

HOW A BILL BECOMES A STATE LAW

The following is a brief description of the state legislative process and the key points where grassroots action has the greatest impact.

I. Introducing a Bill

When a bill is being prepared to be introduced into either the House or the Senate, a member of that body must sponsor it. Often, the member will send a “Dear Colleague” memo to all other chamber members to seek additional co-sponsors. A bill may be introduced in either chamber or both simultaneously. Under the Constitution, budget bills must originate in the House of Representatives; otherwise, there are no restrictions as to where the measure originates.

There are many different types of bills, and each has a title and number. A bill originating in the House is designated by “H.B.” followed by a number. A Senate Bill is designated by “S.B.” followed by its number.

Bills designated “H.J.R.” or “S.J.R.” are joint resolutions. While in practice, there is little difference between the content of a bill and a joint resolution—the latter is commonly used to extend the life of an existing law.

Bills designated “H.C.R.” or “S.C.R.” are concurrent resolutions that must be approved by both chambers. Bills designated “H.C.R.” or “S.C.R.” are simple resolutions concerning the operation of either chamber alone. They are used mainly to create special investigating committees, change rules, or express the will of the chamber on a particular matter.

Sources of legislative proposals are unlimited and diverse, and can include:

- Members of the Indiana General Assembly
- Individual constituents or constituent groups
- Coalition groups and lobbyists representing constituent groups
- Legislative committees

Knowing the source of proposed legislation can reveal a great deal about it, including the chance of passage. Many bills never get beyond this first step.

II. Committee Assignment

Upon introduction of a bill, the Speaker of the House or the Pro Tempore of the Senate refers it to the committee having proper jurisdiction. Each committee has jurisdiction over issues in several areas. Most committees also have some subcommittees.

III. Action Committees

These committees are perhaps the most important phase of the legislative process. They carry out the central functions of the Indiana General Assembly, including:

- Processing bills that have been introduced.
- Investigating the need for new legislation.
- Overseeing the Executive Branch within their own particular areas of jurisdictional interest.
- Overseeing the administration of laws that the General Assembly enacts in the area over which the committee has legislative jurisdiction.
- Relieving the heavy workload of committees, subcommittees have been formed for some standing committees—especially in the House.

Committees and subcommittees are considered the “working level” of the General Assembly, where the decisions are made about the content and language of a bill, and the actual details of legislation are hammered out. It is at the subcommittee and committee level that laws are formulated and should be balanced with public comment. Once a bill has reached the House or Senate floor for a vote, it is more difficult for it to be reshaped or defeated because the majority of members will defer to the “experts” on the committee that studied and reported the bill. Clearly, public comment to adjust a law’s content must occur well before the bill reaches the floor. Committee action generally falls into one of two categories:

Hearings

Members of the legislature, public officials and professional people, private citizens, experts and other interested groups are invited to offer their opinions on a particular issue being considered by the committee. The purpose of a hearing can be to:

- Determine the possible impact of proposed legislation.
- Seek and obtain information.
- Test public opinion.
- Build support for proposals.
- Delay action on a bill.

- Provide a forum for parties to be heard.

Reporting Bills

The full committee may report the bill out as it was introduced with amendments, or as a “clean” bill. If a committee fails to report a bill, the measure is dead—with few exceptions it cannot proceed to full House or Senate consideration. This is the stage where most bills die, as few are ever reported from committees.

IV. Scheduling

If a bill receives a favorable recommendation from a committee, it must be scheduled for a floor vote. In Indiana, the decision to schedule a floor vote is made by the legislative leadership, although some other states have a separate committee for this function.

V. Floor Vote

At this stage, members decide the fate of the bill. This is a critical time when all members should be informed of the Indiana CPA Society’s position on the bill. The Indiana General Assembly allows debate and amendments at this time, and grassroots communications can be critical.

VI. Second Chamber Action

If the bill passes, it is sent to the second chamber where the same basic procedure is followed. If the second chamber amends the bill, the original chamber must concur with the amendments. If concurrence is not reached, the second chamber may either withdraw its amendments or request a conference committee. If the bill passes in the same form it passed the original chamber, it is sent to the Governor for his signature.

VII. Conference Committee

A conference committee is appointed when the two chambers pass different versions of the same bill. Committee members include both Majority and Minority members from each chamber, and it is their job to resolve differences in the two bills. Grassroots lobbying may be useful here in trying to revise problems in the bill. All conference committee members should be contacted while they are working on a compromise.

VIII. Conference Report

If they are able to resolve differences in the bills, the conference committee issues a conference report which is signed by a majority of the delegation from each chamber. Both chambers must then approve the report. The chamber where the bill first originated votes first. If the conference committee reaches no agreement, the bill is usually dead. If the bill passes both chambers, it is

sent to the Governor for his signature.

IX. Action by the Governor

After a bill is received by the Governor’s office, the Governor has a limited time period to act on the legislation. The Governor can sign the bill into law, allow it to become law by not signing it, or veto it and return it to the legislature along with an explanation of the veto. The legislature can then override the veto with a two-thirds majority vote.

INCPAS LEGISLATIVE AGENDA: THE WHO, WHAT & HOW BEHIND THE SELECTION PROCESS

While the Indiana legislature is only in session part of the year, advocacy never stops. That’s why the INCPAS team is at work year-round to support members and the profession.

This work may seem like somewhat of a mystery, but we have an organized process to cover and vet any and all topics or issues of concern that might come into play. This process is heavily reliant on member input, expertise and engagement.

How INCPAS Works to Identify Key Issues

The number of issues and legislative topics that could impact the profession is extensive—and so is our process for staying on top of them!

Identifying our key issues is a year-round activity that involves members’ input, perspective and expertise and keeping up with multiple organizations, councils and other states.

“We generally are checking with any other organizations that are related to business issues, licensure and tax,” Sherrill Rude, CAE, INCPAS VP – Advocacy, explained.

This can include:

- National organizations such as AICPA, NASBA, ARPL (Alliance for Responsible Licensing), other state CPA societies and similar organizations for