began implementation of penalties it would need to go back to Budget Committee for approval. Representative Edward DeLaney asked about what would happen if the safe harbor does not get approved. Mr. Bausman replied that any rule that does not get approved by Budget Committee means that the agency would not be able to collect fees, fines, or penalties and that they could be liable to lawsuits if any fees, fines, or

penalties were collected prior to the passage of the rule. This would greatly disrupt and harm the function of the agency.

After the Board of Licensure of Professional Geologists (LPG) presentation by Dr. Todd Thompson, Senator Garten asked about the cause of the fee increase and current budget information for the board. Dr. Thompson replied that the fees were set in 2019 and that legislation passed from Senate Bill 278, in which the LPG was never consulted on impact, required additional continuing education credits, has caused a doubling of the workload for the board, and thus requires additional personnel. Currently, the board is hoping to raise \$60,000 in revenue to keep up with operational costs. The increase in penalties is to help operations and get faster renewals, as there are a lot of late penalties for renewals, causing increased work for the Board. Budget Director Jackson asked about how the current board is funded and how it differentiates itself from the Indiana Geological Survey and Indiana University. Dr. Thompson replied that the Indiana Geological Survey (IGS), who gets an appropriation from the State, provides resources to running the Board, a part-time employee, office supplies, and website and other IT resources. The board is currently funded under Title 21 but has a separate budget from Indiana University. IGS is helping front many of the additional costs for the LPG and raising these fees will make the LPG financially solvent.

Following the Board of Animal Health's presentation by Sarah Simpson, Chairman Thompson appreciated how the agency looked at previous fines/penalties set and tries to take animal safety and intent as mitigating factors for penalties.

After the State Lottery Commission presentation by Mr. Chuck Taylor, Senator Fady Qaddoura asked about how much of the lottery is distributed to different funds. Mr. Taylor replied that \$30 million is distributed to the Teacher Retirement Fund and the Police and Firefighters pension fund with the rest being put into the lottery surplus fund to help pay for excise taxes, as directed by the legislature.

Following the Indiana Department of Transportation presentation by Mr. Cris Creighton, Mr. Jackson asked how the distinction between the permit types for the overweight permits. Mr. Creighton replied that if a load is under certain weight pressure, a specific route can be authorized as an annual permit while other permits are for use on a specific route during a specific day. Some of the overweight permits require Indiana State Police approval as well, in case of additional vehicles or cars needed to chauffeur the vehicle.

After the review items were presented, Representative Gregory Porter and Representative DeLaney asked about when the Indiana Gaming Commission will present their fees, fines, and penalties, as they are of the 4 agencies that need to go by December 2023 to continue to levy their fees, fines, and penalties. Also, by having the agencies not go up, it might undermine public confidence about the Indiana Gaming Commission. Chairman Thompson said that they are tentatively put onto the schedule for the December Budget Committee, as there were still questions about their fees, fines, and penalties that were not answered. Senator Qaddoura raised the possibility about the elimination of convenience fees as a bill for the next legislative session.

Following all discussion, Mr. Jackson moved the motion to adopt the agenda and Representative Porter seconded the motion.

The agenda was adopted by consent of the Committee.

Chairman Thompson remarked that the next meeting will be in December with the presentation of the different forecasts, the meeting was adjourned at 02:51 PM EST.

I. Review Items

1. Fees, Fines, & Penalties
 - i. Department of Environmental Management
 - I) *Civil Penalty for Violating Underground Storage Tank Requirements*
 - II) *Civil Penalty for Air Violations*
 - III) *Civil Penalty for Water Violations*
 - IV) *Civil Penalty for Land Violations*
 - ii. Horse Racing Commission
 - I) *Administrative Disciplinary Actions (Fines)*
 - II) *Standardbred and Flat Racing Licensing Fees*
 - III) *Nomination Fees*
 - iii. Department of Natural Resources
 - I) *Departmental*
 - II) *Entomology*
 - III) *Fish and Wildlife & Nature Preserves*
 - IV) *Historic Preservation*
 - V) *Forestry*
 - VI) *Stream and Wetland Mitigation Program*
 - VII) *Reclamation*
 - VIII) *State Parks*
 - IX) *Water*
 - X) *State Parks Inns Authority*
 - XI) *Concessions and Private Marinas*
 - iv. Indiana Board of Licensure for Professional Geologists
 - I) *Application Fee*
 - II) *Renewal Fee*
 - III) *Late Fee*
 - IV) *False Education Statement Penalty*
 - v. Department of Homeland Security
 - I) *Fire and Building Safety Violations*
 - vi. Board of Animal Health
 - I) *Garbage Feeding Penalty*
 - II) *Moving Animals Penalty*
 - III) *Tuberculosis and Brucellosis Penalty*
 - IV) *Chronic Wasting Disease Penalty*
 - V) *Hunting Preserves Penalty*
 - VI) *Swine Brucellosis and Pseudorabies Penalty*
 - VII) *Scrapie Program Penalty*
 - VIII) *Equine Penalty*
 - IX) *Livestock Dealers and Markets Penalty*
 - X) *Disposal of Dead Animals Penalty*
 - XI) *Offering for Sale Uninspected Meat Products Penalty*
 - XII) *Commercial Dog Breeders Penalty*
 - XIII) *Livestock Standards of Care Penalty*
 - vii. State Lottery Commission
 - I) *Lottery Retailer Late Payment Penalty*
 - II) *Retailer Application Fees*
 - III) *Lottery Terminal Weekly Service Charge*

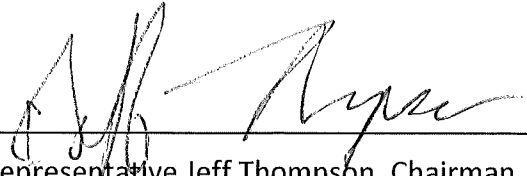
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- viii. Department of Workforce Development
 - I) *Last Known Employer Information Request Fee*
 - II) *Career and Technical School (CTS) In-State School Application for Authorization*
 - III) *CTS Out-of-State Application for Authorization*
 - IV) *CTS Authorization Issuance*
 - V) *CTS Annual Authorization Renewal*
 - VI) *CTS New Agent Application*
 - VII) *CTS Annual Agent Renewal*
- ix. Department of Transportation
 - I) *Oversize/Overweight Freight Permit*
 - II) *Right of Way Permit Fees*
- x. Department of Education
 - I) *Teacher Licensure Exam Fees*

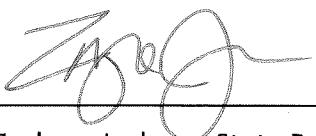
II. Reports Received

1. Annual Report ITCC IC 21-41-5-15 – *Ivy Tech Community College (11/01/2023)*
2. Qualified Motorsports Facility Financing IC 21-41-5-15 – *Office of Management and Budget (11/01/2023)*

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Representative Jeff Thompson, Chairman



Zachary Jackson, State Budget Director