

2020 LEGISLATIVE FORECAST

Tide Turning on Tobacco Reforms

By Rebecca Patrick

The Indiana Chamber continues to prioritize the need for state lawmakers to pass legislation to decrease the smoking rate of Hoosiers and get vaping products out of the hands of young people.

It appears this go-round – based on their legislative agendas – that both the Governor and General Assembly are ready for that to happen too.

“It’s definitely the most promising outlook we’ve had to date on this issue,” declares Indiana Chamber President Kevin Brinegar. “There is a will to act in the Statehouse; the question will be how far that will take us in a short session. The Indiana Chamber wants to see the legal smoking and vaping age raised from 18 to 21 as well as product taxation.”

Smoking and vaping

Between 2012 and 2018, vaping usage among Indiana high school students increased 387% and nearly as much among middle schoolers. Smoking causes more than \$6 billion in annual health care costs and productivity losses for Hoosier companies.

Families are suffering the tragic consequences of these tobacco addictions.

What’s especially worrying, says Mike Ripley, Indiana Chamber vice president of health care and employment law, is the hold vaping has on Hoosier youth – even in the face of mounting illnesses and deaths.

“There are now more e-cigarette users among teenagers than cigarette smokers. And many of them will go on to cigarettes. That’s scary for both the immediate term and looking ahead – because we know that 95% of lifelong smokers started when they were teenagers,” he asserts.

“But if we can keep them from nicotine usage early, there’s a good chance they never will use tobacco once they hit their early 20s ... they’re not as subject to becoming addicted then.”

Ripley reports the Indiana Chamber was very encouraged that caucus leaders at its 2020 Legislative Preview want to take decisive action on vaping, citing the concern for public health.

Most notably, House Speaker Brian Bosma (R-Indianapolis) unequivocally stated his caucus was supportive of raising the vaping and smoking age from 18 to 21.

“This is a reversal from the 2019 session when many House Republicans had the opposite reaction. That said, there is no question we have a vaping crisis on our hands now – the full extent of which was unknown last year,” Ripley explains.

(As this issue was going to press, a federal effort led by Indiana



Governor Eric Holcomb is now championing raising the legal smoking and vaping age to 21, a long-standing Indiana Chamber priority.

INDIANA CHAMBER: Raising the age for legal purchase of all tobacco and vaping products, increasing the cigarette tax and taxing e-cigarette products should fall into the no-brainer category.

Sen. Todd Young to raise the smoking age to 21 was expected to be included in spending legislation required to avoid a government shutdown).

Reading between the lines of the panel discussion at the 2020 Legislative Preview, Bill Waltz, Indiana Chamber vice president of taxation and public finance, believes taxing vaping liquids, pods and devices has a possibility to take place. The cigarette tax appears less likely, he notes.

Both Speaker Bosma and Senate President Pro-Tem Rod Bray (R-Martinsville) were somewhat dismissive because 2020 is not a budget year.

On the other hand, Senate Minority Leader Tim Lanane (D-Anderson) and Rep. Terri Austin (D-Anderson), the assistant Democratic floor leader, noted that if it was important enough – and it is – that a cigarette tax increase could take place in 2020.

Austin floated an option that the Indiana Chamber sees as viable. “Pass the tax on vaping products and hike the cigarette tax now and delay implementation until the budget year if deemed necessary,” Waltz reasons. “That’s what we will be promoting.”

Talent attraction

A pair of Indiana Chamber 2020 objectives centers around economic development and talent attraction, and acknowledges that Indiana has more job openings than job seekers – especially in technology and health care – and the state’s own talent pool isn’t growing quickly enough.

“One way to tackle this issue is to have more professional license reciprocity with other states. Currently, only a few licensing boards recognize the professional credentials held by folks who move to Indiana

INDIANA CHAMBER: Hoosier employers are routinely missing out on hiring qualified individuals from other states or countries because of Indiana’s rigid professional licensing laws and perception of their local communities.



The Indiana Chamber’s 2020 legislative agenda was unveiled at the group’s annual Legislative Preview event in Indianapolis in late November.

and want to start working immediately – essentially demanding relicensing,” offers Adam H. Berry, Indiana Chamber vice president of economic development and technology.

“Most of our state licensing laws should be relaxed and some even eliminated. Unless a professional license is directly tied to people’s health or safety, the goal should be for Indiana to establish itself as the least restrictive state in the country for entering the professional workforce.”

During the Indiana Chamber’s legislative event, Bosma concurred on the general idea and noted the House will have license reciprocity legislation.

Another target area is boosting regional economies. A recent Indiana Chamber Foundation employer workforce survey underscored how important quality of place is for job-seekers. Nearly half of the employers surveyed said applicants were not attracted to the community where the company was located.

To make local communities more attractive places to live, work and play, the Indiana Chamber suggests lawmakers improve local governments’ abilities to raise funds, receive grants and attract investments that can be used to execute a comprehensive, regional economic development and quality of place strategy.

“That’s the best way to grow regional economies and improve local communities, and it would incentivize all interested parties to collaborate more and consider what strategic investments make the most sense and would be most beneficial for the bigger region,” Berry recommends.

“Lawmakers see the value in regional cooperation, so we are hopeful to make progress in this area in 2020.”

Education and energy

Ensuring high school students have access to financial aid is also on the business agenda.

The Indiana Chamber is pushing to require most high school seniors to complete the Free Application for Federal Student Aid (FAFSA) form. Indiana lags behind its Midwestern peers in FAFSA filings, ranking 34th among all states.

“Some students may not think continuing their education beyond high school is even possible financially, but it might be if they go through the FAFSA application process,” declares Jason Bearce, Indiana Chamber vice president of education and workforce development.

“Our goal is for as many students as possible to have the opportunity to earn industry-recognized credentials and degrees with reduced or no debt. We see this both as an equity and workforce development issue, and believe this concept is one the General

INDIANA CHAMBER: Too many high school students are leaving money on the table by not applying for student aid, which will undoubtedly prevent some of them from achieving their workforce potential.

Assembly should overwhelmingly support.”

Turning to energy, businesses are the state’s largest consumers, so it’s no surprise this issue is top of mind for the Indiana Chamber.

“As a state, we need to have a strategy in place to assure that we can continue to deliver energy to workplaces and residences that is adequate, reliable, affordable and cost-effective. The General Assembly and Governor have started work on this, but much more needs to happen,” surmises Greg Ellis, Indiana Chamber vice president of energy and environmental policy.

The Indiana Chamber will be conducting a comprehensive study of the issue in 2020.

The goal, Ellis says, is to be able to provide additional insight into where the state stands now and where it needs to be in the future with resources and demands, as well as regulatory impacts.

Indiana Chamber Priorities

- Addressing the vaping dangers and reducing the state’s smoking rate by increasing the legal purchase age for both from 18 to 21, as well as instituting a tax on vaping products and increased tax on cigarettes
- More transparency in health care costs and lessening the incidence of “surprise billing”
- Unemployment insurance tax liability certainty for employers while also ensuring fund solvency
- Reducing or eliminating unnecessary professional licensing requirements that can hinder talent attraction
- Create regional management authorities across the state to boost quality of place funding to make local communities and economies more vibrant
- Development and implementation of a diversified energy policy that ensures the state’s continued access to adequate, reliable, affordable and cost-effective energy
- Strengthening Indiana’s high school accountability system to provide greater transparency and comparability for parents and more meaningful outcomes for students
- Requiring Indiana high school seniors to complete the FAFSA – with an opt-out option – so more receive financial aid and pursue credentials and degrees
- Significant investment in Indiana’s water infrastructure and prudent planning for the future

RESOURCE: View the Indiana Chamber’s 2020 key legislative initiatives (top priorities and additional areas of focus) at www.indianachamber.com/priorities