



April 6, 1999

ENGROSSED SENATE BILL No. 571

DIGEST OF SB 571 (Updated March 30, 1999 4:25 pm - DI 97)

Citations Affected: IC 2-3; IC 23-18; noncode.

Synopsis: Limited liability companies. Requires a political subdivision and a state educational institution that employs a legislator to provide the same insurance and other benefits to the legislator at all times. Makes the following changes to provisions for limited liability companies that are formed after June 30, 1999 (unless the operating agreement provides otherwise): (1) Provides that if a limited liability company has more than one member, an assignee of an interest may become a member only if the other members unanimously consent. (2) (Continued next page)

Effective: July 1, 1999; January 1, 2000.

Merritt

(HOUSE SPONSOR — BARDON)

January 21, 1999, read first time and referred to Committee on Commerce and Consumer Affairs.

February 2, 1999, amended, reported favorably — Do Pass.

February 8, 1999, read second time, ordered engrossed. Engrossed.

February 11, 1999, read third time, passed. Yeas 50, nays 0.

HOUSE ACTION

March 3, 1999, read first time and referred to Committee on Insurance, Corporations and Small Business.

April 5, 1999, amended, reported — Do Pass.

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ES 571—LS 7913/DI 100+



Digest Continued

Provides that if a limited liability company has only one member, an assignee of an interest may become a member in accordance with the terms of an agreement between the assignor and assignee. (3) Provides that a member may withdraw from a limited liability company only at the time or upon the occurrence of events specified and in accordance with the operating agreement. Makes changes to the specified circumstances when a limited liability company will dissolve and the company's affairs must be wound up. Makes conforming amendments. Establishes the Indiana youth development study commission.

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April 6, 1999

First Regular Session 111th General Assembly (1999)

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 1998 General Assembly.

ENGROSSED SENATE BILL No. 571

A BILL FOR AN ACT to amend the Indiana Code concerning business and other associations.

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

1 SECTION 1. IC 2-3-3-2.5 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE
3 JANUARY 1, 2000]: **Sec. 2.5. (a) For purposes of this section,**
4 **"employer" refers to an employer that is any of the following:**
5 (1) **A political subdivision (as defined in IC 36-1-2-13).**
6 (2) **A state educational institution.**
7 (b) **An employer of an individual who is a member of the**
8 **general assembly shall provide to the individual at all times during**
9 **which the individual is serving as a member of the general**
10 **assembly:**
11 (1) **the same insurance and other benefits; and**
12 (2) **at the same cost to the individual;**
13 **as is provided to the individual by the employer when the**
14 **individual is not serving as a member of the general assembly.**
15 SECTION 2. IC 23-18-3-1 IS AMENDED TO READ AS

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1 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 1. (a) **Unless otherwise**
 2 **provided in a written operating agreement, a limited liability**
 3 **company existing under this article on or before June 30, 1999, is**
 4 **governed by this section.**

5 (b) Except as provided in subsection ~~(b)~~ (c), each member is a
 6 agent of the limited liability company for the purpose of the limited
 7 liability company's business or affairs, and the act of any member,
 8 including the execution in the name of the limited liability company of
 9 an instrument for apparently carrying on in the usual way the business
 10 or affairs of the limited liability company, binds the limited liability
 11 company, unless:

12 (1) the acting member does not have authority to act for the
 13 limited liability company in the particular matter; and

14 (2) the person with whom the member is dealing has knowledge
 15 of the fact that the member does not have the authority to act.

16 ~~(b)~~ (c) If the articles of organization provide for a manager or
 17 managers, and except to the extent provided in the articles of
 18 organization:

19 (1) a member acting solely in the capacity as a member is not an
 20 agent of the limited liability company; and

21 (2) each manager is an agent of the limited liability company for
 22 the purpose of its business or affairs, and the act of any manager,
 23 including the execution in the name of the limited liability
 24 company of any instrument, for apparently carrying on in the
 25 usual way the business or affairs of the limited liability company
 26 binds the limited liability company, unless the manager so acting
 27 does not have authority to act for the limited liability company in
 28 the particular matter, and the person with whom the manager is
 29 dealing has knowledge of the fact that the manager does not have
 30 the authority to act.

31 ~~(c)~~ (d) An act of a manager or a member that is not apparently for
 32 the carrying on in the usual way the business of the limited liability
 33 company does not bind the limited liability company unless authorized
 34 in accordance with a written operating agreement or by the unanimous
 35 consent of all members at any time.

36 SECTION 3. IC 23-18-3-1.1 IS ADDED TO THE INDIANA CODE
 37 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 38 1, 1999]: Sec. 1.1. (a) **A limited liability company formed under this**
 39 **article after June 30, 1999, is governed by this section.**

40 (b) **Except as provided in subsection (c) or the articles of**
 41 **organization, each member is an agent of the limited liability**
 42 **company for the purpose of the limited liability company's business**



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1 or affairs, and the act of any member, including the execution in
 2 the name of the limited liability company of an instrument for
 3 apparently carrying on in the usual way the business or affairs of
 4 the limited liability company, binds the limited liability company,
 5 unless:

6 (1) the acting member does not have authority to act for the
 7 limited liability company in the particular matter; and

8 (2) the person with whom the member is dealing has
 9 knowledge of the fact that the member does not have the
 10 authority to act.

11 (c) If the articles of organization provide for a manager or
 12 managers, and except to the extent provided in the articles of
 13 organization:

14 (1) a member acting solely in the capacity as a member is not
 15 an agent of the limited liability company; and

16 (2) each manager is an agent of the limited liability company
 17 for the purpose of its business or affairs, and the act of any
 18 manager, including the execution in the name of the limited
 19 liability company of any instrument, for apparently carrying
 20 on in the usual way the business or affairs of the limited
 21 liability company binds the limited liability company, unless
 22 the manager does not have authority to act for the limited
 23 liability company in the particular matter, and the person
 24 with whom the manager is dealing has knowledge of the fact
 25 that the manager does not have the authority to act.

26 (d) An act of a manager or member that is not apparently for
 27 the carrying on in the usual way the business of the limited liability
 28 company does not bind the limited liability company unless
 29 authorized in accordance with a written operating agreement or by
 30 the unanimous consent of all members at any time.

31 SECTION 4. IC 23-18-5-4 IS AMENDED TO READ AS
 32 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 4. Except as provided
 33 in section 5 or 5.1 of this chapter and IC 23-18-9-6, distributions of
 34 cash or other assets of a limited liability company must be shared
 35 among the members and among classes of members in the manner
 36 provided in the operating agreement. If the operating agreement does
 37 not provide otherwise, distributions must be allocated on the basis of
 38 the agreed value, as stated in the records of the limited liability
 39 company, of the contributions made by each member to the extent the
 40 contributions have been received by the limited liability company and
 41 not previously returned. A member is entitled to receive distributions
 42 described in this section from a limited liability company to the extent



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1 and at the times or upon the happening of the events specified in the
 2 operating agreement or at the times determined by the members or
 3 managers, if any, voting under IC 23-18-4-3.

4 SECTION 5. IC 23-18-5-5 IS AMENDED TO READ AS
 5 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 5. (a) **Unless otherwise
 6 provided in a written operating agreement, a limited liability
 7 company existing under this article on or before June 30, 1999, is
 8 governed by this section.**

9 (b) Upon the occurrence of an event of dissociation under
 10 IC 23-18-6-5 that does not cause dissolution, a dissociating member is
 11 entitled to receive:

12 (1) any distribution that the member is entitled to under this
 13 article or the operating agreement; and

14 (2) unless otherwise provided in the operating agreement, within
 15 a reasonable time after dissociation, the fair value of the member's
 16 interest in the limited liability company as of the date of
 17 dissociation based on the member's right to share in distributions
 18 from the limited liability company.

19 SECTION 6. IC 23-18-5-5.1 IS ADDED TO THE INDIANA CODE
 20 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 21 1, 1999]: Sec. 5.1. (a) **A limited liability company formed under this
 22 article after June 30, 1999, is governed by this section.**

23 (b) **Upon the occurrence of an event of dissociation under
 24 IC 23-18-6-5, a dissociating member is entitled to receive:**

25 (1) **any distribution that the member is entitled to under this
 26 article or the operating agreement; and**

27 (2) **unless otherwise provided in the operating agreement,
 28 within a reasonable time after dissociation, the fair value of
 29 the member's interest in the limited liability company as of
 30 the date of dissociation based on the member's right to share
 31 in distributions from the limited liability company.**

32 SECTION 7. IC 23-18-6-1 IS AMENDED TO READ AS
 33 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 1. (a) Subject to
 34 subsection (b), a person may become a member in a limited liability
 35 company:

36 (1) in the case of a person acquiring an interest directly from the
 37 limited liability company, upon compliance with the operating
 38 agreement or if the operating agreement does not provide in
 39 writing, upon the written consent of all members; and

40 (2) in the case of an assignee of an interest, as provided in section
 41 4 or 4.1 of this chapter.

42 (b) The effective time of admission of a member to a limited

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1 liability company is the later of the following:

- 2 (1) The date the limited liability company is organized.
 3 (2) The time provided in the operating agreement, or if no time is
 4 provided, when the person's admission is reflected in the records
 5 of the limited liability company.

6 SECTION 8. IC 23-18-6-3 IS AMENDED TO READ AS
 7 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 3. (a) **Unless otherwise
 8 provided in a written operating agreement, a limited liability
 9 company existing under this article on or before June 30, 1999, is
 10 governed by this section.**

11 (b) Except as provided in a written operating agreement:

- 12 (1) an interest is assignable in whole or in part;
 13 (2) an assignment entitles the assignee to receive, to the extent
 14 assigned, only the distributions to which the assignor would be
 15 entitled;
 16 (3) an assignment of an interest does not of itself dissolve the
 17 limited liability company or entitle the assignee to participate in
 18 the management and affairs of the limited liability company or to
 19 become or exercise any rights of a member;
 20 (4) until the assignee of an interest becomes a member, the
 21 assignor continues to be a member and to have the power to
 22 exercise any rights of a member, subject to the other members'
 23 right to remove the assignor under section 5(a)(3)(B) of this
 24 chapter;
 25 (5) until an assignee of an interest becomes a member, the
 26 assignee has no liability as a member solely as a result of the
 27 assignment; and
 28 (6) the assignor of an interest is not released from liability as a
 29 member solely as a result of the assignment.

30 ~~(b)~~ (c) Unless otherwise provided in an operating agreement, the
 31 pledge of or granting of a security interest, lien, or other encumbrance
 32 in or against any or all of the interest of a member is not an assignment
 33 and does not cause the member to cease to be a member or to cease to
 34 have the power to exercise any rights or powers of a member.

35 SECTION 9. IC 23-18-6-3.1 IS ADDED TO THE INDIANA CODE
 36 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 37 1, 1999]: Sec. 3.1. (a) **A limited liability company formed under this
 38 article after June 30, 1999, is governed by this section.**

39 (b) Except as provided in a written operating agreement:

- 40 (1) **an interest is assignable in whole or in part;**
 41 (2) **an assignment entitles the assignee to receive, to the extent
 42 assigned, only the distributions to which the assignor would be**

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1 entitled;

2 (3) an assignment of an interest does not of itself dissolve the
3 limited liability company or entitle the assignee to participate
4 in the management and affairs of the limited liability
5 company or to become or exercise any rights of a member;

6 (4) until an assignee of an interest becomes a member, the
7 assignee has no liability as a member solely as a result of the
8 assignment; and

9 (5) the assignor of an interest is not released from liability as
10 a member solely as a result of the assignment.

11 (b) Unless otherwise provided in an operating agreement, the
12 pledge of or granting of a security interest, lien, or other
13 encumbrance in or against any or all of the interest of a member
14 is not an assignment and does not cause the member to cease to be
15 a member or to cease to have the power to exercise any rights or
16 powers of a member.

17 SECTION 10. IC 23-18-6-4 IS AMENDED TO READ AS
18 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 4. (a) **Unless otherwise
19 provided in a written operating agreement, a limited liability
20 company existing under this article on or before June 30, 1999, is
21 governed by this section.**

22 (b) Except as otherwise provided in a written operating agreement,
23 an assignee of an interest may become a member only if the other
24 members unanimously consent. The consent of a member may be
25 evidenced in any manner specified in writing in an operating
26 agreement, but in the absence of a specification, consent must be
27 evidenced by a written instrument, dated and signed by the member.

28 ~~(b)~~ (c) An assignee who becomes a member:

29 (1) has, to the extent assigned, the rights and powers and is
30 subject to the restrictions and liabilities of a member under the
31 articles of organization, any operating agreement, and this article;
32 and

33 (2) is liable for any obligations of the member's assignor for
34 unpaid contributions under IC 23-18-5-1 or for any wrongful
35 distributions under IC 23-18-5-7.

36 However, the assignee is not obligated for liabilities of which the
37 assignee had no knowledge at the time the assignee became a member
38 and that could not be ascertained from a written operating agreement.

39 ~~(c)~~ (d) Whether or not an assignee of an interest becomes a member,
40 the assignor is not released from the assignor's liability to the limited
41 liability company for unpaid contributions under IC 23-18-5-1 or for
42 any wrongful distributions under IC 23-18-5-7 that are solely a result

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1 of the assignment.

2 (d) (e) Unless otherwise provided in a written operating agreement,
3 a member who assigns the member's entire interest in the limited
4 liability company ceases to be a member or to have the power to
5 exercise any rights of a member when an assignee of the member's
6 interest becomes a member with respect to the assigned interest.

7 SECTION 11. IC 23-18-6-4.1 IS ADDED TO THE INDIANA
8 CODE AS A NEW SECTION TO READ AS FOLLOWS
9 [EFFECTIVE JULY 1, 1999]: **Sec. 4.1. (a) A limited liability**
10 **company formed under this article after June 30, 1999, is governed**
11 **by this section.**

12 (b) **Except as otherwise provided in a written operating**
13 **agreement, if a limited liability company has at least two (2)**
14 **members, an assignee of an interest may become a member only if**
15 **the other members unanimously consent. The consent of a member**
16 **may be evidenced in any manner specified in writing in an**
17 **operating agreement, but in the absence of a specification, consent**
18 **must be evidenced by a written instrument, dated and signed by**
19 **the member. If a limited liability company has one (1) member, an**
20 **assignee of an interest may become a member in accordance with**
21 **the terms of an agreement between the assignor and the assignee.**

22 (c) **An assignee who becomes a member:**

23 (1) **has, to the extent assigned, the rights and powers and is**
24 **subject to the restrictions and liabilities of a member under**
25 **the articles of organization, any operating agreement, and this**
26 **article; and**

27 (2) **is liable for any obligations of the member's assignor for**
28 **unpaid contributions under IC 23-18-5-1 or for any wrongful**
29 **distributions under IC 23-18-5-7.**

30 **However, the assignee is not obligated for liabilities of which the**
31 **assignee had no knowledge at the time the assignee became a**
32 **member and that could not be ascertained from a written**
33 **operating agreement.**

34 (d) **Whether or not an assignee of an interest becomes a**
35 **member, the assignor is not released from the assignor's liability**
36 **to the limited liability company for unpaid contributions under**
37 **IC 23-18-5-1 or for any wrongful distributions under IC 23-18-5-7**
38 **that are solely a result of the assignment.**

39 (e) **Unless otherwise provided in a written operating agreement,**
40 **a member who assigns the member's entire interest in the limited**
41 **liability company ceases to be a member or to have the power to**
42 **exercise any rights of a member.**



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1 SECTION 12. IC 23-18-6-5 IS AMENDED TO READ AS
 2 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 5. (a) A person ceases
 3 to be a member of a limited liability company upon the occurrence of
 4 any of the following events:

5 (1) The person withdraws from the limited liability company as
 6 provided in section 6 of this chapter.

7 (2) The person ceases to be a member as provided in ~~section 4(d)~~
 8 **section 4(e) or 4.1(e)** of this chapter.

9 (3) The person is removed as a member:

10 (A) in accordance with the operating agreement; or

11 (B) unless otherwise provided in a written operating
 12 agreement, by the affirmative vote, approval, or consent of a
 13 majority in interest of the members after the member has
 14 assigned the member's entire interest in the limited liability
 15 company.

16 (4) Unless otherwise provided in a written operating agreement or
 17 with the written consent of all other members, in the case of a
 18 member who is an individual, the individual's death.

19 (5) Unless otherwise provided in a written operating agreement or
 20 with the written consent of all other members, in the case of a
 21 member who is acting as a member by virtue of being a trustee of
 22 a trust, the termination of the trust, but not merely the substitution
 23 of a new trustee.

24 (6) Unless otherwise provided in a written operating agreement or
 25 with the written consent of all other members, in the case of a
 26 member that is a partnership, limited partnership, or another
 27 limited liability company, the dissolution and commencement of
 28 winding up of the partnership, limited partnership, or limited
 29 liability company.

30 (7) Unless otherwise provided in a written operating agreement or
 31 with the written consent of all other members, in the case of a
 32 member that is a corporation, the dissolution of the corporation.

33 (8) Unless otherwise provided in a written operating agreement or
 34 with the written consent of all other members, in the case of a
 35 member that is an estate, the distribution by the fiduciary of the
 36 estate's entire interest in the limited liability company.

37 (b) A written operating agreement may provide for other events that
 38 result in a person ceasing to be a member of the limited liability
 39 company, including insolvency, bankruptcy, and adjudicated
 40 incompetency.

41 SECTION 13. IC 23-18-6-6 IS AMENDED TO READ AS
 42 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 6. (a) **Unless otherwise**

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1 **provided in a written operating agreement, a limited liability**
 2 **company existing under this article on or before June 30, 1999, is**
 3 **governed by this section.**

4 (b) Unless a written operating agreement provides that a member
 5 does not have the power to withdraw by voluntary act from a limited
 6 liability company, the member may do so at any time by giving thirty
 7 (30) days written notice to the other members or other notice required
 8 under the operating agreement. If the member has the power to
 9 withdraw but the withdrawal is a breach of the operating agreement, or
 10 the withdrawal occurs as a result of otherwise wrongful conduct of the
 11 member, the limited liability company may recover from the
 12 withdrawing member damages for breach of the operating agreement,
 13 including the reasonable cost of obtaining the replacement of services
 14 that the withdrawn member was obligated to perform. The limited
 15 liability company may offset the damages against amounts otherwise
 16 distributable to the withdrawn member, in addition to pursuing any
 17 remedies provided for in the operating agreement or available under
 18 applicable law.

19 ~~(b)~~ (c) Unless otherwise provided in a written operating agreement,
 20 in the case of a limited liability company for a definite term or
 21 particular undertaking, a withdrawal by a member before the expiration
 22 of the term is a breach of the operating agreement.

23 SECTION 14. IC 23-18-6-6.1 IS ADDED TO THE INDIANA
 24 CODE AS A NEW SECTION TO READ AS FOLLOWS
 25 [EFFECTIVE JULY 1, 1999]: **Sec. 6.1. (a) A limited liability**
 26 **company formed under this article after June 30, 1999, is governed**
 27 **by this section.**

28 (b) **Unless otherwise provided in a written operating agreement,**
 29 **a member may not withdraw from a limited liability company**
 30 **before the dissolution and winding up of the limited liability**
 31 **company. A member may withdraw from a limited liability**
 32 **company only at the time or upon the occurrence of events**
 33 **specified in the operating agreement and in accordance with the**
 34 **operating agreement.**

35 SECTION 15. IC 23-18-9-1 IS AMENDED TO READ AS
 36 FOLLOWS [EFFECTIVE JULY 1, 1999]: **Sec. 1. (a) Unless otherwise**
 37 **provided in a written operating agreement, a limited liability**
 38 **company existing under this article on or before June 30, 1999, is**
 39 **governed by this section.**

40 (b) A limited liability company is dissolved and its affairs must be
 41 wound up on the first of the following to occur:

42 (1) At the time or on the occurrence of events specified in writing

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- 1 in the articles of organization or operating agreement.
- 2 (2) Written consent of all the members.
- 3 (3) An event of dissociation occurs with respect to a member,
- 4 unless the business of the limited liability company is continued
- 5 by the consent of all the remaining members not more than ninety
- 6 (90) days after the occurrence of the event or as otherwise
- 7 provided in writing in the articles of organization or operating
- 8 agreement.
- 9 (4) Entry of a decree of judicial dissolution under section 2 of this
- 10 chapter.

11 SECTION 16. IC 23-18-9-1.1 IS ADDED TO THE INDIANA
 12 CODE AS A NEW SECTION TO READ AS FOLLOWS
 13 [EFFECTIVE JULY 1, 1999]: **Sec. 1.1. (a) A limited liability**
 14 **company formed under this article after June 30, 1999, is governed**
 15 **by this section.**

16 (b) A limited liability company is dissolved and the limited
 17 liability company's affairs must be wound up when the first of the
 18 following occurs:

- 19 (1) At the time or on the occurrence of events specified in
- 20 writing in the articles of organization or operating agreement.
- 21 (2) If there is one (1) class or group of members, written
- 22 consent of two-thirds (2/3) in interest of the members or, if
- 23 there is more than one (1) class or group of members, written
- 24 consent of two-thirds (2/3) in interest of each class or group of
- 25 members.
- 26 (3) Entry of a decree of judicial dissolution under section 2 of
- 27 this chapter.

28 (c) A limited liability company is dissolved and the limited
 29 liability company's affairs must be wound up if there are no
 30 members. However, this subsection does not apply if, under a
 31 provision in the operating agreement, not more than ninety (90)
 32 days after the occurrence of the event that caused the last
 33 remaining member to cease to be a member, the personal
 34 representative of the last remaining member agrees in writing:

- 35 (1) to continue the business of the limited liability company;
- 36 and
- 37 (2) to the admission of the personal representative or the
- 38 personal representative's nominee or designee to the limited
- 39 liability company as a member;
- 40 effective as of the time of the event that caused the last remaining
- 41 member to cease to be a member.

42 SECTION 17. IC 23-18-9-6 IS AMENDED TO READ AS

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1 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 6. Upon the winding up
2 of a limited liability company, the assets must be distributed as follows:

3 (1) To creditors, including members and managers who are
4 creditors to the extent permitted by law, to satisfy the liabilities of
5 the limited liability company whether by payment or by the
6 establishment of adequate reserves except for liabilities for
7 distributions to members under IC 23-18-5-4, and IC 23-18-5-5
8 **or IC 23-18-5-5.1.**

9 (2) Unless otherwise provided in a written operating agreement,
10 to members and former members to satisfy the liabilities for
11 distributions under IC 23-18-5-4 and IC 23-18-5-5.

12 (3) Unless otherwise provided in a written operating agreement,
13 to members in proportion to the returned contribution.

14 SECTION 18. [EFFECTIVE JULY 1, 1999] (a) **As used in this**
15 **SECTION, "commission" refers to the Indiana youth development**
16 **study commission established by this SECTION.**

17 (b) **As used in this SECTION, "youth" means an individual less**
18 **than nineteen (19) years of age.**

19 (c) **The Indiana youth development study commission is**
20 **established.**

21 (d) **The commission consists of the following members:**

22 (1) **Two (2) members of the house of representatives**
23 **appointed by the speaker of the house of representatives. The**
24 **members appointed under this subdivision may not be**
25 **members of the same political party.**

26 (2) **Two (2) members of the senate appointed by the president**
27 **pro tempore of the senate. The members appointed under this**
28 **subdivision may not be members of the same political party.**

29 (3) **Two (2) members at large appointed by the governor. The**
30 **members appointed under this subdivision may not be**
31 **members of the same political party.**

32 (4) **Six (6) members appointed by the governor who are**
33 **representatives of nonprofit organizations that:**

34 (A) **have a statewide presence; and**

35 (B) **provide:**

36 (i) **development;**

37 (ii) **prevention; or**

38 (iii) **intervention;**

39 **services to youths.**

40 (5) **One (1) member appointed by the governor who is a**
41 **representative of the state's child welfare system.**

42 (6) **One (1) member appointed by the governor who is a**

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representative of the state's juvenile justice system.

(7) Two (2) to four (4) members who are youths appointed by the Indiana commission on community services and volunteerism established by Executive Order 97-11.

(8) One (1) member appointed by the superintendent of public instruction.

The governor shall make the appointments required by subdivisions (3) through (6) before August 15, 1999. The governor shall fill any vacancy in these positions within forty-five (45) days.

(e) The chairman of the legislative council shall designate a legislative member of the commission to serve as chairperson of the commission.

(f) Each member of the commission who is not a state employee is entitled to the minimum salary per diem provided by IC 4-10-11-2.1(b). The member is also entitled to reimbursement for traveling expenses as provided under IC 4-13-1-4 and other expenses actually incurred in connection with the member's duties as provided in the state policies and procedures established by the Indiana department of administration and approved by the budget agency.

(g) Each member of the commission who is a state employee but who is not a member of the general assembly is entitled to reimbursement for traveling expenses as provided under IC 4-13-1-4 and other expenses actually incurred in connection with the member's duties as provided in the state policies and procedures established by the Indiana department of administration and approved by the budget agency.

(h) Each member of the commission who is a member of the general assembly is entitled to receive the same per diem, mileage, and travel allowances paid to members of the general assembly serving on interim study committees established by the legislative council.

(i) The legislative services agency shall provide staff support to the commission.

(j) The commission shall do the following:

(1) Consider problems affecting youths and recommend solutions or approaches to the problems to state and local government and officials.

(2) Promote youth development activities that ensure that youths thrive and become competent, useful, and empowered and develop a sense of belonging.

(3) Be diverse in representation.

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(4) Develop guidelines for the establishment of positive youth development programs based on a consideration of the following:

- (A) Individual and community capacity for change.**
- (B) Community structures and resources that enhance supports of and opportunities for youth development.**
- (C) Barriers to access to supports and opportunities for youths.**
- (D) Outcomes of current youth development programs regarding youths as:**
 - (i) individuals; and**
 - (ii) members of their communities.**

(5) Conduct an asset and needs assessment of current youth development programs, including governmental programs that promote positive youth development.

(6) Provide opportunities for youth involvement in the work performed by the commission.

(7) Review and make recommendations to the governor and general assembly regarding any unmet need for youth development programs.

(k) The commission shall meet at least one (1) time each month that the general assembly is not in session.

(l) The affirmative votes of a majority of the voting members appointed to the commission are required for the commission to take action on any measure, including final reports.

(m) The commission may accept contributions to be used by the commission to carry out the duties required by this SECTION.

(n) The commission shall submit an interim report to the governor and the general assembly before:

- (1) December 1, 1999;**
- (2) December 1, 2000; and**
- (3) December 1, 2001.**

(o) The commission shall submit its final report to the governor and the general assembly before July 1, 2002.

(p) This SECTION expires December 31, 2002.

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COMMITTEE REPORT

Mr. President: The Senate Committee on Commerce and Consumer Affairs, to which was referred Senate Bill No. 571, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 10, line 16, after "if" insert ", **under a provision in**".

Page 10, line 17, after "agreement" insert ",".

Page 10, line 17, delete "provides that".

and when so amended that said bill do pass.

(Reference is to SB 571 as introduced.)

MILLS, Chairperson

Committee Vote: Yeas 9, Nays 0.

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Insurance, Corporations and Small Business, to which was referred Senate Bill 571, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 2-3-3-2.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2000]: **Sec. 2.5. (a) For purposes of this section, "employer" refers to an employer that is any of the following:**

- (1) A political subdivision (as defined in IC 36-1-2-13).**
- (2) A state educational institution.**

(b) An employer of an individual who is a member of the general assembly shall provide to the individual at all times during which the individual is serving as a member of the general assembly:

- (1) the same insurance and other benefits; and**
- (2) at the same cost to the individual;**

as is provided to the individual by the employer when the individual is not serving as a member of the general assembly."

Page 10, after line 41, begin a new paragraph and insert:

"SECTION 17. [EFFECTIVE JULY 1, 1999] **(a) As used in this SECTION, "commission" refers to the Indiana youth development study commission established by this SECTION.**

(b) As used in this SECTION, "youth" means an individual less than nineteen (19) years of age.

(c) The Indiana youth development study commission is established.

(d) The commission consists of the following members:

- (1) Two (2) members of the house of representatives appointed by the speaker of the house of representatives. The members appointed under this subdivision may not be members of the same political party.**
- (2) Two (2) members of the senate appointed by the president pro tempore of the senate. The members appointed under this subdivision may not be members of the same political party.**
- (3) Two (2) members at large appointed by the governor. The members appointed under this subdivision may not be members of the same political party.**
- (4) Six (6) members appointed by the governor who are representatives of nonprofit organizations that:**



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(A) have a statewide presence; and

(B) provide:

(i) development;

(ii) prevention; or

(iii) intervention;

services to youths.

(5) One (1) member appointed by the governor who is a representative of the state's child welfare system.

(6) One (1) member appointed by the governor who is a representative of the state's juvenile justice system.

(7) Two (2) to four (4) members who are youths appointed by the Indiana commission on community services and volunteerism established by Executive Order 97-11.

(8) One (1) member appointed by the superintendent of public instruction.

The governor shall make the appointments required by subdivisions (3) through (6) before August 15, 1999. The governor shall fill any vacancy in these positions within forty-five (45) days.

(e) The chairman of the legislative council shall designate a legislative member of the commission to serve as chairperson of the commission.

(f) Each member of the commission who is not a state employee is entitled to the minimum salary per diem provided by IC 4-10-11-2.1(b). The member is also entitled to reimbursement for traveling expenses as provided under IC 4-13-1-4 and other expenses actually incurred in connection with the member's duties as provided in the state policies and procedures established by the Indiana department of administration and approved by the budget agency.

(g) Each member of the commission who is a state employee but who is not a member of the general assembly is entitled to reimbursement for traveling expenses as provided under IC 4-13-1-4 and other expenses actually incurred in connection with the member's duties as provided in the state policies and procedures established by the Indiana department of administration and approved by the budget agency.

(h) Each member of the commission who is a member of the general assembly is entitled to receive the same per diem, mileage, and travel allowances paid to members of the general assembly serving on interim study committees established by the legislative council.

(i) The legislative services agency shall provide staff support to



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the commission.

(j) The commission shall do the following:

- (1) Consider problems affecting youths and recommend solutions or approaches to the problems to state and local government and officials.
- (2) Promote youth development activities that ensure that youths thrive and become competent, useful, and empowered and develop a sense of belonging.
- (3) Be diverse in representation.
- (4) Develop guidelines for the establishment of positive youth development programs based on a consideration of the following:
 - (A) Individual and community capacity for change.
 - (B) Community structures and resources that enhance supports of and opportunities for youth development.
 - (C) Barriers to access to supports and opportunities for youths.
 - (D) Outcomes of current youth development programs regarding youths as:
 - (i) individuals; and
 - (ii) members of their communities.
- (5) Conduct an asset and needs assessment of current youth development programs, including governmental programs that promote positive youth development.
- (6) Provide opportunities for youth involvement in the work performed by the commission.
- (7) Review and make recommendations to the governor and general assembly regarding any unmet need for youth development programs.

(k) The commission shall meet at least one (1) time each month that the general assembly is not in session.

(l) The affirmative votes of a majority of the voting members appointed to the commission are required for the commission to take action on any measure, including final reports.

(m) The commission may accept contributions to be used by the commission to carry out the duties required by this SECTION.

(n) The commission shall submit an interim report to the governor and the general assembly before:

- (1) December 1, 1999;
- (2) December 1, 2000; and
- (3) December 1, 2001.

(o) The commission shall submit its final report to the governor



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and the general assembly before July 1, 2002.

(p) This SECTION expires December 31, 2002."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 571 as printed February 3, 1999.)

FRY, Chair

Committee Vote: yeas 12, nays 0.

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