

# SENATE BILL No. 162

---

## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 13-11-2; IC 13-17.

**Synopsis:** Air quality. Authorizes a town, city, or county to establish or designate an agency to act for the town, city, or county as a local air pollution control agency (agency). Requires the commissioner of the department of environmental management (department) to enter into a contract with the agency of a town, city, or county if the agency is willing to enter into the contract. Provides that a contract between the department and the agency of a town, city, or county must: (1) require the department to advise, cooperate with, and provide technical assistance to the agency; (2) authorize the agency to undertake air pollution control activities on behalf of the department or in enforcement of ordinances of the town, city, or county; and (3) provide for the payment of fair monetary compensation for the air pollution control activities performed by the agency. Provides that: (1) the compensation paid to an agency under a contract must be at least sufficient to cover the agency's staffing and operating costs; and (2) the rate of compensation must be adjusted each year according to changes in the Consumer Price Index. Requires the department to take certain actions regarding plans and applications submitted to the United States Environmental Protection Agency under 42 U.S.C. 7437.

**Effective:** Upon passage; July 1, 2024.

---

---

## Randolph Lonnie M

---

---

January 8, 2024, read first time and referred to Committee on Environmental Affairs.

---

---



Second Regular Session of the 123rd General Assembly (2024)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2023 Regular Session of the General Assembly.

# SENATE BILL No. 162

A BILL FOR AN ACT to amend the Indiana Code concerning environmental law.

*Be it enacted by the General Assembly of the State of Indiana:*

1 SECTION 1. IC 13-11-2-47.8 IS ADDED TO THE INDIANA  
2 CODE AS A **NEW** SECTION TO READ AS FOLLOWS  
3 [EFFECTIVE JULY 1, 2024]: **Sec. 47.8. "CPI-U", for purposes of**  
4 **IC 13-17-3-9.5, means the Consumer Price Index for All Urban**  
5 **Consumers for the United States, all items, as issued monthly by**  
6 **the United States Bureau of Labor Statistics.**

7 SECTION 2. IC 13-11-2-120.7 IS ADDED TO THE INDIANA  
8 CODE AS A **NEW** SECTION TO READ AS FOLLOWS  
9 [EFFECTIVE UPON PASSAGE]: **Sec. 120.7. "Low income and**  
10 **disadvantaged communities", for purposes of IC 13-17-3-16(a),**  
11 **means any community having at least one (1) of the following**  
12 **characteristics:**

- 13 (1) **A census tract in Indiana that is classified as**  
14 **disadvantaged by the federal Council on Environmental**  
15 **Quality's Climate and Economic Justice Screening Tool.**
- 16 (2) **A census block group in Indiana that is at or above the**  
17 **ninetieth percentile for any of the United States**



- 1           **Environmental Protection Agency's EJ and Screen**  
 2           **Supplemental Indexes when compared to the United States or**  
 3           **the rest of Indiana.**  
 4           SECTION 3. IC 13-17-3-9.5 IS ADDED TO THE INDIANA CODE  
 5 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
 6 1, 2024]: **Sec. 9.5. (a) The commissioner shall enter into a contract**  
 7 **described in subsection (b) with a local air pollution control agency**  
 8 **that is:**  
 9           **(1) established or designated by a town, city, or county under**  
 10           **IC 13-17-12-1(b); and**  
 11           **(2) willing to enter into the contract.**  
 12           **(b) A contract entered into under this section must do the**  
 13 **following:**  
 14           **(1) Require the department to:**  
 15           **(A) advise, consult, and cooperate with; and**  
 16           **(B) provide technical assistance to;**  
 17           **the local air pollution control agency.**  
 18           **(2) Either authorize the local air pollution control agency:**  
 19           **(A) to undertake air pollution control activities, including:**  
 20           **(i) monitoring regional ambient air quality; and**  
 21           **(ii) within the local air pollution control agency's**  
 22           **jurisdiction, issuing operating permits and operating**  
 23           **permit revisions, performing compliance inspections,**  
 24           **responding to complaints and emergencies, and initiating**  
 25           **enforcement actions;**  
 26           **on behalf of the department; or**  
 27           **(B) to:**  
 28           **(i) issue operating permits and operating permit**  
 29           **revisions;**  
 30           **(ii) perform compliance inspections;**  
 31           **(iii) respond to complaints and emergencies; and**  
 32           **(iv) initiate enforcement actions;**  
 33           **as authorized by ordinances of the town, city, or county, as**  
 34           **applicable, that are consistent with or more restrictive**  
 35           **than air pollution control laws.**  
 36           **(3) Provide that the local air pollution control agency must be**  
 37           **paid fair monetary compensation for the activities described**  
 38           **in subdivision (2) from funds available to the department for**  
 39           **administration of the air pollution control laws, including the**  
 40           **following:**  
 41           **(A) United States Environmental Protection Agency**  
 42           **federal grant funding for the purpose of air pollution**



1 control program support activities funded under Section  
2 105 of the federal Clean Air Act (42 U.S.C. 7405), as  
3 further described in Section 66.001 of the Catalog of  
4 Federal Domestic Assistance.

5 (B) United States Environmental Protection Agency  
6 federal grant funding for the purpose of PM2.5 air  
7 monitoring activities funded under Section 103 of the  
8 federal Clean Air Act (42 U.S.C. 7403), as further  
9 described in Section 66.034 of the Catalog of Federal  
10 Domestic Assistance.

11 (C) Revenue from annual operating fees established under  
12 326 IAC 2.

13 (D) The environmental management special fund  
14 established under IC 13-14-12.

15 (E) Any other source of funds approved by the governor  
16 and the budget agency.

17 (c) The monetary compensation provided to a local air pollution  
18 control agency under a contract entered into under this section:

19 (1) must be at least sufficient to cover the staffing and  
20 operating costs incurred by the local air pollution control  
21 agency in performing activities described in subsection (b)(2);  
22 and

23 (2) shall be adjusted each year according to the CPI-U.

24 (d) An adjustment under subsection (c)(2):

25 (1) must take place each year not more than thirty (30) days  
26 after the release of the CPI-U for January of that year; and

27 (2) must adjust the rate of compensation to the local air  
28 pollution control agency in proportion to the difference  
29 between the CPI-U released for January of that year and the  
30 CPI-U released for January of the previous year.

31 SECTION 4. IC 13-17-3-16 IS ADDED TO THE INDIANA CODE  
32 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE  
33 UPON PASSAGE]: Sec. 16. (a) The department shall include in any  
34 plan or application submitted to the United States Environmental  
35 Protection Agency under 42 U.S.C. 7437 measures that benefit low  
36 income and disadvantaged communities within Indiana.

37 (b) When developing a plan or application for submission under  
38 42 U.S.C. 7437, the department shall use key resources and follow  
39 best practices provided by the United States Environmental  
40 Protection Agency regarding 42 U.S.C. 7437, including the  
41 following:

42 (1) The Climate Pollution Reduction Grants Program:



1           **Formula Grants for Planning - Program Guidance for States,**  
 2           **Municipalities, and Air Pollution Control Agencies.**

3           **(2) The Climate Pollution Reduction Grants Program:**  
 4           **Implementation Grants General Competition.**

5           **(3) The Climate Pollution Reduction Grants Program:**  
 6           **Technical Reference Document for States, Municipalities, and**  
 7           **Air Pollution Control Agencies - Benefits Analysis:**  
 8           **Low-Income and Disadvantaged Communities.**

9           **(4) The United States Environmental Protection Agency's**  
 10           **State Inventory and Projection Tool.**

11           **(5) The U.S. State-level Non-CO2 Greenhouse Gas Mitigation**  
 12           **Report.**

13           SECTION 5. IC 13-17-12-1 IS AMENDED TO READ AS  
 14           FOLLOWS [EFFECTIVE JULY 1, 2024]: Sec. 1. **(a)** Air pollution  
 15           control laws do not prevent towns, cities, or counties from:

16                   (1) enforcing local air pollution ordinances consistent with air  
 17                   pollution control laws; or

18                   (2) adopting or enforcing more restrictive ordinances to further  
 19                   the expressed purposes of air pollution control laws.

20           **(b) To enforce local air pollution ordinances under subsection**  
 21           **(a), a town, city, or county must establish or designate an agency**  
 22           **to act for the town, city, or county as a local air pollution control**  
 23           **agency.**

24           **(c) A local air pollution control agency established or designated**  
 25           **by a town, city, or county under subsection (b) may:**

26                   (1) enforce the air pollution ordinances of the town, city, or  
 27                   county;

28                   (2) undertake air pollution control efforts on behalf of the  
 29                   department under a contract entered into under  
 30                   IC 13-17-3-9.5; and

31                   (3) under section 3 of this chapter, administer the air pollution  
 32                   control program of the town, city, or county in cooperation  
 33                   with one (1) or more other towns, cities, or counties located  
 34                   within the same air quality basin.

35           SECTION 6. IC 13-17-12-4 IS AMENDED TO READ AS  
 36           FOLLOWS [EFFECTIVE JULY 1, 2024]: Sec. 4. ~~At~~ **A local air**  
 37           **pollution control agency of a town, city, or county that has entered**  
 38           **into a contract with the commissioner under IC 13-17-3-9.5 shall**  
 39           submit annual reports as requested by the department.

40           **SECTION 7. An emergency is declared for this act.**

