# HOUSE BILL No. 1009

DIGEST OF INTRODUCED BILL

**Citations Affected:** Various citations throughout the Indiana Code.

**Synopsis:** Technical corrections. Technical corrections bill. Resolves: (1) technical conflicts between differing 2011 amendments to Indiana Code sections; and (2) other technical problems in the Indiana Code, including incorrect statutory references, nonstandard tabulation, grammatical problems, and misspellings. Makes technical corrections and conforming amendments, as required by P.L.229-2011, SECTION 285, related to the repeal and enactment in 2011 of laws concerning the state civil service system. Repeals provisions made obsolete by the 2011 changes in the state civil service system laws.

**Effective:** Upon passage.

**Foley**

January 9, 2012, read first time and referred to Committee on Judiciary.

C o p y

Introduced

Second Regular Session 117th General Assembly (2012)

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 2011 Regular Session of the General Assembly.

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# HOUSE BILL No. 1009

A BILL FOR AN ACT to amend the Indiana Code concerning general provisions.

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

SECTION 1. IC 1-1-1.1-14, AS ADDED BY P.L.220-2011, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 14. Section 2 of this chapter does not repeal the following statutes concerning education finance:

(1) P.L.65-1985, SECTIONS 1, 7, and 12 (concerning school corporation general fund levies).

(2) The following statutes concerning tuition support: P.L.372-1985, SECTION 3; P.L.5-1988, SECTIONS 229 and 230; P.L.59-1988, SECTIONS 13 through 16, and 18; P.L.240-1991, SECTION 30; P.L.43-1992, SECTION 19; P.L.277-1993, SECTION 30; P.L.278-1993, SECTION 1; P.L.340-1995, SECTION 30; P.L.30-1996, SECTION 7; P.L.178-2002, SECTION 156; P.L.224-2003, SECTION 31; P.L.276-2003, SECTION 39; P.L.246-2005, SECTION 31; P.L.162-2006, SECTION 58; P.L.234-2007, SECTION 31; P.L.146-2008, SECTION 854. ~~P.L.182-2009, SECTION 38.~~

(3) P.L.85-1987, SECTION 5 (concerning school corporation

cumulative building fund levies).

(4) P.L.382-1987, SECTIONS 1 through 12, SECTION 18, SECTIONS 27 through 48, and SECTION 51 (concerning school finance).

(5) P.L.59-1991, SECTION 4 (concerning the effect of amendments to statutes relating to education finance).

(6) P.L.277-1993, SECTION 137 (concerning transfer of money from excess levy funds).

(7) P.L.30-1996, SECTION 6 (concerning transfers of money between school corporation funds).

(8) P.L.273-1999, SECTION 159 (concerning primetime distributions).

(9) P.L.3-2000, SECTION 15 (concerning which vocational education formula to use in 2001).

(10) P.L.111-2002, SECTION 12 (concerning transfer tuition).

(11) P.L.146-2008, SECTION 855 (abolishing the tuition reserve account in the state general fund and transferring money to the state tuition reserve fund).

~~(12) P.L.146-2008, SECTION 857 (appropriating money to the department of education from the state general fund to make certain distributions).~~

SECTION 2. IC 2-1-9-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. **(a) This subsection applies before November 6, 2012.** As used in this chapter, "district" refers to a district described in IC 2-1-10 or IC 2-1-11.

**(b) This subsection applies after November 5, 2012. As used in this chapter, "district" refers to a district described in IC 2-1-12 or IC 2-1-13.**

SECTION 3. IC 2-1-9-13, AS ADDED BY P.L.214-2011, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 13. (a) As used in this section, "redistricting act" refers to any act that enacted IC 2-1-12, ~~IC 2-13-13,~~ **IC 2-1-13,** or both of those statutes.

(b) The provisions of a redistricting act are severable as provided in IC 1-1-1-8(b).

(c) If:

(1) any portion of a redistricting act, including any district; or

(2) application of any portion of a redistricting act to any person or circumstance;

is found to be invalid by a court, the invalidity does not affect the remaining portions or applications of the redistricting act, including the remaining districts, that can be given effect without the invalid

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portions, applications, or districts.

(d) Redistricting is a state legislative function under both the Constitution of the State of Indiana and the Constitution of the United States. Therefore, if a redistricting act or any portion of a redistricting act is found invalid by a court, the general assembly expresses its preference that any court that finds the invalidity give the general assembly the opportunity to cure the invalidity before the court mandates its own remedial plan. The opportunity to cure is without prejudice to the right of either house of the general assembly to seek further appeal of any such court action.

(e) The general assembly reserves the right to replace any redistricting plan mandated by a court immediately, if in session or, if not in session, in a special session or the next regular session, whichever comes first.

(f) In any court proceeding challenging a redistricting plan of the general assembly each of the Indiana house of representatives or the Indiana senate may:

(1) take independent legal positions in the proceeding; and

(2) hire independent legal counsel to represent their respective legal positions.

The speaker of the house of representatives shall determine the legal position taken by the house of representatives. The president pro tempore of the senate shall determine the legal position taken by the senate.

SECTION 4. IC 2-5-1.2-1, AS ADDED BY P.L.220-2011, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) Except as provided in subsection (b) or otherwise in this article, this chapter applies to all committees established under this article.

(b) This chapter does not apply to the following:

(1) The legislative council and code revision commission (IC 2-5-1.1).

~~(2) The public officers compensation advisory commission (IC 2-5-1.5).~~

~~(3)~~ **(2)** The commission on interstate cooperation (IC 2-5-2).

~~(4)~~ **(3)** The commission on state tax and financing policy (IC 2-5-3).

~~(5)~~ **(4)** The natural resources study committee (IC 2-5-5).

~~(6)~~ **(5)** The pension management oversight commission (IC 2-5-12).

~~(7)~~ **(6)** The probate code study commission (IC 2-5-16).

~~(8)~~ **(7)** The administrative rules oversight committee (IC 2-5-18).

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~~(9)~~ **(8)** The census data advisory committee (IC 2-5-19).

~~(10)~~ **(9)** The commission on military and veterans affairs (IC 2-5-20).

~~(11)~~ **(10)** A committee covered by IC 2-5-21.

~~(12)~~ **(11)** The health finance commission (IC 2-5-23).

~~(13)~~ **(12)** The water resources study committee (IC 2-5-25).

~~(14)~~ **(13)** The select joint commission on Medicaid oversight (IC 2-5-26).

~~(15)~~ **(14)** The commission on developmental disabilities (IC 2-5-27.2).

~~(16) The joint study committee on mass transit and transportation alternatives (IC 2-5-28).~~

~~(17)~~ **(15)** The youth advisory council (IC 2-5-29).

~~(18)~~ **(16)** The unemployment insurance oversight committee (IC 2-5-30).

~~(19)~~ **(17)** The criminal law and sentencing policy study committee (IC 2-5-33.4).

SECTION 5. IC 2-5-31.4 IS REPEALED [EFFECTIVE UPON PASSAGE]. (Criminal Law and Sentencing Policy Study Committee).

SECTION 6. IC 2-5-32.5 IS REPEALED [EFFECTIVE UPON PASSAGE]. (Criminal Law and Sentencing Policy Study Committee).

SECTION 7. IC 2-5-33.4-0.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 0.5. As used in this chapter, "committee" refers to the criminal law and sentencing policy study committee established by section 1 of this chapter.**

SECTION 8. IC 3-10-1-19, AS AMENDED BY P.L.179-2011, SECTION 6, P.L.190-2011, SECTION 1, AND P.L.201-2011, SECTION 3, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 19. (a) The ballot for a primary election shall be printed in substantially the following form for all the offices for which candidates have qualified under IC 3-8:

OFFICIAL PRIMARY BALLOT

_____ Party

For paper ballots, print: To vote for a person, make a voting mark (X or ✓) on or in the box before the person's name in the proper column. For optical scan ballots, print: To vote for a person, darken or shade in the circle, oval, or square (or draw a line to connect the arrow) that precedes the person's name in the proper column. For optical scan ballots that do not contain a candidate's name, print: To vote for a person, darken or shade in the oval that precedes the number assigned

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to the person's name in the proper column. For electronic voting systems, print: To vote for a person, touch the screen (or press the button) in the location indicated.

Vote for one (1) only

Representative in Congress

[] (1) AB_____

[] (2) CD_____

[] (3) EF _____

[] (4) GH_____

*(b) Local public questions shall be placed on the primary election ballot after the voting instructions described in subsection (a) and before the offices described in subsection (e).*

*(c) The local public questions described in subsection (b) shall be placed:*

*(1) in a separate column on the ballot if voting is by paper ballot;*

*(2) after the voting instructions described in subsection (a) and before the offices described in subsection (e), in the form specified in IC 3-11-13-11 if voting is by ballot card; or*

*(3) either of the following if voting is by an electronic voting system:*

*(A) On a separate screen for a public question.*

*(B) After the voting instructions described in subsection (a) and before the offices described in subsection (e), in the form specified in IC 3-11-14-3.5.*

*(d) A public question shall be placed on the primary election ballot in the following form:*

*(The explanatory text for the public question, if required by law.)*

*"Shall (insert public question)?"*

*[] YES*

*[] NO*

~~(b)~~ *(e)* The offices with candidates for nomination shall be placed on the primary election ballot in the following order:

(1) Federal and state offices:

(A) President of the United States.

(B) United States Senator.

(C) Governor.

(D) United States Representative.

(2) Legislative offices:

(A) State senator.

(B) State representative.

(3) Circuit offices and county judicial offices:

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(A) Judge of the circuit court, and unless otherwise specified under IC 33, with each division separate if there is more than one (1) judge of the circuit court.

(B) Judge of the superior court, and unless otherwise specified under IC 33, with each division separate if there is more than one (1) judge of the superior court.

(C) Judge of the probate court.

~~*(D) Judge of the county court, with each division separate, as required by IC 33-30-3-3.*~~

~~*(E)*~~ *(D)* Prosecuting attorney.

~~*(F)*~~ *(E)* Circuit court clerk.

(4) County offices:

(A) County auditor.

(B) County recorder.

(C) County treasurer.

(D) County sheriff.

(E) County coroner.

(F) County surveyor.

(G) County assessor.

(H) County commissioner.

(I) County council member.

(5) Township offices:

(A) Township assessor (only in a township referred to in IC 36-6-5-1(d)).

(B) Township trustee.

(C) Township board member.

(D) Judge of the small claims court.

(E) Constable of the small claims court.

(6) City offices:

(A) Mayor.

(B) Clerk or clerk-treasurer.

(C) Judge of the city court.

(D) City-county council member or common council member.

(7) Town offices:

(A) Clerk-treasurer.

(B) Judge of the town court.

(C) Town council member.

~~*(c)*~~ *(f)* The political party offices with candidates for election shall be placed on the primary election ballot in the following order after the offices described in subsection ~~*(b)*~~*:* *(e):*

(1) Precinct committeeman.

(2) State convention delegate.

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~~(d)~~ *(g)* The ~~following~~ **local** offices **to be elected at the primary election** ~~*and public questions*~~ shall be placed on the primary election ballot ~~in the following order~~ after the offices described in subsection ~~(c):~~ *(f)*.

~~*(1) School board offices to be elected at the primary election.*~~

~~*(2) Other (1)* Local offices to be elected at the primary election.~~

~~*(3) (2) Local public questions.*~~

~~*(e)*~~ *(h)* The offices ~~*and public questions*~~ described in subsection ~~*(d)*~~ *(g)* shall be placed:

(1) in a separate column on the ballot if voting is by paper ballot;

(2) after the offices described in subsection ~~*(e)*~~ *(f)* in the form specified in IC 3-11-13-11 if voting is by ballot card; or

(3) either:

(A) on a separate screen for each office or public question; or

(B) after the offices described in subsection ~~*(e)*~~ *(f)* in the form specified in IC 3-11-14-3.5;

if voting is by an electronic voting system.

~~*(f) A public question shall be placed on the primary election ballot in the following form:*~~

~~*(The explanatory text for the public question,*~~
~~*if required by law.)*~~
~~*"Shall (insert public question)?"*~~

~~*[] YES*~~
~~*[] NO*~~

SECTION 9. IC 3-11-2-12, AS AMENDED BY P.L.190-2011, SECTION 5, AND AS AMENDED BY P.L.201-2011, SECTION 5, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12. The following offices shall be placed on the general election ballot in the following order *after the public questions described in section 10(a) of this chapter:*

(1) Federal and state offices:

(A) President and Vice President of the United States.

(B) United States Senator.

(C) Governor and lieutenant governor.

(D) Secretary of state.

(E) Auditor of state.

(F) Treasurer of state.

(G) Attorney general.

(H) Superintendent of public instruction.

(I) United States Representative.

(2) Legislative offices:

(A) State senator.

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(B) State representative.

(3) Circuit offices and county judicial offices:

(A) Judge of the circuit court, and unless otherwise specified under IC 33, with each division separate if there is more than one (1) judge of the circuit court.

(B) Judge of the superior court, and unless otherwise specified under IC 33, with each division separate if there is more than one (1) judge of the superior court.

(C) Judge of the probate court.

~~*(D) Judge of the county court, with each division separate, as required by IC 33-30-3-3.*~~

~~*(E)*~~ *(D)* Prosecuting attorney.

~~*(F)*~~ *(E)* Clerk of the circuit court.

(4) County offices:

(A) County auditor.

(B) County recorder.

(C) County treasurer.

(D) County sheriff.

(E) County coroner.

(F) County surveyor.

(G) County assessor.

(H) County commissioner.

(I) County council member.

(5) Township offices:

(A) Township assessor (only in a township referred to in IC 36-6-5-1(d)).

(B) Township trustee.

(C) Township board member.

(D) Judge of the small claims court.

(E) Constable of the small claims court.

(6) City offices:

(A) Mayor.

(B) Clerk or clerk-treasurer.

(C) Judge of the city court.

(D) City-county council member or common council member.

(7) Town offices:

(A) Clerk-treasurer.

(B) Judge of the town court.

(C) Town council member.

SECTION 10. IC 4-4-9.7-5, AS ADDED BY P.L.83-2005, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 5. (a) The secretary shall appoint an individual to

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be the director of the office.

(b) The director:

(1) serves at the secretary's pleasure;

(2) is entitled to receive compensation in an amount set by the secretary subject to the approval of the budget agency under IC 4-12-1-13; and

(3) is responsible to the secretary.

(c) The director is the chief executive and administrative officer of the office.

(d) The director may appoint employees in the manner provided by ~~IC 4-15-2~~ **IC 4-15-2.2** and fix their compensation, subject to the approval of the budget agency under IC 4-12-1-13.

(e) The director may delegate the director's authority to the appropriate office staff.

SECTION 11. IC 4-6-9.1-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. Civil penalties collected under ~~section 6~~ **section 5** of this chapter must be deposited in the state general fund.

SECTION 12. IC 4-12-4-9, AS AMENDED BY P.L.197-2011, SECTION 4, AND AS AMENDED BY P.L.229-2011, SECTION 45, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. *(a) The Indiana tobacco use prevention and cessation executive board is abolished July 1, 2011. On July 1, 2011:*

*(1) all assets, obligations, powers, and duties of the executive board are transferred to the state department of health; and*

*(2) all appropriations made to the Indiana tobacco use prevention and cessation executive board are transferred to the state department of health and are considered appropriations made to the state department of health.*

*(b)* In addition to any other power granted by this chapter, the ~~*executive board*~~ *state department of health* may:

~~*(1) adopt an official seal and alter the seal at its pleasure;*~~

~~*(2)*~~ *(1)* adopt rules under IC 4-22-2 ~~*for the regulation of its affairs and the conduct of its business and prescribe policies in connection with the performance of its functions and duties;*~~ *to carry out this chapter;*

~~*(3)*~~ *(2)* accept gifts, devises, bequests, grants, loans, appropriations, revenue sharing, other financing and assistance, and any other aid from any source and agree to and comply with conditions attached to that aid;

~~*(4)*~~ *(3)* make, execute, and effectuate any and all contracts,

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agreements, or other documents with any governmental agency or any person, corporation, limited liability company, association, partnership, or other organization or entity necessary or convenient to accomplish the purposes of this chapter, including contracts for the provision of all or any portion of the services the ~~*executive board*~~ *state department of health* considers necessary; ~~*for the management and operations of the executive board;*~~

~~*(5)*~~ *(4)* recommend legislation to the governor and general assembly; ~~*and*~~

~~*(6)*~~ **(5)** *make recommendations to the governor, the budget agency, and the general assembly concerning the priorities for appropriation and distribution of money from the Indiana health care account established by IC 4-12-5-3; and*

~~*(5)*~~ ~~*(7)*~~ **(6)** do any and all acts and things necessary, proper, or convenient to carry out this ~~*article.*~~ *chapter.*

SECTION 13. IC 4-15-10-4, AS AMENDED BY P.L.222-2005, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 4. (a) Any employee may report in writing the existence of:

(1) a violation of a federal law or regulation;

(2) a violation of a state law or rule;

(3) a violation of an ordinance of a political subdivision (as defined in IC 36-1-2-13); or

(4) the misuse of public resources;

to a supervisor or to the inspector general.

(b) For having made a report under subsection (a), the employee making the report may not:

(1) be dismissed from employment;

(2) have salary increases or employment related benefits withheld;

(3) be transferred or reassigned;

(4) be denied a promotion the employee otherwise would have received; or

(5) be demoted.

(c) Notwithstanding subsections (a) and (b), an employee must make a reasonable attempt to ascertain the correctness of any information to be furnished and may be subject to disciplinary actions for knowingly furnishing false information, including suspension or dismissal, as determined by the employee's appointing authority, the appointing authority's designee, or the ethics commission. However, any state employee disciplined under this subsection is entitled to process an appeal of the disciplinary action under the procedure as set

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forth in ~~IC 4-15-2-34 through IC 4-15-2-35.5.~~ **IC 4-15-2.2-42.**

(d) An employer who knowingly or intentionally violates this section commits a Class A misdemeanor.

SECTION 14. IC 4-15-12-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 3. There is created within the state personnel department the Indiana affirmative action office. The director of the department shall:

(1) appoint an affirmative action officer who shall direct the office; and

(2) employ the additional personnel necessary to carry out the functions of the office, which personnel are governed by ~~IC 4-15-2.~~ **IC 4-15-2.2.**

SECTION 15. IC 4-15-16-2 IS REPEALED [EFFECTIVE JULY 1, 2012]. ~~Sec. 2. This chapter does not apply to an inmate placed in the unclassified service under IC 4-15-2-7.~~

SECTION 16. IC 4-21.5-2-5, AS AMENDED BY P.L.1-2007, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 5. This article does not apply to the following agency actions:

(1) The issuance of a warrant or jeopardy warrant for the collection of taxes.

(2) A determination of probable cause or no probable cause by the civil rights commission.

(3) A determination in a factfinding conference of the civil rights commission.

(4) A personnel action, except review of:

**(A)** a personnel action by the state employees appeals commission under ~~IC 4-15-2~~ **IC 4-15-2.2-42;** or

**(B)** a personnel action that is not covered by ~~IC 4-15-2~~ **IC 4-15-2.2** but may be taken only for cause.

(5) A resolution, directive, or other action of any agency that relates solely to the internal policy, organization, or procedure of that agency or another agency and is not a licensing or enforcement action. Actions to which this exemption applies include the statutory obligations of an agency to approve or ratify an action of another agency.

(6) An agency action related to an offender within the jurisdiction of the department of correction.

(7) A decision of the Indiana economic development corporation, the office of tourism development, the department of environmental management, the tourist information and grant fund review committee (before the repeal of the statute that

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created the tourist information and grant fund review committee), the Indiana finance authority, the corporation for innovation development, or the lieutenant governor that concerns a grant, loan, bond, tax incentive, or financial guarantee.

(8) A decision to issue or not issue a complaint, summons, or similar accusation.

(9) A decision to initiate or not initiate an inspection, investigation, or other similar inquiry that will be conducted by the agency, another agency, a political subdivision, including a prosecuting attorney, a court, or another person.

(10) A decision concerning the conduct of an inspection, investigation, or other similar inquiry by an agency.

(11) The acquisition, leasing, or disposition of property or procurement of goods or services by contract.

(12) Determinations of the department of workforce development under IC 22-4-18-1(g)(1) or IC 22-4-41.

(13) A decision under IC 9-30-12 of the bureau of motor vehicles to suspend or revoke a driver's license, a driver's permit, a vehicle title, or a vehicle registration of an individual who presents a dishonored check.

(14) An action of the department of financial institutions under IC 28-1-3.1 or a decision of the department of financial institutions to act under IC 28-1-3.1.

(15) A determination by the NVRA official under IC 3-7-11 concerning an alleged violation of the National Voter Registration Act of 1993 (42 U.S.C. 1973gg) or IC 3-7.

(16) Imposition of a civil penalty under IC 4-20.5-6-8 if the rules of the Indiana department of administration provide an administrative appeals process.

(17) A determination of status as a member of or participant in an environmental performance based program developed and implemented under IC 13-27-8.

SECTION 17. IC 4-21.5-3-1, AS AMENDED BY P.L.32-2011, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) This section applies to:

(1) the giving of any notice;

(2) the service of any motion, ruling, order, or other filed item; or

(3) the filing of any document with the ultimate authority;

in an administrative proceeding under this article.

(b) Except as provided in subsection (c) or as otherwise provided by law, a person shall serve papers by:

(1) United States mail;

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(2) personal service;
(3) electronic mail; or
(4) any other method approved by the Indiana Rules of Trial Procedure.

(c) The following shall be served by United States mail or personal service:
(1) The initial notice of a determination under section 4, 5, or 6 of this chapter.
(2) A petition for review of an agency action under section 7 of this chapter.
(3) A complaint under section 8 of this chapter.

(d) The agency shall keep a record of the time, date, and circumstances of the service under subsection (b) or (c).

(e) Service shall be made on a person or on the person's counsel or other authorized representative of record in the proceeding. Service on an artificial person or a person incompetent to receive service shall be made on a person allowed to receive service under the rules governing civil actions in the courts. If an ultimate authority consists of more than one (1) individual, service on that ultimate authority must be made on the chairperson or secretary of the ultimate authority. A document to be filed with that ultimate authority must be filed with the chairperson or secretary of the ultimate authority.

(f) If the current address of a person is not ascertainable, service shall be mailed to the last known address where the person resides or has a principal place of business. If the identity, address, or existence of a person is not ascertainable, or a law other than a rule allows, service shall be made by a single publication in a newspaper of general circulation in:
(1) the county in which the person resides, has a principal place of business, or has property that is the subject of the proceeding; or
(2) Marion County, if the place described in subdivision (1) is not ascertainable or the place described in subdivision (1) is outside Indiana and the person does not have a resident agent or other representative of record in Indiana.

(g) A notice given by publication must include a statement advising a person how the person may receive written notice of the proceedings.

(h) The filing of a document with an ultimate authority is complete on the earliest of the following dates that apply to the filing:
(1) The date on which the document is delivered to the ultimate authority:

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**(A)** under subsection (b) **or** (c); ~~or~~ **and**

**(B) in compliance with subsection** ~~c.~~ **(e).**

(2) The date of the postmark on the envelope containing the document, if the document is mailed to the ultimate authority by United States mail.

(3) The date on which the document is deposited with a private carrier, as shown by a receipt issued by the carrier, if the document is sent to the ultimate authority by private carrier.

SECTION 18. IC 4-21.5-3-7, AS AMENDED BY P.L.217-2007, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 7. (a) To qualify for review of a personnel action to which ~~IC 4-15-2~~ **IC 4-15-2.2** applies, a person must comply with ~~IC 4-15-2-35 or IC 4-15-2-35.5.~~ **IC 4-15-2.2-42.** To qualify for review of any other order described in section 4, 5, or 6 of this chapter, a person must petition for review in a writing that does the following:

(1) States facts demonstrating that:

(A) the petitioner is a person to whom the order is specifically directed;

(B) the petitioner is aggrieved or adversely affected by the order; or

(C) the petitioner is entitled to review under any law.

(2) Includes, with respect to determinations of notice of program reimbursement and audit findings described in section 6(a)(3) and 6(a)(4) of this chapter, a statement of issues that includes:

(A) the specific findings, action, or determination of the office of Medicaid policy and planning or of a contractor of the office of Medicaid policy and planning from which the provider is appealing;

(B) the reason the provider believes that the finding, action, or determination of the office of Medicaid policy and planning or of a contractor of the office of Medicaid policy and planning was in error; and

(C) with respect to each finding, action, or determination of the office of Medicaid policy and planning or of a contractor of the office of Medicaid policy and planning, the statutes or rules that support the provider's contentions of error.

Not more than thirty (30) days after filing a petition for review under this section, and upon a finding of good cause by the administrative law judge, a person may amend the statement of issues contained in a petition for review to add one (1) or more additional issues.

(3) Is filed:

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(A) with respect to an order described in section 4, 5, 6(a)(1), 6(a)(2), or 6(a)(5) of this chapter, with the ultimate authority for the agency issuing the order within fifteen (15) days after the person is given notice of the order or any longer period set by statute; or

(B) with respect to a determination described in section 6(a)(3) or 6(a)(4) of this chapter, with the office of Medicaid policy and planning not more than one hundred eighty (180) days after the hospital is provided notice of the determination.

The issuance of an amended notice of program reimbursement by the office of Medicaid policy and planning does not extend the time within which a hospital must file a petition for review from the original notice of program reimbursement under clause (B), except for matters that are the subject of the amended notice of program reimbursement.

If the petition for review is denied, the petition shall be treated as a petition for intervention in any review initiated under subsection (d).

(b) If an agency denies a petition for review under subsection (a) and the petitioner is not allowed to intervene as a party in a proceeding resulting from the grant of the petition for review of another person, the agency shall serve a written notice on the petitioner that includes the following:

(1) A statement that the petition for review is denied.

(2) A brief explanation of the available procedures and the time limit for seeking administrative review of the denial under subsection (c).

(c) An agency shall assign an administrative law judge to conduct a preliminary hearing on the issue of whether a person is qualified under subsection (a) to obtain review of an order when a person requests reconsideration of the denial of review in a writing that:

(1) states facts demonstrating that the person filed a petition for review of an order described in section 4, 5, or 6 of this chapter;

(2) states facts demonstrating that the person was denied review without an evidentiary hearing; and

(3) is filed with the ultimate authority for the agency denying the review within fifteen (15) days after the notice required by subsection (b) was served on the petitioner.

Notice of the preliminary hearing shall be given to the parties, each person who has a pending petition for intervention in the proceeding, and any other person described by section 5(d) of this chapter. The resulting order must be served on the persons to whom notice of the preliminary hearing must be given and include a statement of the facts

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and law on which it is based.

(d) If a petition for review is granted, the petitioner becomes a party to the proceeding and the agency shall assign the matter to an administrative law judge or certify the matter to another agency for the assignment of an administrative law judge (if a statute transfers responsibility for a hearing on the matter to another agency). The agency granting the administrative review or the agency to which the matter is transferred may conduct informal proceedings to settle the matter to the extent allowed by law.

SECTION 19. IC 4-31-3-9, AS AMENDED BY P.L.182-2009(ss), SECTION 57, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 9. Subject to section 14 of this chapter, the commission may:

(1) adopt rules under IC 4-22-2, including emergency rules under IC 4-22-2-37.1, to implement this article, including rules that prescribe:

(A) the forms of wagering that are permitted;

(B) the number of races;

(C) the procedures for wagering;

(D) the wagering information to be provided to the public;

(E) fees for the issuance and renewal of:

(i) permits under IC 4-31-5;

(ii) satellite facility licenses under IC 4-31-5.5; and

(iii) licenses for racetrack personnel and racing participants under IC 4-31-6;

(F) investigative fees;

(G) fines and penalties; and

(H) any other regulation that the commission determines is in the public interest in the conduct of recognized meetings and wagering on horse racing in Indiana;

(2) appoint employees ~~in the manner provided by IC 4-15-2~~ and fix their compensation, subject to the approval of the budget agency under IC 4-12-1-13;

(3) enter into contracts necessary to implement this article; and

(4) receive and consider recommendations from an advisory development committee established under IC 4-31-11.

SECTION 20. IC 4-32.2-2-29.5, AS ADDED BY P.L.104-2011, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 29.5. "Volunteer ticket agent" means a person acting on behalf of a qualified organization that:

(1) receives no compensation from the qualified organization;

(2) sells tickets to an allowable event held under a license issued

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under IC 4-32.2-4-8, ~~IC 4-32.2-10,~~ **IC 4-32.2-4-10,** or IC 4-32.2-4-12, or a single event license issued under IC 4-32.2-4-16; and

(3) does not assist the qualified organization in conducting the allowable event in any other way.

SECTION 21. IC 4-33-23-8, AS ADDED BY P.L.82-2011, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. All development agreements must contain the following statement:

"All parties to this agreement recognize the authority of the Indiana gaming commission over this agreement, including the authority to disapprove all or part of this agreement, to verify and ensure payments made under this agreement, to verify and ensure expenditures by recipients, to verify and ensure ~~that~~ compliance with the purposes of the agreement, and to act concerning modifications to the agreement. All parties to this agreement agree to comply fully with any requests for information or directives related to the exercise of the commission's authority.".

SECTION 22. IC 4-33-23-11, AS ADDED BY P.L.82-2011, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11. (a) A party that is not the development provider may not be a for-profit person.

(b) A specified recipient may not be a for-profit person.

(c) A specified recipient who disburses part or all of an economic development payment to an unspecified recipient has a duty to ensure that the expenditures made by ~~an~~ **the** unspecified recipient directly advance the stated purposes of the economic development payment.

SECTION 23. IC 4-33-23-14, AS ADDED BY P.L.82-2011, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 14. (a) If all parties to a development agreement agree to modify ~~a~~ **the** development agreement, the parties shall:

(1) submit to the commission a written request for modification, which shall be signed by all parties;

(2) submit a copy of the development agreement as it would appear after modification; and

(3) submit a document explaining the parties' reasons for the requested modifications.

(b) The commission may consider a request for modification that complies with subsection (a).

(c) If the commission approves the parties' request, the parties shall provide the commission with a fully executed copy of the new

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development agreement not later than thirty (30) days after the date of commission approval.

SECTION 24. IC 4-37-5-3, AS ADDED BY P.L.167-2011, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 3. The board may develop a separate personnel system for employees of the corporation. The system may establish the rights, privileges, powers, and duties of the corporation employees, including pay scale and benefit package. If the board does not develop and adopt a personnel system, the employees of the corporation are subject to the state personnel system under ~~IC 4-15-1.8.~~ **IC 4-15-2.2.** If the board does adopt a separate personnel system, the rules should mirror the state personnel rules as closely as possible.

SECTION 25. IC 5-10-5.5-1, AS AMENDED BY P.L.16-2011, SECTION 1, AND AS AMENDED BY P.L.23-2011, SECTION 3, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. As used in this chapter and unless the context clearly denotes otherwise:

*(1) "Board" refers to the board of trustees of the Indiana public retirement system established by IC 5-10.5-3-1.*

~~(a)~~ *(2)* "Department" means the Indiana department of natural resources.

~~(b)~~ *(3)* "Commission" means the alcohol and tobacco commission.

~~(c)~~ *(4)* "Officer" means any Indiana state excise police officer, any Indiana state conservation enforcement officer, any gaming agent, or any gaming control officer.

~~(d)~~ *(5)* "Participant" means any officer who has elected to participate in the retirement plan created by this chapter.

~~(e)~~ *(6)* "Salary" means the total compensation, exclusive of expense allowances, paid to any officer by the department or the commission, determined without regard to any salary reduction agreement established under Section 125 of the Internal Revenue Code.

~~(f)~~ *(7)* "Average annual salary" means the average annual salary of an officer during the five (5) years of highest annual salary in the ten (10) years immediately preceding an officer's retirement date, determined without regard to any salary reduction agreement established under Section 125 of the Internal Revenue Code.

~~(g)~~ *(8)* "Public employees' retirement act" means IC 5-10.3.

~~(h)~~ *(9)* "Public employees' retirement fund" means the public employees' retirement fund created by IC 5-10.3-2.

~~(i)~~ *(10)* "Interest" means the ~~same~~ rate of interest ~~as is~~ specified ~~under~~ *by rule by the board of trustees of* the **Indiana** public

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~~employees'~~ retirement ~~*law.*~~ ~~*fund.*~~ **system established by IC 5-10.5-3-1.**

~~*(j)*~~ *(11)* "Americans with Disabilities Act" refers to the Americans with Disabilities Act (42 U.S.C. 12101 et seq.) and any amendments and regulations related to the Act.

~~*(k)*~~ *(12)* Other words and phrases when used in this chapter shall, for the purposes of this chapter, have the meanings respectively ascribed to them as set forth in IC 5-10.3-1.

SECTION 26. IC 5-10-8-6.7, AS AMENDED BY P.L.91-2011, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6.7. (a) As used in this section, "state employee health plan" means a:

(1) self-insurance program established under section 7(b) of this chapter; or

(2) contract with a prepaid health care delivery plan entered into under section 7(c) of this chapter;

to provide group health coverage for state employees.

(b) The state personnel department shall allow a school corporation or charter school to elect to provide coverage of health care services for active and retired employees of the school corporation under any state employee health plan. If a school corporation or charter school elects to provide coverage of health care services for active and retired employees of the school corporation or charter school under a state employee health plan, it must provide coverage for all active and retired employees of the school corporation or charter school under the state employee health plan (other than any employees covered by an Indiana comprehensive health insurance association policy or individuals who retire from the school corporation before July 1, 2010, or charter school before July 1, 2011) if coverage was provided for these employees under the prior policies.

(c) The following apply if a school corporation or charter school elects to provide coverage for active and retired employees of the school corporation or charter school under subsection (b):

(1) The state shall not pay any part of the cost of the coverage.

(2) The coverage provided to an active or retired school corporation or charter school employee under this section must be the same as the coverage provided to an active or retired state employee under the state employee health plan.

(3) Notwithstanding sections 2.2 and 2.6 of this chapter:

(A) the school corporation or charter school shall pay for the coverage provided to an active or retired school corporation or charter school employee under this section an amount not

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more than the amount paid by the state for coverage provided to an active or retired state employee under the state employee health plan; and

(B) an active or retired school corporation or charter school employee shall pay for the coverage provided to the active or retired school corporation or charter **school** employee under this section an amount that is at least equal to the amount paid by an active or retired state employee for coverage provided to the active or retired state employee under the state employee health plan.

However, this subdivision does not apply to contractual commitments made by a school corporation to individuals who retire before July 1, 2010, or **by** a charter school to individuals who retire before July 1, 2011.

(4) The school corporation or charter school shall pay any administrative costs of the school corporation's or charter school's participation in the state employee health plan.

(5) The school corporation or charter school shall provide the coverage elected under subsection (b) for a period of at least three (3) years beginning on the date the coverage of the school corporation or charter school employees under the state employee health plan begins.

(d) The state personnel department shall provide an enrollment period at least every thirty (30) days for a school corporation or charter school that elects to provide coverage under subsection (b).

(e) The state personnel department may adopt rules under IC 4-22-2 to implement this section.

(f) Neither this section nor a school corporation's or charter school's election to participate in a state employee health plan as provided in this section impairs the rights of an exclusive representative of the certificated or noncertificated employees of the school corporation or charter school to collectively bargain all matters related to school employee health insurance programs and benefits.

SECTION 27. IC 5-10-8.5-4, AS ADDED BY P.L.44-2007, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 4. As used in this chapter, "department" refers to the state personnel department established under ~~IC 4-15-1.8-2.~~ **IC 4-15-2.2.**

SECTION 28. IC 5-10.2-2-6, AS AMENDED BY P.L.13-2011, SECTION 3, AS AMENDED BY P.L.22-2011, SECTION 1, AND AS AMENDED BY P.L.23-2011, SECTION 9, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON

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PASSAGE]: Sec. 6. (a) The retirement allowance account of the public employees' retirement fund consists of the retirement fund, exclusive of the annuity savings account. *The retirement allowance account also includes any amounts received under IC 5-10.3-12-24(b).* For the public employees' retirement fund, separate accounts within the retirement allowance account shall be maintained for contributions made by ~~*the state and by each political subdivision.*~~ *each contribution rate group.*

(b) The retirement allowance account of the pre-1996 account consists of the pre-1996 account, exclusive of the annuity savings account.

(c) The retirement allowance account of the 1996 account consists of the 1996 account, exclusive of the annuity savings account. ~~*For the 1996 account, separate accounts within the retirement allowance account shall be maintained for contributions made by the state, by each school corporation, and by each institution.*~~

SECTION 29. IC 5-10.3-11-0.3, AS ADDED BY P.L.220-2011, SECTION 83, IS REPEALED [EFFECTIVE UPON PASSAGE]. ~~Sec. 0.3. For property taxes first due and payable after December 31, 2008, the department of local government finance shall reduce the maximum permissible ad valorem property tax levy of any civil taxing unit and special service district by the amount of the payment to be made in 2009 by the state of Indiana under this chapter, as amended by P.L.146-2008, for benefits to members (and survivors and beneficiaries of members) of the 1925 police pension fund, the 1937 firefighters' fund, or the 1953 police pension fund.~~

SECTION 30. IC 5-10.3-12-21, AS ADDED BY P.L.22-2011, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 21. (a) The plan consists of the following:

(1) Each member's contributions to the plan under section 23 of this chapter.

(2) Contributions made by an employer to the plan on behalf of each member under section 24 of this chapter.

(3) Rollovers to the plan by a member under section 29 of this chapter.

(4) All earnings on investments or deposits of the plan.

(5) All contributions or payments to the plan made in the manner provided by the general assembly.

(b) The plan shall establish an account for each member. A member's account consists of two (2) subaccounts credited individually as follows:

(1) The member contribution subaccount consists of:

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(A) the member's contributions to the plan under section 23 of this chapter; and

(B) the net earnings on the contributions described in clause (A) as determined under section 22 of this chapter.

(2) The employer contribution subaccount consists of:

(A) the employer's contributions made on behalf of the member to the plan under section 24 of this chapter; and

(B) the earnings on the contributions described in clause (A) as determined under section 22 of this chapter.

The board may combine the two **(2)** subaccounts established under this subsection into a single account, if the board determines that a single account is administratively appropriate and permissible under applicable law.

(c) If a member makes rollover contributions under ~~section 30~~ **section 29** of this chapter, the plan shall establish a rollover account as a separate subaccount within the member's account.

SECTION 31. IC 5-10.3-12-22, AS ADDED BY P.L.22-2011, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 22. (a) Subject to the board obtaining the approval of the Internal Revenue Service as described in section 18(b) of this chapter, the board shall establish the alternative investment programs (as described by IC 5-10.2-2-3 and IC 5-10.2-2-4) within the annuity savings account as the initial alternative investment programs for the plan, except that the board shall maintain at least one (1) alternative investment program that is a stable value fund. If the board considers it necessary or appropriate, the board may establish different or additional alternative investment programs for the plan. However, the guaranteed ~~fund~~ **program** (as defined in IC 5-10.2-2-3) shall not be offered as an investment option under the plan.

(b) The requirements and rules that apply to the alternative investment programs within the annuity savings account are the initial requirements and rules that apply to the alternative investment programs within the plan, including the following:

(1) The board's investment guidelines and limits for the alternative investment programs.

(2) A member's selection of and changes to the member's investment options.

(3) The valuation of a member's account.

(4) The allocation and payment of administrative expenses for the alternative investment programs.

(c) If the board considers it necessary or appropriate, the board may establish different or additional requirements and rules that apply to the

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alternative investment programs within the plan.

(d) The board shall determine the appropriate administrative fees to be charged to the member accounts.

SECTION 32. IC 5-10.3-12-25, AS ADDED BY P.L.22-2011, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 25. (a) Member contributions and net earnings on the member contributions in the member contribution subaccount belong to the member at all times and do not belong to the state.

(b) A member is vested in the employer contribution subaccount in accordance with the following schedule:

| Years of participation in the plan | Vested percentage of employer contributions and earnings |
|---|---|
| 1 | 20% |
| 2 | 40% |
| 3 | 60% |
| 4 | 80% |
| 5 | 100% |

For purposes of vesting in the employer contribution subaccount, only a member's full years of participation in the plan may be counted.

(c) The amount that a member may withdraw from the member's account is limited to the vested portion of the account.

(d) A member who attains normal retirement age is fully vested in all amounts in the member's account.

(e) If a member separates from service with the state before the member is fully vested in the employer contribution subaccount, the amount in the employer contribution subaccount that is not vested is forfeited as of the date ~~of~~ the member separates from service.

(f) Amounts forfeited under subsection (e) must be used to reduce the state's unfunded accrued liability of the fund as determined under IC 5-10.2-2-11(a)(3) and IC 5-10.2-2-11(a)(4).

(g) A member may not earn creditable service (as defined in IC 5-10.2-3-1(a)) under the plan.

SECTION 33. IC 5-10.3-12-26, AS ADDED BY P.L.22-2011, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 26. (a) Subject to the provisions of the Internal Revenue Code applicable to qualified plan distributions, a member who terminates service in a covered position is entitled to withdraw amounts in the member's account to the extent the member is vested in the account. A member must make a required withdrawal from the member's account not later than the required beginning date

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under the Internal Revenue Code.

(b) The member may elect to have withdrawals paid as:

(1) a lump sum;

(2) a direct rollover to another eligible retirement plan; or

(3) if the member has attained normal retirement age, ~~as~~ a monthly annuity in accordance with the rules of the board.

(c) The board may establish a minimum account balance or a minimum monthly payment amount in order for a member to select the monthly annuity option. The board shall establish the forms of annuity by rule, in consultation with the board's actuary. The board shall give members information about these forms of payment and any information required by federal law to accompany such distributions.

(d) Unless otherwise required by federal or state law, the requirements and rules that apply to the distribution of the annuity savings account apply to distributions from a member's account.

SECTION 34. IC 5-10.3-12-30, AS ADDED BY P.L.22-2011, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 30. (a) If a member becomes disabled while in a covered position, subject to any federal law limitations concerning qualified plan distributions and the ~~member's~~ **member** furnishing proof of the member's qualification for Social Security disability benefits to the board, to the extent that the member is vested, the member may make a withdrawal from the member's account.

(b) The member may elect to have the withdrawal paid as:

(1) a lump sum;

(2) a direct rollover to another eligible retirement plan; or

(3) a monthly annuity in accordance with the rules of the board.

(c) The board may establish a minimum account balance or a minimum monthly payment amount in order for a member to select the monthly annuity option.

SECTION 35. IC 5-16-1-1.5, AS AMENDED BY P.L.229-2011, SECTION 77, AND AS AMENDED BY P.L.172-2011, SECTION 19, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1.5. *(a)* The governing board of any state educational institution, acting on behalf of said institution, may purchase materials in the manner provided by law and perform any work by means of its own employees and owned or leased equipment in the construction, rehabilitation, extension, maintenance or repair of any building, structure, improvement, or facility, of said institutions, without awarding a contract therefor, whenever the cost of such work shall be estimated to be less than one hundred fifty thousand dollars ($150,000).

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*(b) The workforce of a state educational institution may perform a public work described in subsection (a) only if:*

*(1) the workforce, through demonstrated skills, training, or expertise, is capable of performing the public work; and*

*(2) for a public work project under subsection (a) whose cost is estimated to be more than one hundred thousand dollars ($100,000), the state educational institution:*

*(A) publishes a notice under IC 5-3-1 that:*

*(i) describes the public work that the state educational institution intends to perform with its own workforce; and*

*(ii) sets forth the projected cost of each component of the public work as described in subsection (a); and*

*(B) determines at a public meeting that it is in the public interest to perform the public work with the state educational institution's own workforce.*

*A public work project performed by a state educational institution's own workforce must be inspected and accepted as complete in the same manner as a public work project performed under a contract awarded after receiving bids.*

*(c) If a public work project involves a structure, an improvement, or a facility under the control of a state educational institution, the state educational institution may not artificially divide the project to bring any part of the project under this section.*

SECTION 36. IC 5-20-1-4, AS AMENDED BY P.L.170-2011, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) The authority has all of the powers necessary or convenient to carry out and effectuate the purposes and provisions of this chapter, including the power:

(1) to make or participate in the making of construction loans for multiple family residential housing under terms that are approved by the authority;

(2) to make or participate in the making of mortgage loans for multiple family residential housing under terms that are approved by the authority;

(3) to purchase or participate in the purchase from mortgage lenders of mortgage loans made to persons of low and moderate income for residential housing;

(4) to make loans to mortgage lenders for the purpose of furnishing funds to such mortgage lenders to be used for making mortgage loans for persons and families of low and moderate income. However, the obligation to repay loans to mortgage lenders shall be general obligations of the respective mortgage

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lenders and shall bear such date or dates, shall mature at such time or times, shall be evidenced by such note, bond, or other certificate of indebtedness, shall be subject to prepayment, and shall contain such other provisions consistent with the purposes of this chapter as the authority shall by rule or resolution determine;

(5) to collect and pay reasonable fees and charges in connection with making, purchasing, and servicing of its loans, notes, bonds, commitments, and other evidences of indebtedness;

(6) to acquire real property, or any interest in real property, by conveyance, including purchase in lieu of foreclosure, or foreclosure, to own, manage, operate, hold, clear, improve, and rehabilitate such real property and sell, assign, exchange, transfer, convey, lease, mortgage, or otherwise dispose of or encumber such real property where such use of real property is necessary or appropriate to the purposes of the authority;

(7) to sell, at public or private sale, all or any part of any mortgage or other instrument or document securing a construction loan, a land development loan, a mortgage loan, or a loan of any type permitted by this chapter;

(8) to procure insurance against any loss in connection with its operations in such amounts and from such insurers as it may deem necessary or desirable;

(9) to consent, subject to the provisions of any contract with noteholders or bondholders which may then exist, whenever it deems it necessary or desirable in the fulfillment of its purposes to the modification of the rate of interest, time of payment of any installment of principal or interest, or any other terms of any mortgage loan, mortgage loan commitment, construction loan, loan to lender, or contract or agreement of any kind to which the authority is a party;

(10) to enter into agreements or other transactions with any federal, state, or local governmental agency for the purpose of providing adequate living quarters for such persons and families in cities and counties where a need has been found for such housing;

(11) to include in any borrowing such amounts as may be deemed necessary by the authority to pay financing charges, interest on the obligations (for a period not exceeding the period of construction and a reasonable time thereafter or if the housing is completed, two (2) years from the date of issue of the obligations), consultant, advisory, and legal fees and such other

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expenses as are necessary or incident to such borrowing;
(12) to make and publish rules respecting its lending programs and such other rules as are necessary to effectuate the purposes of this chapter;
(13) to provide technical and advisory services to sponsors, builders, and developers of residential housing and to residents and potential residents, including housing selection and purchase procedures, family budgeting, property use and maintenance, household management, and utilization of community resources;
(14) to promote research and development in scientific methods of constructing low cost residential housing of high durability;
(15) to encourage community organizations to participate in residential housing development;
(16) to make, execute, and effectuate any and all agreements or other documents with any governmental agency or any person, corporation, association, partnership, limited liability company, or other organization or entity necessary or convenient to accomplish the purposes of this chapter;
(17) to accept gifts, devises, bequests, grants, loans, appropriations, revenue sharing, other financing and assistance and any other aid from any source whatsoever and to agree to, and to comply with, conditions attached thereto;
(18) to sue and be sued in its own name, plead and be impleaded;
(19) to maintain an office in the city of Indianapolis and at such other place or places as it may determine;
(20) to adopt an official seal and alter the same at pleasure;
(21) to adopt and from time to time amend and repeal bylaws for the regulation of its affairs and the conduct of its business and to prescribe rules and policies in connection with the performance of its functions and duties;
(22) to employ fiscal consultants, engineers, attorneys, real estate counselors, appraisers, and such other consultants and employees as may be required in the judgment of the authority and to fix and pay their compensation from funds available to the authority therefor;
(23) notwithstanding IC 5-13, but subject to the requirements of any trust agreement entered into by the authority, to invest:
(A) the authority's money, funds, and accounts;
(B) any money, funds, and accounts in the authority's custody; and
(C) proceeds of bonds or notes;
in the manner provided by an investment policy established by

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resolution of the authority;
(24) to make or participate in the making of construction loans, mortgage loans, or both, to individuals, partnerships, limited liability companies, corporations, and organizations for the construction of residential facilities for individuals with a developmental disability or for individuals with a mental illness or for the acquisition or renovation, or both, of a facility to make it suitable for use as a new residential facility for individuals with a developmental disability or for individuals with a mental illness;
(25) to make or participate in the making of construction and mortgage loans to individuals, partnerships, corporations, limited liability companies, and organizations for the construction, rehabilitation, or acquisition of residential facilities for children;
(26) to purchase or participate in the purchase of mortgage loans from:
(A) public utilities (as defined in IC 8-1-2-1); or
(B) municipally owned gas utility systems organized under IC 8-1.5;
if those mortgage loans were made for the purpose of insulating and otherwise weatherizing single family residences in order to conserve energy used to heat and cool those residences;
(27) to provide financial assistance to mutual housing associations (IC 5-20-3) in the form of grants, loans, or a combination of grants and loans for the development of housing for low and moderate income families;
(28) to service mortgage loans made or acquired by the authority and to impose and collect reasonable fees and charges in connection with such servicing;
(29) subject to the authority's investment policy, to enter into swap agreements (as defined in IC 8-9.5-9-4) in accordance with IC 8-9.5-9-5 and IC 8-9.5-9-7;
(30) to promote and foster community revitalization through community services and real estate development;
(31) to coordinate and establish linkages between governmental and other social services programs to ensure the effective delivery of services to low income individuals and families, including individuals or families facing or experiencing homelessness;
(32) to cooperate with local housing officials and plan commissions in the development of projects that the officials or commissions have under consideration;
(33) to prescribe, in accordance with IC 32-30-10.5-10(i), a list of documents that must be included **under IC 32-30-10.5** as part of

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a debtor's loss mitigation package in a foreclosure action filed ~~under IC 32-30-10.5~~ after June 30, 2011;

(34) to take actions necessary to implement its powers that the authority determines to be appropriate and necessary to ensure the availability of state or federal financial assistance; and

(35) to administer any program or money designated by the state or available from the federal government or other sources that is consistent with the authority's powers and duties.

The omission of a power from the list in this subsection does not imply that the authority lacks that power. The authority may exercise any power that is not listed in this subsection but is consistent with the powers listed in this subsection to the extent that the power is not expressly denied by the Constitution of the State of Indiana or by another statute.

(b) The authority shall ensure that a mortgage loan acquired by the authority under subsection (a)(3) or made by a mortgage lender with funds provided by the authority under subsection (a)(4) is not knowingly made to a person whose adjusted family income, as determined by the authority, exceeds one hundred twenty-five percent (125%) of the median income for the geographic area involved. However, if the authority determines that additional encouragement is needed for the development of the geographic area involved, a mortgage loan acquired or made under subsection (a)(3) or (a)(4) may be made to a person whose adjusted family income, as determined by the authority, does not exceed one hundred forty percent (140%) of the median income for the geographic area involved. The authority shall establish procedures that the authority determines are appropriate to structure and administer any program conducted under subsection (a)(3) or (a)(4) for the purpose of acquiring or making mortgage loans to persons of low or moderate income. In determining what constitutes low income, moderate income, or median income for purposes of any program conducted under subsection (a)(3) or (a)(4), the authority shall consider:

(1) the appropriate geographic area in which to measure income levels; and

(2) the appropriate method of calculating low income, moderate income, or median income levels including:

(A) sources of;

(B) exclusions from; and

(C) adjustments to;

income.

(c) The authority, when directed by the governor, shall administer

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programs and funds under 42 U.S.C. 1437 et seq.

(d) The authority shall identify, promote, assist, and fund:

(1) home ownership education programs; and

(2) mortgage foreclosure counseling and education programs under IC 5-20-6;

conducted throughout Indiana by nonprofit counseling agencies that the authority has certified, or by any other public, private, or nonprofit entity in partnership with a nonprofit agency that the authority has certified, using funds appropriated under section 27 of this chapter. The attorney general and the entities listed in IC 4-6-12-4(a)(1) through IC 4-6-12-4(a)(10) shall cooperate with the authority in implementing this subsection.

(e) The authority shall:

(1) oversee and encourage a regional homeless delivery system that:

(A) considers the need for housing and support services;

(B) implements strategies to respond to gaps in the delivery system; and

(C) ensures individuals and families are matched with optimal housing solutions;

(2) facilitate the dissemination of information to assist individuals and families accessing local resources, programs, and services related to homelessness, housing, and community development; and

(3) each year, estimate and reasonably determine the number of the following:

(A) Individuals in Indiana who are homeless.

(B) Individuals in Indiana who are homeless and less than eighteen (18) years of age.

(C) Individuals in Indiana who are homeless and not residents of Indiana.

SECTION 37. IC 5-28-6-1, AS AMENDED BY P.L.114-2011, SECTION 3, AND AS AMENDED BY P.L.172-2011, SECTION 23, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. The corporation shall do the following:

(1) Create and regularly update a strategic economic development plan *that includes the following:*

*(A) Identification of specific economic regions within Indiana and methods by which the corporation will implement more regional collaboration between the corporation and the various local economic development organizations within*

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*these regions.*

*(B) Methods by which the corporation will implement more collaboration between the corporation and the various state economic development organizations within the states contiguous to Indiana.*

(2) Establish strategic benchmarks and performance measures.

(3) Monitor and report on Indiana's economic performance.

(4) Market Indiana to businesses worldwide.

(5) Assist Indiana businesses that want to grow.

(6) Solicit funding from the private sector for selected initiatives.

(7) Provide for the orderly economic development and growth of Indiana.

(8) Establish and coordinate the operation of programs commonly available to all citizens of Indiana to implement a strategic plan for the state's economic development and enhance the general welfare.

(9) Evaluate and analyze the state's economy to determine the direction of future public and private actions, and report and make recommendations to the general assembly in an electronic format under IC 5-14-6 with respect to the state's economy. *The report prepared under this subdivision must include recommendations for strategies and plans for collaboration by the corporation with:*

*(A) local economic development organizations within geographic regions in Indiana; and*

*(B) the various state economic development organizations within the states contiguous to Indiana.*

*(10) Conduct a statewide study to determine specific economic sectors that should be emphasized by the state and by local economic development organizations within geographic regions in Indiana.*

*(11) Report in an electronic format under IC 5-14-6 the results of the study conducted under subdivision (10) to the interim study committee on economic development established by IC 2-5-31.8-1.*

SECTION 38. IC 5-28-6-2, AS AMENDED BY P.L.114-2011, SECTION 4, AND AS AMENDED BY P.L.172-2011, SECTION 24, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) The corporation shall develop and promote programs designed to make the best use of Indiana resources to ensure a balanced economy and continuing economic growth for Indiana, and, for those purposes, may do the

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following:

(1) Cooperate with federal, state, and local governments and agencies in the coordination of programs to make the best use of Indiana resources, *based on a statewide study to determine specific economic sectors that should be emphasized by the state and by local economic development organizations within geographic regions in Indiana, and encourage collaboration with local economic development organizations within geographic regions in Indiana and with the various state economic development organizations within the states contiguous to Indiana.*

(2) Receive and expend funds, grants, gifts, and contributions of money, property, labor, interest accrued from loans made by the corporation, and other things of value from public and private sources, including grants from agencies and instrumentalities of the state and the federal government. The corporation:

(A) may accept federal grants for providing planning assistance, making grants, or providing other services or functions necessary to political subdivisions, planning commissions, or other public or private organizations;

(B) shall administer these grants in accordance with the terms of the grants; and

(C) may contract with political subdivisions, planning commissions, or other public or private organizations to carry out the purposes for which the grants were made.

(3) Direct that assistance, information, and advice regarding the duties and functions of the corporation be given to the corporation by an officer, agent, or employee of the executive branch of the state. The head of any other state department or agency may assign one (1) or more of the department's or agency's employees to the corporation on a temporary basis or may direct a division or an agency under the department's or agency's supervision and control to make a special study or survey requested by the corporation.

(b) The corporation shall perform the following duties:

(1) Develop and implement industrial development programs to encourage expansion of existing industrial, commercial, and business facilities in Indiana and to encourage new industrial, commercial, and business locations in Indiana.

(2) Assist businesses and industries in acquiring, improving, and developing overseas markets and encourage international plant locations in Indiana. The corporation, with the approval of the

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governor, may establish foreign offices to assist in this function.

(3) Promote the growth of minority business enterprises by doing the following:

(A) Mobilizing and coordinating the activities, resources, and efforts of governmental and private agencies, businesses, trade associations, institutions, and individuals.

(B) Assisting minority businesses in obtaining governmental or commercial financing for expansion or establishment of new businesses or individual development projects.

(C) Aiding minority businesses in procuring contracts from governmental or private sources, or both.

(D) Providing technical, managerial, and counseling assistance to minority business enterprises.

(4) Assist the office of the lieutenant governor in:

(A) community economic development planning;

(B) implementation of programs designed to further community economic development; and

(C) the development and promotion of Indiana's tourist resources.

(5) Assist the secretary of agriculture and rural development in promoting and marketing of Indiana's agricultural products and provide assistance to the director of the Indiana state department of agriculture.

(6) With the approval of the governor, implement federal programs delegated to the state to carry out the purposes of this article.

(7) Promote the growth of small businesses by doing the following:

(A) Assisting small businesses in obtaining and preparing the permits required to conduct business in Indiana.

(B) Serving as a liaison between small businesses and state agencies.

(C) Providing information concerning business assistance programs available through government agencies and private sources.

(8) Establish a public information page on its current Internet site on the world wide web. The page must provide the following:

(A) By program, cumulative information on the total amount of incentives awarded, the total number of companies that received the incentives and were assisted in a year, and the names and addresses of those companies.

(B) A mechanism on the page whereby the public may request

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further information online about specific programs or incentives awarded.

(C) A mechanism for the public to receive an electronic response.

(c) The corporation may do the following:

(1) Disseminate information concerning the industrial, commercial, governmental, educational, cultural, recreational, agricultural, and other advantages of Indiana.

(2) Plan, direct, and conduct research activities.

(3) Assist in community economic development planning and the implementation of programs designed to further community economic development.

SECTION 39. IC 5-30-8-6, AS AMENDED BY P.L.18-2011, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) A determination under IC 5-16-7-1(c) for a public project to be constructed under a design-build contract shall be made and filed with the public agency at least two (2) weeks before the date fixed for submission of the qualitative proposal and the price proposal under IC 5-30-6-5.

(b) If the committee appointed under IC 5-16-7-1(b) fails to act and to file a determination under IC 5-16-7-1(c) within the time required by this section, the public agency shall make the determination, and its finding shall be final.

(c) The time periods set forth in this section apply to any construction services provided for a public project to be constructed under a design-build contract, instead of the time periods set forth in ~~IC 5-16-7-1(g) and~~ IC 5-16-7-1(h) **and IC 5-16-7-1(i).**

SECTION 40. IC 6-1.1-12.1-4, AS AMENDED BY P.L.173-2011, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) Except as provided in section 2(i)(4) of this chapter, and subject to section 15 of this chapter, the amount of the deduction which the property owner is entitled to receive under section 3 of this chapter for a particular year equals the product of:

(1) the increase in the assessed value resulting from the rehabilitation or redevelopment; multiplied by

(2) either of the following:

(A) The percentage prescribed in the table set forth in subsection (d).

(B) ~~The~~ **A** percentage ~~prescribed by~~ **determined under** section 17 of this chapter if the designating body elects to use ~~the method set forth in~~ **an alternative abatement schedule provided under** section 17 of this chapter.

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(b) The amount of the deduction determined under subsection (a) shall be adjusted in accordance with this subsection in the following circumstances:

(1) If a general reassessment of real property occurs within the particular period of the deduction, the amount determined under subsection (a)(1) shall be adjusted to reflect the percentage increase or decrease in assessed valuation that resulted from the general reassessment.

(2) If an appeal of an assessment is approved that results in a reduction of the assessed value of the redeveloped or rehabilitated property, the amount of any deduction shall be adjusted to reflect the percentage decrease that resulted from the appeal.

The department of local government finance shall adopt rules under IC 4-22-2 to implement this subsection.

(c) Property owners who had an area designated an urban development area pursuant to an application filed prior to January 1, 1979, are only entitled to the deduction for the first through the fifth years as provided in subsection (d)(10). In addition, property owners who are entitled to a deduction under this chapter pursuant to an application filed after December 31, 1978, and before January 1, 1986, are entitled to a deduction for the first through the tenth years, as provided in subsection (d)(10).

(d) The percentage that may be used in calculating the deduction under subsection (a)(2)(A) is as follows:

(1) For deductions allowed over a one (1) year period:

| YEAR OF DEDUCTION | PERCENTAGE |
|---|---|
| 1st | 100% |

(2) For deductions allowed over a two (2) year period:

| YEAR OF DEDUCTION | PERCENTAGE |
|---|---|
| 1st | 100% |
| 2nd | 50% |

(3) For deductions allowed over a three (3) year period:

| YEAR OF DEDUCTION | PERCENTAGE |
|---|---|
| 1st | 100% |
| 2nd | 66% |
| 3rd | 33% |

(4) For deductions allowed over a four (4) year period:

| YEAR OF DEDUCTION | PERCENTAGE |
|---|---|
| 1st | 100% |
| 2nd | 75% |
| 3rd | 50% |
| 4th | 25% |

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(5) For deductions allowed over a five (5) year period:

| YEAR OF DEDUCTION | PERCENTAGE |
|---|---|
| 1st | 100% |
| 2nd | 80% |
| 3rd | 60% |
| 4th | 40% |
| 5th | 20% |

(6) For deductions allowed over a six (6) year period:

| YEAR OF DEDUCTION | PERCENTAGE |
|---|---|
| 1st | 100% |
| 2nd | 85% |
| 3rd | 66% |
| 4th | 50% |
| 5th | 34% |
| 6th | 17% |

(7) For deductions allowed over a seven (7) year period:

| YEAR OF DEDUCTION | PERCENTAGE |
|---|---|
| 1st | 100% |
| 2nd | 85% |
| 3rd | 71% |
| 4th | 57% |
| 5th | 43% |
| 6th | 29% |
| 7th | 14% |

(8) For deductions allowed over an eight (8) year period:

| YEAR OF DEDUCTION | PERCENTAGE |
|---|---|
| 1st | 100% |
| 2nd | 88% |
| 3rd | 75% |
| 4th | 63% |
| 5th | 50% |
| 6th | 38% |
| 7th | 25% |
| 8th | 13% |

(9) For deductions allowed over a nine (9) year period:

| YEAR OF DEDUCTION | PERCENTAGE |
|---|---|
| 1st | 100% |
| 2nd | 88% |
| 3rd | 77% |
| 4th | 66% |
| 5th | 55% |
| 6th | 44% |

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| | |
|---|---|
| 7th | 33% |
| 8th | 22% |
| 9th | 11% |

(10) For deductions allowed over a ten (10) year period:

| YEAR OF DEDUCTION | PERCENTAGE |
|---|---|
| 1st | 100% |
| 2nd | 95% |
| 3rd | 80% |
| 4th | 65% |
| 5th | 50% |
| 6th | 40% |
| 7th | 30% |
| 8th | 20% |
| 9th | 10% |
| 10th | 5% |

SECTION 41. IC 6-1.1-12.1-4.5, AS AMENDED BY P.L.173-2011, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4.5. (a) An applicant must provide a statement of benefits to the designating body. The applicant must provide the completed statement of benefits form to the designating body before the hearing specified in section 2.5(c) of this chapter or before the installation of the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment for which the person desires to claim a deduction under this chapter. The department of local government finance shall prescribe a form for the statement of benefits. The statement of benefits must include the following information:

(1) A description of the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment that the person proposes to acquire.

(2) With respect to:

(A) new manufacturing equipment not used to dispose of solid waste or hazardous waste by converting the solid waste or hazardous waste into energy or other useful products; and

(B) new research and development equipment, new logistical distribution equipment, or new information technology equipment;

an estimate of the number of individuals who will be employed or whose employment will be retained by the person as a result of the installation of the new manufacturing equipment, new research and development equipment, new logistical distribution

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equipment, or new information technology equipment and an estimate of the annual salaries of these individuals.

(3) An estimate of the cost of the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment.

(4) With respect to new manufacturing equipment used to dispose of solid waste or hazardous waste by converting the solid waste or hazardous waste into energy or other useful products, an estimate of the amount of solid waste or hazardous waste that will be converted into energy or other useful products by the new manufacturing equipment.

The statement of benefits may be incorporated in a designation application. Notwithstanding any other law, a statement of benefits is a public record that may be inspected and copied under IC 5-14-3-3.

(b) The designating body must review the statement of benefits required under subsection (a). The designating body shall determine whether an area should be designated an economic revitalization area or whether the deduction shall be allowed, based on (and after it has made) the following findings:

(1) Whether the estimate of the cost of the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment is reasonable for equipment of that type.

(2) With respect to:

(A) new manufacturing equipment not used to dispose of solid waste or hazardous waste by converting the solid waste or hazardous waste into energy or other useful products; and

(B) new research and development equipment, new logistical distribution equipment, or new information technology equipment;

whether the estimate of the number of individuals who will be employed or whose employment will be retained can be reasonably expected to result from the installation of the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment.

(3) Whether the estimate of the annual salaries of those individuals who will be employed or whose employment will be retained can be reasonably expected to result from the proposed installation of new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or

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new information technology equipment.

(4) With respect to new manufacturing equipment used to dispose of solid waste or hazardous waste by converting the solid waste or hazardous waste into energy or other useful products, whether the estimate of the amount of solid waste or hazardous waste that will be converted into energy or other useful products can be reasonably expected to result from the installation of the new manufacturing equipment.

(5) Whether any other benefits about which information was requested are benefits that can be reasonably expected to result from the proposed installation of new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment.

(6) Whether the totality of benefits is sufficient to justify the deduction.

The designating body may not designate an area an economic revitalization area or approve the deduction unless it makes the findings required by this subsection in the affirmative.

(c) Except as provided in subsection (g), and subject to subsection (h) and section 15 of this chapter, an owner of new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment whose statement of benefits is approved after June 30, 2000, is entitled to a deduction from the assessed value of that equipment for the number of years determined by the designating body under subsection (f). Except as provided in subsection (e) and in section 2(i)(3) of this chapter, and subject to subsection (h) and section 15 of this chapter, the amount of the deduction that an owner is entitled to for a particular year equals the product of:

(1) the assessed value of the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment in the year of deduction under the appropriate table set forth in subsection (d); multiplied by

(2) the percentage prescribed in the appropriate table set forth in subsection (d).

(d) Unless the designating body elects to use ~~the method set forth in~~ **an alternative abatement schedule provided under** section 17 of this chapter to calculate a deduction, the percentage to be used in calculating the deduction under subsection (c) is as follows:

(1) For deductions allowed over a one (1) year period:

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| YEAR OF DEDUCTION | PERCENTAGE |
|---|---|
| 1st | 100% |
| 2nd and thereafter | 0% |

(2) For deductions allowed over a two (2) year period:

| YEAR OF DEDUCTION | PERCENTAGE |
|---|---|
| 1st | 100% |
| 2nd | 50% |
| 3rd and thereafter | 0% |

(3) For deductions allowed over a three (3) year period:

| YEAR OF DEDUCTION | PERCENTAGE |
|---|---|
| 1st | 100% |
| 2nd | 66% |
| 3rd | 33% |
| 4th and thereafter | 0% |

(4) For deductions allowed over a four (4) year period:

| YEAR OF DEDUCTION | PERCENTAGE |
|---|---|
| 1st | 100% |
| 2nd | 75% |
| 3rd | 50% |
| 4th | 25% |
| 5th and thereafter | 0% |

(5) For deductions allowed over a five (5) year period:

| YEAR OF DEDUCTION | PERCENTAGE |
|---|---|
| 1st | 100% |
| 2nd | 80% |
| 3rd | 60% |
| 4th | 40% |
| 5th | 20% |
| 6th and thereafter | 0% |

(6) For deductions allowed over a six (6) year period:

| YEAR OF DEDUCTION | PERCENTAGE |
|---|---|
| 1st | 100% |
| 2nd | 85% |
| 3rd | 66% |
| 4th | 50% |
| 5th | 34% |
| 6th | 25% |
| 7th and thereafter | 0% |

(7) For deductions allowed over a seven (7) year period:

| YEAR OF DEDUCTION | PERCENTAGE |
|---|---|
| 1st | 100% |
| 2nd | 85% |

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|---|---|
| 3rd | 71% |
| 4th | 57% |
| 5th | 43% |
| 6th | 29% |
| 7th | 14% |
| 8th and thereafter | 0% |

(8) For deductions allowed over an eight (8) year period:

| YEAR OF DEDUCTION | PERCENTAGE |
|---|---|
| 1st | 100% |
| 2nd | 88% |
| 3rd | 75% |
| 4th | 63% |
| 5th | 50% |
| 6th | 38% |
| 7th | 25% |
| 8th | 13% |
| 9th and thereafter | 0% |

(9) For deductions allowed over a nine (9) year period:

| YEAR OF DEDUCTION | PERCENTAGE |
|---|---|
| 1st | 100% |
| 2nd | 88% |
| 3rd | 77% |
| 4th | 66% |
| 5th | 55% |
| 6th | 44% |
| 7th | 33% |
| 8th | 22% |
| 9th | 11% |
| 10th and thereafter | 0% |

(10) For deductions allowed over a ten (10) year period:

| YEAR OF DEDUCTION | PERCENTAGE |
|---|---|
| 1st | 100% |
| 2nd | 90% |
| 3rd | 80% |
| 4th | 70% |
| 5th | 60% |
| 6th | 50% |
| 7th | 40% |
| 8th | 30% |
| 9th | 20% |
| 10th | 10% |
| 11th and thereafter | 0% |

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(e) With respect to new manufacturing equipment and new research and development equipment installed before March 2, 2001, the deduction under this section is the amount that causes the net assessed value of the property after the application of the deduction under this section to equal the net assessed value after the application of the deduction under this section that results from computing:

(1) the deduction under this section as in effect on March 1, 2001; and

(2) the assessed value of the property under 50 IAC 4.2, as in effect on March 1, 2001, or, in the case of property subject to IC 6-1.1-8, 50 IAC 5.1, as in effect on March 1, 2001.

(f) For an economic revitalization area designated before July 1, 2000, the designating body shall determine whether a property owner whose statement of benefits is approved after April 30, 1991, is entitled to a deduction for five (5) or ten (10) years. For an economic revitalization area designated after June 30, 2000, the designating body shall determine the number of years the deduction is allowed. However, the deduction may not be allowed for more than ten (10) years. This determination shall be made:

(1) as part of the resolution adopted under section 2.5 of this chapter; or

(2) by resolution adopted within sixty (60) days after receiving a copy of a property owner's certified deduction application from the county auditor. A certified copy of the resolution shall be sent to the county auditor.

A determination about the number of years the deduction is allowed that is made under subdivision (1) is final and may not be changed by following the procedure under subdivision (2).

(g) The owner of new manufacturing equipment that is directly used to dispose of hazardous waste is not entitled to the deduction provided by this section for a particular assessment year if during that assessment year the owner:

(1) is convicted of a criminal violation under IC 13, including IC 13-7-13-3 (repealed) or IC 13-7-13-4 (repealed); or

(2) is subject to an order or a consent decree with respect to property located in Indiana based on a violation of a federal or state rule, regulation, or statute governing the treatment, storage, or disposal of hazardous wastes that had a major or moderate potential for harm.

(h) For purposes of subsection (c), the assessed value of new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology

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equipment that is part of an owner's assessable depreciable personal property in a single taxing district subject to the valuation limitation in 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9 is the product of:

(1) the assessed value of the equipment determined without regard to the valuation limitation in 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9; multiplied by

(2) the quotient of:

(A) the amount of the valuation limitation determined under 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9 for all of the owner's depreciable personal property in the taxing district; divided by

(B) the total true tax value of all of the owner's depreciable personal property in the taxing district that is subject to the valuation limitation in 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9 determined:

(i) under the depreciation schedules in the rules of the department of local government finance before any adjustment for abnormal obsolescence; and

(ii) without regard to the valuation limitation in 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9.

SECTION 42. IC 6-1.1-15-17, AS ADDED BY P.L.172-2011, SECTION 32, IS REPEALED [EFFECTIVE UPON PASSAGE]. ~~Sec. 17. This section applies to any review or appeal of an assessment under this chapter if the assessment that is the subject of the review or appeal increased the assessed value of the assessed property by more than five percent (5%) over the assessed value determined by the county assessor or township assessor (if any) for the immediately preceding assessment date for the same property. The county assessor or township assessor making the assessment has the burden of proving that the assessment is correct in any review or appeal under this chapter and in any appeals taken to the Indiana board of tax review or to the Indiana tax court.~~

SECTION 43. IC 6-1.1-15-17, AS ADDED BY P.L.220-2011, SECTION 125, IS REPEALED [EFFECTIVE UPON PASSAGE]. ~~Sec. 17. 50 IAC 2.3 (including the 2002 Real Property Assessment Manual and the Real Property Assessment Guidelines for 2002-Version A) and any other rule adopted by the state board of tax commissioners or the department of local government finance is void to the extent that it establishes a shelter allowance for real property used as a residence. It is the intent of the general assembly that the standard deduction under IC 6-1.1-12-37 is the method through which any relief that would have been granted through a shelter allowance shall be given to taxpayers.~~

SECTION 44. IC 6-1.1-15-17.2 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS

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[EFFECTIVE UPON PASSAGE]: **Sec. 17.2. This section applies to any review or appeal of an assessment under this chapter if the assessment that is the subject of the review or appeal increased the assessed value of the assessed property by more than five percent (5%) over the assessed value determined by the county assessor or township assessor (if any) for the immediately preceding assessment date for the same property. The county assessor or township assessor making the assessment has the burden of proving that the assessment is correct in any review or appeal under this chapter and in any appeals taken to the Indiana board of tax review or to the Indiana tax court.**

SECTION 45. IC 6-1.1-15-17.4 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 17.4. 50 IAC 2.3 (including the 2002 Real Property Assessment Manual and the Real Property Assessment Guidelines for 2002-Version A) and any other rule adopted by the state board of tax commissioners or the department of local government finance is void to the extent that it establishes a shelter allowance for real property used as a residence. It is the intent of the general assembly that the standard deduction under IC 6-1.1-12-37 is the method through which any relief that would have been granted through a shelter allowance shall be given to taxpayers.**

SECTION 46. IC 6-1.1-20.1 IS REPEALED [EFFECTIVE UPON PASSAGE]. (P.L.146-2008 Property Tax Credits).

SECTION 47. IC 6-3-1-3.5, AS AMENDED BY P.L.229-2011, SECTION 83, AS AMENDED BY P.L.171-2011, SECTION 4, AND AS AMENDED BY P.L.172-2011, SECTION 53, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3.5. When used in this article, the term "adjusted gross income" shall mean the following:

(a) In the case of all individuals, "adjusted gross income" (as defined in Section 62 of the Internal Revenue Code), modified as follows:

(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.

(2) Add an amount equal to any deduction or deductions allowed or allowable pursuant to Section 62 of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state of the United States.

(3) Subtract one thousand dollars ($1,000), or in the case of a joint return filed by a husband and wife, subtract for each spouse

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one thousand dollars ($1,000).

(4) Subtract one thousand dollars ($1,000) for:

(A) each of the exemptions provided by Section 151(c) of the Internal Revenue Code;

(B) each additional amount allowable under Section 63(f) of the Internal Revenue Code; and

(C) the spouse of the taxpayer if a separate return is made by the taxpayer and if the spouse, for the calendar year in which the taxable year of the taxpayer begins, has no gross income and is not the dependent of another taxpayer.

(5) Subtract:

(A) ~~*for taxable years beginning after December 31, 2004,*~~ one thousand five hundred dollars ($1,500) for each of the exemptions allowed under Section 151(c)(1)(B) of the Internal Revenue Code (as effective January 1, 2004); and

(B) five hundred dollars ($500) for each additional amount allowable under Section 63(f)(1) of the Internal Revenue Code if the adjusted gross income of the taxpayer, or the taxpayer and the taxpayer's spouse in the case of a joint return, is less than forty thousand dollars ($40,000).

This amount is in addition to the amount subtracted under subdivision (4).

(6) Subtract an amount equal to the lesser of:

(A) that part of the individual's adjusted gross income (as defined in Section 62 of the Internal Revenue Code) for that taxable year that is subject to a tax that is imposed by a political subdivision of another state and that is imposed on or measured by income; or

(B) two thousand dollars ($2,000).

(7) Add an amount equal to the total capital gain portion of a lump sum distribution (as defined in Section 402(e)(4)(D) of the Internal Revenue Code) if the lump sum distribution is received by the individual during the taxable year and if the capital gain portion of the distribution is taxed in the manner provided in Section 402 of the Internal Revenue Code.

(8) Subtract any amounts included in federal adjusted gross income under Section 111 of the Internal Revenue Code as a recovery of items previously deducted as an itemized deduction from adjusted gross income.

(9) Subtract any amounts included in federal adjusted gross income under the Internal Revenue Code which amounts were received by the individual as supplemental railroad retirement

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annuities under 45 U.S.C. 231 and which are not deductible under subdivision (1).

~~*(10) Add an amount equal to the deduction allowed under Section 221 of the Internal Revenue Code for married couples filing joint returns if the taxable year began before January 1, 1987.*~~

~~*(11) Add an amount equal to the interest excluded from federal gross income by the individual for the taxable year under Section 128 of the Internal Revenue Code if the taxable year began before January 1, 1985.*~~

~~*(12)*~~ *(10)* Subtract an amount equal to the amount of federal Social Security and Railroad Retirement benefits included in a taxpayer's federal gross income by Section 86 of the Internal Revenue Code.

~~*(13)*~~ *(11)* In the case of a nonresident taxpayer or a resident taxpayer residing in Indiana for a period of less than the taxpayer's entire taxable year, the total amount of the deductions allowed pursuant to subdivisions (3), (4), (5), and (6) shall be reduced to an amount which bears the same ratio to the total as the taxpayer's income taxable in Indiana bears to the taxpayer's total income.

~~*(14)*~~ *(12)* In the case of an individual who is a recipient of assistance under IC 12-10-6-1, IC 12-10-6-2.1, IC 12-15-2-2, or IC 12-15-7, subtract an amount equal to that portion of the individual's adjusted gross income with respect to which the individual is not allowed under federal law to retain an amount to pay state and local income taxes.

~~*(15)*~~ *(13)* In the case of an eligible individual, subtract the amount of a Holocaust victim's settlement payment included in the individual's federal adjusted gross income.

~~*(16) For taxable years beginning after December 31, 1999,*~~ *(14)* Subtract an amount equal to the portion of any premiums paid during the taxable year by the taxpayer for a qualified long term care policy (as defined in IC 12-15-39.6-5) for the taxpayer or the taxpayer's spouse, or both.

~~*(17)*~~ *(15)* Subtract an amount equal to the lesser of:

(A) ~~*for a taxable year:*~~

~~*(i) including any part of 2004, the amount determined under subsection (f); and*~~

~~*(ii) beginning after December 31, 2004,*~~ two thousand five hundred dollars ($2,500); or

(B) the amount of property taxes that are paid during the taxable year in Indiana by the individual on the individual's principal place of residence.

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~~(18)~~ *(16)* Subtract an amount equal to the amount of a September 11 terrorist attack settlement payment included in the individual's federal adjusted gross income.

~~(19)~~ *(17)* Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

~~(20)~~ *(18)* Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code.

~~(21)~~ *(19)* Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars ($25,000).

~~(22)~~ *(20)* Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.

~~(23)~~ *(21)* Subtract an amount equal to the amount of the taxpayer's qualified military income that was not excluded from the taxpayer's gross income for federal income tax purposes under Section 112 of the Internal Revenue Code.

~~(24)~~ *(22)* Subtract income that is:

(A) exempt from taxation under IC 6-3-2-21.7; and

(B) included in the individual's federal adjusted gross income under the Internal Revenue Code.

~~(25)~~ *(23)* Subtract any amount of a credit (including an advance refund of the credit) that is provided to an individual under 26 U.S.C. 6428 (federal Economic Stimulus Act of 2008) and included in the individual's federal adjusted gross income.

~~(26)~~ *(24)* Add any amount of unemployment compensation excluded from federal gross income, as defined in Section 61 of the Internal Revenue Code, under Section 85(c) of the Internal

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Revenue Code.

~~(27)~~ *(25)* Add the amount excluded from gross income under Section 108(a)(1)(e) of the Internal Revenue Code for the discharge of debt on a qualified principal residence.

~~(28)~~ *(26)* Add an amount equal to any income not included in gross income as a result of the deferral of income arising from business indebtedness discharged in connection with the reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code. Subtract the amount necessary from the adjusted gross income of any taxpayer that added an amount to adjusted gross income in a previous year to offset the amount included in federal gross income as a result of the deferral of income arising from business indebtedness discharged in connection with the reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code.

~~(29)~~ *(27)* Add the amount necessary to make the adjusted gross income of any taxpayer that placed qualified restaurant property in service during the taxable year and that was classified as 15-year property under Section 168(e)(3)(E)(v) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the classification not applied to the property in the year that it was placed in service.

~~(30)~~ *(28)* Add the amount necessary to make the adjusted gross income of any taxpayer that placed qualified retail improvement property in service during the taxable year and that was classified as 15-year property under Section 168(e)(3)(E)(ix) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the classification not applied to the property in the year that it was placed in service.

~~(31)~~ *(29)* Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that claimed the special allowance for qualified disaster assistance property under Section 168(n) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the special allowance not been claimed for the property.

~~(31)~~ *(30)* Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that made an election under Section 179C of the Internal Revenue Code to expense costs for qualified refinery property equal to the amount of

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adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year.

~~(33)~~ *(31)* Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that made an election under Section 181 of the Internal Revenue Code to expense costs for a qualified film or television production equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year.

~~(34)~~ *(32)* Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that treated a loss from the sale or exchange of preferred stock in:

(A) the Federal National Mortgage Association, established under the Federal National Mortgage Association Charter Act (12 U.S.C. 1716 et seq.); or

(B) the Federal Home Loan Mortgage Corporation, established under the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1451 et seq.);

as an ordinary loss under Section 301 of the Emergency Economic Stabilization Act of 2008 in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had the loss not been treated as an ordinary loss.

*(33) Add the amount excluded from federal gross income under Section 103 of the Internal Revenue Code for interest received on an obligation of a state other than Indiana, or a political subdivision of such a state, that is acquired by the taxpayer after December 31, 2011.*

~~(35)~~ *(34) Add the amount deducted from gross income under Section 198 of the Internal Revenue Code for the expensing of environmental remediation costs.*

~~(36)~~ *(35) Add the amount excluded from gross income under Section 408(d)(8) of the Internal Revenue Code for a charitable distribution from an individual retirement plan.*

~~(37)~~ *(36) Add the amount deducted from gross income under Section 222 of the Internal Revenue Code for qualified tuition and related expenses.*

~~(38)~~ *(37) Add the amount deducted from gross income under Section 62(2)(D) of the Internal Revenue Code for certain expenses of elementary and secondary school teachers.*

~~(39)~~ *(38) Add the amount excluded from gross income under*

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*Section 127 of the Internal Revenue Code as annual employer provided education expenses.*

*~~(40)~~ (39) Add the amount deducted from gross income under Section 179E of the Internal Revenue Code for any qualified advanced mine safety equipment property.*

*~~(41)~~ (40) Add the monthly amount excluded from gross income under Section 132(f)(1)(A) and 132(f)(1)(B)* **of the Internal Revenue Code** *that exceeds one hundred dollars ($100) a month for a qualified transportation fringe.*

*~~(42)~~ (41) Add the amount deducted from gross income under Section 221 of the Internal Revenue Code that exceeds the amount the taxpayer could deduct under Section 221 of the Internal Revenue Code before it was amended by the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 (P.L. 111-312).*

*~~(43)~~ (42) Add the amount necessary to make the adjusted gross income of any taxpayer that placed any qualified leasehold improvement property in service during the taxable year and that was classified as 15-year property under Section 168(e)(3)(E)(iv) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the classification not applied to the property in the year that it was placed into service.*

*~~(44)~~ (43) Add the amount necessary to make the adjusted gross income of any taxpayer that placed a motorsports entertainment complex in service during the taxable year and that was classified as 7-year property under Section 168(e)(3)(C)(ii) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the classification not applied to the property in the year that it was placed into service.*

*~~(45)~~ (44) Add the amount deducted under Section 195 of the Internal Revenue Code for start-up expenditures that exceeds the amount the taxpayer could deduct under Section 195 of the Internal Revenue Code before it was amended by the Small Business Jobs Act of 2010 (P.L. 111-240).*

*~~(46)~~ (45) Add the amount necessary to make the adjusted gross income of any taxpayer for which tax was not imposed on the net recognized built-in gain of an S corporation under Section 1374(d)(7) of the Internal Revenue Code as amended by the Small Business Jobs Act of 2010 (P.L. 111-240) equal to the amount of adjusted gross income that would have been computed before Section 1374(d)(7) of the Internal Revenue Code as amended by*

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*the Small Business Jobs Act of 2010 (P.L. 111-240).*

*~~(35)~~* **(46)** *This subdivision does not apply to payments made for services provided to a business that was enrolled and participated in the E-Verify program (as defined in IC 22-5-1.7-3) during the time the taxpayer conducted business in Indiana in the taxable year. For a taxable year beginning after June 30, 2011, add the amount of any trade or business deduction allowed under the Internal Revenue Code for wages, reimbursements, or other payments made for services provided in Indiana by an individual for services as an employee, if the individual was, during the period of service, prohibited from being hired as an employee under 8 U.S.C. 1324a.*

(b) In the case of corporations, the same as "taxable income" (as defined in Section 63 of the Internal Revenue Code) adjusted as follows:

(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.

(2) Add an amount equal to any deduction or deductions allowed or allowable pursuant to Section 170 of the Internal Revenue Code.

(3) Add an amount equal to any deduction or deductions allowed or allowable pursuant to Section 63 of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state of the United States.

(4) Subtract an amount equal to the amount included in the corporation's taxable income under Section 78 of the Internal Revenue Code.

(5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(6) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code.

(7) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been

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computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars ($25,000).

(8) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.

(9) Add to the extent required by IC 6-3-2-20 the amount of intangible expenses (as defined in IC 6-3-2-20) and any directly related intangible interest expenses (as defined in IC 6-3-2-20) for the taxable year that reduced the corporation's taxable income (as defined in Section 63 of the Internal Revenue Code) for federal income tax purposes.

(10) Add an amount equal to any deduction for dividends paid (as defined in Section 561 of the Internal Revenue Code) to shareholders of a captive real estate investment trust (as defined in section 34.5 of this chapter).

(11) Subtract income that is:

(A) exempt from taxation under IC 6-3-2-21.7; and

(B) included in the corporation's taxable income under the Internal Revenue Code.

(12) Add an amount equal to any income not included in gross income as a result of the deferral of income arising from business indebtedness discharged in connection with the reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code. Subtract from the adjusted gross income of any taxpayer that added an amount to adjusted gross income in a previous year the amount necessary to offset the amount included in federal gross income as a result of the deferral of income arising from business indebtedness discharged in connection with the reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code.

(13) Add the amount necessary to make the adjusted gross income of any taxpayer that placed qualified restaurant property in service during the taxable year and that was classified as 15-year property under Section 168(e)(3)(E)(v) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the classification not applied to the property in the

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year that it was placed in service.

(14) Add the amount necessary to make the adjusted gross income of any taxpayer that placed qualified retail improvement property in service during the taxable year and that was classified as 15-year property under Section 168(e)(3)(E)(ix) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the classification not applied to the property in the year that it was placed in service.

(15) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that claimed the special allowance for qualified disaster assistance property under Section 168(n) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the special allowance not been claimed for the property.

(16) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that made an election under Section 179C of the Internal Revenue Code to expense costs for qualified refinery property equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year.

(17) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that made an election under Section 181 of the Internal Revenue Code to expense costs for a qualified film or television production equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year.

(18) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that treated a loss from the sale or exchange of preferred stock in:

(A) the Federal National Mortgage Association, established under the Federal National Mortgage Association Charter Act (12 U.S.C. 1716 et seq.); or

(B) the Federal Home Loan Mortgage Corporation, established under the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1451 et seq.);

as an ordinary loss under Section 301 of the Emergency Economic Stabilization Act of 2008 in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had the loss not been treated as an ordinary loss.

*(19) Add the amount deducted from gross income under Section 198 of the Internal Revenue Code for the expensing of*

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*environmental remediation costs.*

*(20) Add the amount deducted from gross income under Section 179E of the Internal Revenue Code for any qualified advanced mine safety equipment property.*

*(21) Add the amount necessary to make the adjusted gross income of any taxpayer that placed any qualified leasehold improvement property in service during the taxable year and that was classified as 15-year property under Section 168(e)(3)(E)(iv) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the classification not applied to the property in the year that it was placed into service.*

*(22) Add the amount necessary to make the adjusted gross income of any taxpayer that placed a motorsports entertainment complex in service during the taxable year and that was classified as 7-year property under Section 168(e)(3)(C)(ii) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the classification not applied to the property in the year that it was placed into service.*

*(23) Add the amount deducted under Section 195 of the Internal Revenue Code for start-up expenditures that exceeds the amount the taxpayer could deduct under Section 195 of the Internal Revenue Code before it was amended by the Small Business Jobs Act of 2010 (P.L. 111-240).*

*~~(19)~~* **(24)** *This subdivision does not apply to payments made for services provided to a business that was enrolled and participated in the E-Verify program (as defined in IC 22-5-1.7-3) during the time the taxpayer conducted business in Indiana in the taxable year. For a taxable year beginning after June 30, 2011, add the amount of any trade or business deduction allowed under the Internal Revenue Code for wages, reimbursements, or other payments made for services provided in Indiana by an individual for services as an employee, if the individual was, during the period of service, prohibited from being hired as an employee under 8 U.S.C. 1324a.*

*~~(24)~~* **(25)** *Add the amount excluded from federal gross income under Section 103 of the Internal Revenue Code for interest received on an obligation of a state other than Indiana, or a political subdivision of such a state, that is acquired by the taxpayer after December 31, 2011.*

(c) In the case of life insurance companies (as defined in Section 816(a) of the Internal Revenue Code) that are organized under Indiana law, the same as "life insurance company taxable income" (as defined

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in Section 801 of the Internal Revenue Code), adjusted as follows:

(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.

(2) Add an amount equal to any deduction allowed or allowable under Section 170 of the Internal Revenue Code.

(3) Add an amount equal to a deduction allowed or allowable under Section 805 or Section 831(c) of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state.

(4) Subtract an amount equal to the amount included in the company's taxable income under Section 78 of the Internal Revenue Code.

(5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(6) Add an amount equal to any deduction allowed under Section 172 or Section 810 of the Internal Revenue Code.

(7) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars ($25,000).

(8) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.

(9) Subtract income that is:

(A) exempt from taxation under IC 6-3-2-21.7; and

(B) included in the insurance company's taxable income under the Internal Revenue Code.

(10) Add an amount equal to any income not included in gross income as a result of the deferral of income arising from business

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indebtedness discharged in connection with the reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code. Subtract from the adjusted gross income of any taxpayer that added an amount to adjusted gross income in a previous year the amount necessary to offset the amount included in federal gross income as a result of the deferral of income arising from business indebtedness discharged in connection with the reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code.

(11) Add the amount necessary to make the adjusted gross income of any taxpayer that placed qualified restaurant property in service during the taxable year and that was classified as 15-year property under Section 168(e)(3)(E)(v) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the classification not applied to the property in the year that it was placed in service.

(12) Add the amount necessary to make the adjusted gross income of any taxpayer that placed qualified retail improvement property in service during the taxable year and that was classified as 15-year property under Section 168(e)(3)(E)(ix) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the classification not applied to the property in the year that it was placed in service.

(13) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that claimed the special allowance for qualified disaster assistance property under Section 168(n) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the special allowance not been claimed for the property.

(14) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that made an election under Section 179C of the Internal Revenue Code to expense costs for qualified refinery property equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year.

(15) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that made an election under Section 181 of the Internal Revenue Code to expense costs for a qualified film or television production equal to the amount of adjusted gross income that would have been computed had an election for

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federal income tax purposes not been made for the year.

(16) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that treated a loss from the sale or exchange of preferred stock in:

(A) the Federal National Mortgage Association, established under the Federal National Mortgage Association Charter Act (12 U.S.C. 1716 et seq.); or

(B) the Federal Home Loan Mortgage Corporation, established under the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1451 et seq.);

as an ordinary loss under Section 301 of the Emergency Economic Stabilization Act of 2008 in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had the loss not been treated as an ordinary loss.

(17) Add an amount equal to any exempt insurance income under Section 953(e) of the Internal Revenue Code that is active financing income under Subpart F of Subtitle A, Chapter 1, Subchapter N of the Internal Revenue Code.

*(18) Add the amount necessary to make the adjusted gross income of any taxpayer that placed any qualified leasehold improvement property in service during the taxable year and that was classified as 15-year property under Section 168(e)(3)(E)(iv) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the classification not applied to the property in the year that it was placed into service.*

*(19) Add the amount necessary to make the adjusted gross income of any taxpayer that placed a motorsports entertainment complex in service during the taxable year and that was classified as 7-year property under Section 168(e)(3)(C)(ii) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the classification not applied to the property in the year that it was placed into service.*

*(20) Add the amount deducted under Section 195 of the Internal Revenue Code for start-up expenditures that exceeds the amount the taxpayer could deduct under Section 195 of the Internal Revenue Code before it was amended by the Small Business Jobs Act of 2010 (P.L. 111-240).*

*(21) Add the amount deducted from gross income under Section 198 of the Internal Revenue Code for the expensing of environmental remediation costs.*

*(22) Add the amount deducted from gross income under Section*

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*179E of the Internal Revenue Code for any qualified advanced mine safety equipment property.*

*~~(18)~~* **(23)** *This subdivision does not apply to payments made for services provided to a business that was enrolled and participated in the E-Verify program (as defined in IC 22-5-1.7-3) during the time the taxpayer conducted business in Indiana in the taxable year. For a taxable year beginning after June 30, 2011, add the amount of any trade or business deduction allowed under the Internal Revenue Code for wages, reimbursements, or other payments made for services provided in Indiana by an individual for services as an employee, if the individual was, during the period of service, prohibited from being hired as an employee under 8 U.S.C. 1324a.*

*~~(23)~~* **(24)** *Add the amount excluded from federal gross income under Section 103 of the Internal Revenue Code for interest received on an obligation of a state other than Indiana, or a political subdivision of such a state, that is acquired by the taxpayer after December 31, 2011.*

(d) In the case of insurance companies subject to tax under Section 831 of the Internal Revenue Code and organized under Indiana law, the same as "taxable income" (as defined in Section 832 of the Internal Revenue Code), adjusted as follows:

(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.

(2) Add an amount equal to any deduction allowed or allowable under Section 170 of the Internal Revenue Code.

(3) Add an amount equal to a deduction allowed or allowable under Section 805 or Section 831(c) of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state.

(4) Subtract an amount equal to the amount included in the company's taxable income under Section 78 of the Internal Revenue Code.

(5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(6) Add an amount equal to any deduction allowed under Section

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172 of the Internal Revenue Code.

(7) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars ($25,000).

(8) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.

(9) Subtract income that is:

(A) exempt from taxation under IC 6-3-2-21.7; and

(B) included in the insurance company's taxable income under the Internal Revenue Code.

(10) Add an amount equal to any income not included in gross income as a result of the deferral of income arising from business indebtedness discharged in connection with the reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code. Subtract from the adjusted gross income of any taxpayer that added an amount to adjusted gross income in a previous year the amount necessary to offset the amount included in federal gross income as a result of the deferral of income arising from business indebtedness discharged in connection with the reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code.

(11) Add the amount necessary to make the adjusted gross income of any taxpayer that placed qualified restaurant property in service during the taxable year and that was classified as 15-year property under Section 168(e)(3)(E)(v) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the classification not applied to the property in the year that it was placed in service.

(12) Add the amount necessary to make the adjusted gross income of any taxpayer that placed qualified retail improvement property in service during the taxable year and that was classified as

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15-year property under Section 168(e)(3)(E)(ix) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the classification not applied to the property in the year that it was placed in service.

(13) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that claimed the special allowance for qualified disaster assistance property under Section 168(n) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the special allowance not been claimed for the property.

(14) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that made an election under Section 179C of the Internal Revenue Code to expense costs for qualified refinery property equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year.

(15) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that made an election under Section 181 of the Internal Revenue Code to expense costs for a qualified film or television production equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year.

(16) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that treated a loss from the sale or exchange of preferred stock in:

(A) the Federal National Mortgage Association, established under the Federal National Mortgage Association Charter Act (12 U.S.C. 1716 et seq.); or

(B) the Federal Home Loan Mortgage Corporation, established under the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1451 et seq.);

as an ordinary loss under Section 301 of the Emergency Economic Stabilization Act of 2008 in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had the loss not been treated as an ordinary loss.

(17) Add an amount equal to any exempt insurance income under Section 953(e) of the Internal Revenue Code that is active financing income under Subpart F of Subtitle A, Chapter 1, Subchapter N of the Internal Revenue Code.

*(18) Add the amount necessary to make the adjusted gross income of any taxpayer that placed any qualified leasehold improvement*

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*property in service during the taxable year and that was classified as 15-year property under Section 168(e)(3)(E)(iv) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the classification not applied to the property in the year that it was placed into service.*

*(19) Add the amount necessary to make the adjusted gross income of any taxpayer that placed a motorsports entertainment complex in service during the taxable year and that was classified as 7-year property under Section 168(e)(3)(C)(ii) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the classification not applied to the property in the year that it was placed into service.*

*(20) Add the amount deducted under Section 195 of the Internal Revenue Code for start-up expenditures that exceeds the amount the taxpayer could deduct under Section 195 of the Internal Revenue Code before it was amended by the Small Business Jobs Act of 2010 (P.L. 111-240).*

*(21) Add the amount deducted from gross income under Section 198 of the Internal Revenue Code for the expensing of environmental remediation costs.*

*(22) Add the amount deducted from gross income under Section 179E of the Internal Revenue Code for any qualified advanced mine safety equipment property.*

~~*(18)*~~ **(23)** *This subdivision does not apply to payments made for services provided to a business that was enrolled and participated in the E-Verify program (as defined in IC 22-5-1.7-3) during the time the taxpayer conducted business in Indiana in the taxable year. For a taxable year beginning after June 30, 2011, add the amount of any trade or business deduction allowed under the Internal Revenue Code for wages, reimbursements, or other payments made for services provided in Indiana by an individual for services as an employee, if the individual was, during the period of service, prohibited from being hired as an employee under 8 U.S.C. 1324a.*

~~*(23)*~~ **(24)** *Add the amount excluded from federal gross income under Section 103 of the Internal Revenue Code for interest received on an obligation of a state other than Indiana, or a political subdivision of such a state, that is acquired by the taxpayer after December 31, 2011.*

(e) In the case of trusts and estates, "taxable income" (as defined for trusts and estates in Section 641(b) of the Internal Revenue Code) adjusted as follows:

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(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.

(2) Subtract an amount equal to the amount of a September 11 terrorist attack settlement payment included in the federal adjusted gross income of the estate of a victim of the September 11 terrorist attack or a trust to the extent the trust benefits a victim of the September 11 terrorist attack.

(3) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(4) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code.

(5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars ($25,000).

(6) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.

(7) Subtract income that is:

(A) exempt from taxation under IC 6-3-2-21.7; and

(B) included in the taxpayer's taxable income under the Internal Revenue Code.

(8) Add an amount equal to any income not included in gross income as a result of the deferral of income arising from business indebtedness discharged in connection with the reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code. Subtract from the adjusted gross income of any taxpayer that added an amount to adjusted gross income in a

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previous year the amount necessary to offset the amount included in federal gross income as a result of the deferral of income arising from business indebtedness discharged in connection with the reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code.

(9) Add the amount necessary to make the adjusted gross income of any taxpayer that placed qualified restaurant property in service during the taxable year and that was classified as 15-year property under Section 168(e)(3)(E)(v) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the classification not applied to the property in the year that it was placed in service.

(10) Add the amount necessary to make the adjusted gross income of any taxpayer that placed qualified retail improvement property in service during the taxable year and that was classified as 15-year property under Section 168(e)(3)(E)(ix) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the classification not applied to the property in the year that it was placed in service.

(11) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that claimed the special allowance for qualified disaster assistance property under Section 168(n) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the special allowance not been claimed for the property.

(12) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that made an election under Section 179C of the Internal Revenue Code to expense costs for qualified refinery property equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year.

(13) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that made an election under Section 181 of the Internal Revenue Code to expense costs for a qualified film or television production equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year.

(14) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that treated a loss from the sale or exchange of preferred stock in:

(A) the Federal National Mortgage Association, established

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under the Federal National Mortgage Association Charter Act (12 U.S.C. 1716 et seq.); or

(B) the Federal Home Loan Mortgage Corporation, established under the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1451 et seq.);

as an ordinary loss under Section 301 of the Emergency Economic Stabilization Act of 2008 in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had the loss not been treated as an ordinary loss.

(15) Add the amount excluded from gross income under Section 108(a)(1)(e) of the Internal Revenue Code for the discharge of debt on a qualified principal residence.

*(16) Add the amount necessary to make the adjusted gross income of any taxpayer that placed any qualified leasehold improvement property in service during the taxable year and that was classified as 15-year property under Section 168(e)(3)(E)(iv) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the classification not applied to the property in the year that it was placed into service.*

*(17) Add the amount necessary to make the adjusted gross income of any taxpayer that placed a motorsports entertainment complex in service during the taxable year and that was classified as 7-year property under Section 168(e)(3)(C)(ii) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the classification not applied to the property in the year that it was placed into service.*

*(18) Add the amount deducted under Section 195 of the Internal Revenue Code for start-up expenditures that exceeds the amount the taxpayer could deduct under Section 195 of the Internal Revenue Code before it was amended by the Small Business Jobs Act of 2010 (P.L. 111-240).*

*(19) Add the amount deducted from gross income under Section 198 of the Internal Revenue Code for the expensing of environmental remediation costs.*

*(20) Add the amount deducted from gross income under Section 179E of the Internal Revenue Code for any qualified advanced mine safety equipment property.*

*(21) Add the amount necessary to make the adjusted gross income of any taxpayer for which tax was not imposed on the net recognized built-in gain of an S corporation under Section 1374(d)(7) of the Internal Revenue Code as amended by the Small*

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*Business Jobs Act of 2010 (P.L. 111-240) equal to the amount of adjusted gross income that would have been computed before Section 1374(d)(7) of the Internal Revenue Code as amended by the Small Business Jobs Act of 2010 (P.L. 111-240).*

*~~(16)~~* **(22)** *This subdivision does not apply to payments made for services provided to a business that was enrolled and participated in the E-Verify program (as defined in IC 22-5-1.7-3) during the time the taxpayer conducted business in Indiana in the taxable year. For a taxable year beginning after June 30, 2011, add the amount of any trade or business deduction allowed under the Internal Revenue Code for wages, reimbursements, or other payments made for services provided in Indiana by an individual for services as an employee, if the individual was, during the period of service, prohibited from being hired as an employee under 8 U.S.C. 1324a.*

*~~(22)~~* **(23)** *Add the amount excluded from federal gross income under Section 103 of the Internal Revenue Code for interest received on an obligation of a state other than Indiana, or a political subdivision of such a state, that is acquired by the taxpayer after December 31, 2011.*

*~~(f) This subsection applies only to the extent that an individual paid property taxes in 2004 that were imposed for the March 1, 2002, assessment date or the January 15, 2003, assessment date. The maximum amount of the deduction under subsection (a)(17) is equal to the amount determined under STEP FIVE of the following formula:~~*

*~~STEP ONE: Determine the amount of property taxes that the taxpayer paid after December 31, 2003, in the taxable year for property taxes imposed for the March 1, 2002, assessment date and the January 15, 2003, assessment date.~~*

*~~STEP TWO: Determine the amount of property taxes that the taxpayer paid in the taxable year for the March 1, 2003, assessment date and the January 15, 2004, assessment date.~~*

*~~STEP THREE: Determine the result of the STEP ONE amount divided by the STEP TWO amount.~~*

*~~STEP FOUR: Multiply the STEP THREE amount by two thousand five hundred dollars ($2,500).~~*

*~~STEP FIVE: Determine the sum of the STEP FOUR amount and two thousand five hundred dollars ($2,500).~~*

SECTION 48. IC 6-3-1-3.7, AS ADDED BY P.L.182-2009(ss), SECTION 187, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3.7. (a) This section applies only to an individual who in 2009 paid property taxes that:

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(1) were imposed on the individual's principal place of residence for the March 1, 2007, assessment date or the January 15, 2008, assessment date;

(2) are due after December 31, 2008; and

(3) are paid on or before the due date for the property taxes.

(b) An individual described in subsection (a) is entitled to a deduction from adjusted gross income for a taxable year beginning after December 31, 2008, and before January 1, 2010, in an amount equal to the amount determined in the following STEPS:

STEP ONE: Determine the lesser of:

(A) two thousand five hundred dollars ($2,500); or

(B) the total amount of property taxes imposed on the individual's principal place of residence for the March 1, 2007, assessment date or the January 15, 2008, assessment date and paid in 2008 or 2009.

STEP TWO: Determine the greater of zero (0) or the result of:

(A) the STEP ONE result; minus

(B) the total amount of property taxes that:

(i) were imposed on the individual's principal place of residence for the March 1, 2007, assessment date or the January 15, 2008, assessment date;

(ii) were paid in 2008; and

(iii) were deducted from adjusted gross income under section ~~3.5(a)(17)~~ **3.5(a)(15)** of this chapter by the individual on the individual's state income tax return for a taxable year beginning before January 1, 2009.

(c) The deduction under this section is in addition to any deduction that an individual is otherwise entitled to claim under section ~~3.5(a)(17)~~ **3.5(a)(15)** of this chapter. However, an individual may not deduct under section ~~3.5(a)(17)~~ **3.5(a)(15)** of this chapter any property taxes deducted under this section.

(d) This section expires January 1, 2014.

SECTION 49. IC 6-3-2-4, AS AMENDED BY P.L.144-2007, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) Each taxable year, an individual, or the individual's surviving spouse, is entitled to an adjusted gross income tax deduction for the first five thousand dollars ($5,000) of income, including retirement or survivor's benefits, received during the taxable year by the individual, or the individual's surviving spouse, for the individual's service in an active or reserve component of the armed forces of the United States, including the army, navy, air force, coast guard, marine corps, merchant marine, Indiana army national guard, or

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Indiana air national guard. However, a person who is less than sixty (60) years of age on the last day of the person's taxable year, is not, for that taxable year, entitled to a deduction under this section for retirement or survivor's benefits.

(b) An individual whose qualified military income is subtracted from the individual's federal adjusted gross income under ~~IC 6-3-1-3.5(a)(23)~~ **IC 6-3-1-3.5(a)(21)** for Indiana individual income tax purposes is not, for that taxable year, entitled to a deduction under this section for the individual's qualified military income.

SECTION 50. IC 6-3-2-25, AS ADDED BY P.L.220-2011, SECTION 139, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 25. (a) This section applies only to an individual who in 2008 paid property taxes that:

(1) were imposed on the individual's principal place of residence for the March 1, 2006, assessment date or the January 15, 2007, assessment date;

(2) are due after December 31, 2007; and

(3) are paid on or before the due date for the property taxes.

(b) As used in this section, "adjusted gross income" has the meaning set forth in IC 6-3-1-3.5.

(c) An individual described in subsection (a) is entitled to a deduction from the individual's adjusted gross income for a taxable year beginning after December 31, 2007, and before January 1, 2009, in an amount equal to the amount determined in the following STEPS:

STEP ONE: Determine the lesser of:

(A) two thousand five hundred dollars ($2,500); or

(B) the total amount of property taxes imposed on the individual's principal place of residence for the March 1, 2006, assessment date or the January 15, 2007, assessment date and paid in 2007 or 2008.

STEP TWO: Determine the greater of zero (0) or the result of:

(A) the STEP ONE result; minus

(B) the total amount of property taxes that:

(i) were imposed on the individual's principal place of residence for the March 1, 2006, assessment date or the January 15, 2007, assessment date;

(ii) were paid in 2007; and

(iii) were deducted from the individual's adjusted gross income under ~~IC 6-3-1-3.5(a)(17)~~ **IC 6-3-1-3.5(a)(15)** by the individual on the individual's state income tax return for a taxable year beginning before January 1, 2008.

(d) The deduction under this section is in addition to any deduction

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that an individual is otherwise entitled to claim under ~~IC 6-3-1-3.5(a)(17).~~ **IC 6-3-1-3.5(a)(15).** However, an individual may not deduct under ~~IC 6-3-1-3.5(a)(17)~~ **IC 6-3-1-3.5(a)(15)** any property taxes deducted under this section.

SECTION 51. IC 6-3-8.1-2, AS ADDED BY P.L.220-2011, SECTION 140, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. ~~A taxpayer shall file~~ **Notwithstanding the repeal of IC 6-3-8-5 by P.L.192-2002(ss), the provisions of IC 6-3-8-5 (repealed) apply to the imposition, collection, payment, and administration of the supplemental net income tax imposed under this chapter, including** the **requirement related to filing the** taxpayer's estimated supplemental net income tax return and ~~pay~~ **paying** the taxpayer's estimated supplemental net income tax liability to the department of state revenue. ~~as provided by law for due dates that occur before January 1, 2003.~~ **The taxpayer shall file a final supplemental net income tax return, in the manner prescribed by the department of state revenue, before the fifteenth day of the fourth month following the close of the taxpayer's regular taxable year, determined as if IC 6-3-8 had not been repealed by P.L.192-2002(ss).**

SECTION 52. IC 6-3-8.1-3, AS ADDED BY P.L.220-2011, SECTION 140, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. ~~Not later than April 15, 2003, a taxpayer shall file a final supplemental net income tax return with the department of state revenue on a form and in the manner prescribed by the department of state revenue. At the time of filing the final supplemental net income tax return, a taxpayer shall pay to the department of state revenue an amount equal to the remainder of: (1) the total supplemental net income tax liability incurred by the taxpayer for the part of the taxpayer's taxable year that occurred in calendar year 2002; minus (2) the sum of: (A) the total amount of supplemental net income taxes that was previously paid by the taxpayer to the department of state revenue for any quarter of that same part of the taxpayer's taxable year; plus (B) any supplemental net income taxes that were withheld from the taxpayer for that same part of the taxpayer's taxable year.~~ **(a) The supplemental net income tax imposed under IC 6-3-8 (repealed) for that taxable year is equal to the result determined under STEP TWO of the following formula:**

**STEP ONE: Determine the product of the taxpayer's net income for the taxpayer's regular taxable year multiplied by a tax rate equal to four and five-tenths percent (4.5%).**

**STEP TWO: Multiply the STEP ONE result by a fraction, the**

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**numerator of which is the number of days in the taxpayer's taxable year that occurred before January 1, 2003, and the denominator of which is the total number of days in the taxable year.**

**(b) The department of state revenue may prescribe forms and procedures for reconciling:**

**(1) the returns and tax due under P.L.192-2002(ss), SECTION 197, before the enactment of P.L.269-2003, SECTION 13; and**

**(2) the returns and tax due under P.L.192-2002(ss), SECTION 197, as amended by P.L.269-2003, SECTION 13.**

**The procedures may include procedures for granting an automatic extension for the filing of some or all returns that were due before April 16, 2003, under P.L.192-2002(ss), SECTION 197, before the enactment of P.L.269-2003, SECTION 13.**

SECTION 53. IC 6-3.1-20-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) Except as provided in subsection (b), an individual is entitled to a credit under this chapter if: ~~the:~~

(1) **the** individual's earned income for the taxable year is less than eighteen thousand six hundred ($18,600); and

(2) the individual pays property taxes in the taxable year on a homestead that:

(A) the individual:

(i) owns; or

(ii) is buying under a contract that requires the individual to pay property taxes on the homestead, if the contract or a memorandum of the contract is recorded in the county recorder's office; and

(B) is located in a county having a population of more than four hundred thousand (400,000) but less than seven hundred thousand (700,000).

(b) An individual is not entitled to a credit under this chapter for a taxable year for property taxes paid on the individual's homestead if the individual claims the deduction under ~~IC 6-3-1-3.5(a)(17)~~ **IC 6-3-1-3.5(a)(15)** for the homestead for that same taxable year.

SECTION 54. IC 6-3.5-1.1-24, AS AMENDED BY P.L.77-2011, SECTION 10, AND AS AMENDED BY P.L.172-2011, SECTION 73, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 24. (a) In a county in which the county adjusted gross income tax is in effect, the county council may ~~*before August 1 of a year,*~~ adopt an ordinance to impose or increase (as applicable) a tax rate under this section.

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(b) In a county in which neither the county adjusted gross income tax nor the county option income tax is in effect, the county council may ~~*before August 1 of a year,*~~ adopt an ordinance to impose a tax rate under this section.

(c) ~~*An ordinance adopted under this section takes effect October 1 of the year in which the ordinance is adopted.*~~ If a county council adopts an ordinance to impose or increase a tax rate under this section, the county auditor shall send a certified copy of the ordinance to the department and the department of local government finance by certified mail.

(d) A tax rate under this section is in addition to any other tax rates imposed under this chapter and does not affect the purposes for which other tax revenue under this chapter may be used.

(e) The following apply only in the year in which a county council first imposes a tax rate under this section.

(1) The county council shall, in the ordinance imposing the tax rate, specify the tax rate for each of the following two (2) years.

(2) The tax rate that must be imposed in the county ~~*from October 1 of the year in which the tax rate is imposed through September 30 of the following year*~~ *in the first year* is equal to the result of:

(A) the tax rate determined for the county under IC 6-3.5-1.5-1(a) in the year in which the tax rate is increased; multiplied by

(B) two (2).

(3) The tax rate that must be imposed in the county ~~*from October 1 of the following year through September 30 of the year after the following year*~~ *in the second year* is the tax rate determined for the county under IC 6-3.5-1.5-1(b). The tax rate under this subdivision continues in effect in later years unless the tax rate is increased under this section.

(4) The levy limitations in ~~*IC 6-1.1-18.5-3(g), IC 6-1.1-18.5-3(h),*~~ *IC 6-1.1-18.5-3(b), IC 6-1.1-18.5-3(c),* IC 12-19-7-4(b) (before its repeal), IC 12-19-7.5-6(b) (before its repeal), and IC 12-29-2-2(c) apply to property taxes first due and payable in the ensuing calendar year and to property taxes first due and payable in the calendar year after the ensuing calendar year.

(f) The following apply only in a year in which a county council increases a tax rate under this section:

(1) The county council shall, in the ordinance increasing the tax rate, specify the tax rate for the following year.

(2) The tax rate that must be imposed in the county ~~*from October 1 of the year in which the tax rate is increased through September*~~

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~~*30 of the following year*~~ is equal to the result of:

(A) the tax rate determined for the county under IC 6-3.5-1.5-1(a) in that year; plus

(B) the tax rate currently in effect in the county under this section.

The tax rate under this subdivision continues in effect in later years unless the tax rate is increased under this section.

(3) The levy limitations in ~~*IC 6-1.1-18.5-3(g), IC 6-1.1-18.5-3(h),*~~ *IC 6-1.1-18.5-3(b), IC 6-1.1-18.5-3(c),* IC 12-19-7-4(b) (before its repeal), IC 12-19-7.5-6(b) (before its repeal), and IC 12-29-2-2(c) apply to property taxes first due and payable in the ensuing calendar year.

(g) The department of local government finance shall determine the following property tax replacement distribution amounts:

STEP ONE: Determine the sum of the amounts determined under STEP ONE through STEP FOUR of IC 6-3.5-1.5-1(a) for the county in the preceding year.

STEP TWO: For distribution to each civil taxing unit that in the year had a maximum permissible property tax levy limited under ~~*IC 6-1.1-18.5-3(g),*~~ *IC 6-1.1-18.5-3(b),* determine the result of:

(1) the quotient of:

(A) the part of the amount determined under STEP ONE of IC 6-3.5-1.5-1(a) in the preceding year that was attributable to the civil taxing unit; divided by

(B) the STEP ONE amount; multiplied by

(2) the tax revenue received by the county treasurer under this section.

STEP THREE: For distributions in 2009 and thereafter, the result of this STEP is zero (0). For distribution to the county for deposit in the county family and children's fund before 2009, determine the result of:

(1) the quotient of:

(A) the amount determined under STEP TWO of IC 6-3.5-1.5-1(a) in the preceding year; divided by

(B) the STEP ONE amount; multiplied by

(2) the tax revenue received by the county treasurer under this section.

STEP FOUR: For distributions in 2009 and thereafter, the result of this STEP is zero (0). For distribution to the county for deposit in the county children's psychiatric residential treatment services fund before 2009, determine the result of:

(1) the quotient of:

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(A) the amount determined under STEP THREE of IC 6-3.5-1.5-1(a) in the preceding year; divided by

(B) the STEP ONE amount; multiplied by

(2) the tax revenue received by the county treasurer under this section.

STEP FIVE: For distribution to the county for community mental health center purposes, determine the result of:

(1) the quotient of:

(A) the amount determined under STEP FOUR of IC 6-3.5-1.5-1(a) in the preceding year; divided by

(B) the STEP ONE amount; multiplied by

(2) the tax revenue received by the county treasurer under this section.

Except as provided in subsection (m), the county treasurer shall distribute the portion of the certified distribution that is attributable to a tax rate under this section as specified in this section. The county treasurer shall make the distributions under this subsection at the same time that distributions are made to civil taxing units under section 15 of this chapter.

(h) Notwithstanding sections 3.1 and 4 of this chapter, a county council may not decrease or rescind a tax rate imposed under this chapter.

(i) The tax rate under this section shall not be considered for purposes of computing:

(1) the maximum income tax rate that may be imposed in a county under section 2 of this chapter or any other provision of this chapter; or

(2) the maximum permissible property tax levy under ~~*STEP EIGHT of IC 6-1.1-18.5-3(b).*~~ *IC 6-1.1-18.5-3.*

(j) The tax levy under this section shall not be considered for purposes of the credit under IC 6-1.1-20.6.

(k) A distribution under this section shall be treated as a part of the receiving civil taxing unit's property tax levy for that year for purposes of fixing the budget of the civil taxing unit and for determining the distribution of taxes that are distributed on the basis of property tax levies.

(l) If a county council imposes a tax rate under this section, the portion of county adjusted gross income tax revenue dedicated to property tax replacement credits under section 11 of this chapter may not be decreased.

(m) In the year following the year in a which a county first imposes a tax rate under this section, one-half (1/2) of the tax revenue that is

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attributable to the tax rate under this section must be deposited in the county stabilization fund established under subsection (o).

(n) A pledge of county adjusted gross income taxes does not apply to revenue attributable to a tax rate under this section.

(o) A county stabilization fund is established in each county that imposes a tax rate under this section. The county stabilization fund shall be administered by the county auditor. If for a year the certified distributions attributable to a tax rate under this section exceed the amount calculated under STEP ONE through STEP FOUR of IC 6-3.5-1.5-1(a) that is used by the department of local government finance and the department of state revenue to determine the tax rate under this section, the excess shall be deposited in the county stabilization fund. Money shall be distributed from the county stabilization fund in a year by the county auditor to political subdivisions entitled to a distribution of tax revenue attributable to the tax rate under this section if:

(1) the certified distributions attributable to a tax rate under this section are less than the amount calculated under STEP ONE through STEP FOUR of IC 6-3.5-1.5-1(a) that is used by the department of local government finance and the department of state revenue to determine the tax rate under this section for a year; or

(2) the certified distributions attributable to a tax rate under this section in a year are less than the certified distributions attributable to a tax rate under this section in the preceding year.

However, subdivision (2) does not apply to the year following the first year in which certified distributions of revenue attributable to the tax rate under this section are distributed to the county.

(p) Notwithstanding any other provision, a tax rate imposed under this section may not exceed one percent (1%).

(q) A county council must each year hold at least one (1) public meeting at which the county council discusses whether the tax rate under this section should be imposed or increased.

(r) The department of local government finance and the department of state revenue may take any actions necessary to carry out the purposes of this section.

SECTION 55. IC 6-3.5-9-14, AS ADDED BY P.L.173-2011, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 14. A qualified unit shall enter into an agreement with an applicant that is awarded a ~~credit~~ **hiring incentive** under this chapter. The agreement must include all of the following:

(1) A detailed description of the project that is the subject of the

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agreement.

(2) The duration of the hiring incentive and the first calendar year for which the hiring incentive may be claimed.

(3) The hiring incentive amount that will be allowed for each calendar year.

(4) A requirement that the taxpayer shall maintain operations at the project location for at least two (2) years following the last calendar year in which the applicant claims the hiring incentive.

(5) A statement that a taxpayer is subject to an assessment under section 16 of this chapter for noncompliance with the agreement.

(6) A specific method for determining the number of new employees employed during a calendar year who are performing jobs not previously performed by an employee.

(7) A requirement that the taxpayer shall annually report to the qualified unit, subject to the protections under IC 5-14-3-4(a)(5) and IC 5-14-3-4(a)(6):

(A) the number of new employees who are performing jobs not previously performed by an employee;

(B) the new income tax revenue withheld in connection with the new employees; and

(C) any other information the qualified unit needs to perform the qualified unit's duties under this chapter.

(8) A requirement that the qualified unit is authorized to verify with the appropriate state agencies, including the IEDC, the amounts reported under subdivision (7), and after doing so shall issue a certificate to the taxpayer stating that the amounts have been verified.

(9) Any other performance conditions that the qualified unit determines are appropriate.

SECTION 56. IC 6-5.5-1-2, AS AMENDED BY P.L.229-2011, SECTION 94, AS AMENDED BY P.L.172-2011, SECTION 80, AND AS AMENDED BY P.L.171-2011, SECTION 7, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) Except as provided in subsections (b) through (d), "adjusted gross income" means taxable income as defined in Section 63 of the Internal Revenue Code, adjusted as follows:

(1) Add the following amounts:

(A) An amount equal to a deduction allowed or allowable under Section 166, Section 585, or Section 593 of the Internal Revenue Code.

(B) An amount equal to a deduction allowed or allowable under Section 170 of the Internal Revenue Code.

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(C) An amount equal to a deduction or deductions allowed or allowable under Section 63 of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by a state of the United States or levied at the local level by any subdivision of a state of the United States.

(D) The amount of interest excluded under Section 103 of the Internal Revenue Code or under any other federal law, minus the associated expenses disallowed in the computation of taxable income under Section 265 of the Internal Revenue Code.

(E) An amount equal to the deduction allowed under Section 172 or 1212 of the Internal Revenue Code for net operating losses or net capital losses.

(F) For a taxpayer that is not a large bank (as defined in Section 585(c)(2) of the Internal Revenue Code), an amount equal to the recovery of a debt, or part of a debt, that becomes worthless to the extent a deduction was allowed from gross income in a prior taxable year under Section 166(a) of the Internal Revenue Code.

(G) Add the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(H) Add the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars ($25,000).

(I) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.

(J) Add an amount equal to any income not included in gross

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income as a result of the deferral of income arising from business indebtedness discharged in connection with the reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code. Subtract from the adjusted gross income of any taxpayer that added an amount to adjusted gross income in a previous year the amount necessary to offset the amount included in federal gross income as a result of the deferral of income arising from business indebtedness discharged in connection with the reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code.

(K) Add the amount necessary to make the adjusted gross income of any taxpayer that placed qualified restaurant property in service during the taxable year and that was classified as 15-year property under Section 168(e)(3)(E)(v) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the classification not applied to the property in the year that it was placed in service.

(L) Add the amount necessary to make the adjusted gross income of any taxpayer that placed qualified retail improvement property in service during the taxable year and that was classified as 15-year property under Section 168(e)(3)(E)(ix) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the classification not applied to the property in the year that it was placed in service.

(M) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that claimed the special allowance for qualified disaster assistance property under Section 168(n) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the special allowance not been claimed for the property.

(N) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that made an election under Section 179C of the Internal Revenue Code to expense costs for qualified refinery property equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year.

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(O) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that made an election under Section 181 of the Internal Revenue Code to expense costs for a qualified film or television production equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year.

(P) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that treated a loss from the sale or exchange of preferred stock in:

(i) the Federal National Mortgage Association, established under the Federal National Mortgage Association Charter Act (12 U.S.C. 1716 et seq.); or

(ii) the Federal Home Loan Mortgage Corporation, established under the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1451 et seq.);

as an ordinary loss under Section 301 of the Emergency Economic Stabilization Act of 2008 in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had the loss not been treated as an ordinary loss.

(Q) Add an amount equal to any exempt insurance income under Section 953(e) of the Internal Revenue Code for active financing income under Subpart F, Subtitle A, Chapter 1, Subchapter N of the Internal Revenue Code.

*(R) Add the amount necessary to make the adjusted gross income of any taxpayer that placed any qualified leasehold improvement property in service during the taxable year and that was classified as 15-year property under Section 168(e)(3)(E)(iv) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the classification not applied to the property in the year that it was placed into service.*

*(S) Add the amount deducted from gross income under Section 198 of the Internal Revenue Code for the expensing of environmental remediation costs.*

*(T) Add the amount deducted from gross income under Section 179E of the Internal Revenue Code for any qualified advanced mine safety equipment property.*

*(U) Add the amount necessary to make the adjusted gross income of any taxpayer that placed a motorsports entertainment complex in service during the taxable year and*

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*that was classified as 7-year property under Section 168(e)(3)(C)(ii) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the classification not applied to the property in the year that it was placed into service.*

*(V) Add the amount deducted under Section 195 of the Internal Revenue Code for start-up expenditures that exceeds the amount the taxpayer could deduct under Section 195 of the Internal Revenue Code before it was amended by the Small Business Jobs Act of 2010 (P.L. 111-240).*

*(W) Add the amount necessary to make the adjusted gross income of any taxpayer for which tax was not imposed on the net recognized built-in gain of an S corporation under Section 1374(d)(7) of the Internal Revenue Code as amended by the Small Business Jobs Act of 2010 (P.L. 111-240) equal to the amount of adjusted gross income that would have been computed before Section 1374(d)(7) of the Internal Revenue Code as amended by the Small Business Jobs Act of 2010 (P.L. 111-240).*

(2) Subtract the following amounts:

(A) Income that the United States Constitution or any statute of the United States prohibits from being used to measure the tax imposed by this chapter.

(B) Income that is derived from sources outside the United States, as defined by the Internal Revenue Code.

(C) An amount equal to a debt or part of a debt that becomes worthless, as permitted under Section 166(a) of the Internal Revenue Code.

(D) An amount equal to any bad debt reserves that are included in federal income because of accounting method changes required by Section 585(c)(3)(A) or Section 593 of the Internal Revenue Code.

(E) The amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation.

(F) The amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the

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current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars ($25,000).

(G) Income that is:

(i) exempt from taxation under IC 6-3-2-21.7; and

(ii) included in the taxpayer's taxable income under the Internal Revenue Code.

*(H) This clause does not apply to payments made for services provided to a business that was enrolled and participated in the E-Verify program (as defined in IC 22-5-1.7-3) during the time the taxpayer conducted business in Indiana in the taxable year. For a taxable year beginning after June 30, 2011, add the amount of any trade or business deduction allowed under the Internal Revenue Code for wages, reimbursements, or other payments made for services provided in Indiana by an individual for services as an employee, if the individual was, during the period of service, prohibited from being hired as an employee under 8 U.S.C. 1324a.*

(b) In the case of a credit union, "adjusted gross income" for a taxable year means the total transfers to undivided earnings minus dividends for that taxable year after statutory reserves are set aside under IC 28-7-1-24.

(c) In the case of an investment company, "adjusted gross income" means the company's federal taxable income *plus the amount excluded from federal gross income under Section 103 of the Internal Revenue Code for interest received on an obligation of a state other than Indiana, or a political subdivision of such a state, that is acquired by the taxpayer after December 31, 2011,* multiplied by the quotient of:

(1) the aggregate of the gross payments collected by the company during the taxable year from old and new business upon investment contracts issued by the company and held by residents of Indiana; divided by

(2) the total amount of gross payments collected during the taxable year by the company from the business upon investment contracts issued by the company and held by persons residing within Indiana and elsewhere.

(d) As used in subsection (c), "investment company" means a person, copartnership, association, limited liability company, or

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corporation, whether domestic or foreign, that:

(1) is registered under the Investment Company Act of 1940 (15 U.S.C. 80a-1 et seq.); and

(2) solicits or receives a payment to be made to itself and issues in exchange for the payment:

(A) a so-called bond;

(B) a share;

(C) a coupon;

(D) a certificate of membership;

(E) an agreement;

(F) a pretended agreement; or

(G) other evidences of obligation;

entitling the holder to anything of value at some future date, if the gross payments received by the company during the taxable year on outstanding investment contracts, plus interest and dividends earned on those contracts (by prorating the interest and dividends earned on investment contracts by the same proportion that certificate reserves (as defined by the Investment Company Act of 1940) is to the company's total assets) is at least fifty percent (50%) of the company's gross payments upon investment contracts plus gross income from all other sources except dividends from subsidiaries for the taxable year. The term "investment contract" means an instrument listed in clauses (A) through (G).

SECTION 57. IC 6-8.1-8-2, AS AMENDED BY P.L.172-2011, SECTION 87, AND AS AMENDED BY P.L.99-2011, SECTION 1, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) Except as provided in IC 6-8.1-5-3 *and section 16 of this chapter,* the department must issue a demand notice for the payment of a tax and any interest or penalties accrued on the tax, if a person files a tax return without including full payment of the tax or if the department, after ruling on a protest, finds that a person owes the tax before the department issues a tax warrant. The demand notice must state the following:

(1) That the person has ten (10) days from the date the department mails the notice to either pay the amount demanded or show reasonable cause for not paying the amount demanded.

(2) The statutory authority of the department for the issuance of a tax warrant.

(3) The earliest date on which a tax warrant may be filed and recorded.

(4) The statutory authority for the department to levy against a

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person's property that is held by a financial institution.

(5) The remedies available to the taxpayer to prevent the filing and recording of the judgment.

If the department files a tax warrant in more than one (1) county, the department is not required to issue more than one (1) demand notice.

(b) If the person does not pay the amount demanded or show reasonable cause for not paying the amount demanded within the ten (10) day period, the department may issue a tax warrant for the amount of the tax, interest, penalties, collection fee, sheriff's costs, clerk's costs, and fees established under section 4(b) of this chapter when applicable. When the department issues a tax warrant, a collection fee of ten percent (10%) of the unpaid tax is added to the total amount due.

(c) When the department issues a tax warrant, it may not file the warrant with the circuit court clerk of any county in which the person owns property until at least twenty (20) days after the date the demand notice was mailed to the taxpayer. The department may also send the warrant to the sheriff of any county in which the person owns property and direct the sheriff to file the warrant with the circuit court clerk:

(1) at least twenty (20) days after the date the demand notice was mailed to the taxpayer; and

(2) no later than five (5) days after the date the department issues the warrant.

(d) When the circuit court clerk receives a tax warrant from the department or the sheriff, the clerk shall record the warrant by making an entry in the judgment debtor's column of the judgment record, listing the following:

(1) The name of the person owing the tax.

(2) The amount of the tax, interest, penalties, collection fee, sheriff's costs, clerk's costs, and fees established under section 4(b) of this chapter when applicable.

(3) The date the warrant was filed with the clerk.

(e) When the entry is made, the total amount of the tax warrant becomes a judgment against the person owing the tax. The judgment creates a lien in favor of the state that attaches to all the person's interest in any:

(1) chose in action in the county; and

(2) real or personal property in the county;

excepting only negotiable instruments not yet due.

(f) A judgment obtained under this section is valid for ten (10) years from the date the judgment is filed. The department may renew the judgment for additional ten (10) year periods by filing an alias tax warrant with the circuit court clerk of the county in which the judgment

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previously existed.

(g) A judgment arising from a tax warrant in a county ~~*may*~~ *shall* be released by the department:

(1) after the judgment, including all accrued interest to the date of payment, has been fully satisfied; or

(2) if the department determines that the tax assessment or the issuance of the tax warrant was in error.

(h) If the department determines that the filing of a tax warrant was in error, the department shall mail a release of the judgment to the taxpayer and the circuit court clerk of each county where the warrant was filed. *The circuit court clerk of each county where the warrant was filed shall expunge the warrant from the judgment debtor's column of the judgment record.* The department shall mail the release *and the order for the warrant to be expunged* as soon as possible but no later than seven (7) days after:

(1) the determination by the department that the filing of the warrant was in error; and

(2) the receipt of information by the department that the judgment has been recorded under subsection (d).

(i) If the department determines that a judgment described in subsection (h) is obstructing a lawful transaction, the department shall *immediately upon making the determination* mail:

**(1)** a release of the judgment to the taxpayer; and

**(2)** *an order requiring* the circuit court clerk of each county where the judgment was filed ~~*immediately upon making the determination.*~~ *to expunge the warrant.*

(j) A release issued under subsection (h) or (i) must state that the filing of the tax warrant was in error. Upon the request of the taxpayer, the department shall mail a copy of a release *and the order for the warrant to be expunged* issued under subsection (h) or (i) to each major credit reporting company located in each county where the judgment was filed.

(k) The commissioner shall notify each state agency or officer supplied with a tax warrant list of the issuance of a release under subsection (h) or (i).

(l) If the sheriff collects the full amount of a tax warrant, the sheriff shall disburse the money collected in the manner provided in section 3(c) of this chapter. If a judgment has been partially or fully satisfied by a person's surety, the surety becomes subrogated to the department's rights under the judgment. If a sheriff releases a judgment:

(1) before the judgment is fully satisfied;

(2) before the sheriff has properly disbursed the amount collected;

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or

(3) after the sheriff has returned the tax warrant to the department; the sheriff commits a Class B misdemeanor and is personally liable for the part of the judgment not remitted to the department.

*(m) A lien on real property described in subsection (e)(2) is void if both of the following occur:*

*(1) The person owing the tax provides written notice to the department to file an action to foreclose the lien.*

*(2) The department fails to file an action to foreclose the lien not later than one hundred eighty (180) days after receiving the notice.*

*(n) A person who gives notice under subsection (m) by registered or certified mail to the department may file an affidavit of service of the notice to file an action to foreclose the lien with the circuit court clerk in the county in which the property is located. The affidavit must state the following:*

*(1) The facts of the notice.*

*(2) That more than one hundred eighty (180) days have passed since the notice was received by the department.*

*(3) That no action for foreclosure of the lien is pending.*

*(4) That no unsatisfied judgment has been rendered on the lien.*

*(o) Upon receipt of the affidavit described in subsection (n), the circuit court clerk shall make an entry showing the release of the judgment lien in the judgment records for tax warrants.*

SECTION 58. IC 6-9-2-0.3, AS ADDED BY P.L.220-2011, SECTION 164, IS REPEALED [EFFECTIVE UPON PASSAGE]. ~~Sec. 0.3. Actions taken before May 6, 2005, that would have been valid under section 10 of this chapter, as added by P.L.168-2005, are legalized and validated.~~

SECTION 59. IC 6-9-7-7, AS AMENDED BY P.L.172-2011, SECTION 100, AND AS AMENDED BY P.L.229-2011, SECTION 96, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. (a) The county treasurer shall establish an innkeeper's tax fund. The treasurer shall deposit in that fund all money received under section 6 of this chapter that is attributable to an innkeeper's tax rate that is not more than five percent (5%).

(b) Money in the innkeeper's tax fund shall be distributed as follows:

(1) Thirty percent (30%) shall be distributed *as follows:*

*(A) Before July 1, 2015, and after June 30, 2017,* to the department of natural resources for the development of

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projects in the state park on the county's largest river, including its tributaries.

*(B) For the period July 1, 2015, through June 30, 2017, to the treasurer of state for deposit in the state general fund.*

(2) Forty percent (40%) shall be distributed to the commission to carry out its purposes, including making any distributions or payments to the Lafayette - West Lafayette Convention and Visitors Bureau, Inc.

(3) Ten percent (10%) shall be distributed to a community development corporation that serves a metropolitan area in the county that includes:

(A) a city having a population of more than fifty-five thousand (55,000) but less than fifty-nine thousand (59,000); and

(B) a city having a population of more than twenty-eight thousand seven hundred (28,700) but less than twenty-nine thousand (29,000);

for the community development corporation's use in tourism, recreation, and economic development activities.

(4) Ten percent (10%) shall be distributed to Historic Prophetstown to be used by Historic Prophetstown for carrying out its purposes.

(5) Ten percent (10%) shall be distributed to the Wabash River Enhancement Corporation to assist the Wabash River Enhancement Corporation in carrying out its purposes.

(c) An advisory commission consisting of the following members is established:

(1) The director of the department of natural resources or the director's designee.

(2) The public finance director or the public finance director's designee.

(3) A member appointed by the Native American Indian affairs commission.

(4) A member appointed by Historic Prophetstown.

(5) A member appointed by the community development corporation described in subsection (b)(3).

(6) A member appointed by the Wabash River Enhancement Corporation.

(7) A member appointed by the commission.

(8) A member appointed by the county fiscal body.

(9) A member appointed by the town board of the town of Battleground.

(10) A member appointed by the mayor of the city of Lafayette.

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(11) A member appointed by the mayor of the city of West Lafayette.

(d) The following apply to the advisory commission:

(1) The governor shall appoint a member of the advisory commission as chairman of the advisory commission.

(2) Six (6) members of the advisory commission constitute a quorum. The affirmative votes of at least six (6) advisory commission members are necessary for the advisory commission to take official action other than to adjourn or to meet to hear reports or testimony.

(3) The advisory commission shall make recommendations concerning the use of any proceeds of bonds issued to finance the development of Prophetstown State Park.

(4) Members of the advisory commission who are state employees:

(A) are not entitled to any salary per diem; and

(B) are entitled to reimbursement for traveling expenses as provided under IC 4-13-1-4 and to reimbursement for 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.

(e) The Indiana finance authority, in its capacity as the recreational development commission, may issue bonds for the development of Prophetstown State Park under IC 14-14-1.

SECTION 60. IC 6-9-10.5-11, AS ADDED BY P.L.172-2011, SECTION 107, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11. All money coming into the possession of a commission created under section 9 of this chapter shall be deposited, held, secured, invested, and paid in accordance with statutes relating to the handling of public funds. The handling and expenditure of money coming into possession of the commission ~~is~~ **are** subject to audit and supervision by the state board of accounts.

SECTION 61. IC 7.1-5-3-1, AS AMENDED BY P.L.64-2011, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) This section does not apply to the following:

(1) An establishment where alcoholic beverages are sold that is owned, in whole or part, by an entity that holds a brewer's permit for a brewery described under IC 7.1-3-2-7(5).

(2) An establishment where alcoholic beverages are sold that is owned, in whole or part, by a statewide trade organization

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consisting of members, each of whom ~~hold~~ **holds** a brewer's permit for a brewery described under IC 7.1-3-2-7(5).

(b) It is unlawful to sell beer in this state at retail in a bottle, can, or other container, unless the bottle, can, or other container was packaged and sealed by the brewer at the brewer's bottling house contiguous or adjacent to the brewery in which the beer was produced.

SECTION 62. IC 7.1-5-3-4, AS AMENDED BY P.L.64-2011, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) This section does not apply to the following:

(1) The necessary refilling of a container by a person holding a permit that authorizes the person to manufacture, rectify, or bottle liquor.

(2) An establishment where alcoholic beverages are sold that is owned, in whole or part, by an entity that holds a brewer's permit for a brewery described under IC 7.1-3-2-7(5).

(3) An establishment where alcoholic beverages are sold that is owned, in whole or part, by a statewide trade organization consisting of members, each of whom ~~hold~~ **holds** a brewer's permit for a brewery described under IC 7.1-3-2-7(5).

(b) It is unlawful for a person to:

(1) refill a bottle or container, in whole or in part, with an alcoholic beverage; or

(2) knowingly possess a bottle or container that has been refilled, in whole or in part, with an alcoholic beverage;

after the container of liquor has been emptied in whole or in part.

SECTION 63. IC 8-1-34-23, AS AMENDED BY P.L.1-2007, SECTION 78, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 23. (a) Except as provided in subsection (b), the holder of a certificate under this chapter shall, at the end of each calendar quarter, determine under subsections (c) and (d) the gross revenue received during that quarter from the holder's provision of video service in each unit included in the holder's service area under the certificate.

(b) This subsection applies to a holder or other provider providing video service in a unit in which a provider of video service is required on June 30, 2006, to pay a franchise fee based on a percentage of gross revenues. The holder's or provider's gross revenue shall be determined as follows:

(1) If only one (1) local franchise is in effect on June 30, 2006, the holder or provider shall determine gross revenue as the term is defined in the local franchise in effect on June 30, 2006.

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(2) If:

(A) more than one (1) local franchise is in effect on June 30, 2006; and

(B) the holder or provider is subject to a local franchise in the unit on June 30, 2006;

the holder or provider shall determine gross revenue as the term is defined in the local franchise to which the holder or provider is subject on June 30, 2006.

(3) If:

(A) more than one (1) local franchise is in effect on June 30, 2006; and

(B) the holder is not subject to a local franchise in the unit on June 30, 2006;

the holder shall determine gross revenue as the term is defined in the local franchise in effect on June 30, 2006, that is most favorable to the unit.

(c) This subsection does not apply to a holder that is required to determine gross revenue under subsection (b). The holder shall include the following in determining the gross revenue received during the quarter with respect to a particular unit:

(1) Fees and charges charged to subscribers for video service provided by the holder. Fees and charges under this subdivision include the following:

(A) Recurring monthly charges for video service.

(B) Event based charges for video service, including pay per view and video on demand charges.

(C) Charges for the rental of set top boxes and other equipment.

(D) Service charges related to the provision of video service, including activation, installation, repair, and maintenance charges.

(E) Administrative charges related to the provision of video service, including service order and service termination charges.

(2) Revenue received by an affiliate of the holder from the affiliate's provision of video service, to the extent that treating the revenue as revenue of the affiliate, instead of revenue of the holder, would have the effect of evading the payment of fees that would otherwise be paid to the unit. However, revenue of an affiliate may not be considered revenue of the holder if the revenue is otherwise subject to fees to be paid to the unit.

(d) This subsection does not apply to a holder that is required to

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determine gross revenue under subsection (b). The holder shall not include the following in determining the gross revenue received during the quarter with respect to a particular unit:

(1) Revenue not actually received, regardless of whether it is billed. Revenue described in this subdivision includes bad debt.

(2) Revenue received by an affiliate or any other person in exchange for supplying goods and services used by the holder to provide video service under the holder's certificate.

(3) Refunds, rebates, or discounts made to subscribers, advertisers, the unit, or other providers leasing access to the holder's facilities.

(4) Revenue from providing service other than video service, including revenue from providing:

(A) telecommunications service (as defined in 47 U.S.C. 153(46));

(B) information service (as defined in 47 U.S.C. 153(20)), other than video service; or

(C) any other service not classified as cable service or video programming by the Federal Communications Commission.

(5) Any fee imposed on the holder under this chapter that is passed through to and paid by subscribers, including the franchise fee:

(A) imposed under section 24 of this chapter for the quarter immediately preceding the quarter for which gross revenue is being computed; and

(B) passed through to and paid by subscribers during the quarter for which gross revenue is being computed.

(6) Revenue from the sale of video service for resale in which the purchaser collects a franchise fee under:

(A) this chapter; or

(B) a local franchise agreement in effect on July 1, 2006;

from the purchaser's customers. This subdivision does not limit the authority of a unit, or the commission on behalf of a unit, to impose a tax, fee, or other assessment upon the purchaser under ~~42 U.S.C. 542(h).~~ **47 U.S.C. 542(h).**

(7) Any tax of general applicability:

(A) imposed on the holder or on subscribers by a federal, state, or local governmental entity; and

(B) required to be collected by the holder and remitted to the taxing entity;

including the state gross retail and use taxes (IC 6-2.5) and the utility receipts tax (IC 6-2.3).

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(8) Any forgone revenue from providing free or reduced cost cable video service to any person, including:

(A) employees of the holder;

(B) the unit; or

(C) public institutions, public schools, or other governmental entities, as required or permitted by this chapter or by federal law.

However, any revenue that the holder chooses to forgo in exchange for goods or services through a trade or barter arrangement shall be included in gross revenue.

(9) Revenue from the sale of:

(A) capital assets; or

(B) surplus equipment that is not used by the purchaser to receive video service from the holder.

(10) Reimbursements that:

(A) are made by programmers to the holder for marketing costs incurred by the holder for the introduction of new programming; and

(B) exceed the actual costs incurred by the holder.

(11) Late payment fees collected from customers.

(12) Charges, other than those described in subsection (c)(1), that are aggregated or bundled with charges described in subsection (c)(1) on a customer's bill, if the holder can reasonably identify the charges on the books and records by the holder in the regular course of business.

(e) If, under the terms of the holder's certificate, the holder provides video service to any unincorporated area in Indiana, the holder shall calculate the holder's gross income received from each unincorporated area served in accordance with:

(1) subsection (b); or

(2) subsections (c) and (d);

whichever is applicable.

(f) If a unit served by the holder under a certificate annexes any territory after the certificate is issued or renewed under this chapter, the holder shall:

(1) include in the calculation of gross revenue for the annexing unit any revenue generated by the holder from providing video service to the annexed territory; and

(2) subtract from the calculation of gross revenue for any unit or unincorporated area:

(A) of which the annexed territory was formerly a part; and

(B) served by the holder before the effective date of the

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annexation;

the amount of gross revenue determined under subdivision (1); beginning with the calculation of gross revenue for the calendar quarter in which the annexation becomes effective. The holder shall notify the commission of the new boundaries of the affected service areas as required under section 20(a)(7) of this chapter.

SECTION 64. IC 8-1-34-24, AS ADDED BY P.L.27-2006, SECTION 58, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 24. (a) Subject to subsection (e), not later than forty-five (45) days after the end of each calendar quarter, the holder shall pay to each unit included in the holder's service area under a certificate issued under this chapter a franchise fee equal to:

(1) the amount of gross revenue received from providing video service in the unit during the most recent calendar quarter, as determined under section 23 of this chapter; multiplied by

(2) a percentage equal to one (1) of the following:

(A) If a local franchise has never been in effect in the unit before July 1, 2006, five percent (5%).

(B) If no local franchise is in effect in the unit on July 1, 2006, but one (1) or more local franchises have been in effect in the unit before July 1, 2006, the percentage of gross revenue paid by the holder of the most recent local franchise in effect in the unit, unless the unit elects to impose a different percentage, which may not exceed five percent (5%).

(C) If there is one (1) local franchise in effect in the unit on July 1, 2006, the percentage of gross revenue paid by the holder of that local franchise as a franchise fee to the unit, unless the unit elects to impose a different percentage, which may not exceed five percent (5%). Upon the expiration of a local franchise described in this clause, the percentage shall be determined by the unit but may not exceed five percent (5%).

(D) If there is more than one (1) local franchise in effect with respect to the unit on July 1, 2006, a percentage determined by the unit, which may not exceed the greater of:

(i) five percent (5%); or

(ii) the percentage paid by a holder of any local franchise in effect in the unit on July 1, 2006.

(b) If the holder provides video service to an unincorporated area in Indiana, as described in section 23(e) of this chapter, the holder shall:

(1) calculate the franchise fee with respect to the unincorporated area in accordance with subsection (a); and

(2) remit the franchise fee to the county in which the

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unincorporated area is located.

If an unincorporated area served by the provider is located in one (1) or more contiguous counties, the provider shall remit part of the franchise fee calculated under subdivision (1) to each county having territory in the unincorporated area served. The part of the franchise fee remitted to a county must bear the same proportion to the total franchise fee for the area, as calculated under subdivision (1), that the number of subscribers in the county bears to the total number of subscribers in the unincorporated area served.

(c) With each payment of a franchise fee to a unit under this section, the holder shall include a statement explaining the basis for the calculation of the franchise fee. A unit may review the books and records of:

(1) the holder; or

(2) an affiliate of the holder, if appropriate;

to the extent necessary to ensure the holder's compliance with section 23 of this chapter in calculating the gross revenue upon which the remitted franchise fee is based. Each party shall bear the party's own costs of an examination under this subsection. If the holder and the unit cannot agree on the amount of gross revenue on which the franchise fee should be based, either party may petition the commission to determine the amount of gross revenue on which the franchise fee should be based. A determination of the commission under this subsection is final, subject to the right of direct appeal by either party.

(d) A franchise fee owed by a holder to a unit under this section may be passed through to, and collected from, the holder's subscribers in the unit. To the extent allowed under ~~43 U.S.C. 542(c),~~ **47 U.S.C. 542(c),** the holder may identify as a separate line item on each regular bill issued to a subscriber:

(1) the amount of the total bill assessed as a franchise fee under this section; and

(2) the identity of the unit to which the franchise fee is paid.

(e) A holder that elects under section 21(b)(1) of this chapter to continue providing video service under a local franchise is not required to pay the franchise fee prescribed under this section, but shall pay any franchise fee imposed under the terms of the local franchise.

SECTION 65. IC 9-16-4-1, AS AMENDED BY P.L.221-2005, SECTION 143, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 1. The commission may develop a separate personnel system for employees of the commission who are assigned to be managers and employees of commission license branches. The system may establish the rights, privileges, powers, and

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duties of these employees, including a license branch pay scale and benefit package. If the commission does not develop and adopt a license branch personnel system, those employees are subject to the state personnel system under ~~IC 4-15-1.8,~~ **IC 4-15-2.2,** except as provided in IC 9-16-1-7.

SECTION 66. IC 9-22-3-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. A certificate of salvage title issued under section 4 of this chapter must contain the following information:

(1) The same vehicle information as a certificate of title issued by the ~~department.~~ **bureau.**

(2) The notation "SALVAGE TITLE" prominently recorded on the front and back of the title.

(3) If the motor vehicle is a flood damaged vehicle, the notation "FLOOD DAMAGED" prominently recorded on the front and back of the title.

SECTION 67. IC 9-23-0.7-2, AS ADDED BY P.L.220-2011, SECTION 220, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. The rules adopted by the bureau of motor vehicles before July 1, 2007, concerning:

(1) IC 9-23-1 **(repealed);**

(2) IC 9-23-2;

(3) IC 9-23-3; and

(4) IC 9-23-6;

are considered, after June 30, 2007, rules of the secretary of state.

SECTION 68. IC 9-24-9-2, AS AMENDED BY P.L.145-2011, SECTION 17, AND AS AMENDED BY P.L.118-2011, SECTION 3, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) Before January 1, 2008, each application for a license or permit under this chapter must require the following information:

(1) The name, date of birth, sex, Social Security number, and mailing address, and, if different from the mailing address, the residence address of the applicant. The applicant shall indicate to the bureau:

(A) which address the license or permit shall contain; and

(B) whether the Social Security number or another distinguishing number shall be the distinctive identification number used on the license or permit.

(2) Whether the applicant has been licensed as an operator, a chauffeur, or a public passenger chauffeur or has been the holder of a learner's permit, and if so, when and by what state.

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(3) Whether the applicant's license or permit has ever been suspended or revoked, and if so, the date of and the reason for the suspension or revocation.

(4) Whether the applicant has been convicted of a crime punishable as a felony under Indiana motor vehicle law or any other felony in the commission of which a motor vehicle was used.

(5) Whether the applicant has a physical or mental disability, and if so, the nature of the disability and other information the bureau directs.

The bureau shall maintain records of the information provided under subdivisions (1) through (5).

(b) Except as provided in subsection (c), after December 31, 2007, each application for a license or permit under this chapter must require the following information:

(1) The full legal name of the applicant.

(2) The applicant's date of birth.

(3) The gender of the applicant.

(4) The applicant's height, weight, hair color, and eye color.

(5) The principal address and mailing address of the applicant.

(6) A:

(A) valid Social Security number; or

(B) verification of an applicant's:

(i) ineligibility to be issued a Social Security number; and

(ii) identity and lawful status.

(7) Whether the applicant has been subject to fainting spells or seizures.

(8) Whether the applicant has been licensed as an operator, a chauffeur, or a public passenger chauffeur or has been the holder of a learner's permit, and if so, when and by what state.

(9) Whether the applicant's license or permit has ever been suspended or revoked, and if so, the date of and the reason for the suspension or revocation.

(10) Whether the applicant has been convicted of a crime punishable as a felony under Indiana motor vehicle law or any other felony in the commission of which a motor vehicle was used.

(11) Whether the applicant has a physical or mental disability, and if so, the nature of the disability and other information the bureau directs.

(12) The signature of the applicant.

The bureau shall maintain records of the information provided under

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subdivisions (1) through (12).

(c) For purposes of subsection (b), an individual certified as a program participant in the address confidentiality program under IC 5-26.5 is not required to provide the individual's principal address and mailing address, but may provide an address designated by the office of the attorney general under IC 5-26.5 as the individual's principal address and mailing address.

*(d) In addition to the information required by subsection (b), an applicant who is required to complete at least fifty (50) hours of supervised practice driving under IC 9-24-3-2.5(a)(1)(E) or IC 9-24-3-2.5(a)(2)(D) must submit to the commission evidence of the time logged in practice driving. The bureau shall maintain a record of the time log provided.*

~~*(d)*~~ **(e)** *In addition to the information required under subsection (b), an application for a license or permit to be issued under this chapter must enable the applicant to indicate that the applicant is a veteran of the armed forces of the United States and wishes to have an indication of the applicant's veteran status appear on the license or permit. An applicant who wishes to have an indication of the applicant's veteran status appear on a license or permit must:*

*(1) indicate on the application that the applicant:*

*(A) is a veteran of the armed forces of the United States; and*

*(B) wishes to have an indication of the applicant's veteran status appear on the license or permit; and*

*(2) verify the applicant's veteran status by providing proof of discharge.*

*The bureau shall maintain records of the information provided under this subsection.*

SECTION 69. IC 9-24-11-5.5, AS ADDED BY P.L.118-2011, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5.5. If a permittee or licensee has under ~~IC 9-24-9-2(d):~~ **IC 9-24-9-2(e):**

(1) indicated on the application that the permittee or licensee is a veteran of the armed forces of the United States and wishes to have an indication of the permittee's or licensee's veteran status appear on the license or permit; and

(2) provided proof of discharge;

an indication of the permittee's or licensee's veteran status shall be shown on the license or permit.

SECTION 70. IC 9-24-19-2 IS AMENDED TO READ AS FOLLOWS: Sec. 2. A person who operates a motor vehicle upon a highway when the person knows that the person's driving privilege,

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license, or permit is suspended or revoked ~~when~~ **commits a Class A misdemeanor if,** less than ten (10) years ~~have elapsed between:~~ **before the date on which the person operates the motor vehicle knowing that the person's driving privilege, license, or permit is suspended or revoked,** ~~(1) the date a~~ judgment was entered against the person for a prior unrelated:

**(1)** ~~violation of~~ **infraction under** section 1 of this chapter; or

**(2) offense or infraction under:**

**(A)** this section;

**(B)** IC 9-1-4-52 (repealed July 1, 1991); or

**(C)** IC 9-24-18-5(a) (repealed July 1, 2000).

~~and (2) the date the violation described in subdivision (1) was committed; commits a Class A misdemeanor.~~

SECTION 71. IC 9-29-6-3, AS AMENDED BY P.L.134-2007, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) The fees for permits issued under IC 9-20-6 to exceed the legal weight limit are as follows:

(1) A trip permit, twenty dollars ($20).

(2) A mileage fee, which is in addition to the trip permit fee in subdivision (1), to be calculated for that part of the gross weight exceeding eighty thousand (80,000) pounds as follows:

(A) For loads greater than eighty thousand (80,000) pounds but not more than one hundred eight thousand (108,000) pounds, thirty-five cents ($0.35) per mile.

(B) For loads greater than one hundred eight thousand (108,000) pounds but not more than one hundred fifty thousand (150,000) pounds, sixty cents ($0.60) per mile.

(C) For loads greater than one hundred fifty thousand (150,000) pounds, one dollar ($1) per mile.

(3) A ninety (90) day permit, two hundred dollars ($200).

(4) An annual permit issued under IC 9-20-6-2(c), eight hundred dollars ($800).

(b) If an application for a permit involves transporting heavy vehicles or loads, or other objects, that exceed the legal length, width, or height limit and that also exceed the legal weight limit in the same movement, the applicant shall pay only the greater of the two (2) fees established in section 2 or 3 of this chapter and the issuing officer or body shall issue a single oversize-overweight permit. The fee for a ninety (90) day permit described in ~~IC 9-20-6-2(b)(3)~~ **IC 9-20-6-2(c)(3)** is two hundred dollars ($200).

SECTION 72. IC 9-30-10-13, AS AMENDED BY P.L.109-2011, SECTION 38, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

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UPON PASSAGE]: Sec. 13. (a) The bureau may issue a license to operate a motor vehicle to a habitual violator whose driving privileges were suspended under section 5(b) of this chapter if the following conditions exist:

(1) The time specified for the person's probation or the restriction or suspension of the person's license has elapsed.

(2) The person has met all the requirements of all applicable statutes and rules relating to the licensing of motor vehicle operators.

(3) The person files with the bureau and maintains for three (3) years after filing proof of financial responsibility in accordance with IC 9-25.

(4) The bureau places a restriction on the person's driver's license and driving record that indicates the person is prohibited from operating a motor vehicle or motorized bicycle with an alcohol concentration equivalent to at least two-hundredths (0.02) gram of alcohol per:

(A) one hundred (100) milliliters of the person's blood; or

(B) two hundred ten (210) liters of the person's breath;

or while intoxicated (as defined under IC 9-13-2-86) for three (3) years after the bureau issues the driver's license to the person.

(5) The person signs a bureau form by which the person agrees that as a condition to obtaining the driver's license the person will submit to a chemical test at any time during the period three (3) years after the bureau issues the driver's license to the person if a law enforcement officer lawfully stops the person while operating a motor vehicle or motorized bicycle and the law enforcement officer requests that the person submit to a chemical test.

(b) The bureau may issue a license to operate a motor vehicle to a habitual violator whose driving privileges have been suspended for life if the following conditions exist:

(1) The bureau has received an order for rescission of suspension and reinstatement issued under section 15 of this chapter.

(2) The person to whom the license is to be issued has never been convicted of a violation described in section 4(a) or 17 of this chapter.

(3) The person has not been convicted of an offense under section 16 of this chapter more than one (1) time.

(4) The person has met all the requirements of all applicable statutes and rules relating to the licensing of motor vehicle operators.

(5) The person:

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**(A)** files with the bureau; and

**(B)** maintains for three (3) years after filing;

proof of financial responsibility in accordance with IC 9-25.

(6) The bureau places a restriction on the person's driver's license and driving record that indicates the person is prohibited from operating a motor vehicle or motorized bicycle with an alcohol concentration equivalent to at least two-hundredths (0.02) gram of alcohol per:

(A) one hundred (100) milliliters of the person's blood; or

(B) two hundred ten (210) liters of the person's breath;

or while intoxicated (as defined under IC 9-13-2-86) for three (3) years after the bureau issues the driver's license to the person.

(7) The person signs a bureau form by which the person agrees that as a condition to obtaining the driver's license the person will submit to a chemical test at any time during the period three (3) years after the bureau issues the driver's license to the person if a law enforcement officer lawfully stops the person while operating a motor vehicle or motorized bicycle and the law enforcement officer requests that the person submit to a chemical test.

(c) A habitual violator is not eligible for relief under the hardship provisions of IC 9-24-15.

SECTION 73. IC 10-19-3-4, AS ADDED BY P.L.22-2005, SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 4. The executive director may appoint employees in the manner provided by ~~IC 4-15-2~~ **IC 4-15-2.2** and fix their compensation, subject to the approval of the budget agency under IC 4-12-1-13.

SECTION 74. IC 10-20-2-3, AS ADDED BY P.L.158-2011, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 3. The director may appoint employees in the manner provided by ~~IC 4-15-2~~ **IC 4-15-2.2** and fix their compensation, subject to the approval of the budget agency under IC 4-12-1-13.

SECTION 75. IC 10-20-2-5, AS ADDED BY P.L.158-2011, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. The department has the following duties:

(1) Provide instruction in toxicology to law enforcement officers and certify law enforcement officers as required by the statutes for the administration of breath and other chemical tests.

(2) Provide instruction and technical assistance as needed to prosecutors and defense counsel for the proper:

(A) ~~administration~~ **admission** of test results into evidence; or

(B) exclusion of test results from evidence.

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(3) Provide instruction to judges concerning toxicology and the science of alcohol and drug testing as needed to improve the administration of justice.

(4) Provide information to the public concerning chemical testing and the science of toxicology to advance a better understanding of the system of justice in Indiana.

SECTION 76. IC 10-20.1-1-1, AS ADDED BY P.L.158-2011, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) As used in this section, "board" means the toxicology advisory board established by subsection (b).

(b) The toxicology advisory board is established to assist in the transition of the state department of toxicology from the Indiana University School of Medicine to the state department of toxicology under IC 10-20. The board shall provide guidance on:

(1) the transition to the department;

(2) obtaining accreditation by a nationally recognized organization that sets toxicology standards; and

(3) recommendations for additional legislation needed regarding the ongoing operations of the department of toxicology.

(c) The board consists of three (3) members appointed by the governor. Each member must have expertise and experience in toxicology. One (1) of the members must be a judge or retired judge who is knowledgeable in the area of toxicology and in training in toxicology issues.

~~(c)~~ **(d)** Service on the board does not constitute holding a public office.

~~(d)~~ **(e)** Each member of the board is not entitled to the minimum salary per diem provide by IC 4-10-11-2.1(b). A member 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.

~~(e)~~ **(f)** The affirmative votes of a majority of the members are required for the board to take action on any measure, including **the** final report.

~~(f)~~ **(g)** The board shall deliver a report to the governor and the legislative council by September 1, 2012. The report to the legislative council must be in an electronic format under IC 5-14-6.

~~(g)~~ **(h)** This article expires December 21, 2012.

SECTION 77. IC 11-8-2-5, AS AMENDED BY P.L.77-2009, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

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JULY 1, 2012]: Sec. 5. (a) The commissioner shall do the following:

(1) Organize the department and employ personnel necessary to discharge the duties and powers of the department.

(2) Administer and supervise the department, including all state owned or operated correctional facilities.

(3) Except for employees of the parole board, be the appointing authority for all positions in the department. ~~within the scope of IC 4-15-2 and define the duties of those positions in accord with IC 4-15-2.~~

(4) Define the duties of a deputy commissioner and a superintendent.

(5) Accept committed persons for study, evaluation, classification, custody, care, training, and reintegration.

(6) Determine the capacity of all state owned or operated correctional facilities and programs and keep all Indiana courts having criminal or juvenile jurisdiction informed, on a quarterly basis, of the populations of those facilities and programs.

(7) Utilize state owned or operated correctional facilities and programs to accomplish the purposes of the department and acquire or establish, according to law, additional facilities and programs whenever necessary to accomplish those purposes.

(8) Develop policies, programs, and services for committed persons, for administration of facilities, and for conduct of employees of the department.

(9) Administer, according to law, the money or other property of the department and the money or other property retained by the department for committed persons.

(10) Keep an accurate and complete record of all department proceedings, which includes the responsibility for the custody and preservation of all papers and documents of the department.

(11) Make an annual report to the governor according to subsection (c).

(12) Develop, collect, and maintain information concerning offenders, sentencing practices, and correctional treatment as the commissioner considers useful in penological research or in developing programs.

(13) Cooperate with and encourage public and private agencies and other persons in the development and improvement of correctional facilities, programs, and services.

(14) Explain correctional programs and services to the public.

(15) As required under 42 U.S.C. 15483, after January 1, 2006, provide information to the election division to coordinate the

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computerized list of voters maintained under IC 3-7-26.3 with department records concerning individuals disfranchised under IC 3-7-46.

(b) The commissioner may:

(1) when authorized by law, adopt departmental rules under IC 4-22-2;

(2) delegate powers and duties conferred on the commissioner by law to a deputy commissioner or commissioners and other employees of the department;

(3) issue warrants for the return of escaped committed persons (an employee of the department or any person authorized to execute warrants may execute a warrant issued for the return of an escaped person);

(4) appoint personnel to be sworn in as correctional police officers; and

(5) exercise any other power reasonably necessary in discharging the commissioner's duties and powers.

(c) The annual report of the department shall be transmitted to the governor by September 1 of each year and must contain:

(1) a description of the operation of the department for the fiscal year ending June 30;

(2) a description of the facilities and programs of the department;

(3) an evaluation of the adequacy and effectiveness of those facilities and programs considering the number and needs of committed persons or other persons receiving services; and

(4) any other information required by law.

Recommendations for alteration, expansion, or discontinuance of facilities or programs, for funding, or for statutory changes may be included in the annual report.

SECTION 78. IC 11-13-4.5-1.5, AS ADDED BY P.L.137-2011, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1.5. The governor shall enter into a compact on behalf of the state with any other state in the form substantially as set forth in this section.

ARTICLE I

DEFINITIONS

As used in this compact, unless the context clearly requires a different construction:

(1) "Bylaws" mean those bylaws established by the interstate commission for its governance or for directing or controlling the interstate commission's actions or conduct.

(2) "Compact administrator" means the individual in each

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compacting state appointed under the terms of this compact, responsible for the administration and management of the state's supervision and transfer of juveniles subject to the terms of this compact, the rules adopted by the interstate commission, and policies adopted by the state council under this compact.

(3) "Compacting state" means any state that has enacted the enabling legislation for this compact.

(4) "Commissioner" means the voting representative of each compacting state appointed under Article II of this compact.

(5) "Court" means any court having jurisdiction over a delinquent, neglected, or dependent child.

(6) "Deputy compact administrator" means the individual, if any, in each compacting state appointed to act on behalf of a compact administrator under the terms of this compact responsible for the administration and management of the state's supervision and transfer of juveniles subject to the terms of this compact, the rules adopted by the interstate commission, and policies adopted by the state council under this compact.

(7) "Interstate commission" means the interstate commission for juveniles established by this compact.

(8) "Juvenile" means any person defined as a juvenile in any member state or by the rules of the interstate commission, including the following terms and definitions:

(A) "Accused delinquent" means a person charged with an offense that if committed by an adult would be a criminal offense.

(B) "Adjudicated delinquent" means a person found to have committed an offense that if committed by an adult would be a criminal offense.

(C) "Accused status offender" means a person charged with an offense that would not be a criminal offense if committed by an adult.

(D) "Adjudicated status offender" means a person found to have committed an offense that would not be a criminal offense if committed by an adult.

(E) "Nonoffender" means a person in need of supervision who is not an accused or adjudicated status offender or delinquent.

(9) "Noncompacting state" means any state that has not enacted the enabling legislation for this compact.

(10) "Probation or parole" means any kind of supervision or conditional release of juveniles authorized by the laws of the compacting states.

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(11) "Rules" means a written statement by the interstate commission adopted under Article V of this compact that is of general applicability, implements, interprets, or prescribes a policy or provision of the compact, or an organizational, procedural, or practice requirement of the interstate commission.

(12) "State" means a state of the United States, the District of Columbia, or any other territorial possession of the United States.

ARTICLE II

INTERSTATE COMMISSION FOR JUVENILES

(a) The interstate commission for juveniles is established.

(b) The interstate commission is a body corporate and joint agency of the compacting states. The interstate commission has all the responsibilities, powers, and duties set forth in this section, and additional powers as conferred upon it by subsequent action of the respective legislatures of the compacting states in accordance with the terms of this compact.

(c) The interstate commission consists of commissioners appointed by the appropriate appointing authority in each state under the rules and requirements of each compacting state and in consultation with the state council for interstate juvenile supervision set forth in this section. The commissioner is the compact administrator, deputy compact administrator, or designee from that state who serves on the interstate commission under the law of the compacting state.

(d) In addition to the commissioners, who are the voting representatives of each state, the interstate commission includes individuals who are not commissioners but who are members of interested organizations. Noncommissioner members include a member of the national organizations of governors, legislators, state chief justices, attorneys general, interstate compact for adult offender officials, interstate compact for the placement of children officials, juvenile justice and juvenile corrections officials, and crime victims. All noncommissioner members of the interstate commission are ex officio nonvoting members. The interstate commission may provide in its bylaws for additional, ex officio, nonvoting members, including members of other national organizations.

(e) Each compacting state represented at any meeting of the interstate commission is entitled to one (1) vote. A majority of the compacting states constitute a quorum for the transaction of business, unless a larger quorum is required by the bylaws of the interstate commission.

(f) The interstate commission shall meet at least once each calendar year. The chairperson may call additional meetings and, upon the

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request of a simple majority of the compacting states, shall call additional meetings. Public notice shall be given of all meetings and meetings must be open to the public.

(g) The interstate commission shall establish an executive committee that must include interstate commission officers, members, and others as determined by the bylaws. The executive committee has authority to act on behalf of the interstate commission during periods when the interstate commission is not in session, with the exception of rulemaking or making amendments to the compact. The executive committee oversees the day to day activities managed by the executive director and interstate commission staff, administers enforcement and compliance with the provisions of the compact, its bylaws and rules, and performs other duties as directed by the interstate commission or set forth in the bylaws.

(h) Each member of the interstate commission is entitled to cast a vote and to participate in the business and affairs of the interstate commission. A member shall vote in person and may not delegate a vote to another compacting state. However, a commissioner, in consultation with the state council, shall appoint another authorized representative, in the absence of the commissioner from that state, to cast a vote on behalf of the compacting state at a specified meeting. The bylaws may provide for members' participation in meetings by telephone or other means of telecommunication or electronic communication.

(i) The interstate commission's bylaws must establish conditions and procedures. The interstate commission shall make its information and official records available to the public for inspection or copying under the bylaws. The interstate commission may exempt from disclosure any information or official records to the extent they would adversely affect personal privacy rights or proprietary interests.

(j) Public notice shall be given of all meetings, and all meetings shall be open to the public, except as set forth in the rules or as otherwise provided in the compact. The interstate commission and its committees may close a meeting to the public if it determines by two-thirds (2/3) vote that an open meeting would likely:

(1) relate solely to the interstate commission's internal personnel practices and procedures;

(2) disclose matters specifically exempted from disclosure by statute;

(3) disclose trade secrets or commercial or financial information that is privileged or confidential;

(4) involve accusing a person of a crime, or formally censuring a

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person;

(5) disclose information of a personal nature if the disclosure would constitute a clearly unwarranted invasion of personal privacy;

(6) disclose investigative records compiled for law enforcement purposes;

(7) disclose information contained in or related to the examination of, operating or condition reports prepared by, on behalf of, or for the use of, the interstate commission with respect to a regulated person or entity for the purpose of regulation or supervision of the regulated person or entity;

(8) disclose information prematurely and significantly endanger the stability of a regulated person or entity; or

(9) specifically relate to the interstate commission's issuance of a subpoena or its participation in a civil action or other legal proceeding.

(k) For every meeting closed under ~~subsection (i),~~ **subsection (j),** the interstate commission's legal counsel shall publicly certify that, in the legal counsel's opinion, the meeting may be closed to the public, and shall reference each relevant exemption clause listed in ~~subsection (i).~~ **subsection (j).** The interstate commission shall keep minutes that describe all matters discussed in each meeting and shall provide a summary of any actions taken. The minutes must also include a description of the views expressed on any item and the record of any roll call vote indicating how each member voted in each vote. All documents considered in connection with any action must be identified in each set of minutes.

(l) The interstate commission shall collect standardized data concerning the interstate movement of juveniles as directed through its rule that shall specify the data to be collected, the means of collection, and data exchange and reporting requirements. The methods of data collection, exchange, and reporting shall conform to modern technology and coordinate the information functions with the appropriate repository of records.

ARTICLE III

POWERS AND DUTIES OF THE INTERSTATE COMMISSION

The interstate commission has the following powers and duties:

(1) To provide for dispute resolution among compacting states.

(2) To adopt rules that are binding in the compacting states to the extent and in the manner provided in this compact.

(3) To oversee, supervise, and coordinate the interstate movement of juveniles subject to the terms of this compact and any bylaws

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and rules adopted by the interstate commission.

(4) To enforce compliance with compact provisions, interstate commission rules, and bylaws, using all necessary and proper means, including but not limited to the use of judicial process.

(5) To establish and maintain offices.

(6) To purchase and maintain insurance and bonds.

(7) To borrow, accept, or contract for services of personnel, including, but not limited to, members and their staffs.

(8) To establish and appoint committees and hire staff it considers necessary for the carrying out of its functions, including, but not limited to, an executive committee as required by Article II of this compact that may act on behalf of the interstate commission in carrying out its powers and duties.

(9) To elect or appoint officers, attorneys, employees, agents, or consultants, to fix their compensation, define their duties, and determine their qualifications, and to establish the interstate commission's personnel policies and programs relating to, among other things, conflicts of interest, rates of compensation, and qualifications of personnel.

(10) To accept donations and grants of money, equipment, supplies, materials, and services and to receive, use, and dispose of them.

(11) To lease, purchase, accept contributions or donations of, or otherwise own, hold, improve, or use any real, personal, or mixed property.

(12) To sell, convey, mortgage, pledge, lease, exchange, abandon, or otherwise dispose of any real, personal, or mixed property.

(13) To establish a budget and make expenditures and levy dues as provided in Article VII of this compact.

(14) To sue and be sued.

(15) To adopt a seal and suitable bylaws governing the management and operation of the interstate commission.

(16) To perform functions as necessary or appropriate to achieve the purposes of this compact.

(17) To report annually to the legislatures, governors, judiciary, and state councils of the compacting states concerning the activities of the interstate commission during the preceding year. Reports must include any recommendations that may have been adopted by the interstate commission.

(18) To coordinate education, training, and public awareness for officials involved in the interstate movement of juveniles.

(19) To establish uniform standards for the reporting, collecting,

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and exchanging of data.

(20) The interstate commission must maintain its corporate books and records in accordance with the bylaws.

ARTICLE IV

ORGANIZATION AND OPERATION OF THE INTERSTATE COMMISSION

Part A. Bylaws

The interstate commission shall, by a majority of the members, within twelve (12) months of the first interstate commission meeting, adopt bylaws to govern its conduct as may be necessary or appropriate to carry out the purposes of the compact, including:

(1) establishing the fiscal year of the interstate commission;

(2) establishing an executive committee and other committees as necessary;

(3) providing reasonable standards and procedures:

(A) for the establishment of committees; and

(B) governing any general or specific delegation of any authority or function of the interstate commission;

(4) providing reasonable procedures for calling and conducting meetings of the interstate commission and ensuring reasonable notice of each meeting;

(5) establishing the titles and responsibilities of the officers of the interstate commission;

(6) providing a mechanism for concluding the operations of the interstate commission and the return of any surplus funds that may exist upon the termination of the compact after the payment and reserving of its debts and obligations;

(7) providing transition rules for a start-up administration of the compact; and

(8) establishing standards and procedures for compliance and technical assistance in carrying out the compact.

Part B. Officers and Staff

(a) The interstate commission, by a majority of the members, shall elect from among its members a chairperson and a vice chairperson, each of whom has authority and duties as specified in the bylaws. The chairperson or, in the chairperson's absence or disability, the vice chairperson, shall preside at all meetings of the interstate commission. The officers elected serve without compensation or remuneration from the interstate commission. However, subject to the availability of budgeted funds, the officers are entitled to be reimbursed for any actual and necessary costs and expenses incurred by them in the performance of their duties and responsibilities as officers of the interstate

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commission.

(b) The interstate commission, through its executive committee, shall appoint or retain an executive director. The interstate commission may set terms and conditions for the appointment of the executive director and shall determine the appropriate compensation for the executive director. The executive director shall serve as secretary to the interstate commission and hire and supervise other staff as authorized by the interstate commission, but is not a member.

Part C. Qualified Immunity, Defense, and Indemnification

(a) The members, officers, executive director, and employees of the interstate commission are immune from suit and liability, either personally or in their official capacities, for any claim for damage to or loss of property or personal injury or other civil liability caused or arising out of any actual or alleged act, error, or omission that occurs within the scope of interstate commission employment, duties, or responsibilities. However, this subsection may not be construed to protect any person from suit or liability for any damage, loss, injury, or liability caused by the intentional or willful and wanton misconduct of any person.

(b) The liability of any commissioner, or the employee or agent of a commissioner, acting within the scope of the person's employment or duties for acts, errors, or omissions occurring within the person's state may not exceed the limits of liability set forth under the constitution and law of that state for state officials, employees, and agents. This subsection may not be construed to protect any person from suit or liability for any damage, loss, injury, or liability caused by the intentional or willful and wanton misconduct of any the person.

(c) The interstate commission shall defend the executive director, the executive director's employees and representatives, the commissioner of a compacting state, and the commissioner's representatives or employees in any civil action seeking to impose liability arising out of any actual or alleged act, error, or omission that occurs within the scope of interstate commission employment, duties, or responsibilities or that the defendant has a reasonable basis for believing occurred within the scope of interstate commission employment, duties, or responsibilities, as long as the actual or alleged act, error, or omission did not result from intentional wrongdoing on the part of the person.

(d) The interstate commission shall indemnify and hold harmless the commissioner of a compacting state, the appointed designee or employees, and the interstate commission's representatives or employees in the amount of any settlement or judgment obtained

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against the person arising out of any actual or alleged act, error, or omission that occurs within the scope of interstate commission employment, duties, or responsibilities, or that the person had a reasonable basis for believing occurred within the scope of interstate commission employment, duties, or responsibilities, provided that the actual or alleged act, error, or omission did not result from gross negligence or intentional wrongdoing on the part of the person.

ARTICLE V

RULEMAKING FUNCTIONS OF THE INTERSTATE COMMISSION

(a) The interstate commission shall adopt rules to effectively and efficiently achieve the purposes of the compact.

(b) Rulemaking shall occur under the criteria set forth in this article and the bylaws and rules adopted. Rulemaking must substantially conform to the principles of the Model State Administrative Procedures Act, 1981 Act, Uniform Laws Annotated, Vol. 15, p. 1 (2000), or another administrative procedures act the interstate commission considers to be consistent with the due process requirement of the Constitution of the United States as interpreted by the United States Supreme Court.

(c) All rules and amendments become binding as of the date specified in each rule or amendment.

(d) When adopting a rule, the interstate commission shall:

(1) publish the entire text of the proposed rule and the reason for the proposed rule;

(2) allow and invite individuals to submit written data, facts, opinions, and arguments, that shall be publicly available;

(3) provide an opportunity for an informal hearing if petitioned by ten (10) or more individuals; and

(4) adopt a final rule and its effective date, if appropriate, based on input from state and local officials or other interested parties.

(e) Not later than sixty (60) days after a rule is adopted, any interested person may file a petition in the United States District Court for the District of Columbia or in the Federal District Court where the interstate commission's principal office is located for judicial review of the rule. If the court finds that the interstate commission's action is not supported by substantial evidence in the rulemaking record, the court shall hold the rule unlawful and set it aside. For purposes of this subsection, evidence is substantial if it would be considered substantial evidence under the Model State Administrative Procedures Act.

(f) If a majority of the legislatures of the compacting states rejects a rule, those states may, by enactment of a statute or resolution in the

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same manner used to adopt the compact, cause the rule to be no longer in effect in any compacting state.

(g) The rules governing the operation of the interstate compact on juveniles ~~superceded~~ **superseded** by this act are void twelve (12) months after the first meeting of the interstate commission created by this compact.

(h) Upon determination by the interstate commission that an emergency exists, it may adopt an emergency rule that becomes effective immediately upon adoption. However, the rulemaking procedures provided under this article shall be applied retroactively to the rule as soon as reasonably possible and not later than ninety (90) days after the effective date of the rule.

ARTICLE VI

OVERSIGHT, ENFORCEMENT, AND DISPUTE RESOLUTION BY THE INTERSTATE COMMISSION

Part A. Oversight

(a) The interstate commission shall oversee the administration and operations of the interstate movement of juveniles subject to this compact in the compacting states and shall monitor activities being administered in noncompacting states that may significantly affect compacting states.

(b) The courts and executive agencies in each compacting state shall enforce this compact and shall take all actions necessary and appropriate to effectuate the compact's purposes and intent. The provisions of this compact and the rules adopted shall be received by all the judges, public officers, commissions, and departments of the state government as evidence of the authorized statute and administrative rules. All courts shall take judicial notice of the compact and the rules. In any judicial or administrative proceeding in a compacting state pertaining to the subject matter of this compact that may affect the powers, responsibilities, or actions of the interstate commission, the interstate commission is entitled to receive all service of process in any proceeding and has standing to intervene in the proceeding for all purposes.

Part B. Dispute Resolution

(a) The compacting states shall report to the interstate commission on issues and activities necessary for the administration of the compact as well as issues and activities pertaining to compliance with this compact and its bylaws and rules.

(b) Upon the request of a compacting state, the interstate commission shall attempt to resolve any disputes or other issues that are subject to the compact and that may arise between compacting

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states and noncompacting states. The interstate commission shall adopt a rule providing for mediation and binding dispute resolution for disputes among the compacting states.

(c) The interstate commission, in the reasonable exercise of its discretion, shall enforce this compact and rules of this compact as set forth in Article X of this compact.

ARTICLE VII

FINANCE

(a) The interstate commission shall pay or provide for the payment of the reasonable expenses of its establishment, organization, and ongoing activities.

(b) The interstate commission shall levy and collect an annual assessment from each compacting state to cover the cost of the internal operations and activities of the interstate commission and its staff that must be in a total amount sufficient to cover the interstate commission's annual budget as approved each year. The total annual assessment amount shall be allocated based upon a formula to be determined by the interstate commission, taking into consideration the population of the compacting state and the volume of interstate movement of juveniles in each compacting state, and shall adopt a rule binding upon all compacting states that governs the assessment.

(c) The interstate commission may not incur any obligation of any kind before securing the funds adequate to meet the obligation, nor may the interstate commission pledge the credit of any compacting state except by and with the authority of the compacting state.

(d) The interstate commission shall keep accurate accounts of all receipts and disbursements. The receipts and disbursements of the interstate commission are subject to the audit and accounting procedures established under its bylaws. However, all receipts and disbursements of funds handled by the interstate commission shall be audited yearly by a certified or licensed public accountant, and the report of the audit must be included in and become part of the annual report of the interstate commission.

ARTICLE VIII

THE STATE COUNCIL

Each member state shall create a state council for interstate juvenile supervision. While each state may determine the membership of its own state council, its membership must include at least one (1) representative from the legislative, judicial, and executive branches of government and victims groups and the compact administrator, deputy compact administrator, or designee. Each compacting state retains the right to determine the qualifications of the compact administrator or

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deputy compact administrator. Each state council shall advise and may exercise oversight and advocacy concerning the state's participation in interstate commission activities and other duties as may be determined by that state, including, but not limited to, the development of policy concerning operations and procedures of the compact within that state.

ARTICLE IX

COMPACTING STATES

(a) Any state, the District of Columbia (or its designee), the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, and the Northern Mariana Islands is eligible to become a compacting state.

(b) The compact becomes effective and binding upon legislative enactment of the compact into law by at least thirty-five (35) states. The initial effective date is the later of July 1, 2004, or upon enactment into law by the thirty-fifth jurisdiction. Thereafter, the compact becomes effective and binding on any other compacting state upon enactment of the compact into law by that state. The governors of nonmember states or their designees are invited to participate in interstate commission activities on a nonvoting basis before adoption of the compact by all states and territories of the United States.

(c) Amendments to the compact may be proposed by the interstate commission for enactment by the compacting states. No amendment becomes effective and binding upon the interstate commission and the compacting states unless and until it is enacted into law by unanimous consent of the compacting states.

ARTICLE X

WITHDRAWAL, DEFAULT, TERMINATION, AND JUDICIAL ENFORCEMENT

Part A. Withdrawal

(a) Once effective, the compact continues in force and remains binding upon every compacting state. A compacting state may withdraw from the compact by enacting a statute specifically repealing the statute that enacted the compact into law.

(b) The effective date of withdrawal is the effective date of the repeal.

(c) The withdrawing state shall immediately notify the chairperson of the interstate commission in writing upon the introduction of legislation repealing this compact in the withdrawing state. The interstate commission shall notify the other compacting states of the withdrawing state's intent to withdraw not later than sixty (60) days after receiving the written notice.

(d) The withdrawing state is responsible for all assessments,

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obligations, and liabilities incurred through the effective date of withdrawal, including any obligations the performance of which extends beyond the effective date of withdrawal.

(e) Reinstatement following withdrawal of any compacting state occurs upon the withdrawing state reenacting the compact or upon later date as determined by the interstate commission.

Part B. Technical Assistance, Fines, Suspension, Termination and Default

(a) If the interstate commission determines that any compacting state has at any time defaulted in the performance of any of its obligations or responsibilities under this compact, the bylaws, or any adopted rules, the interstate commission may impose any or all of the following penalties:

(1) Remedial training and technical assistance as directed by the interstate commission.

(2) Alternative dispute resolution.

(3) Fines, fees, and costs levied upon the county responsible for the default or upon the state, if the state is responsible for the default, in amounts considered reasonable as fixed by the interstate commission.

(4) Suspension or termination of membership as described in subsection (b).

(b) Suspension or termination of membership in the compact may be imposed only after all other reasonable means of securing compliance under the bylaws and rules have been exhausted. Immediate notice of suspension shall be given by the interstate commission to the governor, the chief justice or the chief judicial officer of the state, the majority and minority leaders of the defaulting state's legislature, and the state council.

(c) The grounds for default include, but are not limited to, failure of a compacting state to perform the obligations or responsibilities imposed upon it by this compact, interstate commission bylaws, or adopted rules. The interstate commission shall immediately notify the defaulting state in writing of the penalty imposed by the interstate commission on the defaulting state pending a cure of the default. The interstate commission shall stipulate the conditions the defaulting state must meet to cure its default, and specify the time when these conditions must be met. If the defaulting state fails to cure the default within the time specified by the interstate commission, in addition to any other penalties imposed in this compact, the defaulting state may be terminated from the compact upon an affirmative vote of a majority of the compacting states, and all rights, privileges, and benefits

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conferred by this compact are terminated from the effective date of suspension.

(d) Within sixty (60) days of the effective date of termination of a defaulting state, the interstate commission shall notify the governor, the chief justice or the chief judicial officer of the state, the majority and minority leaders of the defaulting state's legislature, and the state council of the termination.

(e) The defaulting state is responsible for all assessments, obligations, and liabilities incurred through the effective date of termination, including any obligations that extend beyond the effective date of termination.

(f) The interstate commission shall not bear any costs relating to the defaulting state unless otherwise mutually agreed upon between the interstate commission and the defaulting state.

(g) Reinstatement following termination of any compacting state requires both a reenactment of the compact by the defaulting state and the approval of the interstate commission under the rules.

Part C. Judicial Enforcement

The interstate commission may, by majority vote of the members, initiate legal action in the United States District Court for the District of Columbia or, at the discretion of the interstate commission, in the federal district where the interstate commission has its offices, to enforce compliance with this compact and its adopted rules and bylaws against any compacting state in default. If judicial enforcement is necessary, the prevailing party shall be awarded all costs of the litigation including reasonable attorney's fees.

Part D. Dissolution of Compact

(a) This compact dissolves effective on the date of the withdrawal or default of the compacting state that reduces membership in the compact to one (1) compacting state.

(b) Upon this dissolution of this compact, the compact becomes void and is of no further force or effect, and the business and affairs of the interstate commission shall be concluded and any surplus funds shall be distributed in accordance with the bylaws.

ARTICLE XI

SEVERABILITY AND CONSTRUCTION

(a) The provisions of this compact are severable, and if any phrase, clause, sentence, or provision is considered unenforceable, the remaining provisions of the compact are enforceable.

(b) The provisions of this compact shall be liberally constructed to effectuate its purposes.

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BINDING EFFECT OF COMPACT AND OTHER LAWS

Part A. Other Laws

(a) Nothing in this compact prevents the enforcement of any other law of a compacting state that is not inconsistent with this compact.

(b) All compacting states' laws other than state constitutions and other interstate compacts conflicting with this compact are superseded to the extent of the conflict.

Part B. Binding Effects of the Compact

(a) All lawful actions of the interstate commission, including all rules and bylaws adopted by the interstate commission, are binding upon the compacting states.

(b) All agreements between the interstate commission and the compacting states are binding in accordance with their terms.

(c) Upon the request of a party to a conflict over meaning or interpretation of interstate commission actions, and upon a majority vote of the compacting states, the interstate commission may issue advisory opinions regarding the meaning or interpretation.

(d) Any provision of this compact that violates the Constitution of the State of Indiana is ineffective in Indiana.

SECTION 79. IC 11-13-9-2, AS AMENDED BY P.L.228-2011, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) As used in this section, **the years of an inmate's** confinement ~~is~~ **are** "consecutive" if:

(1) the inmate has remained in the continuous custody of the department for the requisite length of time; or

(2) the inmate would have remained in the continuous custody of the department for the requisite length of time, but:

(A) was released from the custody of the department on the basis of an erroneous court order; and

(B) returned to the custody of the department not later than seventy-two (72) hours after the erroneous court order was rescinded.

(b) Notwithstanding any other law, as soon as practicable after an inmate has been confined to the custody of the department for:

(1) twenty-five (25) consecutive years;

(2) twenty-four (24) consecutive years if the inmate has received one (1) year of credit time under IC 35-50-6-3.3;

(3) twenty-three (23) consecutive years if the inmate has received two (2) years of credit time under IC 35-50-6-3.3;

(4) twenty-two (22) consecutive years if the inmate has received three (3) years of credit time under IC 35-50-6-3.3; or

(5) twenty-one (21) consecutive years if the inmate has received

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four (4) years of credit time under IC 35-50-6-3.3;

the department shall identify the inmate to the parole board and provide the parole board with the inmate's offender progress report.

SECTION 80. IC 12-7-2-34, AS AMENDED BY P.L.1-2007, SECTION 105, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 34. "Commission" means the following:

(1) For purposes of IC 12-10-2, the meaning set forth in IC 12-10-2-1.

(2) For purposes of IC 12-11-7, the meaning set forth in IC 12-11-7-1.

(3) For purposes of IC 12-12-2, the meaning set forth in IC 12-12-2-1.

(4) For purposes of IC 12-13-14, the meaning set forth in IC 12-13-14-1.

**(5) For purposes of IC 12-15-46-2, the meaning set forth in IC 12-15-46-2(a)**.

~~(5)~~ **(6)** For purposes of IC 12-21-6.5, the meaning set forth in IC 12-21-6.5-1.

~~(6)~~ **(7)** For purposes of IC 12-28-1, the meaning set forth in IC 12-28-1-3.

SECTION 81. IC 12-7-2-44, AS AMENDED BY P.L.197-2011, SECTION 39, AND AS AMENDED BY P.L.229-2011, SECTION 106, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 44. "Council" means the following:

(1) For purposes of IC 12-9-4, the meaning set forth in IC 12-9-4-1.

(2) For purposes of IC 12-12-8, the meaning set forth in IC 12-12-8-2.5.

(3) For purposes of IC 12-13-4, the meaning set forth in IC 12-13-4-1.

~~*(4) For purposes of IC 12-15-41 and IC 12-15-42, the Medicaid work incentives council established by IC 12-15-42-1.*~~

~~*(5)*~~ *(4)* For purposes of IC 12-12.7-2, the meaning set forth in IC 12-12.7-2-2.

~~*(6)*~~ *(5)* For purposes of IC 12-21-4, the meaning set forth in IC 12-21-4-1.

~~*(6) For purposes of IC 12-28-5, the meaning set forth in IC 12-28-5-1.*~~

SECTION 82. IC 12-7-2-69, AS AMENDED BY P.L.229-2011, SECTION 108, IS AMENDED TO READ AS FOLLOWS

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[EFFECTIVE UPON PASSAGE]: Sec. 69. (a) "Division", except as provided in subsections (b) and (c), refers to any of the following:

(1) The division of disability and rehabilitative services established by IC 12-9-1-1.

(2) The division of aging established by IC 12-9.1-1-1.

(3) The division of family resources established by IC 12-13-1-1.

(4) The division of mental health and addiction established by IC 12-21-1-1.

(b) The term refers to the following:

(1) For purposes of the following statutes, the division of disability and rehabilitative services established by IC 12-9-1-1:

(A) IC 12-9.

(B) IC 12-11.

(C) IC 12-12.

(D) IC 12-12.5.

(E) IC 12-12.7.

**(F) IC 12-15-46-2.**

~~(F)~~ **(G)** IC 12-28-5.

(2) For purposes of the following statutes, the division of aging established by IC 12-9.1-1-1:

(A) IC 12-9.1.

(B) IC 12-10.

(3) For purposes of the following statutes, the division of family resources established by IC 12-13-1-1:

(A) IC 12-13.

(B) IC 12-14.

(C) IC 12-15.

(D) IC 12-16.

(E) IC 12-17.2.

(F) IC 12-18.

(G) IC 12-19.

(H) IC 12-20.

(4) For purposes of the following statutes, the division of mental health and addiction established by IC 12-21-1-1:

(A) IC 12-21.

(B) IC 12-22.

(C) IC 12-23.

(D) IC 12-25.

(c) With respect to a particular state institution, the term refers to the division whose director has administrative control of and responsibility for the state institution.

(d) For purposes of IC 12-24, IC 12-26, and IC 12-27, the term

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refers to the division whose director has administrative control of and responsibility for the appropriate state institution.

SECTION 83. IC 12-7-2-82.4, AS ADDED BY P.L.160-2011, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 82.4. "Family planning services", for purposes of ~~IC 12-15-45-1,~~ **IC 12-15-46-1,** has the meaning set forth in ~~IC 12-15-45-1(a).~~ **IC 12-15-46-1(a).**

SECTION 84. IC 12-7-2-85.1, AS ADDED BY P.L.160-2011, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 85.1. "Fertilization", for purposes of ~~IC 12-15-45-1,~~ **IC 12-15-46-1,** has the meaning set forth in ~~IC 12-15-45-1(b).~~ **IC 12-15-46-1(b).**

SECTION 85. IC 12-7-2-186.2 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 186.2. "State plan amendment", for purposes of IC 12-15-46-1, has the meaning set forth in IC 12-15-46-1(c).**

SECTION 86. IC 12-7-2-199.8 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 199.8. As used in IC 12-15-46-2, "waiver" has the meaning set forth in IC 12-15-46-2(c).**

SECTION 87. IC 12-9-3-1 IS REPEALED [EFFECTIVE JULY 1, 2012]. ~~Sec. 1. Except as provided in IC 4-15-2-3.8, IC 4-15-2 applies to all employees of the division.~~

SECTION 88. IC 12-9.1-3-1 IS REPEALED [EFFECTIVE JULY 1, 2012]. ~~Sec. 1. Except as provided in IC 4-15-2-3.8, IC 4-15-2 applies to all employees of the division.~~

SECTION 89. IC 12-10-6-2.1, AS AMENDED BY P.L.143-2011, SECTION 11, AND AS AMENDED BY P.L.229-2011, SECTION 119, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2.1. (a) An individual who is incapable of residing in the individual's own home may apply for residential care assistance under this section. The determination of eligibility for residential care assistance is the responsibility of the division. Except as provided in ~~*subsections (g) and (i),*~~ *subsection (h),* an individual is eligible for residential care assistance if the division determines that the individual:

(1) is a recipient of Medicaid or the federal Supplemental Security Income program;

(2) is incapable of residing in the individual's own home because of dementia, mental illness, or a physical disability;

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(3) requires a degree of care less than that provided by a health care facility licensed under IC 16-28;

(4) can be adequately cared for in a residential care setting; and

(5) has not made any asset transfer prohibited under the state plan or in 42 U.S.C. 1396p(c) in order to be eligible for Medicaid.

(b) Individuals with mental retardation may not be admitted to a home or facility that provides residential care under this section.

(c) A service coordinator employed by the division may:

(1) evaluate a person seeking admission to a home or facility under subsection (a); or

(2) evaluate a person who has been admitted to a home or facility under subsection (a), including a review of the existing evaluations in the person's record at the home or facility.

If the service coordinator determines the person evaluated under this subsection has mental retardation, the service coordinator may recommend an alternative placement for the person.

(d) Except as provided in section 5 of this chapter, residential care consists of only room, board, and laundry, along with minimal administrative direction. ~~*State financial assistance may be provided for such care in a boarding or residential home of the applicant's choosing that is licensed under IC 16-28 or a Christian Science facility listed and certified by the Commission for Accreditation of Christian Science Nursing Organizations/Facilities, Inc., that meets certain life safety standards considered necessary by the state fire marshal. Payment for such care shall be made to the provider of the care according to division directives and supervision. The amount of nonmedical assistance to be paid on behalf of a recipient living in a boarding home, residential home, or Christian Science facility shall be based on the daily rate established by the division. The rate for facilities that are referred to in this section and licensed under IC 16-28 may not exceed an upper rate limit established by a rule adopted by the division.*~~ The recipient may retain from the recipient's income a monthly personal allowance of fifty-two dollars ($52). This amount is exempt from income eligibility consideration by the division and may be exclusively used by the recipient for the recipient's personal needs. However, if the recipient's income is less than the amount of the personal allowance, the division shall pay to the recipient the difference between the amount of the personal allowance and the recipient's income. A reserve or an accumulated balance from such a source, together with other sources, may not be allowed to exceed the state's resource allowance allowed for adults eligible for state supplemental assistance or Medicaid as established by the rules

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of the office of Medicaid policy and planning.

(e) In addition to the amount that may be retained as a personal allowance under this section, an individual shall be allowed to retain an amount equal to the individual's state and local income tax liability. The amount that may be retained during a month may not exceed one-third (1/3) of the individual's state and local income tax liability for the calendar quarter in which that month occurs. This amount is exempt from income eligibility consideration by the division. The amount retained shall be used by the individual to pay any state or local income taxes owed.

(f) In addition to the amounts that may be retained under subsections (d) and (e), an eligible individual may retain a Holocaust victim's settlement payment. The payment is exempt from income eligibility consideration by the division.

~~*(g) The rate of payment to the provider shall be determined in accordance with a prospective prenegotiated payment rate predicated on a reasonable cost related basis, with a growth of profit factor, as determined in accordance with generally accepted accounting principles and methods, and written standards and criteria, as established by the division. The division shall establish an administrative appeal procedure to be followed if rate disagreement occurs if the provider can demonstrate to the division the necessity of costs in excess of the allowed or authorized fee for the specific boarding or residential home. The amount may not exceed the maximum established under subsection (d).*~~

~~*(h)*~~ *(g)* The personal allowance for one (1) month for an individual described in subsection (a) is the amount that an individual would be entitled to retain under subsection (d) plus an amount equal to one-half (1/2) of the remainder of:

(1) gross earned income for that month; minus

(2) the sum of:

(A) sixteen dollars ($16); plus

(B) the amount withheld from the person's paycheck for that month for payment of state income tax, federal income tax, and the tax prescribed by the federal Insurance Contribution Act (26 U.S.C. 3101 et seq.); plus

(C) transportation expenses for that month; plus

(D) any mandatory expenses required by the employer as a condition of employment.

~~*(i)*~~ *(h)* An individual who, before September 1, 1983, has been admitted to a home or facility that provides residential care under this section is eligible for residential care in the home or facility.

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~~(f)~~ *(i)* The director of the division may contract with the division of mental health and addiction or the division of disability and rehabilitative services to purchase services for individuals with a mental illness or a developmental disability by providing money to supplement the appropriation for community *based* residential care programs established under IC 12-22-2 or community *based* residential programs established under IC 12-11-1.1-1.

~~(k)~~ *(j)* A person with a mental illness may not be placed in a Christian Science facility listed and certified by the Commission for Accreditation of Christian Science Nursing Organizations/Facilities, Inc., unless the facility is licensed under IC 16-28.

SECTION 90. IC 12-12-1-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 6. The bureau shall, upon request of an applicant for state **civil** service (as defined in ~~IC 4-15-2-3.8),~~ **IC 4-15-2.2-10),** determine whether the applicant is an individual with a disability ~~(as defined in IC 4-15-2-19.5)~~ who is eligible to be ~~certified~~ **appointed** under ~~IC 4-15-2-19.5(b).~~ **IC 4-15-2.2-33.**

SECTION 91. IC 12-13-3-1 IS REPEALED [EFFECTIVE JULY 1, 2012]. ~~Sec. 1. Except as provided in IC 4-15-2-3.8, IC 4-15-2 applies to all employees of the division.~~

SECTION 92. IC 12-15-20.7-2, AS AMENDED BY P.L.229-2011, SECTION 141, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) This section does not apply during the period that the office is assessing a hospital fee authorized by HEA 1001-2011. For each state fiscal year ending before July 1, 2005, and subject to section 3 of this chapter **(repealed),** the office shall make the payments identified in this section in the following order:

(1) First, payments under IC 12-15-15-9 and IC 12-15-15-9.5.

(2) Second, payments under clauses (A) and (B) of STEP FIVE of IC 12-15-15-1.5(b).

(3) Third, Medicaid inpatient payments for safety-net hospitals and Medicaid outpatient payments for safety-net hospitals.

(4) Fourth, payments under IC 12-15-15-1.1 and **IC** 12-15-15-1.3.

(5) Fifth, payments under IC 12-15-19-8 for municipal disproportionate share hospitals.

(6) Sixth, payments under IC 12-15-19-2.1 for disproportionate share hospitals.

(7) Seventh, payments under clause (C) of STEP FIVE of IC 12-15-15-1.5(b).

(b) For each state fiscal year ending after June 30, 2007, the office

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shall make the payments for the programs identified in IC 12-15-20-2(8)(G) in the order of priority that best utilizes available non-federal share, Medicaid supplemental payments, and Medicaid disproportionate share payments, and may change the order or priority at any time as necessary for the proper administration of one (1) or more of the payment programs listed in IC 12-15-20-2(8)(G).

SECTION 93. IC 12-15-46 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

**Chapter 46. Medicaid Waivers and State Plan Amendments**

**Sec. 1. (a) As used in this section, "family planning services" does not include the performance of abortions or the use of a drug or device intended to terminate fertilization.**

**(b) As used in this section, "fertilization" means the joining of a human egg cell with a human sperm cell.**

**(c) As used in this section, "state plan amendment" refers to an amendment to Indiana's Medicaid State Plan as authorized by Section 1902(a)(10)(A)(ii)(XXI) of the federal Social Security Act (42 U.S.C. 1315).**

**(d) Before January 1, 2012, the office shall do the following:**

**(1) Apply to the United States Department of Health and Human Services for approval of a state plan amendment to expand the population eligible for family planning services and supplies as permitted by Section 1902(a)(10)(A)(ii)(XXI) of the federal Social Security Act (42 U.S.C. 1315). In determining what population is eligible for this expansion, the state must incorporate the following:**

**(A) Inclusion of women and men.**

**(B) Setting income eligibility at one hundred thirty-three percent (133%) of the federal income poverty level.**

**(C) Adopting presumptive eligibility for services to this population.**

**(2) Consider the inclusion of additional:**

**(A) medical diagnosis; and**

**(B) treatment services;**

**that are provided for family planning services in a family planning setting for the population designated in subdivision (1) in the state plan amendment.**

**(e) The office shall report concerning its proposed state plan amendment to the select joint commission on Medicaid oversight established by IC 2-5-26-3 during the commission's 2011 interim meetings. The select joint commission on Medicaid oversight shall**

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**review the proposed state plan amendment and may make an advisory recommendation to the office concerning the proposed state plan amendment.**

**(f) The office may adopt rules under IC 4-22-2 to implement this section.**

**(g) This section expires January 1, 2016.**

**Sec. 2. (a) As used in this section, "commission" refers to the select joint commission on Medicaid oversight established by IC 2-5-26-3.**

**(b) As used in this section, "division" refers to the division of disability and rehabilitative services established by IC 12-9-1-1.**

**(c) As used in this chapter, "waiver" refers to the federal Medicaid developmental disabilities home and community based services waiver program that is administered by the office and the division.**

**(d) Before July 1, 2012, the division shall report orally and in writing to the commission for review of a plan to reduce the aggregate and per capita cost of the waiver by implementing changes to the waiver, which may include the following:**

**(1) Calculating budget neutrality on an individual rather than an aggregate basis.**

**(2) Instituting a family care program to provide recipients with another option for receiving services.**

**(3) Evaluating the current system to determine whether a group home or a waiver home is the most appropriate use of resources for placement of the individual.**

**(4) Evaluating alternative placements for high cost individuals to ensure individuals are served in the most integrated setting appropriate to the individual's needs and within the resources available to the state.**

**(5) Migrating individuals from the waiver to a redesigned waiver that provides options to individuals for receiving services and supports appropriate to meet the individual's needs and that are cost effective and high quality and focus on social and health outcomes.**

**(6) Requiring cost participation by a recipient whose family income exceeds five hundred percent (500%) of the federal income poverty level, factoring in medical expenses and personal care needs expenses of the recipient.**

**(e) After the division makes the report required under subsection (d), the division may consult with the office and take any action necessary to carry out the requirements of this section,**

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**including applying to the federal Department of Health and Human Services for approval to amend the waiver.**

SECTION 94. IC 12-21-3-1 IS REPEALED [EFFECTIVE JULY 1, 2012]. ~~Sec. 1. Except as provided in IC 4-15-2-3.8, IC 4-15-2 applies to all employees of the division.~~

SECTION 95. IC 12-22-2-0.3, AS ADDED BY P.L.220-2011, SECTION 273, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 0.3. **(a) This section applies to the four (4) sub-acute stabilization programs implemented under the subdivision (1) added by P.L.62-1993 to IC 12-22-2-3 (repealed).**

**(b)** If the division determines that any one (1) of the four (4) sub-acute stabilization programs ~~implemented under IC 12-22-2-3(1), as added by P.L.62-1993,~~ is not successful, the division shall terminate operation of the unsuccessful program. The division may not expand the number of sub-acute stabilization programs or change the location of a program without approval from the general assembly.

SECTION 96. IC 12-24-3-1 IS REPEALED [EFFECTIVE JULY 1, 2012]. ~~Sec. 1. Except as provided in IC 4-15-2-3.8, IC 4-15-2 applies to all employees of a state institution.~~

SECTION 97. IC 12-28-5-10, AS AMENDED BY P.L.197-2011, SECTION 45, AND AS AMENDED BY P.L.229-2011, SECTION 149, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10. ~~*In conjunction with the*~~ *The* division ~~*of disability and rehabilitative services, the council*~~ shall do the following:

(1) Determine the current and projected needs of each geographic area of Indiana for residential services for individuals with a developmental disability *and, beginning July 1, 2012, annually report the findings to the division of disability and rehabilitative services advisory council established by IC 12-9-4-2.*

(2) Determine how the provision of developmental or vocational services for residents in these geographic areas affects the availability of developmental or vocational services to individuals with a developmental disability living in their own homes *and, beginning July 1, 2012, report the findings to the division of disability and rehabilitative services advisory council established by IC 12-9-4-2.*

(3) Develop standards for licensure of supervised group living facilities regarding the following:

(A) A sanitary and safe environment for residents and employees.

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(B) Classification of supervised group living facilities.

(C) Any other matters that will ensure that the residents will receive a residential environment.

(4) Develop standards for the approval of entities providing supported living services.

~~*(5) Recommend social and habilitation programs to the Indiana health facilities, home health care, and hospice council for individuals with a developmental disability who reside in health facilities licensed under IC 16-28.*~~

~~*(6) Develop and update semiannually a report that identifies the numbers of individuals with a developmental disability who live in health facilities licensed under IC 16-28. The Indiana health facilities, home health care, and hospice council shall assist in developing and updating this report.*~~

SECTION 98. IC 13-11-2-148, AS AMENDED BY P.L.159-2011, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 148. (a) "Operator", for purposes of IC 13-18-10, means the person in direct or responsible charge or control of one (1) or more confined feeding operations.

(b) "Operator", for purposes of IC 13-18-11 and environmental management laws, means the person in direct or responsible charge and supervising the operation of:

(1) a water treatment plant;

(2) a wastewater treatment plant; or

(3) a water distribution system.

(c) "Operator", for purposes of IC 13-20-6, means a corporation, a limited liability company, a partnership, a business association, a unit, or an individual who is a sole proprietor that is one (1) of the following:

(1) A broker.

(2) A person who manages the activities of a transfer station that receives municipal waste.

(3) A transporter.

(d) "Operator", for purposes of IC 13-23, except as provided in subsections (e), (g), and (h), means a person:

(1) in control of; or

(2) having responsibility for;

the daily operation of an underground storage tank.

(e) "Operator", for purposes of IC 13-23-13, does not include the following:

(1) A person who:

(A) does not participate in the management of an underground storage tank;

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(B) is otherwise not engaged in the:
(i) production;
(ii) refining; and
(iii) marketing;
of regulated substances; and
(C) holds evidence of ownership, primarily to protect the owner's security interest in the tank.

(2) A person that is a lender that did not participate in management of an underground storage tank before foreclosure, notwithstanding that the person:
(A) forecloses on the vessel or facility; and
(B) after foreclosure, sells, re-leases (in the case of a lease finance transaction), or liquidates the underground storage tank, maintains business activities, winds up operations, undertakes a response action under Section 107(d)(1) of CERCLA (42 U.S.C. 9607(d)(1)) or under the direction of an on-scene coordinator appointed under the National Contingency Plan with respect to the underground storage tank, or takes any other measure to preserve, protect, or prepare the underground storage tank prior to sale or disposition;
if the person seeks to sell, re-lease (in the case of a lease finance transaction), or otherwise divest the person of the underground storage tank at the earliest practicable, commercially reasonable time, on commercially reasonable terms, taking into account market conditions and legal and regulatory requirements.

(3) A person who:
(A) does not own or lease, directly or indirectly, the facility or business at which the underground storage tank is located;
(B) does not participate in the management of the facility or business described in clause (A); and
(C) is engaged only in:
(i) filling;
(ii) gauging; or
(iii) filling and gauging;
the product level in the course of delivering fuel to an underground storage tank.

(4) A political subdivision (as defined in IC 36-1-2-13) or unit of federal or state government that:
(A) acquires ownership or control of an underground storage tank on a brownfield because of:
(i) bankruptcy;

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(ii) foreclosure;
(iii) tax delinquency, including an acquisition under IC 6-1.1-24 or IC 6-1.1-25;
(iv) abandonment;
(v) the exercise of eminent domain, including any purchase of property once an offer to purchase has been tendered under IC 32-24-1-5;
(vi) receivership;
(vii) transfer from another political subdivision or unit of federal or state government;
(viii) acquiring an area needing redevelopment (as defined in IC 36-7-1-3) or conducting redevelopment activities, specifically under IC 36-7-14-22.2, IC 36-7-14-22.5, IC 36-7-15.1-15.1, IC 36-7-15.1-15.2, and IC 36-7-15.1-15.5;
(ix) other circumstances in which the political subdivision or unit of federal or state government involuntarily acquired an interest in the property because of the political subdivision's or unit's function as sovereign; or
(x) any other means to conduct remedial actions on a brownfield; and

(B) is engaged only in activities in conjunction with:
(i) investigation or remediation of hazardous substances, petroleum, and other pollutants associated with a brownfield, including complying with land use restrictions and institutional controls; or
(ii) monitoring or closure of an underground storage tank;

unless existing contamination on the brownfield is exacerbated due to gross negligence or intentional misconduct by the political subdivision or unit of federal or state government.

(f) For purposes of subsection ~~(e)(3)(B),~~ **(e)(4)(B),** reckless, willful, or wanton misconduct constitutes gross negligence.

(g) "Operator" does not include a person that after June 30, 2009, meets, for purposes of the determination under IC 13-23-13 of liability for a release from an underground storage tank, the exemption criteria under Section 107(q) of CERCLA (42 U.S.C. 9607(q)) that apply for purposes of the determination of liability for a release of a hazardous substance.

(h) "Operator" does not include a person that meets, for purposes of the determination under IC 13-23-13 of liability for a release from an underground storage tank, the exemption criteria under Section 107(r) of CERCLA (42 U.S.C. 9607(r)) that apply for purposes of the

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determination of liability for a release of a hazardous substance, except that the person acquires ownership of the facility after June 30, 2009.

SECTION 99. IC 13-13-4 IS REPEALED [EFFECTIVE JULY 1, 2012]. (Employees of Department).

SECTION 100. IC 13-13-7-9, AS AMENDED BY P.L.159-2011, SECTION 13, AND AS AMENDED BY P.L.62-2011, SECTION 1, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. The council shall do the following:

(1) ~~Study.~~ **Conduct the following studies:**

(A) **Study** issues designated by the legislative council.

*(B) In 2011,* **study** *each program administered by the department for which the program's annual cost of administration exceeds the annual revenue generated by the program and evaluate whether to recommend measures to reduce or eliminate the excess cost.* ~~and~~

~~*(B)*~~ *(C)* **Study** the following in 2012:

(i) The effectiveness of the electronic waste provisions of IC 13-20.5.

(ii) Appropriate guidelines for the Indiana recycling market development board for determining under IC 13-20.5-2-2 whether a manufacturer has made good faith progress to achieve substantial compliance with IC 13-20.5.

(2) Advise the commissioner on policy issues decided on by the council.

(3) Review the mission and goals of the department and evaluate the implementation of the mission.

(4) Serve as a council of the general assembly to evaluate:

(A) resources and structural capabilities of the department to meet the department's priorities; and

(B) program requirements and resource requirements for the department.

(5) Serve as a forum for citizens, the regulated community, and legislators to discuss broad policy directions.

*(6) Review and discuss various topics related to the Great Lakes and the Great Lakes watershed, including:*

*(A) the availability of federal funds for projects related to water quality, supply, and protection;*

*(B) the extent of water consumption and use from the Great Lakes, including the Great Lakes watershed;*

*(C) levels of water pollution and the sources affecting water quality of the Great Lakes, including the Great Lakes*

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*watershed;*

*(D) the impact of water quality and supply issues on recreational activities and natural habitats;*

*(E) the impact of invasive species on the Great Lakes and the Great Lakes watershed ecosystem;*

*(F) current laws and regulations affecting the Great Lakes, including the Great Lakes—St. Lawrence River Basin Water Resources Compact (IC 14-25-15);*

*(G) current laws, regulations, and infrastructure conditions affecting shipping in the Great Lakes; and*

*(H) other matters relevant to the condition of the Great Lakes and the Great Lakes Watershed.*

~~(6)~~ *(7)* Submit a final report to the legislative council, in an electronic format under IC 5-14-6, that contains at least the following:

(A) An outline of activities of the council.

(B) Recommendations for department action.

(C) Recommendations for legislative action.

SECTION 101. IC 13-14-9-8, AS AMENDED BY P.L.79-2011, SECTION 1, AND AS AMENDED BY P.L.159-2011, SECTION 15, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. (a) *Except as provided in subsection (g),* unless a board determines that a proposed rule should be subject to additional comments or makes a determination described in subsection (f), sections 2 through 7 and sections 9 through 14 of this chapter do not apply to a rulemaking action if the commissioner determines that:

(1) the proposed rule constitutes:

(A) an adoption or incorporation by reference of a federal law, regulation, or rule that:

(i) is or will be applicable to Indiana; and

(ii) contains no amendments that have a substantive effect on the scope or intended application of the federal law or rule;

(B) a technical amendment with no substantive effect on an existing Indiana rule; or

(C) an amendment to an existing Indiana rule, the primary and intended purpose of which is to clarify the existing rule; and

(2) the proposed rule is of such nature and scope that there is no reasonably anticipated benefit to the environment or the persons referred to in section 7(a)(2) of this chapter from the following:

(A) Exposing the proposed rule to diverse public comment

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under section 3 or 4 of this chapter.

(B) Affording interested or affected parties the opportunity to be heard under section 3 or 4 of this chapter.

(C) Affording interested or affected parties the opportunity to develop evidence in the record collected under sections 3 and 4 of this chapter.

(b) If the commissioner makes a determination under subsection (a), the commissioner shall prepare written findings under this section. The full text of the commissioner's written findings shall be included in:

(1) the notice of adoption of the proposed rule; and

(2) the written materials to be considered by the board at the public hearing held under this section.

(c) The notice of adoption of a proposed rule under this section must:

(1) be published in the Indiana Register; and

(2) include the following:

(A) Draft rule language that includes the language described in subsection (a)(1).

(B) A written comment period of at least thirty (30) days.

(C) A notice of public hearing before the appropriate board.

(d) The department shall include the following in the written materials to be considered by the board at the public hearing referred to in subsection (c):

(1) The full text of the proposed rule as most recently prepared by the department.

(2) Written responses of the department to written comments received during the comment period referred to in subsection (c).

(3) The commissioner's findings under subsection (b).

(e) At the public hearing referred to in subsection (c), the board may:

(1) adopt the proposed rule;

*(2) adopt the proposed rule with amendments;*

~~(2)~~ *(3)* reject the proposed rule;

~~(3)~~ *(4)* determine that additional public comment is necessary; or

~~(4)~~ *(5)* determine to reconsider the proposed rule at a subsequent board meeting.

(f) If the board determines under subsection (e) that additional public comment is necessary, the department shall publish a second notice in accordance with section 4 of this chapter and complete the rulemaking in accordance with this chapter.

*(g) If the board adopts the proposed rule with amendments under subsection (e)(2), the amendments must meet the logical outgrowth*

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*requirements of section 10 of this chapter, except that the board, in determining whether the amendments are a logical outgrowth of comments provided to the board, and in considering whether the language of comments provided to the board fairly apprised interested persons of the specific subjects and issues contained in the amendments, shall consider the comments provided to the board at the public hearing referred to in subsection (c)(2)(C).*

~~(g)~~ **(h)** *This subsection applies to that part of a rule adopted under this section that directly corresponds to and is based on a federal law, rule, or regulation that is stayed or repealed, invalidated, vacated, or otherwise nullified by a legislative, an administrative, or a judicial action described in subdivision (1), (2), or (3). If:*

*(1) a proposed rule is adopted by a board under subsection (e)(1) based on a determination by the commissioner under subsection (a)(1)(A) and the federal law, rule, or regulation on which the adopted rule is based is later repealed or otherwise nullified by legislative or administrative action, then that part of the adopted rule that corresponds to the repealed or nullified federal law, rule, or regulation is void as of the effective date of the legislative or administrative action repealing or otherwise nullifying the federal law, rule, or regulation;*

*(2) a board adopts a proposed rule under subsection (e)(1) that is based on a determination by the commissioner under subsection (a)(1)(A) and the federal law, rule, or regulation on which the adopted rule is based is later invalidated, vacated, or otherwise nullified by a judicial decree, order, or judgment of a state or federal court whose decisions concerning such matters have force and effect in Indiana:*

*(A) then that part of the rule that corresponds to the invalidated, vacated, or otherwise nullified federal law, rule, or regulation shall not be enforced by the commissioner or any other person during the time in which an appeal of the judicial decree, order, or judgment can be commenced or is pending; and*

*(B) either:*

*(i) that part of the adopted rule that corresponds to the invalidated, vacated, or otherwise nullified federal law, rule, or regulation is void as of the date that the judicial decree, order, or judgment becomes final and unappealable; or*

*(ii) enforcement of the adopted rule is restored if the judicial decree, order, or judgment is reversed, vacated, or*

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*otherwise nullified on appeal; and*

*(3) the federal law, regulation, or rule that is the basis of a rule that is adopted under subsection (e)(1) and based on a determination by the commissioner under subsection (a)(1)(A) is stayed by an administrative or a judicial order pending an administrative or a judicial action regarding the validity of the federal law, rule, or regulation, the commissioner may suspend the enforcement of that part of the adopted rule that corresponds to the stayed federal law, rule, or regulation while the stay is in force.*

SECTION 102. IC 13-18-12-2.5, AS ADDED BY P.L.223-2011, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2.5. (a) The department and the boards may allow a person to use industrial waste products in a land application operation or as ingredients in a soil amendment or soil substitute to be land applied if:

(1) the industrial waste products are not hazardous wastes;

(2) the industrial waste products:

(A) have a beneficial use (as defined in 327 IAC 6.1-2-6); or

(B) otherwise provide a benefit to the process of creating the soil amendments or soil substitute or to the final soil amendment, soil substitute, or material to be land applied, such as bulking;

(3) the finished soil amendment, soil substitute, or material to be land applied satisfies the applicable criteria in 327 IAC 6.1;

(4) the finished soil amendment, soil substitute, or material to be land applied has a beneficial use;

(5) the requirements of subsection (b) are satisfied; and

(6) the person pays a permit fee in an amount determined by the department that does not exceed the costs incurred by the department to issue the permit.

(b) The department:

(1) may allow the use of industrial waste products:

(A) in a land application operation; or

(B) as ingredients in a soil amendment or soil substitute to be land applied;

on the same basis as other materials under the rules concerning land application and marketing and distribution permits;

(2) may not:

(A) discriminate against the use of industrial waste products on the basis that the industrial waste products lack biological carbon;

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(B) impose requirements beyond applicable criteria in 327 IAC 6.1, unless additional requirements are necessary for the protection of human health and the environment;

(C) require that the finished soil amendment, soil substitute, or material to be land applied must be of a particular economic value; or

(D) for any pollutant that has a pollutant limit or concentration in 327 IAC 6.1, require that an industrial waste product or the finished soil amendment, soil substitute, or material to be land applied satisfies:

(i) the department's risk integrated system of closures nonrule policy document; or

(ii) any other standards other than criteria in 327 IAC 6.1; ~~and~~

(3) for any pollutant present in the industrial waste products that does not have a pollutant limit or concentration in 327 IAC 6.1, shall consider the benefits of the finished soil amendment, soil substitute, or material to be land applied as compared to the measurable risks to human health and the environment based on the anticipated use of the finished soil amendment, soil substitute, or material to be land applied; and

(4) shall require an application for a permit for the land application of industrial waste products to include characterization of individual industrial waste products at the point of waste generation before mixing the waste streams.

(c) The board may adopt rules for pollutant limits or concentrations for pollutants for which limits or concentrations do not exist in 327 IAC 6.1 as of July 1, 2011.

SECTION 103. IC 14-34-19-1.5, AS ADDED BY P.L.165-2011, SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1.5. (a) As used in this section, "fund" refers to the reclamation set-aside fund established by subsection (b).

(b) The reclamation set-aside fund is established for **the** following purposes:

(1) The protection of public health and property from the extreme danger of the adverse effects of coal mining practices.

(2) The assurance that safety and general welfare are not affected by the extreme danger of adverse effects of coal mining practices.

(3) The protection of public health from the adverse effects of coal mining practices.

(4) The assurance that safety and general welfare are not affected by the adverse effects of coal mining practices.

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(5) The restoration of land and water resources and the environment previously degraded by adverse effects of coal mining practices, including measures for the conservation and development of soil, water, excluding channelization, woodland, fish and wildlife, recreation resources, and agricultural productivity.

(c) The department shall administer the fund.

(d) The fund consists of the following:

(1) Accrued interest and other investment earnings of the fund.

(2) Gifts, grants, donations, or appropriations from any source.

(e) Money in the fund does not revert to the state general fund at the end of a state fiscal year.

(f) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public money may be invested. Interest that accrues from these investments shall be deposited in the fund.

SECTION 104. IC 14-37-4-8.5, AS ADDED BY P.L.140-2011, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8.5. (a) For purposes of this section, "waste" means locating, spacing, drilling, equipping, operating, or producing a well for coal bed methane purposes in a manner that unreasonably reduces or tends to unreasonably reduce the quantity of commercially minable coal resources ultimately to be recovered from a mine.

(b) If ownership of coal bed methane is separate from ownership of coal, no surface right or any other right pertaining to coal bed methane and naturally flowing from the character of any instrument in law may be exercised without the consent of the coal owner under subsection (d)(2), unless the director makes a finding that the exercise of the right: ~~will not:~~

(1) **will not** result in; ~~or~~ **and**

(2) **does not** have the potential to result in;

any waste of a commercially minable coal resource or endangerment of the health and safety of miners.

(c) In making a finding under subsection (b), the director shall consider whether the use of one (1) or more of the following may result in waste of a commercially minable coal resource or endangerment of the health and safety of miners:

(1) Hydrofracturing the coal seam.

(2) Horizontal drilling in the coal seam.

(3) Any other technology that disturbs the integrity of either or both of the following:

(A) The coal seam.

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(B) The strata surrounding the coal seam.

(d) An application for a permit to drill into or through one (1) or more coal seams for the purpose of testing or producing coal bed methane must be accompanied by:

(1) subject to subsection (e), certification by affidavit of the applicant that, upon diligent inquiry, including reference to:

(A) the record of filings maintained by the department and made by coal owners and lessees under IC 14-8-2-47; and

(B) publicly available records pertaining to thickness and depth of coal;

the activities of the applicant do not and will not result in waste of a commercially minable coal resource or endangerment of the health and safety of miners; or

(2) subject to subsections (f) and (g), written consent of the coal owner or coal lessee authorizing the drilling.

(e) An applicant that submits a permit application accompanied ~~with~~ **by** a certification under subsection (d)(1) shall submit proof that written notice of the permit application has been received by the owner and, if applicable, the lessee of the coal through which drilling is proposed.

(f) If there is a coal lease, the coal owner and the coal lessee must include in the written consent under subsection (d)(2) a statement acknowledging that the recovery of coal bed methane might result in waste of the commercially minable coal resource.

(g) If there is no coal lease, the coal owner must include in the written consent under subsection (d)(2) a statement that the coal owner has not leased the coal for coal mining purposes and acknowledging that the recovery of coal bed methane may result in waste of the commercially minable resource.

(h) A person with the following interests in the coal through which drilling for purposes of testing for or producing coal bed methane is proposed has thirty (30) days, after receipt of the permit application notice, to object to the issuance of the permit on the basis of waste of a commercially minable coal resource or endangerment of the health and safety of miners:

(1) The owner.

(2) If applicable, the lessee.

(3) Another person with an interest to develop a coal resource who files an affidavit under IC 14-37-7-8.

(i) A person that files an affidavit under IC 14-37-7-8 may not object to the issuance of the permit if the application includes the written consent of the coal owner under subsection (d)(2).

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(j) The commission shall prescribe by rule the procedure for objection under subsection (h), including a reasonable deadline for initiating the objection.

(k) An owner or holder of mineral interests must comply with the requirements under IC 32-23-7-6.5.

SECTION 105. IC 15-11-3-3, AS ADDED BY P.L.2-2008, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 3. The director may appoint employees ~~in the manner provided by IC 4-15-2~~ and fix their compensation, subject to the approval of the budget agency under IC 4-12-1-13.

SECTION 106. IC 15-13-3-11, AS ADDED BY P.L.20-2011, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11. (a) The commission may establish a nonprofit subsidiary corporation that is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code, to solicit and accept private funding, gifts, donations, bequests, devises, and contributions.

(b) A subsidiary corporation established under this section:

(1) shall use money received under subsection (a) to carry out in any manner the purposes and programs under this article;

(2) shall report to the budget committee each year concerning:

(A) the use of money received under subsection (a); and

(B) the balances in any accounts or funds established by the subsidiary corporation; and

(3) may deposit money received under subsection (a) in an account or fund that is:

(A) administered by the subsidiary corporation; and

(B) not part of the state treasury.

(c) A subsidiary corporation established under this section is governed by a board of directors comprised of the members of the commission.

(d) Employees of the commission shall provide administrative support for a subsidiary corporation **established under this section.**

(e) The state board of accounts shall annually audit a subsidiary corporation established under this section.

SECTION 107. IC 15-19-7-34.5, AS ADDED BY P.L.8-2011, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 34.5. (a) The state chemist may:

(1) inspect; and

(2) on the request of a commercial feed manufacturer or distributor, audit and certify;

commercial feed manufacturers and distributors that export commercial

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feed.

(b) The state chemist may adopt rules under IC 4-22-2 to inspect, audit, and certify commercial feed ~~manufactures~~ **manufacturers** and distributors that export commercial feed under subsection (a).

(c) The rules adopted under this section may incorporate existing standards that are applicable to a particular manufacturer or distributor.

(d) The rules adopted under this section must include a schedule of fees for all activities required under this section to inspect, audit, and certify a commercial feed manufacturer or distributor.

SECTION 108. IC 16-18-2-17.2 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 17.2. "Anatomic pathology service", for purposes of IC 16-48-1, has the meaning set forth in IC 16-48-1-1.**

SECTION 109. IC 16-18-2-282, AS AMENDED BY P.L.156-2011, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 282. (a) "Physician", except as provided in subsections (b) and (c), means a licensed physician (as defined in section 202 of this chapter).

(b) "Physician", for purposes of IC 16-41-12, has the meaning set forth in IC 16-41-12-7.

(c) "Physician", for purposes of IC 16-37-1-3.1 and IC 16-37-3-5, means an individual who:

(1) was the physician last in attendance (as defined in section 282.2 of this chapter); or

(2) is licensed under IC 25-22.5.

**(d) "Physician", for purposes of IC 16-48-1, is subject to IC 16-48-1-2.**

SECTION 110. IC 16-18-2-295, AS AMENDED BY P.L.41-2007, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 295. (a) "Provider", for purposes of IC 16-21-8, has the meaning set forth in IC 16-21-8-0.5.

(b) "Provider", for purposes of IC 16-38-5, IC 16-39 (except for IC 16-39-7) and IC 16-41-1 through IC 16-41-9 and IC 16-41-37, means any of the following:

(1) An individual (other than an individual who is an employee or a contractor of a hospital, a facility, or an agency described in subdivision (2) or (3)) who is licensed, registered, or certified as a health care professional, including the following:

(A) A physician.

(B) A psychotherapist.

(C) A dentist.

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(D) A registered nurse.
(E) A licensed practical nurse.
(F) An optometrist.
(G) A podiatrist.
(H) A chiropractor.
(I) A physical therapist.
(J) A psychologist.
(K) An audiologist.
(L) A speech-language pathologist.
(M) A dietitian.
(N) An occupational therapist.
(O) A respiratory therapist.
(P) A pharmacist.
(Q) A sexual assault nurse examiner.

(2) A hospital or facility licensed under IC 16-21-2 or IC 12-25 or described in IC 12-24-1 or IC 12-29.

(3) A health facility licensed under IC 16-28-2.

(4) A home health agency licensed under IC 16-27-1.

(5) An employer of a certified emergency medical technician, a certified emergency medical technician-basic advanced, a certified emergency medical technician-intermediate, or a certified paramedic.

(6) The state department or a local health department or an employee, agent, designee, or contractor of the state department or local health department.

(c) "Provider", for purposes of IC 16-39-7-1, has the meaning set forth in IC 16-39-7-1(a).

**(d) "Provider", for purposes of IC 16-48-1, has the meaning set forth in IC 16-48-1-3.**

SECTION 111. IC 16-18-2-324.7 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 324.7. "Second opinion", for purposes of IC 16-48-1, has the meaning set forth in IC 16-48-1-4.**

SECTION 112. IC 16-18-2-331.9, AS ADDED BY P.L.229-2011, SECTION 161, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 331.9. "Small house health facility" means a freestanding, self-contained comprehensive care health facility that has the following characteristics:

(1) Has at least ten (10) and not more than twelve (12) private resident rooms in one (1) structure that has the appearance of a residential dwelling, that is not more than eight thousand (8,000) square feet, and **that** includes the following:

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(A) A fully accessible private bathroom for each resident room that includes a toilet, sink, and roll in shower with a seat.

(B) A common area living room seating area.

(C) An open full-sized kitchen where one hundred percent (100%) of the resident's meals are prepared.

(D) A dining room that has one (1) table large enough to seat each resident of the dwelling and at least two (2) staff members.

(E) Access to natural light in each habitable space.

(2) Does not include the following characteristics of an institutional setting:

(A) A nurse's station.

(B) Room numbering or other signs that would not be found in a residential setting.

(3) Provides self-directed care.

SECTION 113. IC 16-21-9-7, AS AMENDED BY P.L.156-2011, SECTION 18, AND AS AMENDED BY P.L.172-2011, SECTION 115, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. (a) Each nonprofit hospital shall prepare an annual report of the community benefits plan. The report must include, in addition to the community benefits plan itself, the following background information:

(1) The hospital's mission statement.

(2) A disclosure of the health care needs of the community that were considered in developing the hospital's community benefits plan.

(3) A disclosure of the amount and types of community benefits actually provided, including charity care. Charity care must be reported as a separate item from other community benefits.

(b) Each nonprofit hospital shall annually file a report of the community benefits plan with the state department. For a hospital's fiscal year that ends before July 1, 2011, the report must be filed not later than one hundred twenty (120) days after the close of the hospital's fiscal year. For a hospital's fiscal year that ends after June 30, 2011, the report must be filed at the same time the nonprofit hospital files its annual return described under Section 6033 of the Internal Revenue Code that is timely filed under Section 6072(e) of the Internal Revenue *Code*, including any applicable extension authorized under Section 6081 of the Internal Revenue Code.

(c) Each nonprofit hospital shall prepare a statement that notifies the public that the annual report of the community benefits plan is:

(1) public information;

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(2) filed with the state department; and

(3) available to the public on request from the state department.

This statement shall be posted in prominent places throughout the hospital, including the emergency room waiting area and the admissions office waiting area. The statement shall also be printed in the hospital patient guide or other material that provides the patient with information about the admissions criteria of the hospital.

(d) Each nonprofit hospital shall develop a written notice about any charity care program operated by the hospital and how to apply for charity care. The notice must be in appropriate languages if possible. The notice must also be conspicuously posted in the following areas:

(1) The general waiting area.

(2) The waiting area for emergency services.

(3) The business office.

(4) Any other area that the hospital considers an appropriate area in which to provide notice of a charity care program.

SECTION 114. IC 16-25-3-2.5, AS AMENDED BY P.L.156-2011, SECTION 19, AND AS AMENDED BY P.L.197-2011, SECTION 62, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2.5. The state department shall administer this chapter with the advice of the ~~*Indiana*~~ health care facility advisory council established by IC 16-19-15-1.

SECTION 115. IC 16-27-0.5-9, AS AMENDED BY P.L.156-2011, SECTION 20, AND AS AMENDED BY P.L.197-2011, SECTION 63, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) The state department may request the ~~*Indiana*~~ *health care facility advisory* council to propose a new rule or an amendment to a rule necessary to protect the health, safety, rights, and welfare of the home health care patients and hospice patients. If the council does not propose a rule within ninety (90) days after the state department's request, the state department may propose the rule.

(b) The executive board shall consider rules proposed by the council under this section. The executive board may adopt, modify, remand, or reject specific rules or parts of rules proposed by the council.

(c) To become effective, all rules proposed by the council under this chapter must be adopted by the executive board in accordance with IC 4-22-2.

SECTION 116. IC 16-29-4-3, AS AMENDED BY P.L.156-2011, SECTION 30, AND AS AMENDED BY P.L.197-2011, SECTION 71, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. The ~~*Indiana*~~ health care

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facility advisory council may recommend, before the conversion of existing health facility beds to ICF/MR beds or the construction of a new ICF/MR facility, that the state department issue a preliminary approval of the proposed project, but only if the council determines that there is an insufficient number of available beds to care for all the persons who are determined under IC 12-11-2.1 to be appropriate for placement in an ICF/MR facility.

SECTION 117. IC 16-29-4-4, AS AMENDED BY P.L.156-2011, SECTION 31, AND AS AMENDED BY P.L.197-2011, SECTION 72, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. A proposed project that receives preliminary approval under this chapter may not add more beds than the number determined by the ~~*Indiana*~~ health care facility advisory council to be necessary to provide an available bed for each person determined under IC 12-11-2.1 to be appropriate for placement in an ICF/MR facility. Upon completion of the proposed project and compliance with the other requirements for licensure under IC 16-28, the state department shall issue a license to the facility.

SECTION 118. IC 16-34-2-5, AS AMENDED BY P.L.74-2011, SECTION 1, AND AS AMENDED BY P.L.193-2011, SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) Every medical facility where abortions may be performed shall be supplied with forms drafted by the state department, the purpose and function of which shall be the improvement of maternal health and life through the compilation of relevant maternal life and health factors and data, and a further purpose and function shall be to monitor all abortions performed in Indiana to assure the abortions are done only under the authorized provisions of the law. Such forms shall include, among other things, the following:

(1) The age of the woman who is aborted.

(2) The place where the abortion is performed.

(3) The full name and address of the physicians performing the abortion.

(4) The name of the father if known.

*(5) The age of the father, or the approximate age of the father if the father's age is unknown.*

~~*(5)*~~ *(6) The postfertilization age of the fetus, the manner in which the postfertilization age was determined, and,* if after *the earlier of the time the fetus obtains* viability *or the time the postfertilization age of the fetus is at least twenty (20) weeks,* the medical reason for the abortion.

~~*(6)*~~ *(7)* The medical procedure employed to administer the



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abortion *and, if the medical procedure performed on a fetus who is viable or has a postfertilization age of at least twenty (20) weeks:*

*(A) whether the method of abortion used was a method that, in the reasonable judgment of a physician, would provide the best opportunity for the fetus to survive; and*

*(B) the basis for the determination that the pregnant woman had a condition described in this chapter that required the abortion to avert the death of or serious impairment to the pregnant woman.*

~~(7)~~ *(8)* The mother's obstetrical history, including dates of other abortions, if any.

~~(8)~~ *(9)* The results of pathological examinations if performed.

~~(9)~~ *(10)* Information as to whether the fetus was delivered alive.

~~(10)~~ *(11)* Records of all maternal deaths occurring within the health facility where the abortion was performed.

*(12) The date of the pregnancy termination.*

*(13) The date the form was received by the state department.*

(b) The form provided for in subsection (a) shall be completed by the physician performing the abortion and shall be transmitted to the state department not later than July 30 for each abortion performed in the first six (6) months of that year and not later than January 30 for each abortion performed for the last six (6) months of the preceding year. *However, if an abortion is performed on a female who is less than fourteen (14) years of age, the physician performing the abortion shall transmit the form to the state department of health and the department of child services within three (3) days after the abortion is performed.*

*(c) The dates in subsection (a)(12) and (a)(13) may not be redacted for any use of the form.*

*(d)* Each failure to file the *completed* form on time as required *under this section* is a Class B misdemeanor.

~~(c)~~ **(e)** *Not later than June 30 of each year, the state department shall compile a public report providing the following:*

*(1) Statistics for the previous calendar year from the information submitted under this section.*

*(2) Statistics for previous calendar years compiled by the state department under this subsection, with updated information for the calendar year that was submitted to the state department after the compilation of the statistics.*

*The state department shall ensure that no identifying information of a pregnant woman is contained in the report.*

SECTION 119. IC 16-41-11-8, AS AMENDED BY P.L.222-2005,

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SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 8. (a) A person who believes that this chapter or rules adopted under this chapter have been violated may file a complaint with the state department. A complaint must be in writing unless the violation complained of constitutes an emergency. The state department shall reduce an oral complaint to writing. The state department shall maintain the confidentiality of the person who files the complaint.

(b) The state department shall promptly investigate all complaints received under this section.

(c) The state department shall not disclose the name or identifying characteristics of the person who files a complaint under this section unless:

(1) the person consents in writing to the disclosure; or

(2) the investigation results in an administrative or judicial proceeding and disclosure is ordered by the administrative law judge or the court.

(d) The state department shall give a person who files a complaint under this section the opportunity to withdraw the complaint before disclosure.

(e) An employee must make a reasonable attempt to ascertain the correctness of any information to be furnished and may be subject to disciplinary actions for knowingly furnishing false information, including suspension or dismissal, as determined by the employer or the ethics commission. However, an employee disciplined under this subsection is entitled to process an appeal of the disciplinary action under any procedure otherwise available to the employee by employment contract, collective bargaining agreement, or, if the employee is an employee of the state, ~~a rule as set forth in IC 4-15-2-34 through IC 4-15-2-35.5.~~ **IC 4-15-2.2-42.**

(f) The employer of an employee who files a complaint in good faith with the state department under this section may not, solely in retaliation for filing the complaint, do any of the following:

(1) Dismiss the employee.

(2) Withhold salary increases or employment related benefits from the employee.

(3) Transfer or reassign the employee.

(4) Deny a promotion that the employee would have received.

(5) Demote the employee.

SECTION 120. IC 16-41-32-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 14. (a) The state department shall administer this chapter. The state department may:

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(1) adopt rules under IC 4-22-2 to administer this chapter;
(2) employ persons as necessary under ~~IC 4-15-2;~~ **IC 4-15-2.2;**
(3) make expenditures;
(4) require reports and records;
(5) make investigations; and
(6) take other action;

as the state department considers necessary or suitable for the proper administration of this chapter.

(b) The state department may authorize persons to do any act that may be done by the state department.

SECTION 121. IC 20-18-2-16, AS AMENDED BY P.L.90-2011, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 16. (a) "School corporation", for purposes of this title (except IC 20-20-33, IC 20-26-1 through IC 20-26-5, IC 20-26-7, **IC 20-28-11.5,** IC 20-30-8, and IC 20-43), means a public school corporation established by Indiana law. The term includes a:

(1) school city;
(2) school town;
(3) school township;
(4) consolidated school corporation;
(5) metropolitan school district;
(6) township school corporation;
(7) county school corporation;
(8) united school corporation; or
(9) community school corporation.

(b) "School corporation", for purposes of IC 20-26-1 through IC 20-26-5 and IC 20-26-7, has the meaning set forth in IC 20-26-2-4.

(c) "School corporation", for purposes of IC 20-20-33 and IC 20-30-8, includes a charter school (as defined in IC 20-24-1-4).

(d) "School corporation", for purposes of IC 20-43, has the meaning set forth in IC 20-43-1-23.

(e) "School corporation", for purposes of IC 20-28-11.5, has the meaning set forth in IC 20-28-11.5-3.

SECTION 122. IC 20-20-5.5-2, AS ADDED BY P.L.73-2011, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) The department shall evaluate curricular materials. The evaluation must include an evaluation of:

(1) the curricular materials' alignment to the academic standards adopted by the state board under IC 20-31-3-1; and
(2) the appropriateness of the reading level of the curricular materials.

(b) The department shall publish a report that describes the method

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used to conduct the evaluation required under subsection (a) and that contains the results of the evaluation. The report must:

(1) provide a list of each curricular material evaluated and a summary of the evaluation for each curricular material;

(2) be updated annually; and

(3) provide a listing and summary review for the curricular materials that are aligned to the academic standards adopted by the state board under IC 20-31-3-1 for the following subjects for each grade level:

(A) English/language arts, including spelling, literature, and handwriting.

(B) Reading.

(C) Mathematics.

(D) Science.

(E) Social studies.

(F) Miscellaneous.

(G) World languages.

(c) A governing body and superintendent may use the report under subsection (b) in complying with IC 20-26-12-24.

(d) **For a publisher's curricular materials** to be included in the report under subsection (b), ~~a~~ **the** publisher must provide the department a written, exact, and standard statewide price for each curricular material.

(e) A publisher may request that an update to the publisher's curricular materials and corresponding prices replace the **information on the** curricular materials set forth in the report under subsection (b).

SECTION 123. IC 20-21-4-1, AS ADDED BY P.L.1-2005, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 1. Except as provided in this chapter, ~~IC 4-15-1.8 and IC 4-15-2 apply~~ **IC 4-15-2.2 applies** to the employees of the school.

SECTION 124. IC 20-22-4-1, AS ADDED BY P.L.1-2005, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 1. Except as provided in this chapter, ~~IC 4-15-1.8 and IC 4-15-2 apply~~ **IC 4-15-2.2 applies** to the employees of the school.

SECTION 125. IC 20-23-14-5, AS ADDED BY P.L.7-2011, SECTION 8, AND AS ADDED BY P.L.179-2011, SECTION 27, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. To be eligible to be a candidate for the governing body under this chapter, the following apply:

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(1) Each prospective candidate must file a *petition of* nomination ~~*petition*~~ with the board of elections and registration not earlier than one hundred four (104) days and not later than noon seventy-four (74) days before the ~~*primary*~~ *general* election at which the members are to be elected. ~~*that includes*~~ *The petition of nomination must include* the following: ~~*information:*~~

(A) The name of the prospective candidate.

(B) Whether the prospective candidate is a district candidate or an at-large candidate.

(C) A certification that the prospective candidate meets the qualifications for candidacy imposed under this chapter.

(D) The signatures of at least one hundred (100) registered voters residing in the school corporation.

(2) Each prospective candidate for a district position must:

(A) reside in the district; and

(B) have resided in the district for at least the three (3) years immediately preceding the election.

(3) Each prospective candidate for an at-large position must:

(A) reside in the school corporation; and

(B) have resided in the school corporation for at least the three (3) years immediately preceding the election.

(4) Each prospective candidate (regardless of whether the candidate is a district candidate or an at-large candidate) must:

(A) be a registered voter;

(B) have been a registered voter for at least the three (3) years immediately preceding the election; and

(C) be a high school graduate or have received a:

(i) high school equivalency certificate; or

(ii) state general educational development (GED) diploma under IC 20-20-6 *(before its repeal) or IC 22-4.1-18.*

(5) A prospective candidate may not:

(A) hold any other elective or appointive office; or

(B) have a pecuniary interest in any contract with the school corporation or its governing body;

as prohibited by law.

SECTION 126. IC 20-24-2.2-3, AS ADDED BY P.L.91-2011, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) After giving at least thirty (30) days notice, the state board may require a sponsor to appear at a hearing conducted by the state board if the sponsor has renewed ~~a~~ **the** charter **of** or failed to close a charter school that does not meet the minimum standards in the charter agreement, as ~~posed~~ **posted** on the

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department's Internet web site.

(b) After the hearing, the state board may implement one (1) or more of the following actions unless the state board finds sufficient justification for the charter school's performance under the state school accountability system:

(1) Transfer the sponsorship of the charter school identified in subsection (a) to the charter board.

(2) Order the closure of the charter school identified in subsection (a) on the date set by the state board.

(3) Order the reduction of any administrative fee collected under IC 20-24-7-4 that is applicable to the charter school identified in subsection (a) to an amount not greater than fifty percent (50%) of the amount allowed under IC 20-24-7-4.

(c) In determining whether to impose consequences under subsection (b), the state board must consider the following:

(1) Enrollment of students with special challenges such as drug or alcohol addiction, prior withdrawal from school, prior incarceration, or other special circumstances.

(2) High mobility of the student population resulting from the specific purpose of the charter school.

(3) Annual improvement in the performance of students enrolled in the charter school, as measured by IC 20-31-8-1, compared with the performance of students enrolled in the charter school in the immediately preceding school year.

SECTION 127. IC 20-24-6-5, AS AMENDED BY P.L.91-2011, SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) At least ninety percent (90%) of the individuals who teach full time in a charter school must either:

(1) hold a license to teach in a public school in Indiana under IC 20-28-5; or

(2) be in the process of obtaining a license to teach in a public school in Indiana under the transition to teaching program established by IC 20-28-4-2;

unless the charter school requests and the state board approves a waiver for a lower percentage.

(b) An individual who does not qualify under subsection (a) may teach full time in a charter school if the individual meets one **(1)** of the following criteria:

(1) The individual is in the process of obtaining a license to teach in a charter school in Indiana under IC 20-28-5-16.

(2) The individual holds at least a bachelor's degree with a grade point average of at least three (3.0) on a four (4.0) point scale

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from an accredited postsecondary educational institution in the content or related area in which the individual teaches.

Individuals qualifying under ~~subsection (b)~~ **this subsection** may not exceed ten percent (10%) of the full time teaching staff unless the charter school requests and the state board approves a waiver for a higher percentage.

(c) An individual described in subsection (a)(2) must complete the transition to teaching program not later than three (3) years after beginning to teach at a charter school.

(d) An individual who holds a part-time teaching position in a charter school must hold at least a bachelor's degree with a grade point average of at least three (3.0) on a four (4.0) point scale from an accredited postsecondary educational institution in the content or related area in which the individual teaches.

(e) An individual who provides to students in a charter school a service:

(1) that is not teaching; and

(2) for which a license is required under Indiana law;

must have the appropriate license to provide the service in Indiana.

SECTION 128. IC 20-24-12-10, AS ADDED BY P.L.91-2011, SECTION 25, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10. The following apply to a loan from the fund to a charter school under this chapter:

(1) A loan may not exceed the maximum amount set by the department.

(2) The term of the loan may not exceed fifteen (15) years after the date of the loan.

(3) A charter school may receive multiple loans from the fund as long as the total amount outstanding on all loans granted to the charter school from the fund ~~do~~ **does** not exceed the maximum amount set by the department.

(4) The department shall determine the interest rate and other terms for the loan, subject to the approval of the state board of finance.

(5) A charter school must enter into a loan agreement with the department before receiving a loan from the fund.

SECTION 129. IC 20-26-5-4, AS AMENDED BY P.L.90-2011, SECTION 11, AND AS AMENDED BY P.L.200-2011, SECTION 1, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. In carrying out the school purposes of a school corporation, the governing body acting on the school corporation's behalf has the following specific powers:

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(1) In the name of the school corporation, to sue and be sued and to enter into contracts in matters permitted by applicable law. However, a governing body may not use funds received from the state to bring or join in an action against the state, unless the governing body is challenging an adverse decision by a state agency, board, or commission.

(2) To take charge of, manage, and conduct the educational affairs of the school corporation and to establish, locate, and provide the necessary schools, school libraries, other libraries where permitted by law, other buildings, facilities, property, and equipment.

(3) To appropriate from the school corporation's general fund an amount, not to exceed the greater of three thousand dollars ($3,000) per budget year or one dollar ($1) per pupil, not to exceed twelve thousand five hundred dollars ($12,500), based on the school corporation's previous year's ADM, to promote the best interests of the school corporation through:

(A) the purchase of meals, decorations, memorabilia, or awards;

(B) provision for expenses incurred in interviewing job applicants; or

(C) developing relations with other governmental units.

(4) To:

(A) Acquire, construct, erect, maintain, hold, and contract for construction, erection, or maintenance of real estate, real estate improvements, or an interest in real estate or real estate improvements, as the governing body considers necessary for school purposes, including buildings, parts of buildings, additions to buildings, rooms, gymnasiums, auditoriums, playgrounds, playing and athletic fields, facilities for physical training, buildings for administrative, office, warehouse, repair activities, or housing school owned buses, landscaping, walks, drives, parking areas, roadways, easements and facilities for power, sewer, water, roadway, access, storm and surface water, drinking water, gas, electricity, other utilities and similar purposes, by purchase, either outright for cash (or under conditional sales or purchase money contracts providing for a retention of a security interest by the seller until payment is made or by notes where the contract, security retention, or note is permitted by applicable law), by exchange, by gift, by devise, by eminent domain, by lease with or without option to purchase, or by lease under IC 20-47-2, IC 20-47-3, or

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IC 20-47-5.

(B) Repair, remodel, remove, or demolish, or to contract for the repair, remodeling, removal, or demolition of the real estate, real estate improvements, or interest in the real estate or real estate improvements, as the governing body considers necessary for school purposes.

(C) Provide for conservation measures through utility efficiency programs or under a guaranteed savings contract as described in IC 36-1-12.5.

(5) To acquire personal property or an interest in personal property as the governing body considers necessary for school purposes, including buses, motor vehicles, equipment, apparatus, appliances, books, furniture, and supplies, either by cash purchase or under conditional sales or purchase money contracts providing for a security interest by the seller until payment is made or by notes where the contract, security, retention, or note is permitted by applicable law, by gift, by devise, by loan, or by lease with or without option to purchase and to repair, remodel, remove, relocate, and demolish the personal property. All purchases and contracts specified under the powers authorized under subdivision (4) and this subdivision are subject solely to applicable law relating to purchases and contracting by municipal corporations in general and to the supervisory control of state agencies as provided in section 6 of this chapter.

(6) To sell or exchange real or personal property or interest in real or personal property that, in the opinion of the governing body, is not necessary for school purposes, in accordance with IC 20-26-7, to demolish or otherwise dispose of the property if, in the opinion of the governing body, the property is not necessary for school purposes and is worthless, and to pay the expenses for the demolition or disposition.

(7) To lease any school property for a rental that the governing body considers reasonable or to permit the free use of school property for:

(A) civic or public purposes; or

(B) the operation of a school age child care program for children who are at least five (5) years of age and less than fifteen (15) years of age that operates before or after the school day, or both, and during periods when school is not in session;

if the property is not needed for school purposes. Under this subdivision, the governing body may enter into a long term lease with a nonprofit corporation, community service organization, or

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other governmental entity, if the corporation, organization, or other governmental entity will use the property to be leased for civic or public purposes or for a school age child care program. However, if payment for the property subject to a long term lease is made from money in the school corporation's debt service fund, all proceeds from the long term lease must be deposited in the school corporation's debt service fund so long as payment for the property has not been made. The governing body may, at the governing body's option, use the procedure specified in IC 36-1-11-10 in leasing property under this subdivision.

(8) To:

(A) Employ, contract for, and discharge superintendents, supervisors, principals, teachers, librarians, athletic coaches (whether or not they are otherwise employed by the school corporation and whether or not they are licensed under IC 20-28-5), business managers, superintendents of buildings and grounds, janitors, engineers, architects, physicians, dentists, nurses, accountants, teacher aides performing noninstructional duties, educational and other professional consultants, data processing and computer service for school purposes, including the making of schedules, the keeping and analyzing of grades and other student data, the keeping and preparing of warrants, payroll, and similar data where approved by the state board of accounts as provided below, and other personnel or services as the governing body considers necessary for school purposes.

(B) Fix and pay the salaries and compensation of persons and services described in this subdivision *that are consistent with IC 20-28-9-1.*

(C) Classify persons or services described in this subdivision and to adopt schedules of salaries or compensation *that are consistent with IC 20-28-9-1.*

(D) Determine the number of the persons or the amount of the services employed or contracted for as provided in this subdivision.

(E) Determine the nature and extent of the duties of the persons described in this subdivision.

The compensation, terms of employment, and discharge of teachers are, however, subject to and governed by the laws relating to employment, contracting, compensation, and discharge of teachers. The compensation, terms of employment, and discharge of bus drivers are subject to and governed by laws

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relating to employment, contracting, compensation, and discharge of bus drivers. The forms and procedures relating to the use of computer and data processing equipment in handling the financial affairs of the school corporation must be submitted to the state board of accounts for approval so that the services are used by the school corporation when the governing body determines that it is in the best interest of the school corporation while at the same time providing reasonable accountability for the funds expended.

(9) Notwithstanding the appropriation limitation in subdivision (3), when the governing body by resolution considers a trip by an employee of the school corporation or by a member of the governing body to be in the interest of the school corporation, including attending meetings, conferences, or examining equipment, buildings, and installation in other areas, to permit the employee to be absent in connection with the trip without any loss in pay and to reimburse the employee or the member the employee's or member's reasonable lodging and meal expenses and necessary transportation expenses. To pay teaching personnel for time spent in sponsoring and working with school related trips or activities.

(10) To transport children to and from school, when in the opinion of the governing body the transportation is necessary, including considerations for the safety of the children and without regard to the distance the children live from the school. The transportation must be otherwise in accordance with applicable law.

(11) To provide a lunch program for a part or all of the students attending the schools of the school corporation, including the establishment of kitchens, kitchen facilities, kitchen equipment, lunch rooms, the hiring of the necessary personnel to operate the lunch program, and the purchase of material and supplies for the lunch program, charging students for the operational costs of the lunch program, fixing the price per meal or per food item. To operate the lunch program as an extracurricular activity, subject to the supervision of the governing body. To participate in a surplus commodity or lunch aid program.

(12) To purchase textbooks, to furnish textbooks without cost or to rent textbooks to students, to participate in a textbook aid program, all in accordance with applicable law.

(13) To accept students transferred from other school corporations and to transfer students to other school corporations in accordance with applicable law.

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(14) To make budgets, to appropriate funds, and to disburse the money of the school corporation in accordance with applicable law. To borrow money against current tax collections and otherwise to borrow money, in accordance with IC 20-48-1.

(15) To purchase insurance or to establish and maintain a program of self-insurance relating to the liability of the school corporation or the school corporation's employees in connection with motor vehicles or property and for additional coverage to the extent permitted and in accordance with IC 34-13-3-20. To purchase additional insurance or to establish and maintain a program of self-insurance protecting the school corporation and members of the governing body, employees, contractors, or agents of the school corporation from liability, risk, accident, or loss related to school property, school contract, school or school related activity, including the purchase of insurance or the establishment and maintenance of a self-insurance program protecting persons described in this subdivision against false imprisonment, false arrest, libel, or slander for acts committed in the course of the persons' employment, protecting the school corporation for fire and extended coverage and other casualty risks to the extent of replacement cost, loss of use, and other insurable risks relating to property owned, leased, or held by the school corporation. *In accordance with IC 20-26-17,* to:

(A) participate in a state employee health plan under IC 5-10-8-6.6 or IC 5-10-8-6.7;

(B) purchase insurance; or

(C) establish and maintain a program of self-insurance;

to benefit school corporation employees, including accident, sickness, health, or dental coverage, provided that a plan of self-insurance must include an aggregate stop-loss provision.

(16) To make all applications, to enter into all contracts, and to sign all documents necessary for the receipt of aid, money, or property from the state, the federal government, or from any other source.

(17) To defend a member of the governing body or any employee of the school corporation in any suit arising out of the performance of the member's or employee's duties for or employment with, the school corporation, if the governing body by resolution determined that the action was taken in good faith. To save any member or employee harmless from any liability, cost, or damage in connection with the performance, including the payment of legal fees, except where the liability, cost, or damage

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is predicated on or arises out of the bad faith of the member or employee, or is a claim or judgment based on the member's or employee's malfeasance in office or employment.

(18) To prepare, make, enforce, amend, or repeal rules, regulations, and procedures:

(A) for the government and management of the schools, property, facilities, and activities of the school corporation, the school corporation's agents, employees, and pupils and for the operation of the governing body; and

(B) that may be designated by an appropriate title such as "policy handbook", "bylaws", or "rules and regulations".

(19) To ratify and approve any action taken by a member of the governing body, an officer of the governing body, or an employee of the school corporation after the action is taken, if the action could have been approved in advance, and in connection with the action to pay the expense or compensation permitted under IC 20-26-1 through IC 20-26-5, IC 20-26-7, IC 20-40-12, and IC 20-48-1 or any other law.

(20) To exercise any other power and make any expenditure in carrying out the governing body's general powers and purposes provided in this chapter or in carrying out the powers delineated in this section which is reasonable from a business or educational standpoint in carrying out school purposes of the school corporation, including the acquisition of property or the employment or contracting for services, even though the power or expenditure is not specifically set out in this chapter. The specific powers set out in this section do not limit the general grant of powers provided in this chapter except where a limitation is set out in IC 20-26-1 through IC 20-26-5, IC 20-26-7, IC 20-40-12, and IC 20-48-1 by specific language or by reference to other law.

SECTION 130. IC 20-26-5-32.2, AS AMENDED BY P.L.48-2011, SECTION 2, AND AS AMENDED BY P.L.91-2011, SECTION 26, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 32.2. (a) Notwithstanding IC 22-2-5-1, a school corporation *or charter school* and:

(1) an employee if there is no representative described under subdivision (2) or (3) for that employee;

(2) the exclusive representative of its certificated employees with respect to those employees; or

(3) a labor organization representing its noncertificated employees with respect to those employees;

may agree in writing to a wage payment arrangement.

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(b) A wage payment arrangement under subsection (a) may provide that compensation earned during a school year may be paid:

(1) using equal installments or any other method; and

(2) over:

(A) all or part of that school year; or

(B) any other period that begins not earlier than the first day of that school year and ends not later than thirteen (13) months after the wage payment arrangement period begins.

Such an arrangement may provide that compensation earned in a calendar year is paid in the next calendar year, so long as all the compensation is paid within the thirteen (13) month period beginning with the first day of the school year.

(c) A wage payment arrangement under subsection (a) must be structured in such a manner so that it is not considered:

(1) a nonqualified deferred compensation plan for purposes of Section 409A of the Internal Revenue Code; or

(2) deferred compensation for purposes of Section 457(f) of the Internal Revenue Code.

(d) Absent an agreement under subsection (a), a school corporation *or charter school* remains subject to IC 22-2-5-1.

(e) Wage payments required under a wage payment arrangement entered into under subsection (a) are enforceable under IC 22-2-5-2.

(f) If an employee leaves employment for any reason, either permanently or temporarily, the amount due the employee under IC 22-2-5-1 and IC 22-2-9-2 is the total amount of wages earned and unpaid. *If the employment relationship ends at the conclusion of a school year, the school corporation or charter school may pay the employee the remaining wages owed as provided in the written wage payment arrangement.*

(g) Employment with a school corporation *or charter school* may not be conditioned upon the acceptance of a wage payment arrangement under subsection (a).

(h) An employee may revoke a wage payment arrangement under subsection (a) at the beginning of each school year.

*(i) A wage payment arrangement under this chapter may not contain any terms beyond those permitted to be bargained under IC 20-29-6-4.*

SECTION 131. IC 20-26-15-5, AS ADDED BY P.L.1-2005, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. Notwithstanding any other law, the operation of the following is suspended for a freeway school corporation or a freeway school if the governing body of the school

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corporation elects to have the specific statute or rule suspended in the contract:

(1) The following statutes and rules concerning curriculum and instructional time:

IC 20-30-2-7
IC 20-30-5-8
IC 20-30-5-9
IC 20-30-5-11
511 IAC 6-7-6
~~511 IAC 6.1-3-4~~
511 IAC 6.1-5-0.5
511 IAC 6.1-5-1
511 IAC 6.1-5-2.5
511 IAC 6.1-5-3.5
511 IAC 6.1-5-4.

(2) The following rule concerning pupil/teacher ratios:

511 IAC 6.1-4-1.

(3) The following statutes and rules concerning textbooks:

~~IC 20-20-5-1 through IC 20-20-5-4~~
~~IC 20-20-5-23~~
IC 20-26-12-24
IC 20-26-12-26
~~IC 20-26-12-28~~
IC 20-26-12-1
IC 20-26-12-2
511 IAC 6.1-5-5.

(4) 511 IAC 6-7, concerning graduation requirements.

(5) IC 20-31-4, concerning the performance based accreditation system.

(6) IC 20-32-5, concerning the ISTEP program established under IC 20-32-5-15, if an alternative locally adopted assessment program is adopted under section 6(7) of this chapter.

SECTION 132. IC 20-28-4-4, AS AMENDED BY P.L.90-2011, SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. An entity approved by the department may establish a course of study that meets the requirements of this section. A program approved under this section must comply with the following requirements:

(1) Include the following study requirements:

(A) For a program participant who seeks to obtain a license to teach in grades 5 through 12, up to eighteen (18) credit hours of study or the equivalent that:

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(i) ~~prepare~~ **prepares** a program participant to meet Indiana standards for teaching in the subject areas corresponding to the area in which the program participant has met the education requirements under section 5 of this chapter, unless the program participant demonstrates that the program participant requires fewer credit hours of study to meet Indiana standards for teaching; and

(ii) provides the program participants with instruction in scientifically based reading instruction.

(B) For a program participant who seeks to obtain a license to teach in kindergarten through grade 6, twenty-four (24) credit hours of study or the equivalent, which must include at least six (6) credit hours in teaching scientifically based reading instruction, that ~~prepare~~ **prepares** a program participant to meet Indiana standards for teaching, unless the program participant demonstrates that the program participant requires fewer credit hours of study to meet Indiana standards for teaching.

(2) Focus on student mastery of standards established by the state.

(3) Include suitable field or classroom experiences if the program participant does not have teaching experience.

SECTION 133. IC 20-28-5-3, AS AMENDED BY P.L.90-2011, SECTION 23, AS AMENDED BY P.L.93-2011, SECTION 3, AND AS AMENDED BY P.L.146-2011, SECTION 1, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) The department shall designate

~~*(1)*~~ the grade point average required for each type of license. ~~*and (2) the types of licenses to which the teachers' minimum salary laws apply, including nonrenewable one (1) year limited licenses.*~~

(b) The department shall determine details of licensing not provided in this chapter, including requirements regarding the following:

(1) The conversion of one (1) type of license into another.

(2) The accreditation of teacher education schools and departments.

(3) The exchange and renewal of licenses.

(4) The endorsement of another state's license.

(5) The acceptance of credentials from teacher education institutions of another state.

(6) The academic and professional preparation for each type of license.

(7) The granting of permission to teach a high school subject area related to the subject area for which the teacher holds a license.

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(8) The issuance of licenses on credentials.
(9) The type of license required for each school position.
(10) The size requirements for an elementary school requiring a licensed principal.
(11) Any other related matters.

The department shall establish at least one (1) system for renewing a teaching license that does not require a graduate degree.

(c) This subsection does not apply to an applicant for a substitute teacher license. After June 30, ~~2007,~~ *2011,* the department may not issue an initial ~~teaching~~ *practitioner* license at any grade level to an applicant for an initial ~~teaching~~ *practitioner* license unless the applicant shows evidence that the applicant:

(1) has successfully completed training approved by the department in:
(A) cardiopulmonary resuscitation that includes a test demonstration on a mannequin;
(B) removing a foreign body causing an obstruction in an airway; ~~and~~
(C) the Heimlich maneuver; *and*
*(D) the use of an automated external defibrillator;*
(2) holds a valid certification in each of the procedures described in subdivision (1) issued by:
(A) the American Red Cross;
(B) the American Heart Association; or
(C) a comparable organization or institution approved by the advisory board; or
(3) has physical limitations that make it impracticable for the applicant to complete a course or certification described in subdivision (1) or (2).

*The training in this subsection applies to a teacher (as defined in IC 20-18-2-22(b)).*

*(d) This subsection does not apply to an applicant for a substitute teacher license. After June 30, 2013, the department may not issue an initial teaching license at any grade level to an applicant for an initial teaching license unless the applicant shows evidence that the applicant has successfully completed education and training on the prevention of child suicide and the recognition of signs that a student may be considering suicide.*

~~(d)~~ **(e)** *This subsection does not apply to an applicant for a substitute teacher license. After June 30, 2012, the department may not issue a teaching license renewal at any grade level to an applicant unless the applicant shows evidence that the applicant:*

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*(1) has successfully completed training approved by the department in:*

*(A) cardiopulmonary resuscitation that includes a test demonstration on a mannequin;*

*(B) removing a foreign body causing an obstruction in an airway;*

*(C) the Heimlich maneuver; and*

*(D) the use of an automated external defibrillator;*

*(2) holds a valid certification in each of the procedures described in subdivision (1) issued by:*

*(A) the American Red Cross;*

*(B) the American Heart Association; or*

*(C) a comparable organization or institution approved by the advisory board; or*

*(3) has physical limitations that make it impracticable for the applicant to complete a course or certification described in subdivision (1) or (2).*

~~*(d)*~~ ~~*(e)*~~ **(f)** The department shall periodically publish bulletins regarding:

(1) the details described in subsection (b);

(2) information on the types of licenses issued;

(3) the rules governing the issuance of each type of license; and

(4) other similar matters.

SECTION 134. IC 20-28-5-12, AS AMENDED BY P.L.90-2011, SECTION 25, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12. (a) Subsection (b) does not apply to an individual who held an Indiana limited, reciprocal, **or** standard teaching license on June 30, 1985.

(b) The department may not grant an initial practitioner license to an individual unless the individual has demonstrated proficiency in the following areas on a written examination or through other procedures prescribed by the department:

(1) Basic reading, writing, and mathematics.

(2) Pedagogy.

(3) Knowledge of the areas in which the individual is required to have a license to teach.

(4) If the individual is seeking to be licensed as an elementary school teacher, comprehensive scientifically based reading instruction skills, including:

(A) phonemic awareness;

(B) phonics instruction;

(C) fluency;

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(D) vocabulary; and
(E) comprehension.

(c) An individual's license examination score may not be disclosed by the department without the individual's consent unless specifically required by state or federal statute or court order.

(d) The state board shall adopt rules under IC 4-22-2 to do the following:

(1) Adopt, validate, and implement the examination or other procedures required by subsection (b).
(2) Establish examination scores indicating proficiency.
(3) Otherwise carry out the purposes of this section.

(e) The state board shall adopt rules under IC 4-22-2 establishing the conditions under which the requirements of this section may be waived for an individual holding a valid teacher's license issued by another state.

SECTION 135. IC 20-28-6-2, AS AMENDED BY P.L.48-2011, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) A contract entered into by a teacher and a school corporation must:

(1) be in writing;
(2) be signed by both parties; and
(3) contain the:
(A) beginning date of the school term as determined annually by the school corporation;
(B) number of days in the school term as determined annually by the school corporation;
(C) total salary to be paid to the teacher during the school year;
(D) number of salary payments to be made to the teacher during the school year; and
(E) ~~the~~ number of hours per day the teacher is expected to work, as discussed pursuant to IC 20-29-6-7.

(b) The contract may provide for the annual determination of the teacher's annual compensation by a local salary schedule, which is part of the contract. The salary schedule may be changed by the school corporation on or before May 1 of a year, with the changes effective the next school year. A teacher affected by the changes shall be furnished with printed copies of the changed schedule not later than thirty (30) days after the schedule's adoption.

(c) A contract under this section is also governed by the following statutes:

(1) IC 20-28-9-5 through IC 20-28-9-6.
(2) IC 20-28-9-9 through IC 20-28-9-11.

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(3) IC 20-28-9-13.
(4) IC 20-28-9-14.

(d) A governing body shall provide the blank contract forms, carefully worded by the state superintendent, and have them signed. The contracts are public records open to inspection by the residents of each school corporation.

(e) An action may be brought on a contract that conforms with subsections (a)(1), (a)(2), and (d).

SECTION 136. IC 20-28-11.5-9, AS ADDED BY P.L.90-2011, SECTION 39, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) Before August 1 of each year, each school corporation shall provide the results of the staff performance evaluations, including the number of certificated employees placed in each performance category, to the department. The results provided may not include the names **of** or any other personally identifiable information regarding certificated employees.

(b) Before September 1 of each year, the department shall report the results of staff performance evaluations to the state board, and to the public via the department's Internet web site, for:

(1) the aggregate of certificated employees of each school and school corporation; and
(2) the aggregate of graduates of each teacher preparation program in Indiana.

SECTION 137. IC 20-29-6-13, AS AMENDED BY P.L.229-2011, SECTION 180, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 13. (a) **If,** at any time after at least sixty (60) days following the beginning of formal bargaining collectively between the parties, an impasse is declared, ~~and~~ the board shall appoint a mediator from the board's staff or an ad hoc panel.

(b) The mediator shall begin mediation ~~with~~ **within** fifteen (15) days after the board receives notice of impasse.

(c) The mediation must consist of not more than three (3) mediation sessions and must result in one (1) of the following:

(1) An agreement between the parties on the items permitted to be bargained under section 4 of this chapter.
(2) Each party's last best offer, including fiscal rationale, related to items permitted to be bargained under section 4 of this chapter.

(d) Costs for the mediator shall be borne equally by the parties.

(e) Mediation shall be completed within thirty (30) days.

SECTION 138. IC 20-29-6-18, AS ADDED BY P.L.48-2011, SECTION 25, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 18. (a) Either party may appeal the decision

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of the factfinder under ~~IC 20-29-6-15.~~ **IC 20-29-6-15.1.** The appeal must be filed not later than thirty (30) days after receiving the factfinder's decision.

(b) The board's decision must be restricted to only those items permitted to be bargained and included in the collective bargaining agreement under section 4 of this chapter and must not put the employer in a position of deficit financing, as defined in IC 20-29-2-6. The board's decision may not impose terms beyond those proposed by the parties in their last, best offers.

(c) The board must rule on the appeal within thirty (30) days after receipt of notice of appeal.

SECTION 139. IC 20-31-9.5-4, AS ADDED BY P.L.229-2011, SECTION 190, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. Any student who lives in the attendance area served by a school that **is** operated as a turnaround academy under this chapter may attend the turnaround academy. The turnaround academy may not refuse enrollment to a student who lives in the attendance area.

SECTION 140. IC 20-37-2-11, AS AMENDED BY P.L.234-2007, SECTION 131, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11. (a) As used in this section, "career and technical education course" means a career and technical education course that is:

(1) an approved high school course under the rules of the state board; and

(2) included on the list of approved courses that the state board develops and approves under ~~IC 20-20-20-3.~~ **IC 20-20-38-5.**

(b) A school corporation that has entered into an agreement for a joint program of career and technical education with one (1) or more other school corporations may not add a new career and technical education course to its curriculum unless the course has been approved in the following manner:

(1) In the case of an agreement under IC 20-37-1, the course must be approved by the management board for the joint program.

(2) In the case of an agreement under IC 20-26-10, the course must be approved by the governing body of the school corporation that is designated to administer the joint program under IC 20-26-10-3. However, if that governing body refuses to approve the course, the course may be approved by a majority of the governing bodies of the school corporations that are parties to the agreement.

SECTION 141. IC 20-40-17-1, AS ADDED BY P.L.220-2011,

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SECTION 337, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. The department and the state board of tax commissioners shall select pilot school corporations under section 2 of this chapter. Beginning January 1, 1997, the school corporations selected under section 2 of this chapter shall comply with SECTIONS 1 through ~~18~~ **17** of P.L.50-1996 as if those SECTIONS were effective January 1, 1997.

SECTION 142. IC 20-51-4-3, AS AMENDED BY P.L.172-2011, SECTION 126, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) An eligible school may not discriminate on the basis of race, color, or national origin.

(b) An eligible school shall abide by the school's written admission policy fairly and without discrimination with regard to students who:

(1) apply for; or

(2) are awarded;

scholarships under this chapter.

(c) If the number of applicants for enrollment in an eligible school under a choice scholarship exceeds the number of choice scholarships available to the eligible school, the eligible school must draw at random in a public meeting the applications of applicants who are entitled to a choice scholarship from among the applicants who meet the requirements for admission to the eligible school.

(d) The department shall make random visits to at least five percent (5%) of eligible schools and charter schools to verify that the eligible school or charter school complies with the provisions of ~~IC 20-51-4,~~ **this chapter and** the Constitutions of the state of Indiana and the United States.

(e) Each eligible school, public school, and charter school shall grant the department reasonable access to its premises, including access to the school's grounds, buildings, and property.

(f) Each year the principal of each eligible school shall certify under penalties of perjury to the department that the eligible school is complying with the requirements of this chapter. The department shall develop a process for eligible schools to follow to make certifications.

SECTION 143. IC 20-51-4-5, AS ADDED BY P.L.92-2011, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. The state tuition support amount to be used in ~~section 3(2)~~ **section 4(2)** of this chapter for an eligible individual is the amount determined under the last STEP of the following formula:

STEP ONE: Determine the school corporation in which the eligible individual has legal settlement.

STEP TWO: Determine the amount of state tuition support that

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the school corporation identified under STEP ONE is eligible to receive under IC 20-43 for the calendar year in which the current school year begins, excluding amounts provided for special education grants under IC 20-43-7 and career and technical education grants under IC 20-43-8.

STEP THREE: Determine the result of:

(A) the STEP TWO amount; divided by

(B) the current ADM (as defined in IC 20-43-1-10) for the school corporation identified under STEP ONE for the calendar year used in STEP TWO.

SECTION 144. IC 21-12-6-6, AS AMENDED BY P.L.229-2011, SECTION 228, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) A student may apply to the commission for a scholarship. To qualify for a scholarship, the student must meet the following requirements:

(1) Be an eligible student who qualified to participate in the program under section 5 of this chapter.

(2) Be a resident of Indiana.

(3) Be a graduate from a secondary school located in Indiana that meets the admission criteria of an eligible institution and have achieved a cumulative grade point average in high school of:

(A) at least 2.0 on a 4.0 grading scale, if the student is expected to graduate from high school before July 1, 2014; and

(B) at least 2.5 on a 4.0 grading scale, if the student is expected to graduate from high school after June 30, 2014.

(4) Have applied to attend and be accepted to attend as a full-time student an eligible institution.

(5) Certify in writing that the student has:

(A) not illegally used controlled substances (as defined in IC 35-48-1-9);

(B) not illegally consumed alcoholic beverages;

(C) not committed any other crime or a delinquent act (as described in IC 31-37-1-2 or IC 31-37-2-2 through IC 31-37-2-5 (or IC 31-6-4-1(a)(1) through IC 31-6-4-1(a)(5) before their repeal));

(D) timely filed an application for other types of financial assistance available to the student from the state or federal government; and

(E) ~~participate~~ **participated** in an academic success program required under the rules adopted by the commission and the commission for higher education.

(6) Submit to the commission all the information and evidence

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required by the commission to determine eligibility as a scholarship applicant.

(7) This subdivision applies only to applicants who initially enroll in the program under section 5 of this chapter or IC 21-12-6.5-2 after June 30, 2011. For purposes of this chapter, applicants who are enrolled in the program before July 1, 2011, will not have an income or financial resources test applied to them when they subsequently apply for a scholarship. Have a lack of financial resources reasonably available to the applicant, as defined by the commission, that, in the absence of an award under this chapter, would deter the scholarship applicant from completing the applicant's education at the approved postsecondary educational institution that the applicant has selected and that has accepted the applicant.

(8) Meet any other minimum criteria established by the commission.

(b) This section applies to an individual who graduates from high school after December 31, 2011. To be eligible for a scholarship under this section, a student must initially attend the eligible institution described in subdivision (a)(4) not later than the fall semester (or its equivalent, as ~~determine~~ **determined** by the commission) in the year immediately following the year in which the student graduates from high school.

SECTION 145. IC 21-12-13-3, AS ADDED BY P.L.169-2011, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) This section applies to a grant or reduction in tuition or fees described in section 1 or 2 of this chapter.

(b) As used in this section, "professional degree program" refers to a four (4) or five (5) year postsecondary school course of study:

(1) to which an individual may be admitted without completing an undergraduate degree;

(2) **that** leads to a degree that is not an undergraduate or graduate degree, as determined by the commission; and

(3) **that** prepares the holder of the degree for a profession.

(c) A grant or reduction in tuition or fees described in section 1 or 2 of this chapter, including all renewals and extensions, may be used for a professional degree program. The total grant or reduction in tuition or fees under a statute listed in section 1 or 2 of this chapter for all:

(1) undergraduate ~~credits~~ **credit** hours or semesters; and

(2) professional degree program ~~credits~~ **credit** hours or semesters;

may not exceed the maximum credit hours or semesters permitted

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under section 1 or 2 of this chapter, as applicable and must be used within eight (8) years after the date the individual first applies and becomes eligible for benefits under the applicable law.

SECTION 146. IC 21-14-4-1, AS AMENDED BY P.L.169-2011, SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. This chapter applies to the following persons:

(1) A person who:
(A) is a pupil at the Soldiers' and Sailors' Children's Home;
(B) was admitted to the Soldiers' and Sailors' Children's Home because the person was related to a member of the armed forces of the United States;
(C) is eligible to pay the resident tuition rate at the state educational institution the person will attend as determined by the institution; and
(D) possesses the requisite academic qualifications.

(2) A person:
(A) whose mother or father:
(i) served in the armed forces of the United States;
(ii) received the Purple Heart decoration or was wounded as a result of enemy action;
(iii) received a discharge or separation from the armed forces other than a dishonorable discharge; and
(iv) either designated Indiana as home of record at the time of enlistment in the armed forces of the United States or resided in Indiana at least five (5) years before the person first applies for benefits under this chapter;
(B) who is eligible to pay the resident tuition rate at the state educational institution the person will attend as determined by the institution;
(C) who possesses the requisite academic qualifications;
(D) **who,** if the person was adopted by the person's mother or father, was adopted before the person was eighteen (18) years of age; and
(E) **who** is not more than thirty-two (32) years of age when the person first applies and becomes eligible for benefits under this chapter.

(3) A person:
(A) whose mother or father:
(i) served in the armed forces of the United States during a war or performed duty equally hazardous that was recognized by the award of a service or campaign medal of

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the United States;

(ii) suffered a service connected death or disability as determined by the United States Department of Veterans Affairs;

(iii) received any discharge or separation from the armed forces other than a dishonorable discharge; and

(iv) either listed Indiana as home of record at the time of enlistment in the armed forces of the United States or resided in Indiana at least five (5) years before the person first applies for benefits under this chapter;

(B) who is eligible to pay the resident tuition rate at the state educational institution the person will attend, as determined by the institution;

(C) who possesses the requisite academic qualifications;

(D) **who,** if the person was adopted by the person's mother or father, was adopted before the person was eighteen (18) years of age; and

(E) **who** is not more than thirty-two (32) years of age when the person first applies and becomes eligible for benefits under this chapter.

SECTION 147. IC 22-1-1-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 8. The commissioner of labor may do the following:

(1) Make or cause to be made all necessary inspections to see that all of the laws and rules enacted or adopted for that purpose and that the department is required to enforce are promptly and effectively administered and executed.

(2) Collect, collate, and publish statistical and other information relating to working conditions in this state and to the enforcement of this chapter and such rules as may be necessary to the advancement of the purposes of this chapter, but no publicity of any information involving the name or identity of any employer, employee, or other person, firm, limited liability company, or corporation shall be given. It shall be unlawful for the commissioner or any person to divulge, or to make known in any way not provided by law, to any person the operation, style of work, or apparatus of any employer, or the amount or sources of income, profits, losses, expenditures, or any part thereof obtained by him in the discharge of his official duties.

(3) Except as otherwise provided by law, employ, promote, and remove clerks, inspectors, and other employees as needed or as the service of the department of labor may require, and with the

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approval of the governor, within the appropriation therefor, fix their compensation and to assign to them their duties. ~~Employees of the department are covered by IC 4-15-2.~~

(4) Promote the voluntary arbitration, mediation, and conciliation of disputes between employers and employees, for the purpose of avoiding strikes, lockouts, boycotts, blacklists, discrimination, and legal proceedings in matters of employment. The commissioner may appoint temporary boards of arbitration, provide for the payment of the necessary expenses of the boards, order reasonable compensation paid to each member engaged in arbitration, prescribe and adopt rules of procedure for arbitration boards, conduct investigations and hearings, publish reports and advertisements, and do all other things convenient and necessary to accomplish the purpose of this chapter. The commissioner may designate an employee of the department to act as chief mediator and may detail other employees, from time to time, to act as ~~his~~ **the commissioner's** assistants for the purpose of executing this chapter. Any employee of the department who may act on a temporary board shall serve without extra compensation.

SECTION 148. IC 22-3-7-9, AS AMENDED BY P.L.168-2011, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) As used in this chapter, "employer" includes the state and any political subdivision, any municipal corporation within the state, any individual or the legal representative of a deceased individual, firm, association, limited liability company, or corporation or the receiver or trustee of the same, using the services of another for pay. A parent corporation and its subsidiaries shall each be considered joint employers of the corporation's, the parent's, or the subsidiaries' employees for purposes of sections 6 and 33 of this chapter. Both a lessor and a lessee of employees shall each be considered joint employers of the employees provided by the lessor to the lessee for purposes of sections 6 and 33 of this chapter. The term also includes an employer that provides on-the-job training under the federal School to Work Opportunities Act (20 U.S.C. 6101 et seq.) to the extent set forth under section 2.5 of this chapter. If the employer is insured, the term includes the employer's insurer so far as applicable. However, the inclusion of an employer's insurer within this definition does not allow an employer's insurer to avoid payment for services rendered to an employee with the approval of the employer. The term does not include a nonprofit corporation that is recognized as tax exempt under Section 501(c)(3) of the Internal Revenue Code (as defined in IC 6-3-1-11(a)) to the extent the corporation enters into an

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independent contractor agreement with a person for the performance of youth coaching services on a part-time basis.

(b) As used in this chapter, "employee" means every person, including a minor, in the service of another, under any contract of hire or apprenticeship written or implied, except one whose employment is both casual and not in the usual course of the trade, business, occupation, or profession of the employer. For purposes of this chapter the following apply:

(1) Any reference to an employee who has suffered disablement, when the employee is dead, also includes the employee's legal representative, dependents, and other persons to whom compensation may be payable.

(2) An owner of a sole proprietorship may elect to include the owner as an employee under this chapter if the owner is actually engaged in the proprietorship business. If the owner makes this election, the owner must serve upon the owner's insurance carrier and upon the board written notice of the election. No owner of a sole proprietorship may be considered an employee under this chapter unless the notice has been received. If the owner of a sole proprietorship:

(A) is an independent contractor in the construction trades and does not make the election provided under this subdivision, the owner must obtain a certificate of exemption under section 34.5 of this chapter; or

(B) is an independent contractor and does not make the election provided under this subdivision, the owner may obtain a certificate of exemption under ~~IC 22-3-2-14.5.~~ **section 34.5 of this chapter.**

(3) A partner in a partnership may elect to include the partner as an employee under this chapter if the partner is actually engaged in the partnership business. If a partner makes this election, the partner must serve upon the partner's insurance carrier and upon the board written notice of the election. No partner may be considered an employee under this chapter until the notice has been received. If a partner in a partnership:

(A) is an independent contractor in the construction trades and does not make the election provided under this subdivision, the partner must obtain a certificate of exemption under section 34.5 of this chapter; or

(B) is an independent contractor and does not make the election provided under this subdivision, the partner may obtain a certificate of exemption under ~~IC 22-3-2-14.5.~~ **section**

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**34.5 of this chapter.**

(4) Real estate professionals are not employees under this chapter if:

(A) they are licensed real estate agents;

(B) substantially all their remuneration is directly related to sales volume and not the number of hours worked; and

(C) they have written agreements with real estate brokers stating that they are not to be treated as employees for tax purposes.

(5) A person is an independent contractor in the construction trades and not an employee under this chapter if the person is an independent contractor under the guidelines of the United States Internal Revenue Service.

(6) An owner-operator that provides a motor vehicle and the services of a driver under a written contract that is subject to IC 8-2.1-24-23, 45 IAC 16-1-13, or 49 CFR 376, to a motor carrier is not an employee of the motor carrier for purposes of this chapter. The owner-operator may elect to be covered and have the owner-operator's drivers covered under a worker's compensation insurance policy or authorized self-insurance that insures the motor carrier if the owner-operator pays the premiums as requested by the motor carrier. An election by an owner-operator under this subdivision does not terminate the independent contractor status of the owner-operator for any purpose other than the purpose of this subdivision.

(7) An unpaid participant under the federal School to Work Opportunities Act (20 U.S.C. 6101 et seq.) is an employee to the extent set forth under section 2.5 of this chapter.

(8) A person who enters into an independent contractor agreement with a nonprofit corporation that is recognized as tax exempt under Section 501(c)(3) of the Internal Revenue Code (as defined in IC 6-3-1-11(a)) to perform youth coaching services on a part-time basis is not an employee for purposes of this chapter.

(9) An officer of a corporation who is the sole officer of the corporation is an employee of the corporation under this chapter. An officer of a corporation who is the sole officer of the corporation may elect not to be an employee of the corporation under this chapter. If an officer makes this election, the officer must serve written notice of the election on the corporation's insurance carrier and the board. An officer of a corporation who is the sole officer of the corporation may not be considered to be excluded as an employee under this chapter until the notice is

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received by the insurance carrier and the board.

(c) As used in this chapter, "minor" means an individual who has not reached seventeen (17) years of age. A minor employee shall be considered as being of full age for all purposes of this chapter. However, if the employee is a minor who, at the time of the last exposure, is employed, required, suffered, or permitted to work in violation of the child labor laws of this state, the amount of compensation and death benefits, as provided in this chapter, shall be double the amount which would otherwise be recoverable. The insurance carrier shall be liable on its policy for one-half (1/2) of the compensation or benefits that may be payable on account of the disability or death of the minor, and the employer shall be wholly liable for the other one-half (1/2) of the compensation or benefits. If the employee is a minor who is not less than sixteen (16) years of age and who has not reached seventeen (17) years of age, and who at the time of the last exposure is employed, suffered, or permitted to work at any occupation which is not prohibited by law, the provisions of this subsection prescribing double the amount otherwise recoverable do not apply. The rights and remedies granted to a minor under this chapter on account of disease shall exclude all rights and remedies of the minor, the minor's parents, the minor's personal representatives, dependents, or next of kin at common law, statutory or otherwise, on account of any disease.

(d) This chapter does not apply to casual laborers as defined in subsection (b), nor to farm or agricultural employees, nor to household employees, nor to railroad employees engaged in train service as engineers, firemen, conductors, brakemen, flagmen, baggagemen, or foremen in charge of yard engines and helpers assigned thereto, nor to their employers with respect to these employees. Also, this chapter does not apply to employees or their employers with respect to employments in which the laws of the United States provide for compensation or liability for injury to the health, disability, or death by reason of diseases suffered by these employees.

(e) As used in this chapter, "disablement" means the event of becoming disabled from earning full wages at the work in which the employee was engaged when last exposed to the hazards of the occupational disease by the employer from whom the employee claims compensation or equal wages in other suitable employment, and "disability" means the state of being so incapacitated.

(f) For the purposes of this chapter, no compensation shall be payable for or on account of any occupational diseases unless disablement, as defined in subsection (e), occurs within two (2) years

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after the last day of the last exposure to the hazards of the disease except for the following:

(1) In all cases of occupational diseases caused by the inhalation of silica dust or coal dust, no compensation shall be payable unless disablement, as defined in subsection (e), occurs within three (3) years after the last day of the last exposure to the hazards of the disease.

(2) In all cases of occupational disease caused by the exposure to radiation, no compensation shall be payable unless disablement, as defined in subsection (e), occurs within two (2) years from the date on which the employee had knowledge of the nature of the employee's occupational disease or, by exercise of reasonable diligence, should have known of the existence of such disease and its causal relationship to the employee's employment.

(3) In all cases of occupational diseases caused by the inhalation of asbestos dust, no compensation shall be payable unless disablement, as defined in subsection (e), occurs within three (3) years after the last day of the last exposure to the hazards of the disease if the last day of the last exposure was before July 1, 1985.

(4) In all cases of occupational disease caused by the inhalation of asbestos dust in which the last date of the last exposure occurs on or after July 1, 1985, and before July 1, 1988, no compensation shall be payable unless disablement, as defined in subsection (e), occurs within twenty (20) years after the last day of the last exposure.

(5) In all cases of occupational disease caused by the inhalation of asbestos dust in which the last date of the last exposure occurs on or after July 1, 1988, no compensation shall be payable unless disablement (as defined in subsection (e)) occurs within thirty-five (35) years after the last day of the last exposure.

(g) For the purposes of this chapter, no compensation shall be payable for or on account of death resulting from any occupational disease unless death occurs within two (2) years after the date of disablement. However, this subsection does not bar compensation for death:

(1) where death occurs during the pendency of a claim filed by an employee within two (2) years after the date of disablement and which claim has not resulted in a decision or has resulted in a decision which is in process of review or appeal; or

(2) where, by agreement filed or decision rendered, a compensable period of disability has been fixed and death occurs within two (2) years after the end of such fixed period, but in no

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event later than three hundred (300) weeks after the date of disablement.

(h) As used in this chapter, "billing review service" refers to a person or an entity that reviews a medical service provider's bills or statements for the purpose of determining pecuniary liability. The term includes an employer's worker's compensation insurance carrier if the insurance carrier performs such a review.

(i) As used in this chapter, "billing review standard" means the data used by a billing review service to determine pecuniary liability.

(j) As used in this chapter, "community" means a geographic service area based on ZIP code districts defined by the United States Postal Service according to the following groupings:

(1) The geographic service area served by ZIP codes with the first three (3) digits 463 and 464.

(2) The geographic service area served by ZIP codes with the first three (3) digits 465 and 466.

(3) The geographic service area served by ZIP codes with the first three (3) digits 467 and 468.

(4) The geographic service area served by ZIP codes with the first three (3) digits 469 and 479.

(5) The geographic service area served by ZIP codes with the first three (3) digits 460, 461 (except 46107), and 473.

(6) The geographic service area served by the 46107 ZIP code and ZIP codes with the first three (3) digits 462.

(7) The geographic service area served by ZIP codes with the first three (3) digits 470, 471, 472, 474, and 478.

(8) The geographic service area served by ZIP codes with the first three (3) digits 475, 476, and 477.

(k) As used in this chapter, "medical service provider" refers to a person or an entity that provides medical services, treatment, or supplies to an employee under this chapter.

(l) As used in this chapter, "pecuniary liability" means the responsibility of an employer or the employer's insurance carrier for the payment of the charges for each specific service or product for human medical treatment provided under this chapter in a defined community, equal to or less than the charges made by medical service providers at the eightieth percentile in the same community for like services or products.

SECTION 149. IC 22-4-3-4, AS ADDED BY P.L.2-2011, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) **Except as provided in subsection (b),** an individual is not totally unemployed, part-totally unemployed, or

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partially unemployed for any week in which the department finds that the individual: ~~is:~~

(1) **is** on a vacation week; and

(2) **is** receiving, or has received, remuneration from the employer for that week.

(b) Subsection (a) does not apply to an individual whose employer fails to comply with a department rule or policy regarding the filing of a notice, report, information, or claim in connection with an individual, group, or mass separation arising from the vacation period.

SECTION 150. IC 22-4-3-5, AS ADDED BY P.L.2-2011, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) **Except as provided in subsection (c) and subject to subsection (b),** an individual is not totally unemployed, part-totally unemployed, or partially unemployed for any week in which the department finds the individual:

(1) is on a vacation week; and

(2) has not received remuneration from the employer for that week, because of:

(A) a written contract between the employer and the employees; or

(B) the employer's regular vacation policy and practice.

(b) Subsection (a) applies only if the department finds that the individual has a reasonable assurance that the individual will have employment available with the employer after the vacation period ends.

(c) Subsection (a) does not apply to an individual whose employer fails to comply with a department rule or policy regarding the filing of a notice, report, information, or claim in connection with an individual, group, or mass separation arising from the vacation period.

SECTION 151. IC 22-4-11-2, AS AMENDED BY P.L.2-2011, SECTION 9, AND AS AMENDED BY P.L.42-2011, SECTION 39, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) Except as provided in *IC 22-4-10-6 and* IC 22-4-11.5, the department shall for each year determine the contribution rate applicable to each employer.

(b) The balance shall include contributions with respect to the period ending on the computation date and actually paid on or before July 31 immediately following the computation date and benefits actually paid on or before the computation date and shall also include any voluntary payments made in accordance with IC 22-4-10-5 or IC 22-4-10-5.5 (repealed):

(1) for each calendar year, an employer's rate shall be determined in accordance with the rate schedules in section 3.3 or 3.5 of this

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chapter; and

(2) for each calendar year, an employer's rate shall be two and seven-tenths percent (2.7%) before January 1, 2011, and two and five-tenths percent (2.5%) after December 31, 2010, except as otherwise provided in IC 22-4-37-3, unless: ~~*and until:*~~

(A) the employer has been subject to this article throughout the thirty-six (36) consecutive calendar months immediately preceding the computation date; ~~*and*~~

(B) there has been some annual payroll in each of the three (3) twelve (12) month periods immediately preceding the computation date; *and*

*(C) the employer has properly filed all required contribution and wage reports, and all contributions, penalties, and interest due and owing by the employer or the employer's predecessors have been paid.*

(c) This subsection applies before January 1, 2011. In addition to the conditions and requirements set forth and provided in subsection (b)(2)(A) and (b)(2)(B), an employer's rate shall not be less than five and six-tenths percent (5.6%) unless all required contribution and wage reports have been filed within thirty-one (31) days following the computation date and all contributions, penalties, and interest due and owing by the employer or the employer's predecessors for periods prior to and including the computation date have been paid:

(1) within thirty-one (31) days following the computation date; or

(2) within ten (10) days after the department has given the employer a written notice by registered mail to the employer's last known address of:

(A) the delinquency; or

(B) failure to file the reports;

whichever is the later date.

The board or the board's designee may waive the imposition of rates under this subsection if the board finds the employer's failure to meet the deadlines was for excusable cause. The department shall give written notice to the employer before this additional condition or requirement shall apply.

(d) This subsection applies after December 31, 2010. In addition to the conditions and requirements set forth and provided in subsection (b)(2)(A), ~~*and*~~ (b)(2)(B), *and (b)(2)(C),* an employer's rate is equal to the sum of the employer's contribution rate determined *or estimated by the department* under this article plus two percent (2%) unless all required contributions and wage reports have been filed within thirty-one (31) days following the computation date and all

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contributions, penalties, and interest due and owing by the employer or the employer's predecessor for periods before and including the computation date have been paid:

(1) within thirty-one (31) days following the computation date; or

(2) within ten (10) days after the department has given the employer a written notice by registered mail to the employer's last known address of:

(A) the delinquency; or

(B) failure to file the reports;

whichever is the later date. The board or the board's designee may waive the imposition of rates under this subsection if the board finds the employer's failure to meet the deadlines was for excusable cause. The department shall give written notice to the employer before this additional condition or requirement shall apply. *An employer's rate under this subsection may not exceed twelve percent (12%).*

(e) However, if the employer is the state or a political subdivision of the state or any instrumentality of a state or a political subdivision, or any instrumentality which is wholly owned by the state and one (1) or more other states or political subdivisions, the employer may contribute at a rate of:

(1) one percent (1%), before January 1, 2011; or

(2) one and six-tenths percent (1.6%), after December 31, 2010;

until it has been subject to this article throughout the thirty-six (36) consecutive calendar months immediately preceding the computation date.

(f) On the computation date every employer who had taxable wages in the previous calendar year shall have the employer's experience account charged with the amount determined under the following formula:

STEP ONE: Divide:

(A) the employer's taxable wages for the preceding calendar year; by

(B) the total taxable wages for the preceding calendar year.

STEP TWO: Multiply the quotient determined under STEP ONE by the total amount of benefits charged to the fund under section 1 of this chapter.

(g) One (1) percentage point of the rate imposed under subsection (c) or (d), or the amount of the employer's payment that is attributable to the increase in the contribution rate, whichever is less, shall be imposed as a penalty that is due and shall be deposited upon collection into the special employment and training services fund established under IC 22-4-25-1. The remainder of the contributions paid by an

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employer pursuant to the maximum rate shall be:

(1) considered a contribution for the purposes of this article; and

(2) deposited in the unemployment insurance benefit fund established under IC 22-4-26.

SECTION 152. IC 22-4-11-3, AS AMENDED BY P.L.2-2011, SECTION 10, AND AS AMENDED BY P.L.42-2011, SECTION 40, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) The applicable schedule of rates for calendar years before January 1, 2011, shall be determined by the ratio resulting when the balance in the fund as of the determination date is divided by the total payroll of all subject employers for the immediately preceding calendar year. Schedule A, B, C, or D, appearing on the line opposite the fund ratio in the schedule below, shall be applicable in determining and assigning each employer's contribution rate for the calendar year immediately following the determination date. For the purposes of this subsection, "total payroll" means total remuneration reported by all contributing employers as required by this article and does not include the total payroll of any employer who elected to become liable for payments in lieu of contributions (as defined in IC 22-4-2-32). For the purposes of this subsection, "subject employers" means those employers who are subject to contribution.

FUND RATIO SCHEDULE

When the Fund Ratio Is:

| As Much As | But Less Than | Applicable Schedule |
|---|---|---|
| | 1.0% | A |
| 1.0% | 1.5% | B |
| 1.5% | 2.25% | C |
| 2.25% | | D |

(b) Except as provided in subsection (c), the applicable schedule of rates for calendar years after December 31, 2010, shall be determined by the ratio resulting when the balance in the fund as of the determination date is divided by the total payroll of all subject employers for the immediately preceding calendar year. Schedules A through I appearing on the line opposite the fund ratio in the schedule below are applicable in determining and assigning each employer's contribution rate for the calendar year immediately following the determination date. For purposes of this subsection, "total payroll" means total remuneration reported by all contributing employers as required by this article and does not include the total payroll of any employer who elected to become liable for payments in lieu of

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contributions (as defined in IC 22-4-2-32). For purposes of this subsection, "subject employers" means those employers who are subject to contribution.

FUND RATIO SCHEDULE

When the Fund Ratio Is:

| As Much As | But Less Than | Applicable Schedule |
|---|---|---|
| | 0.2% | A |
| 0.2% | 0.4% | B |
| 0.4% | 0.6% | C |
| 0.6% | 0.8% | D |
| 0.8% | 1.0% | E |
| 1.0% | 1.2% | F |
| 1.2% | 1.4% | G |
| 1.4% | 1.6% | H |
| 1.6% | | I |

(c) For calendar ~~*year 2011 only,*~~ *years 2011 through 2020,* Schedule ~~*B*~~ *E* applies in determining and assigning each employer's contribution rate.

(d) Any adjustment in the amount charged to any employer's experience account made subsequent to the assignment of rates of contributions for any calendar year shall not operate to alter the amount charged to the experience accounts of any other base-period employers.

SECTION 153. IC 22-4-18-6, AS AMENDED BY P.L.234-2007, SECTION 142, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) The department shall develop a uniform system for assessing workforce skills, strengths, and weaknesses in individuals.

(b) The uniform assessment system shall be used at the following:

(1) One stop centers under IC 22-4-42, if established.

(2) Career and technical education (as defined in ~~IC 22-4.1-13-5)~~ **IC 20-20-38-1)** programs at the secondary level.

SECTION 154. IC 22-4.1-18-2, AS ADDED BY P.L.7-2011, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. The department may grant a general educational development (GED) diploma to an individual who achieves satisfactory high school level scores on the general educational development (GED) test or any other properly validated ~~tests~~ **test** of comparable difficulty designated by the council.

SECTION 155. IC 22-5-1.7-2, AS ADDED BY P.L.171-2011, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. As used in this chapter, "contractor" means

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a person that:

**(1)** has **entered into;** or

**(2)** is attempting to enter into;

a public contract for services with a state agency or political subdivision.

SECTION 156. IC 22-5-1.7-17, AS ADDED BY P.L.171-2011, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 17. (a) If a contractor determines that a subcontractor is in violation of this chapter, the contractor may terminate a contract with the subcontractor for the violation.

(b) **The termination of** a contract ~~terminated~~ under subsection (a) for a violation of this chapter by a subcontractor may not be considered a breach of contract by the contractor or the subcontractor.

(c) A subcontractor may file an action with a circuit or superior court having jurisdiction in the county to challenge a termination of a contract under subsection (a) not later than twenty (20) days after the contractor terminates the contract with the subcontractor.

SECTION 157. IC 22-8-1.1-42, AS AMENDED BY P.L.32-2008, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 42. The director and staff of INSafe shall be selected and appointed by the commissioner under ~~the provisions of IC 4-15-2.~~ **IC 4-15-2.2.**

SECTION 158. IC 22-10-1.5-7, AS AMENDED BY P.L.35-2007, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 7. (a) The director shall employ, subject to

~~(1) IC 4-15-2; and~~

~~(2)~~ appropriation by the general assembly for the position of chief mine inspector,

a chief mine inspector who has an Indiana mine examiner certificate and at least three (3) years underground mining experience.

(b) The chief mining inspector is entitled to receive an annual salary to be fixed by the commissioner of labor with the approval of the governor.

(c) The director may, subject to ~~IC 4-15-2,~~ **IC 4-15-2.2,** employ other mine inspectors and clerical employees.

(d) The director may:

(1) contract with any person to provide training for mine employees;

(2) provide mine rescue training for mine employees; and

(3) furnish mine rescue equipment at the site of mine accidents.

(e) The director shall:

(1) collect and index all active and inactive underground mine

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maps; and

(2) supervise and direct the state mine inspectors.

SECTION 159. IC 23-14-31-26, AS AMENDED BY P.L.34-2011, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 26. (a) Except as provided in subsection (c), the following persons, in the priority listed, have the right to serve as an authorizing agent:

(1) A person:

(A) granted the authority to serve in a funeral planning declaration executed by the decedent under IC 29-2-19; or

(B) named in a United States Department of Defense form "Record of Emergency Data" (DD Form 93) or a successor form adopted by the United States Department of Defense, if the decedent died while serving in any branch of the United States Armed Forces (as defined in 10 U.S.C. 1481) and completed the form.

(2) An individual specifically granted the authority to serve in a power of attorney or a health care power of attorney executed by the decedent under IC 30-5-5-16.

(3) The individual who was the spouse of the decedent at the time of the decedent's death, except when:

(A) a petition to dissolve the marriage or for legal separation of the decedent and spouse is pending with a court at the time of the decedent's death, unless a court finds that the decedent and spouse were reconciled before the decedent's death; or

(B) a court determines the decedent and spouse were physically and emotionally separated at the time of death and the separation was for an extended time that clearly demonstrates an absence of due affection, trust, and regard for the decedent.

(4) The decedent's surviving adult child or, if more than one (1) adult child is surviving, the majority of the adult children. However, less than half of the surviving adult children have the rights under this subdivision if the adult children have used reasonable efforts to notify the other surviving adult children of their intentions and are not aware of any opposition to the final disposition instructions by more than half of the surviving adult children.

(5) The decedent's surviving parent or parents. If one (1) of the parents is absent, the parent who is present has authority under this subdivision if the parent who is present has used reasonable efforts to notify the absent parent.

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(6) The decedent's surviving sibling or, if more than one (1) sibling is surviving, the majority of the surviving siblings. However, less than half of the surviving siblings have the rights under this subdivision if the siblings have used reasonable efforts to notify the other surviving siblings of their intentions and are not aware of any opposition to the final disposition instructions by more than half of the surviving siblings.

(7) The individual in the next degree of kinship under IC 29-1-2-1 to inherit the estate of the decedent or, if more than one (1) individual of the same degree is surviving, the majority of those who ~~have~~ **are of** the same degree. However, less than half of the individuals who ~~have~~ **are of** the same degree of kinship have the rights under this subdivision if they have used reasonable efforts to notify the other individuals who ~~have~~ **are of** the same degree of kinship of their intentions and are not aware of any opposition to the final disposition instructions by more than half of the individuals who ~~have~~ **are of** the same degree of kinship.

(8) If none of the persons described in subdivisions (1) through (7) are available, any other person willing to act and arrange for the final disposition of the ~~decedent,~~ **decedent's remains,** including a funeral home that:

(A) has a valid prepaid funeral plan executed under IC 30-2-13 that makes arrangements for the disposition of the ~~decedent;~~ **decedent's remains;** and

(B) attests in writing that a good faith effort has been made to contact any living individuals described in subdivisions (1) through (7).

(9) In the case of an indigent or other individual whose final disposition is the responsibility of the state or township, the following may serve as the authorizing agent:

(A) If none of the persons identified in subdivisions (1) through (8) are available:

(i) a public administrator, including a responsible township trustee or the trustee's designee; or

(ii) the coroner.

(B) A state appointed guardian.

However, an indigent decedent may not be cremated if a surviving family member objects to the cremation or if cremation would be contrary to the religious practices of the deceased individual as expressed by the individual or the individual's family.

(10) In the absence of any person under subdivisions (1) through

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(9), any person willing to assume the responsibility as the authorizing agent, as specified in this article.

(b) When a body part of a nondeceased individual is to be cremated, a representative of the institution that has arranged with the crematory authority to cremate the body part may serve as the authorizing agent.

(c) If:

(1) the death of the decedent appears to have been the result of:

(A) murder (IC 35-42-1-1);

(B) voluntary manslaughter (IC 35-42-1-3); or

(C) another criminal act, if the death does not result from the operation of a vehicle; and

(2) the coroner, in consultation with the law enforcement agency investigating the death of the decedent, determines that there is a reasonable suspicion that a person described in subsection (a) committed the offense;

the person referred to in subdivision (2) may not serve as the authorizing agent.

(d) The coroner, in consultation with the law enforcement agency investigating the death of the decedent, shall inform the crematory authority of the determination referred to in subsection (c)(2).

(e) If a person vested with a right under subsection (a) does not exercise that right not later than seventy-two (72) hours after the person receives notification of the death of the decedent, the person forfeits the person's right to determine the final disposition of the ~~decedent,~~ **decedent's remains,** and the right to determine final disposition passes to the next person described in subsection (a).

(f) A crematory authority owner has the right to rely, in good faith, on the representations of a person listed in subsection (a) that any other individuals ~~on~~ **of** the same degree of kinship have been notified of the final disposition instructions.

(g) If there is a dispute concerning the disposition of a ~~decedent,~~ **decedent's remains,** a crematory authority is not liable for refusing to accept the remains of the decedent until the crematory authority receives:

(1) a court order; or

(2) a written agreement signed by the disputing parties;

that determines the final disposition of the ~~decedent.~~ **decedent's remains.** If a crematory authority agrees to shelter the remains of the decedent while the parties are in dispute, the crematory authority may collect any applicable fees for storing the remains, including legal fees that are incurred.

(h) Any cause of action filed under this section must be filed in the

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probate court in the county where the decedent resided, unless the decedent was not a resident of Indiana.

(i) A spouse seeking a judicial determination under subsection (a)(3)(A) that the decedent and spouse were reconciled before the decedent's death may petition the court having jurisdiction over the dissolution or separation proceeding to make this determination by filing the petition under the same cause number as the dissolution or separation proceeding. A spouse who files a petition under this subsection is not required to pay a filing fee.

SECTION 160. IC 23-14-55-1, AS AMENDED BY P.L.34-2011, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) An individual who signs an authorization for the cremation, interment, entombment, or inurnment of any human remains:

(1) is considered to warrant the truthfulness of:

(A) any fact set forth in the authorization;

(B) the identity of the person for whose remains cremation, interment, entombment, or inurnment is sought; and

(C) the individual's authority to order the cremation, interment, entombment, or inurnment; and

(2) is personally and individually liable to pay damages in compensation for harm that:

(A) is caused by; or

(B) results from;

the signing of the authorization for cremation, interment, entombment, or inurnment.

(b) A cemetery or crematory that relies in good faith on a signed authorization for the cremation, interment, entombment, or inurnment of human remains is not civilly or criminally liable or subject to disciplinary actions for carrying out the disposition of the ~~decedent~~ **decedent's remains** in accordance with the instructions in the authorization.

SECTION 161. IC 23-14-55-2, AS AMENDED BY P.L.34-2011, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) Except as provided in subsection (c), the owner of a cemetery is authorized to inter, entomb, or inurn the body or cremated remains of a deceased human upon the receipt of a written authorization of an individual who professes either of the following:

(1) To be (in the priority listed) one (1) of the following:

(A) An individual granted the authority to serve in a funeral planning declaration executed by the decedent under

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IC 29-2-19, or the person named in a United States Department of Defense form "Record of Emergency Data" (DD Form 93) or a successor form adopted by the United States Department of Defense, if the decedent died while serving in any branch of the United States Armed Forces (as defined in 10 U.S.C. 1481) and completed the form.

(B) An individual specifically granted the authority in a power of attorney or a health care power of attorney executed by the decedent under IC 30-5-5-16.

(C) The individual who was the spouse of the decedent at the time of the decedent's death, except when:

(i) a petition to dissolve the marriage or for legal separation of the decedent and spouse is pending with a court at the time of the decedent's death, unless a court finds that the decedent and spouse were reconciled before the decedent's death; or

(ii) a court determines the decedent and spouse were physically and emotionally separated at the time of death and the separation was for an extended time that clearly demonstrates an absence of due affection, trust, and regard for the decedent.

(D) The decedent's surviving adult child or, if more than one (1) adult child is surviving, the majority of the adult children. However, less than half of the surviving adult children have the rights under this clause if the adult children have used reasonable efforts to notify the other surviving adult children of their intentions and are not aware of any opposition to the final disposition instructions by more than half of the surviving adult children.

(E) The decedent's surviving parent or parents. If one (1) of the parents is absent, the parent who is present has authority under this clause if the parent who is present has used reasonable efforts to notify the absent parent.

(F) The decedent's surviving sibling or, if more than one (1) sibling is surviving, the majority of the surviving siblings. However, less than half of the surviving siblings have the rights under this clause if the siblings have used reasonable efforts to notify the other surviving siblings of their intentions and are not aware of any opposition to the final disposition instructions by more than half of the surviving siblings.

(G) The individual in the next degree of kinship under IC 29-1-2-1 to inherit the estate of the decedent or, if more

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than one (1) individual of the same degree of kinship is surviving, the majority of those who ~~have~~ **are of** the same degree. However, less than half of the individuals who ~~have~~ **are of** the same degree of kinship have the rights under this clause if they have used reasonable efforts to notify the other individuals who ~~have~~ **are of** the same degree of kinship of their intentions and are not aware of any opposition to the final disposition instructions by more than half of the individuals who ~~have~~ **are of** the same degree of kinship.

(H) If none of the persons described in clauses (A) through (G) are available, any other person willing to act and arrange for the final disposition of the ~~decedent,~~ **decedent's remains,** including a funeral home that:

(i) has a valid prepaid funeral plan executed under IC 30-2-13 that makes arrangements for the disposition of the ~~decedent;~~ **decedent's remains;** and

(ii) attests in writing that a good faith effort has been made to contact any living individuals described in clauses (A) through (G).

(2) To have acquired by court order the right to control the disposition of the deceased human body or cremated remains.

The owner of a cemetery may accept the authorization of an individual only if all other individuals of the same priority or a higher priority (according to the priority listing in this subsection) are deceased, are barred from authorizing the disposition of the deceased human body or cremated remains under subsection (c), or are physically or mentally incapacitated from exercising the authorization, and the incapacity is certified to by a qualified medical doctor.

(b) An action may not be brought against the owner of a cemetery relating to the remains of a human that have been left in the possession of the cemetery owner without permanent interment, entombment, or inurnment for a period of three (3) years, unless the cemetery owner has entered into a written contract for the care of the remains.

(c) If:

(1) the death of the decedent appears to have been the result of:

(A) murder (IC 35-42-1-1);

(B) voluntary manslaughter (IC 35-42-1-3); or

(C) another criminal act, if the death does not result from the operation of a vehicle; and

(2) the coroner, in consultation with the law enforcement agency investigating the death of the decedent, determines that there is a reasonable suspicion that a person described in subsection (a)

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committed the offense;

the person referred to in subdivision (2) may not authorize the disposition of the decedent's body or cremated remains.

(d) The coroner, in consultation with the law enforcement agency investigating the death of the decedent, shall inform the cemetery owner of the determination referred to in subsection (c)(2).

(e) If a person vested with a right under subsection (a) does not exercise that right not less than seventy-two (72) hours after the person receives notification of the death of the decedent, the person forfeits the person's right to determine the final disposition of the ~~decedent~~ **decedent's remains** and the right to determine final disposition passes to the next person described in subsection (a).

(f) A cemetery owner has the right to rely, in good faith, on the representations of a person listed in subsection (a) that any other individuals ~~on~~ **of** the same degree of kinship have been notified of the final disposition instructions.

(g) If there is a dispute concerning the disposition of a ~~decedent,~~ **decedent's remains,** a cemetery owner is not liable for refusing to accept the remains of the decedent until the cemetery owner receives:

(1) a court order; or

(2) a written agreement signed by the disputing parties;

that determines the final disposition of the ~~decedent.~~ **decedent's remains.** If a cemetery agrees to shelter the remains of the decedent while the parties are in dispute, the cemetery may collect any applicable fees for storing the remains, including legal fees that are incurred.

(h) Any cause of action filed under this section must be filed in the probate court in the county where the decedent resided, unless the decedent was not a resident of Indiana.

(i) A spouse seeking a judicial determination under subsection (a)(1)(C)(i) that the decedent and spouse were reconciled before the decedent's death may petition the court having jurisdiction over the dissolution or separation proceeding to make this determination by filing the petition under the same cause number as the dissolution or separation proceeding. A spouse who files a petition under this subsection is not required to pay a filing fee.

SECTION 162. IC 24-4.4-1-202, AS AMENDED BY P.L.89-2011, SECTION 3, AND AS AMENDED BY P.L.9-2011, SECTION 1, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 202. *(a) As used in this section, "balloon payment", with respect to a mortgage transaction, means any payment that:*

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*(1) the creditor requires the debtor to make at any time during the term of the mortgage;*

*(2) represents the entire amount of the outstanding balance with respect to the mortgage; and*

*(3) the entire amount of which is due as of a specified date or at the end of a specified period;*

*if the aggregate amount of the minimum periodic payments required under the mortgage would not fully amortize the outstanding balance by the specified date or at the end of the specified period. The term does not include a payment required by a creditor under a due-on-sale clause (as defined in 12 U.S.C. 1701j-3(a)) or a payment required by a creditor under a provision in the mortgage that permits the creditor to accelerate the debt upon the debtor's default or failure to abide by the material terms of the mortgage.*

*(b)* This article does not apply to the following:

(1) Extensions of credit to government or governmental agencies or instrumentalities.

(2) A first lien mortgage transaction in which the debt is incurred primarily for a purpose other than a personal, family, or household purpose.

(3) An extension of credit primarily for a business, a commercial, or an agricultural purpose.

(4) Except for IC 24-4.4-2-401(2), IC 24-4.4-2-402.3, IC 24-4.4-2-405(4), and IC 24-4.4-2-405(5), a first lien mortgage transaction made:

(a) in compliance with the requirements of; and

(b) by a community development corporation (as defined in IC 4-4-28-2) acting as a subrecipient of funds from;

the Indiana housing and community development authority established by IC 5-20-1-3.

(5) Except for IC 24-4.4-2-401(2), IC 24-4.4-2-402.3, IC 24-4.4-2-405(4), and IC 24-4.4-2-405(5), a first lien mortgage transaction made by an entity that exclusively uses funds provided by the United States Department of Housing and Urban Development under Title 1 of the federal Housing and Community Development Act of 1974, Public Law 93-383, as amended (42 U.S.C. 5301 et seq.).

(6) An extension of credit originated by:

(a) a depository institution;

(b) subsidiaries that are:

(i) owned and controlled by a depository institution; and

(ii) regulated by a federal banking agency; or

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(c) an institution regulated by the Farm Credit Administration.

(7) Except for IC 24-4.4-2-401(2), IC 24-4.4-2-402.3, IC 24-4.4-2-405(4), and IC 24-4.4-2-405(5), a credit union service organization that is majority owned, directly or indirectly, by one (1) or more credit unions.

(8) A first lien mortgage transaction originated by:

*(a)* a registered mortgage loan originator, when acting for an entity described in subsection (6) *or (7); or*

*(b) an individual who:*

*(i) performs the duties of a mortgage loan originator for an entity described in subsection (6) or (7); and*

*(ii) is required to be registered with the NMLSR not later than July 29, 2011.*

A privately insured state chartered credit union shall also comply with the system of mortgage loan originator registration developed by the Federal Financial Institutions Examinations Council under Section 1507 of the federal Secure and Fair Enforcement for Mortgage Licensing Act of 2008 (SAFE).

(9) An individual who offers or negotiates terms of a mortgage transaction with or on behalf of an immediate family member of the individual.

(10) An individual who offers or negotiates terms of a mortgage transaction secured by a dwelling that served as the individual's residence.

(11) Unless the attorney is compensated by:

(a) a lender;

(b) a mortgage broker;

(c) another mortgage loan originator; or

(d) any agent of the lender, mortgage broker, or other mortgage loan originator described in clauses (a) through (c);

a licensed attorney who negotiates the terms of a mortgage transaction on behalf of a client as an ancillary matter to the attorney's representation of the client.

(12) ~~*Agencies, instrumentalities, and government owned corporations of*~~ The United States, *any state or local government, or any agency or instrumentality of any governmental entity,* including United States government sponsored enterprises.

*(13) A person in whose name a tablefunded transaction is closed, as described in section 301(34)(a) of this chapter. However, the exemption provided by this subsection does not apply if:*

*(a) the transaction:*

*(i) is secured by a dwelling that is a mobile home, a*

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*manufactured home, or a trailer; and*

*(ii) is not also secured by an interest in land; and*

*(b) the person in whose name the transaction is closed, as described in section 301(34)(a) of this chapter, sells the dwelling to the debtor through a retail installment contract or other similar transaction.*

~~*(13)*~~ **(14)** *A bona fide nonprofit entity not operating in a commercial context, as determined by the director, if the following criteria are satisfied:*

~~*(A)*~~ **(a)** *Subject to clause* ~~*(B),*~~ **(b),** *the entity originates only one (1) or both of the following types of mortgage transactions:*

*(i) Zero (0) interest first lien mortgage transactions.*

*(ii) Zero (0) interest subordinate lien mortgage transactions.*

~~*(B)*~~ **(b)** *The entity does not require, under the terms of the mortgage or otherwise, balloon payments with respect to the mortgage transactions described in clause* ~~*(A).*~~ **(a).**

~~*(C)*~~ **(c)** *The entity is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code.*

~~*(D)*~~ **(d)** *The entity's primary purpose is to serve the public by helping low income individuals and families build, repair, and purchase housing.*

~~*(E)*~~ **(e)** *The entity uses only:*

*(i) unpaid volunteers; or*

*(ii) employees whose compensation is not based on the number or size of any mortgage transactions that the employees originate;*

*to originate the mortgage transactions described in clause* ~~*(A).*~~ **(a).**

~~*(F)*~~ **(f)** *The entity does not charge loan origination fees in connection with the mortgage transactions described in clause* ~~*(A).*~~ **(a).**

SECTION 163. IC 24-4.4-2-406, AS ADDED BY P.L.89-2011, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 406. (1) As used in this section, "control" means possession of the power directly or indirectly to:

(a) direct or cause the direction of the management or policies of a creditor, whether through the beneficial ownership of voting securities, by contract, or otherwise; or

(b) vote at least twenty-five percent (25%) of the voting securities of a creditor, whether the voting rights are derived through the beneficial ownership of voting securities, by contract, or otherwise.

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(2) An organization or an individual acting directly, indirectly, or through or in concert with one (1) or more other organizations or individuals may not acquire control of any creditor unless the department has received and approved an application for change in control. The department has not more than one hundred twenty (120) days after receipt of an application to issue a notice approving the proposed change in control. The application must contain the name and address of the organization, individual, or individuals who propose to acquire control and any other information required by the director.

(3) The period for approval under subsection (2) may be extended:

(a) in the discretion of the director for an additional thirty (30) days; and

(b) not more than two (2) additional times for not more than forty-five (45) days each time if:

(i) the director determines that the organization, individual, or individuals who propose to acquire control have not submitted substantial evidence of the qualifications described in subsection (4);

(ii) the director determines that any material information submitted is substantially inaccurate; or

(iii) the director has been unable to complete the investigation of the organization, individual, or individuals who propose to acquire control because of any delay caused by or the inadequate cooperation of the organization, individual, or individuals.

(4) The department shall issue a notice approving the application only after it is satisfied that both of the following apply:

(a) The organization, individual, or individuals who propose to acquire control are qualified by competence, experience, character, and financial responsibility to control and operate the creditor in a legal and proper manner.

(b) The interests of the owners and creditors of the creditor and the interests of the public generally will not be jeopardized by the proposed change in control.

(5) The director may determine, in the director's discretion, that subsection (2) does not apply to a transaction if the director determines that the direct or beneficial ownership of the creditor will not change as a result of the transaction.

(6) The president or other chief executive officer of a creditor shall report to the director any transfer or sale of securities of the creditor that results in direct or indirect ownership by a holder or an affiliated group of holders of at least ten percent (10%) of the outstanding

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securities of the creditor. The report required by this ~~section~~ **subsection** must be made not later than ten (10) days after the transfer of the securities on the books of the creditor.

(7) Depending on the circumstances of the transaction, the director may reserve the right to require the organization, individual, or individuals who propose to acquire control of a creditor licensed under this article to apply for a new license under section 401 of this chapter, instead of acquiring control of the licensee under this section.

SECTION 164. IC 24-4.5-1-202, AS AMENDED BY P.L.89-2011, SECTION 11, AND AS AMENDED BY P.L.9-2011, SECTION 2, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 202. *(a) As used in this section, "balloon payment", with respect to a mortgage transaction, means any payment that:*

*(1) the creditor requires the debtor to make at any time during the term of the mortgage;*

*(2) represents the entire amount of the outstanding balance with respect to the mortgage; and*

*(3) the entire amount of which is due as of a specified date or at the end of a specified period;*

*if the aggregate amount of the minimum periodic payments required under the mortgage would not fully amortize the outstanding balance by the specified date or at the end of the specified period. The term does not include a payment required by a creditor under a due-on-sale clause (as defined in 12 U.S.C. 1701j-3(a)) or a payment required by a creditor under a provision in the mortgage that permits the creditor to accelerate the debt upon the debtor's default or failure to abide by the material terms of the mortgage.*

*(b)* This article does not apply to the following:

(1) Extensions of credit to government or governmental agencies or instrumentalities.

(2) The sale of insurance by an insurer, except as otherwise provided in the chapter on insurance (IC 24-4.5-4).

(3) Transactions under public utility, municipal utility, or common carrier tariffs if a subdivision or agency of this state or of the United States regulates the charges for the services involved, the charges for delayed payment, and any discount allowed for early payment.

(4) The rates and charges and the disclosure of rates and charges of a licensed pawnbroker established in accordance with a statute or ordinance concerning these matters.

(5) A sale of goods, services, or an interest in land in which the

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goods, services, or interest in land are purchased primarily for a purpose other than a personal, family, or household purpose.

(6) A loan in which the debt is incurred primarily for a purpose other than a personal, family, or household purpose.

(7) An extension of credit primarily for a business, a commercial, or an agricultural purpose.

(8) An installment agreement for the purchase of home fuels in which a finance charge is not imposed.

(9) Loans made, insured, or guaranteed under a program authorized by Title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.).

(10) Transactions in securities or commodities accounts in which credit is extended by a broker-dealer registered with the Securities and Exchange Commission or the Commodity Futures Trading Commission.

(11) Except for IC 24-4.5-3-502.1(2), IC 24-4.5-3-503.3, IC 24-4.5-3-505(4), and IC 24-4.5-3-505(5), a loan made:

(A) in compliance with the requirements of; and

(B) by a community development corporation (as defined in IC 4-4-28-2) acting as a subrecipient of funds from;

the Indiana housing and community development authority established by IC 5-20-1-3.

(12) Except for IC 24-4.5-3-502.1(2), IC 24-4.5-3-503.3, IC 24-4.5-3-505(4), and IC 24-4.5-3-505(5), a subordinate lien mortgage transaction made by an entity that exclusively uses funds provided by the United States Department of Housing and Urban Development under Title 1 of the Housing and Community Development Act of 1974, Public Law 93-383, as amended (42 U.S.C. 5301 et seq.).

*(13) The United States, any state or local government, or any agency or instrumentality of any governmental entity, including United States government sponsored enterprises.*

~~*(13)*~~ **(14)** *A bona fide nonprofit entity not operating in a commercial context, as determined by the director, if the following criteria are satisfied:*

*(A) Subject to clause (B), the entity originates only one (1) or both of the following types of mortgage transactions:*

*(i) Zero (0) interest first lien mortgage transactions.*

*(ii) Zero (0) interest subordinate lien mortgage transactions.*

*(B) The entity does not require, under the terms of the mortgage or otherwise, balloon payments with respect to the mortgage transactions described in clause (A).*

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*(C) The entity is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code.*

*(D) The entity's primary purpose is to serve the public by helping low income individuals and families build, repair, and purchase housing.*

*(E) The entity uses only:*

*(i) unpaid volunteers; or*

*(ii) employees whose compensation is not based on the number or size of any mortgage transactions that the employees originate;*

*to originate the mortgage transactions described in clause (A).*

*(F) The entity does not charge loan origination fees in connection with the mortgage transactions described in clause (A).*

SECTION 165. IC 24-4.5-3-515, AS ADDED BY P.L.89-2011, SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 515. (1) As used in this section, "control" means possession of the power directly or indirectly to:

(a) direct or cause the direction of the management or policies of a creditor, whether through the beneficial ownership of voting securities, by contract, or otherwise; or

(b) vote at least twenty-five percent (25%) of the voting securities of a creditor, whether the voting rights are derived through the beneficial ownership of voting securities, by contract, or otherwise.

(2) An organization or an individual acting directly, indirectly, or through or in concert with one (1) or more other organizations or individuals may not acquire control of any creditor unless the department has received and approved an application for change in control. The department has not more than one hundred twenty (120) days after receipt of an application to issue a notice approving the proposed change in control. The application must contain the name and address of the organization, individual, or individuals who propose to acquire control and any other information required by the director.

(3) The period for approval under subsection (2) may be extended:

(a) in the discretion of the director for an additional thirty (30) days; and

(b) not more than two (2) additional times for not more than forty-five (45) days each time if:

(i) the director determines that the organization, individual, or individuals who propose to acquire control have not submitted

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substantial evidence of the qualifications described in subsection (4);

(ii) the director determines that any material information submitted is substantially inaccurate; or

(iii) the director has been unable to complete the investigation of the organization, individual, or individuals who propose to acquire control because of any delay caused by or the inadequate cooperation of the organization, individual, or individuals.

(4) The department shall issue a notice approving the application only after the department is satisfied that both of the following apply:

(a) The organization, individual, or individuals who propose to acquire control are qualified by competence, experience, character, and financial responsibility to control and operate the creditor in a legal and proper manner.

(b) The interests of the owners and creditors of the creditor and the interests of the public generally will not be jeopardized by the proposed change in control.

(5) The director may determine, in the director's discretion, that subsection (2) does not apply to a transaction if the director determines that the direct or beneficial ownership of the creditor will not change as a result of the transaction.

(6) The president or other chief executive officer of a creditor shall report to the director any transfer or sale of securities of the creditor that results in direct or indirect ownership by a holder or an affiliated group of holders of at least ten percent (10%) of the outstanding securities of the creditor. The report required by this ~~section~~ **subsection** must be made not later than ten (10) days after the transfer of the securities on the books of the creditor.

(7) Depending on the circumstances of the transaction, the director may reserve the right to require the organization, individual, or individuals who propose to acquire control of a creditor licensed under this article to apply for a new license under section 503 of this chapter, instead of acquiring control of the licensee under this section.

SECTION 166. IC 25-1-1.1-2, AS AMENDED BY P.L.138-2011, SECTION 6 AND P.L.182-2011, SECTION 6, AND AS AMENDED BY P.L.155-2011, SECTION 6, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. *Notwithstanding IC 25-1-7,* a board, a commission, or a committee may suspend, *deny,* or revoke a license or certificate issued under this title by the board, the commission, or the committee *without an investigation by the office of the attorney general* if the individual who

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holds the license or certificate is convicted of any of the following *and the board, commission, or committee determines, after the individual has appeared in person, that the offense affects the individual's ability to perform the duties of the profession:*

(1) Possession of cocaine or a narcotic drug under IC 35-48-4-6.

(2) Possession of methamphetamine under IC 35-48-4-6.1.

(3) Possession of a controlled substance under IC 35-48-4-7(a).

(4) Fraudulently obtaining a controlled substance under IC 35-48-4-7(b).

(5) Manufacture of paraphernalia as a Class D felony under IC 35-48-4-8.1(b).

(6) Dealing in paraphernalia as a Class D felony under IC 35-48-4-8.5(b).

(7) Possession of paraphernalia as a Class D felony under IC 35-48-4-8.3(b).

(8) Possession of marijuana, hash oil, ~~or~~ hashish, *salvia, or a synthetic cannabinoid* as a Class D felony under IC 35-48-4-11.

(9) Maintaining a common nuisance under IC 35-48-4-13.

(10) An offense relating to registration, labeling, and prescription forms under IC 35-48-4-14.

(11) Conspiracy under IC 35-41-5-2 to commit an offense listed in subdivisions (1) through (10).

(12) Attempt under IC 35-41-5-1 to commit an offense listed in subdivisions (1) through (10).

~~(13) An offense in any other jurisdiction in which the elements of the offense for which the conviction was entered are substantially similar to the elements of an offense described under subdivisions (1) through (12).~~

*(13) A sex crime under IC 35-42-4.*

*(14) A felony that reflects adversely on the individual's fitness to hold a professional license.*

*(15) An offense in any other jurisdiction in which the elements of the offense for which the conviction was entered are substantially similar to the elements of an offense described in this section.*

SECTION 167. IC 25-1-5-5, AS AMENDED BY P.L.206-2005, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 5. (a) The agency shall be administered by an executive director appointed by the governor who shall serve at the will and pleasure of the governor.

(b) The executive director must be qualified by experience and training.

(c) The term "executive director" or "secretary", or any other

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statutory term for the administrative officer of a board listed in section 3 of this chapter, means the executive director of the agency or the executive director's designee.

(d) The executive director is the chief fiscal officer of the agency and is responsible for hiring of all staff, and for procurement of all services and supplies in accordance with IC 5-22. ~~The executive director and the employees of the agency are subject to IC 4-15-1.8 but are not under IC 4-15-2.~~ The executive director may appoint not ~~to exceed~~ **more than** three (3) deputy directors, who must be qualified to work for the boards which are served by the agency.

(e) The executive director shall execute a bond payable to the state, with surety to consist of a surety or guaranty corporation qualified to do business in Indiana, in an amount fixed by the state board of accounts, conditioned upon the faithful performance of duties and the accounting for all money and property that come into the executive director's hands or under the executive director's control. The executive director may likewise cause any employee of the agency to execute a bond if that employee receives, disburses, or in any way handles funds or property of the agency. The costs of any such bonds shall be paid from funds available to the agency.

(f) The executive director may present to the general assembly legislative recommendations regarding operations of the agency and the boards it serves, including adoption of four (4) year license or certificate renewal cycles wherever feasible.

(g) The executive director may execute orders, subpoenas, continuances, and other legal documents on behalf of a board or committee when requested to do so by the board or committee.

(h) The executive director or the executive director's designee may, upon request of a board or committee, provide advice and technical assistance on issues that may be presented to the boards or committees.

SECTION 168. IC 25-1-6-5, AS AMENDED BY P.L.194-2005, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 5. (a) The licensing agency shall be administered by an executive director appointed by the governor who shall serve at the will and pleasure of the governor.

(b) The executive director must be qualified by experience and training.

(c) The term "executive director" or "secretary", or any other statutory term for the administrative officer of a board listed in section 3 of this chapter, means the executive director of the licensing agency or the executive director's designee.

(d) The executive director is the chief fiscal officer of the licensing

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agency and is responsible for hiring of all staff and for procurement of all services and supplies in accordance with IC 5-22. ~~The executive director and the employees of the licensing agency are subject to IC 4-15-1.8 but are not under IC 4-15-2.~~ The executive director may appoint no more than three (3) deputy directors, who must be qualified to work for the boards which are served by the licensing agency.

(e) The executive director shall execute a bond payable to the state, with surety to consist of a surety or guaranty corporation qualified to do business in Indiana, in an amount fixed by the state board of accounts, conditioned upon the faithful performance of duties and the accounting for all money and property that come into the executive director's hands or under the executive director's control. The executive director may likewise cause any employee of the licensing agency to execute a bond if that employee receives, disburses, or in any way handles funds or property of the licensing agency. The costs of any such bonds shall be paid from funds available to the licensing agency.

(f) The executive director may present to the general assembly legislative recommendations regarding operations of the licensing agency and the boards it serves, including adoption of four (4) year license or certificate renewal cycles wherever feasible.

(g) Upon the request of a board or commission, the executive director may execute orders, subpoenas, continuances, and other legal documents on behalf of the board or commission.

(h) Upon the request of a board or commission, the executive director may provide advice and technical assistance on issues that may be presented to the board or commission.

SECTION 169. IC 25-14-1-3.1, AS AMENDED BY P.L.103-2011, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3.1. (a) A dentist must have a permit to administer:

(1) general anesthesia/deep sedation; or

(2) moderate sedation using a parenteral route of administration; ~~or~~

to a patient.

(b) The board shall establish by rule the educational and training requirements for the issuance and renewal of a permit required by subsection (a).

(c) The board shall establish the requirements for a program of education and training for pediatric anesthesiology.

(d) The requirements for a permit issued under this section must be based on the current American Dental Association's "Guidelines for Teaching Pain Control and Sedation to Dentists and Dental Students",

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as adopted by the American Dental Association House of Delegates.

(e) A permit issued under this section must be renewed biennially.

SECTION 170. IC 25-14-1-30 IS REPEALED [EFFECTIVE UPON PASSAGE]. ~~Sec. 30. All certificates issued by the dental board for the practice of dentistry which certificates were issued prior to May 1, 1977, shall be deemed to be licenses for the practice of dentistry. All applications for the practice of dentistry and all renewal notices sent for the practice of dentistry in Indiana shall be for licenses and not for certificates. For the purposes of this chapter, all certificates and renewals for certificates for the practice of dentistry shall be the same as licenses and renewals for licenses issued subsequent to May 1, 1977.~~

SECTION 171. IC 25-14-1-30, AS ADDED BY P.L.103-2011, SECTION 24, IS REPEALED [EFFECTIVE UPON PASSAGE]. ~~Sec. 30. (a) An individual who:~~

~~(1) is licensed under; and~~

~~(2) fails to comply with;~~

~~this article or rules adopted under this article is subject to discipline under IC 25-1-9.~~

~~(b) An individual who is licensed under this article is responsible for knowing the standards of conduct and practice established by this article and rules adopted under this article.~~

SECTION 172. IC 25-14-1-30.2 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 30.2. All certificates issued by the dental board for the practice of dentistry before May 1, 1977, shall be deemed to be licenses for the practice of dentistry. All applications for the practice of dentistry and all renewal notices sent for the practice of dentistry in Indiana shall be for licenses and not for certificates. For the purposes of this chapter, all certificates and renewals for certificates for the practice of dentistry shall be the same as licenses and renewals for licenses issued after May 1, 1977.**

SECTION 173. IC 25-14-1-30.4 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 30.4. (a) An individual who:**

**(1) is licensed under; and**

**(2) fails to comply with;**

**this article or rules adopted under this article is subject to discipline under IC 25-1-9.**

**(b) An individual who is licensed under this article is responsible for knowing the standards of conduct and practice established by this article and rules adopted under this article.**

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SECTION 174. IC 25-15-9-18, AS AMENDED BY P.L.34-2011, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 18. (a) Except as provided in subsection (b), the following persons, in the order of priority indicated, have the authority to designate the manner, type, and selection of the final disposition of human remains, to make arrangements for funeral services, and to make other ceremonial arrangements after an individual's death:

(1) A person:

(A) granted the authority to serve in a funeral planning declaration executed by the decedent under IC 29-2-19; or

(B) named in a United States Department of Defense form "Record of Emergency Data" (DD Form 93) or a successor form adopted by the United States Department of Defense, if the decedent died while serving in any branch of the United States Armed Forces (as defined in 10 U.S.C. 1481) and completed the form.

(2) An individual specifically granted the authority in a power of attorney or a health care power of attorney executed by the decedent under IC 30-5-5-16.

(3) The individual who was the spouse of the decedent at the time of the decedent's death, except when:

(A) a petition to dissolve the marriage or for legal separation of the decedent and spouse is pending with a court at the time of the decedent's death, unless a court finds that the decedent and spouse were reconciled before the decedent's death; or

(B) a court determines the decedent and spouse were physically and emotionally separated at the time of death and the separation was for an extended time that clearly demonstrates an absence of due affection, trust, and regard for the decedent.

(4) The decedent's surviving adult child or, if more than one (1) adult child is surviving, the majority of the adult children. However, less than half of the surviving adult children have the rights under this subdivision if the adult children have used reasonable efforts to notify the other surviving adult children of their intentions and are not aware of any opposition to the final disposition instructions by more than half of the surviving adult children.

(5) The decedent's surviving parent or parents. If one (1) of the parents is absent, the parent who is present has the rights under this subdivision if the parent who is present has used reasonable

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efforts to notify the absent parent.

(6) The decedent's surviving sibling or, if more than one (1) sibling is surviving, the majority of the surviving siblings. However, less than half of the surviving siblings have the rights under this subdivision if the siblings have used reasonable efforts to notify the other surviving siblings of their intentions and are not aware of any opposition to the final disposition instructions by more than half of the surviving siblings.

(7) The individual in the next degree of kinship under IC 29-1-2-1 to inherit the estate of the decedent or, if more than one (1) individual of the same degree survives, the majority of those who ~~have~~ **are of** the same degree of kinship. However, less than half of the individuals who ~~have~~ **are of** the same degree of kinship have the rights under this subdivision if they have used reasonable efforts to notify the other individuals who ~~have~~ **are of** the same degree of kinship of their intentions and are not aware of any opposition to the final disposition instructions by more than half of the individuals who ~~have~~ **are of** the same degree of kinship.

(8) If none of the persons identified in subdivisions (1) through (7) are available, any other person willing to act and arrange for the final disposition of the ~~decedent,~~ **decedent's remains,** including a funeral home that:

(A) has a valid prepaid funeral plan executed under IC 30-2-13 that makes arrangements for the disposition of the ~~decedent;~~ **decedent's remains;** and

(B) attests in writing that a good faith effort has been made to contact any living individuals described in subdivisions (1) through (7).

(9) In the case of an indigent or other individual whose final disposition is the responsibility of the state or township, the following:

(A) If none of the persons identified in subdivisions (1) through (8) is available:

(i) a public administrator, including a responsible township trustee or the trustee's designee; or

(ii) the coroner.

(B) A state appointed guardian.

(b) If:

(1) the death of the decedent appears to have been the result of:

(A) murder (IC 35-42-1-1);

(B) voluntary manslaughter (IC 35-42-1-3); or

(C) another criminal act, if the death does not result from the

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operation of a vehicle; and

(2) the coroner, in consultation with the law enforcement agency investigating the death of the decedent, determines that there is a reasonable suspicion that a person described in subsection (a) committed the offense;

the person referred to in subdivision (2) may not authorize or designate the manner, type, or selection of the final disposition of human remains.

(c) The coroner, in consultation with the law enforcement agency investigating the death of the decedent, shall inform the cemetery owner or crematory authority of the determination under subsection (b)(2).

(d) If the decedent had filed a protection order against a person described in subsection (a) and the protection order is currently in effect, the person described in subsection (a) may not authorize or designate the manner, type, or selection of the final disposition of human remains.

(e) A law enforcement agency shall determine if the protection order is in effect. If the law enforcement agency cannot determine the existence of a protection order that is in effect, the law enforcement agency shall consult the protective order registry established under IC 5-2-9-5.5.

(f) If a person vested with a right under subsection (a) does not exercise that right not later than seventy-two (72) hours after the person receives notification of the death of the decedent, the person forfeits the person's right to determine the final disposition of the ~~decedent~~ **decedent's remains** and the right to determine final disposition passes to the next person described in subsection (a).

(g) A funeral home has the right to rely, in good faith, on the representations of a person listed in subsection (a) that any other individuals ~~on~~ **of** the same degree of kinship have been notified of the final disposition instructions.

(h) If there is a dispute concerning the disposition of a ~~decedent,~~ **decedent's remains,** a funeral home is not liable for refusing to accept the remains of the decedent until the funeral home receives:

(1) a court order; or

(2) a written agreement signed by the disputing parties;

that determines the final disposition of the ~~decedent.~~ **decedent's remains.** If a funeral home agrees to shelter the remains of the decedent while the parties are in dispute, the funeral home may collect any applicable fees for storing the remains, including legal fees that are incurred.

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(i) Any cause of action filed under this section must be filed in the probate court in the county where the decedent resided, unless the decedent was not a resident of Indiana.

(j) A spouse seeking a judicial determination under subsection (a)(3)(A) that the decedent and spouse were reconciled before the decedent's death may petition the court having jurisdiction over the dissolution or separation proceeding to make this determination by filing the petition under the same cause number as the dissolution or separation proceeding. A spouse who files a petition under this subsection is not required to pay a filing fee.

SECTION 175. IC 25-15-9-19, AS ADDED BY P.L.34-2011, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 19. (a) An individual who signs an authorization for the cremation, interment, entombment, or inurnment of human remains:

(1) is considered to warrant the truthfulness of:

(A) any fact set forth in the authorization;

(B) the identity of the person for whose remains cremation, interment, entombment, or inurnment is sought; and

(C) the individual's authority to order the cremation, interment, entombment, or inurnment; and

(2) is personally and individually liable to pay damages in compensation for harm that:

(A) is caused by; or

(B) results from;

the signing of the authorization for cremation, interment, entombment, or inurnment.

(b) A funeral home that relies in good faith on a signed authorization for the cremation, interment, entombment, or inurnment of human remains is not civilly or criminally liable or subject to disciplinary actions for carrying out the disposition of the ~~decedent~~ **decedent's remains** in accordance with the instructions in the authorization.

SECTION 176. IC 26-1-9.1-801, AS ADDED BY P.L.54-2011, SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 801. (a) Except as otherwise provided in this section through IC 26-1-9.1-808, amendments to this chapter made by ~~legislation enacted during the 2011 session of the general assembly~~ **P.L.54-2011** apply to a transaction or lien with its scope, even if the transaction or lien was entered into or created before the amendments to this chapter made by ~~legislation enacted during the 2011 session of the general assembly~~ **P.L.54-2011** take effect (July 1, 2013).

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(b) The amendments to this chapter made by ~~legislation enacted during the 2011 session of the general assembly~~ **P.L.54-2011** do not affect an action, case, or proceeding commenced before the amendments to this chapter made by ~~legislation enacted during the 2011 session of the general assembly~~ **P.L.54-2011** take effect (July 1, 2013).

SECTION 177. IC 26-1-9.1-802, AS ADDED BY P.L.54-2011, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 802. (a) A security interest that is a perfected security interest immediately before the amendments to this chapter made by ~~legislation enacted during the 2011 session of the general assembly~~ **P.L.54-2011** take effect (July 1, 2013) is a perfected security interest under this chapter, as amended by ~~legislation enacted during the 2011 session of the general assembly~~ **P.L.54-2011** if, when the amendments to this chapter made by ~~legislation enacted during the 2011 session of the general assembly~~ **P.L.54-2011** take effect (July 1, 2013), the applicable requirements for attachment and perfection under this chapter, as amended by ~~legislation enacted during the 2011 session of the general assembly,~~ **P.L.54-2011,** are satisfied without further action.

(b) Except as otherwise provided in IC 26-1-9.1-804, if, immediately before the amendments to this chapter made by ~~legislation enacted during the 2011 session of the general assembly~~ **P.L.54-2011** take effect (July 1, 2013), a security interest is a perfected security interest, but the applicable requirements for perfection under this chapter, as amended by ~~legislation enacted during the 2011 session of the general assembly,~~ **P.L.54-2011,** are not satisfied when the amendments to this chapter made by ~~legislation enacted during the 2011 session of the general assembly~~ **P.L.54-2011** take effect (July 1, 2013), the security interest remains perfected thereafter only if the applicable requirements for perfection under this chapter, as amended by ~~legislation enacted during the 2011 session of the general assembly,~~ **P.L.54-2011,** are satisfied within one (1) year after the amendments to this chapter made by ~~legislation enacted during the 2011 session of the general assembly~~ **P.L.54-2011** take effect (July 1, 2013).

SECTION 178. IC 26-1-9.1-803, AS ADDED BY P.L.54-2011, SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 803. A security interest that is an unperfected security interest immediately before the amendments to this chapter made by ~~legislation enacted during the 2011 session of the general assembly~~ **P.L.54-2011** take effect (July 1, 2013) becomes a perfected security interest:

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(1) without further action, when the amendments to this chapter made by ~~legislation enacted during the 2011 session of the general assembly~~ **P.L.54-2011** take effect (July 1, 2013) if the applicable requirements for perfection under this chapter, as amended by ~~legislation enacted during the 2011 session of the general assembly,~~ **P.L.54-2011,** are satisfied before or at that time; or

(2) when the applicable requirements for perfection are satisfied if the requirements are satisfied after this time.

SECTION 179. IC 26-1-9.1-804, AS ADDED BY P.L.54-2011, SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 804. (a) The filing of a financing statement before the amendments to this chapter made by ~~legislation enacted during the 2011 session of the general assembly~~ **P.L.54-2011** take effect (July 1, 2013) is effective to perfect a security interest to the extent the filing would satisfy the applicable requirements for perfection under this chapter, as amended by ~~legislation enacted during the 2011 session of the general assembly.~~ **P.L.54-2011.**

(b) The amendments to this chapter made by ~~legislation enacted during the 2011 session of the general assembly~~ **P.L.54-2011** do not render ineffective an effective financing statement that, before the amendments to this chapter made by ~~legislation enacted during the 2011 session of the general assembly~~ **P.L.54-2011** take effect (July 1, 2013), is filed and satisfies the applicable requirements for perfection under the law of the jurisdiction governing perfection provided in this chapter as it existed before it was amended by ~~legislation enacted during the 2011 session of the general assembly.~~ **P.L.54-2011.** However, except as otherwise provided in subsections (c) and (d) and IC 26-1-9.1-805, the financing statement ceases to be effective:

(1) if the financing statement is filed in this state, at the time the financing statement would have ceased to be effective had the amendments to this chapter made by ~~legislation enacted during the 2011 session of the general assembly~~ **P.L.54-2011** not taken effect; or

(2) if the financing statement is filed in another jurisdiction, at the earlier of:

(A) the time the financing statement would have ceased to be effective under the law of that jurisdiction; or

(B) June 30, 2018.

(c) The filing of a continuation statement after the amendments to this chapter made by ~~legislation enacted during the 2011 session of the general assembly~~ **P.L.54-2011** take effect (July 1, 2013) does not

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continue the effectiveness of a financing statement filed before the amendments to this chapter made by ~~legislation enacted during the 2011 session of the general assembly~~ **P.L.54-2011** take effect (July 1, 2013). However, upon the timely filing of a continuation statement after the amendments to this chapter made by ~~legislation enacted during the 2011 session of the general assembly~~ **P.L.54-2011** take effect (July 1, 2013) and in accordance with the law of the jurisdiction governing perfection as provided in this chapter as amended by ~~legislation enacted during the 2011 session of the general assembly,~~ **P.L.54-2011,** the effectiveness of a financing statement filed in the same office in that jurisdiction before the amendments to this chapter made by ~~legislation enacted during the 2011 session of the general assembly~~ **P.L.54-2011** take effect (July 1, 2013) continues for the period provided by the law of that jurisdiction.

(d) Subsection (b)(2)(B) applies to a financing statement that, before the amendments to this chapter made by ~~legislation enacted during the 2011 session of the general assembly~~ **P.L.54-2011** take effect (July 1, 2013), is filed against a transmitting utility and satisfies the applicable requirements for perfection under the law of the jurisdiction governing perfection as provided in this chapter as it existed before it was amended by ~~legislation enacted during the 2011 session of the general assembly,~~ **P.L.54-2011,** only to the extent that this chapter, as amended by ~~legislation enacted during the 2011 session of the general assembly,~~ **P.L.54-2011,** provides that the law of a jurisdiction other than the jurisdiction in which the financing statement is filed governs perfection of a security interest in collateral covered by the financing statement.

(e) A financing statement that includes a financing statement filed before the amendments to this chapter made by ~~legislation enacted during the 2011 session of the general assembly~~ **P.L.54-2011** take effect (July 1, 2013) and a continuation statement filed after the amendments to this chapter made by ~~legislation enacted during the 2011 session of the general assembly~~ **P.L.54-2011** take effect (July 1, 2013) is effective only to the extent that it satisfies the requirements of IC 26-1-9.1-501 through IC 26-1-9.1-527, as amended by ~~legislation enacted during the 2011 session of the general assembly,~~ **P.L.54-2011,** for an initial financing statement. A financing statement that indicates that the debtor is a decedent's estate indicates that the collateral is being administered by a personal representative within the meaning of IC 26-1-9.1-503(a)(2), as amended by ~~legislation enacted during the 2011 session of the general assembly.~~ **P.L.54-2011.** A financing statement that indicates that the debtor is a trust or is a trustee acting with respect to property held in trust indicates that the collateral is held

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in a trust within the meaning of IC 26-1-9.1-503(a)(3) as amended by ~~legislation enacted during the 2011 session of the general assembly.~~ **P.L.54-2011.**

SECTION 180. IC 26-1-9.1-805, AS ADDED BY P.L.54-2011, SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 805. (a) The filing of an initial financing statement in the office specified in IC 26-1-9.1-501 continues the effectiveness of a financing statement filed before the amendments to this chapter made by ~~legislation enacted during the 2011 session of the general assembly~~ **P.L.54-2011** take effect (July 1, 2013) if:

(1) the filing of an initial financing statement in that office would be effective to perfect a security interest under this chapter, as amended by ~~legislation enacted during the 2011 session of the general assembly;~~ **P.L.54-2011;**

(2) the pre-effective-date financing statement was filed in an office in another state; and

(3) the initial financing statement satisfies subsection (c).

(b) The filing of an initial financing statement under subsection (a) continues the effectiveness of the pre-effective-date financing statement:

(1) if the initial financing statement is filed before the amendments to this chapter made by ~~legislation enacted during the 2011 session of the general assembly~~ **P.L.54-2011** take effect (July 1, 2013), for the period provided in IC 26-1-9.1-515, before it was amended by ~~legislation enacted during the 2011 session of the general assembly;~~ **P.L.54-2011,** with respect to an initial financing statement; and

(2) if the initial financing statement is filed after the amendments to this chapter made by ~~legislation enacted during the 2011 session of the general assembly~~ **P.L.54-2011** take effect (July 1, 2013), for the period provided in IC 26-1-9.1-515, as amended by ~~legislation enacted during the 2011 session of the general assembly~~ **P.L.54-2011** with respect to an initial financing statement.

(c) To be effective for purposes of subsection (a), an initial financing statement must:

(1) satisfy the requirements of IC 26-1-9.1-501 through IC 26-1-9.1-527, as amended by ~~legislation enacted during the 2011 session of the general assembly~~ **P.L.54-2011** for an initial financing statement;

(2) identify the pre-effective-date financing statement by indicating the office in which the financing statement was filed

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and providing the dates of filing and file numbers, if any, of the financing statement and of the most recent continuation statement filed with respect to the financing statement; and

(3) indicate that the pre-effective-date financing statement remains effective.

SECTION 181. IC 26-1-9.1-806, AS ADDED BY P.L.54-2011, SECTION 25, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 806. (a) In this section, "pre-effective-date financing statement" means a financing statement filed before the amendments to this chapter made by ~~legislation enacted during the 2011 session of the general assembly~~ **P.L.54-2011** take effect (July 1, 2013).

(b) After the amendments to this chapter made by ~~legislation enacted during the 2011 session of the general assembly~~ **P.L.54-2011** take effect (July 1, 2013), a person may add or delete collateral covered by, continue or terminate the effectiveness of, or otherwise amend the information provided in, a pre-effective-date financing statement only in accordance with the law of the jurisdiction governing perfection as provided in this chapter, as amended by ~~legislation enacted during the 2011 session of the general assembly.~~ **P.L.54-2011.** However, the effectiveness of a pre-effective-date financing statement also may be terminated in accordance with the law of the jurisdiction in which the financing statement is filed.

(c) Except as otherwise provided in subsection (d), if the law of this state governs perfection of a security interest, the information in a pre-effective-date financing statement may be amended after the amendments to this chapter made by ~~legislation enacted during the 2011 session of the general assembly~~ **P.L.54-2011** take effect (July 1, 2013) only if:

(1) the pre-effective-date financing statement and an amendment are filed in the office specified in IC 26-1-9.1-501;

(2) an amendment is filed in the office specified in IC 26-1-9.1-501 concurrently with, or after the filing in that office of, an initial financing statement that satisfies IC 26-1-9.1-805(c); or

(3) an initial financing statement that provides the information as amended and satisfies IC 26-1-9.1-805(c) is filed in the office specified in IC 26-1-9.1-501.

(d) If the law of this state governs perfection of a security interest, the effectiveness of a pre-effective-date financing statement may be continued only under IC 26-1-9.1-804(c) and IC 26-1-9.1-804(e) or IC 26-1-9.1-805.

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(e) Whether or not the law of this state governs perfection of a security interest, the effectiveness of a pre-effective-date financing statement filed in this state may be terminated after the amendments to this chapter made by ~~legislation enacted during the 2011 session of the general assembly~~ **P.L.54-2011** take effect (July 1, 2013) by filing a termination statement in the office in which the pre-effective-date financing statement is filed, unless an initial financing statement that satisfies IC 26-1-9.1-805(c) has been filed in the office specified by the law of the jurisdiction governing perfection as provided in this chapter, as amended by ~~legislation enacted during the 2011 session of the general assembly,~~ **P.L.54-2011,** as the office in which to file a financing statement.

SECTION 182. IC 26-1-9.1-807, AS ADDED BY P.L.54-2011, SECTION 26, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 807. A person may file an initial financing statement or a continuation statement under this chapter if:

(1) the secured party of record authorizes the filing; and

(2) the filing is necessary under this chapter:

(A) to continue the effectiveness of a financing statement filed before the amendments to this chapter made by ~~legislation enacted during the 2011 session of the general assembly~~ **P.L.54-2011** take effect (July 1, 2013); or

(B) to perfect or continue the perfection of a security interest.

SECTION 183. IC 26-1-9.1-808, AS ADDED BY P.L.54-2011, SECTION 27, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 808. The amendments to this chapter made by ~~legislation enacted during the 2011 session of the general assembly~~ **P.L.54-2011** ~~determines~~ **determine** the priority of conflicting claims to collateral. However, if the relative priorities of the claims were established before the amendments to this chapter made by ~~legislation enacted during the 2011 session of the general assembly~~ **P.L.54-2011** take effect (July 1, 2013), this chapter, as it existed before amendments to this chapter made by ~~legislation enacted during the 2011 session of the general assembly,~~ **P.L.54-2011,** determines priority.

SECTION 184. IC 27-1-13-16, AS AMENDED BY P.L.116-2011, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 16. (a) This section applies to a policy of insurance that:

(1) covers first party loss to property located in Indiana; and

(2) insures against loss or damage to:

(A) real property consisting of not more than four (4) residential units, one (1) of which is the principal place of

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residence of the named insured; or

(B) personal property in which the named insured has an insurable interest and that is used within a residential dwelling for personal, family, or household purposes.

(b) An insurer that reduces, restricts, or removes, through a rider or an endorsement, coverage provided by a policy of insurance must provide to the named insured written notice, through the United States mail or by electronic means, of the changes to the policy. The written notice required by this subsection must:

(1) be part of a document that is separate from the rider or endorsement;

(2) be printed in at least 12 point type, 1 point leaded;

(3) consist of text that achieves a minimum score of forty (40) on the Flesch reading ease test or an equivalent score on a comparable test approved by the commissioner as provided by IC 27-1-26-6;

(4) identify the forms, provisions, or endorsements that are changed;

(5) indicate that the named insured may contact the servicing insurance producer for the policy, if any, or the insurer ~~that~~ for assistance with any questions concerning the policy changes;

(6) indicate whether a premium adjustment will result from the policy changes; and

(7) set forth any options available to the named insured to repurchase the coverage that has been reduced, restricted, or removed.

(c) If the notice required under subsection (b) is sent through the United States mail, the outside of the envelope used to mail the notice must contain the following statement in at least 14 point type: "Coverage has been reduced, restricted, or removed from your policy.".

(d) The insurer bears the burden to prove that notice was sent to the named insured in accordance with this section. If the notice is sent through the United States mail, proof of mailing as described in IC 27-7-6-7 is sufficient proof of the notice.

(e) The commissioner may adopt rules under IC 4-22-2 to implement this section.

SECTION 185. IC 27-2-22-8, AS ADDED BY P.L.67-2011, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. (a) An insurer that pays a policy death benefit in any manner other than a lump sum payment of the full amount of the policy proceeds shall provide, in written or electronic form, a disclosure containing a complete list and clear explanation of

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all payment options available to the beneficiary.

(b) An insurer described in subsection (a) shall not use a retained asset account as the default manner of payment of the policy death benefit unless the insurer conspicuously discloses to the beneficiary that, in the event that the beneficiary does not choose another payment option, a retained asset account will be used as the default manner of payment.

(c) The disclosure required by section 7 of this chapter must include the following information:

(1) A recommendation for the beneficiary to consult a tax, investment, or other financial adviser regarding tax liability and investment options.

(2) The:

(A) method by which interest rates are determined;

(B) timing and method of interest rate changes; and

(C) dividends or other gains that may be paid to the beneficiary;

applicable to the funds in the retained asset account.

(3) The identity of the custodian of the funds in the retained asset account.

(4) Whether the retained asset account is insured by the Federal Deposit Insurance Corporation and, if so, the amount of the coverage.

(5) Any limitations on the number and amount of withdrawals of funds from the retained asset account, including minimum or maximum benefit payment amounts.

(6) Services related to the retained asset account that are provided for a fee, including a list of the fees or method of calculation of the fees.

(7) The nature and frequency of statements of account for the retained asset account.

(8) That the payment of some or all of the proceeds may be by the delivery of checks, drafts, or other instruments to access the available funds.

(9) That the entire proceeds are available to the beneficiary by the use of one (1) check, draft, or other instrument.

(10) That the insurer or a related party may derive income, in addition to fees charged on the retained asset account, from the total gains received on the investment of the balance of funds in the retained asset account.

(11) The telephone number, address, and other contact information, including Internet web site address, from which the

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beneficiary may obtain additional information regarding the retained asset account.

(12) The following statement:

"FOR FURTHER INFORMATION, PLEASE CONTACT YOUR STATE DEPARTMENT OF INSURANCE.".

~~(c)~~ **(d)** The disclosures described in this section must be written in:

(1) layman's terms; and

(2) bold or at least 12 point type.

SECTION 186. IC 27-18-3-1, AS ADDED BY P.L.111-2011, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. The commission shall adopt mandatory rules to establish the following:

(1) Allocation formulas for each type of nonadmitted insurance coverage, which must be used by each compacting state and contracting state in acquiring premium tax and clearinghouse transaction data from surplus lines licensees and insureds to report to the clearinghouse. The rules described in this subdivision must be adopted with input from surplus lines licensees and must be based on readily available data, with simplicity and uniformity for the surplus lines licensee as a material consideration.

(2) Uniform clearinghouse transaction data reporting requirements for all information reported to the clearinghouse.

(3) Methods by which compacting states and contracting states will require surplus lines licensees and insureds to pay premium tax and report clearinghouse transaction data to the clearinghouse, including processing clearinghouse transaction data through state stamping and service offices, state insurance departments, or other state designated agencies or entities.

(4) That nonadmitted insurance of multistate risks is subject to all regulatory compliance requirements of the home state exclusively. The regulatory compliance requirements that will be applicable to surplus lines insurance under the rules described in this subdivision include the following:

(A) Licensure requirements for persons to sell, solicit, or negotiate surplus lines insurance.

(B) Insurer eligibility requirements or other approved nonadmitted insurer requirements.

(C) Diligent search requirements.

(D) Providing state transaction documentation and clearinghouse transaction data regarding the payment of premium tax under this compact.

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The regulatory compliance requirements that will be applicable to independently procured insurance placements under the rules described in this subdivision include providing state transaction documentation and clearinghouse transaction data regarding the payment of premium tax under this compact.

(5) That each compacting state and each contracting state may charge its own rate of taxation on the premium allocated to the compacting state or contracting state based on the applicable allocation formula. However:

(A) the state shall establish a single rate of taxation applicable to all nonadmitted insurance transactions; and

(B) no other tax, fee assessment, or other charge by a governmental or quasi-governmental agency is permitted, except that stamping office fees may be charged as a separate, additional cost unless the fees are incorporated into a state's single rate of taxation.

(6) That a change in the rate of taxation by a compacting state or contracting state is restricted to changes made prospectively with at least ninety (90) days advance notice to the commission.

(7) That each compacting state and each contracting state shall require premium tax payments ~~either~~ annually, semiannually, or quarterly, using only one (1) or more of the following dates:

(A) March 1.

(B) June 1.

(C) September 1.

(D) December 1.

(8) That each compacting state and each contracting state shall prohibit any state agency or political subdivision from requiring surplus lines licensees to provide clearinghouse transaction data and state transaction documentation other than to:

(A) the insurance department or tax official; or

(B) a single designated agent of the insurance department or tax official;

of the home state.

(9) The obligation of the home state:

(A) itself; or

(B) through a:

(i) designated agent; or

(ii) surplus lines stamping or service office;

to collect clearinghouse transaction data from surplus lines licensees and from insureds (for independently procured insurance), for reporting to the clearinghouse.

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(10) A method for the clearinghouse to periodically report to compacting states, contracting states, surplus lines licensees, and insureds who independently procure insurance:

(A) all premium taxes owed to each of the compacting states and contracting states;

(B) the dates upon which payment of the premium taxes are due; and

(C) a method for paying the premium taxes through the clearinghouse.

(11) That each surplus lines licensee is required to be licensed only in the home state of each insured for whom the licensee has procured surplus lines insurance.

(12) That:

(A) a policy considered to be surplus lines insurance in the insured's home state shall be:

(i) considered to be surplus lines insurance in all compacting states and contracting states; and

(ii) taxed as a surplus lines transaction in all states to which a portion of the risk is allocated;

(B) each compacting state and each contracting state shall require each surplus lines licensee to pay to every other compacting state and contracting state premium taxes on each multistate risk through the clearinghouse at the tax rate charged on surplus lines transactions in the other compacting state or contracting state on the portion of the risk in the compacting state or contracting state, as determined by the applicable uniform allocation formula adopted by the commission;

(C) a policy considered to be independently procured insurance in the insured's home state is considered to be independently procured insurance in all compacting states and contracting states; and

(D) each compacting state and each contracting state shall require the insured to pay every other compacting state and contracting state the independently procured insurance premium tax on each multistate risk through the clearinghouse, as determined by the uniform allocation formula adopted by the commission.

(13) Uniform foreign insurer eligibility requirements, as authorized by the NRRA.

(14) A uniform policyholder notice.

(15) Uniform treatment of purchasing group surplus lines

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insurance placements.

SECTION 187. IC 27-18-3-2, AS ADDED BY P.L.111-2011, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. The commission has the following powers:

(1) To adopt rules and operating procedures under IC 27-18-8 that:

(A) have the force and effect of law; and

(B) are binding;

in the compacting states to the extent and in the manner provided in this compact.

(2) To bring and prosecute legal actions in the name of the commission. This subdivision does not affect the standing of a state insurance department to sue or be sued under applicable law.

(3) To issue subpoenas requiring the attendance and testimony of witnesses and the production of evidence. This subdivision does not empower the commission to demand or subpoena records or data from nonadmitted insurers.

(4) To establish and maintain offices, including the creation of a clearinghouse for the receipt of premium tax and clearinghouse transaction data regarding:

(A) nonadmitted insurance of multistate risks;

(B) single state risks for states that elect to require surplus lines licensees to pay premium tax on single state risks through the clearinghouse; and

(C) tax reporting forms.

(5) To purchase and maintain insurance and bonds.

(6) To borrow, accept, or contract for services of personnel, including employees of a compacting state or stamping office, under an open, objective, competitive process and procedure adopted by the commission.

(7) To:

(A) hire employees, professionals, or specialists;

(B) elect or appoint officers;

(C) fix the compensation of individuals described in clauses (A) and (B);

(D) define the duties of individuals described in clauses (A) and (B);

(E) give the individuals described in clauses (A) and (B) appropriate authority to carry out the purposes of this compact; and

(F) determine the qualifications of individuals described in clauses (A) and (B);

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under an open, objective, competitive process and procedure adopted by the commission, and to establish the commission's personnel policies and programs relating to conflicts of interest, rates of compensation and qualifications of personnel, and other related personnel matters.

(8) To:

(A) accept;

(B) receive;

(C) use; and

(D) dispose of;

appropriate donations and grants of money, equipment, supplies, materials, and services, avoiding at all times any appearance of impropriety or conflict of interest.

(9) To:

(A) lease;

(B) purchase;

(C) accept appropriate gifts or donations of; or

(D) otherwise own, hold, improve, or use;

real, personal, or real and personal property, avoiding at all times any appearance of impropriety or conflict of interest.

(10) To sell, convey, mortgage, pledge, lease, exchange, abandon, or otherwise dispose of real, personal, or real and personal property.

(11) To provide for tax audit rules and procedures for the compacting states with respect to the allocation of premium taxes, including the following:

(A) Minimum audit standards, including sampling methods.

(B) Review of internal controls.

(C) Cooperation and sharing of audit responsibilities among compacting states.

(D) Handling of refunds or credits due to overpayments or improper allocation of premium taxes.

(E) Taxpayer records to be reviewed, including a minimum retention period.

(F) Authority of compacting states to review, challenge, or re-audit taxpayer records.

(12) To enforce compliance by compacting states and contracting states with rules and bylaws under the authority set forth in IC 27-18-9.

(13) To provide for dispute resolution among compacting states and contracting states.

(14) To advise compacting states and contracting states on tax

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issues relating to insurers, insureds, surplus lines licensees, agents, or brokers domiciled or doing business in noncompacting states, consistent with the purposes of this compact.

(15) To:

(A) make available advice and training to personnel in state stamping offices, state insurance departments, or other state departments for record keeping, tax compliance, and tax allocations; and

(B) serve as a resource for state insurance departments and other state departments.

(16) To establish a budget and make expenditures.

(17) To borrow money.

(18) To appoint and oversee committees, including advisory committees comprised of members, state insurance regulators, state legislators or their representatives, insurance industry and consumer representatives, and other interested persons designated in this compact and the bylaws.

(19) To establish an executive committee under IC 27-18-4-4 that:

(A) is comprised of at least seven (7) and not more than fifteen (15) representatives, including officers elected by the commission and such other representatives as are provided for in this article or determined by the bylaws, who:

(i) serve a one (1) year term; and

(ii) are each entitled to one (1) vote;

(B) has the power to act on behalf of the commission, except for rulemaking, when the commission is not in session;

(C) oversees the day to day activities of the administration of this compact, including the activities of the operations committee ~~created~~ **established** under subdivision (20) and IC 27-18-4-5, and compliance and enforcement of the provisions of this compact and the bylaws and rules; and

(D) has other duties as provided in this article and as considered necessary.

(20) To establish an operations committee under IC 27-18-4-5 consisting of at least seven (7) and not more than fifteen (15) representatives to provide analysis, advice, determinations, and recommendations regarding:

(A) technology, software, and systems integration to be acquired by the commission; and

(B) the establishment of mandatory rules to be adopted by the commission.

(21) To enter into contracts with contracting states to enable

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contracting states to use the services of and fully participate in the clearinghouse under the terms and conditions set forth in the contracts.

(22) To adopt and use a corporate seal.

(23) To perform other functions that are necessary or appropriate to the achievement of the purposes of this compact, consistent with state regulation of the business of insurance.

SECTION 188. IC 27-18-7-6, AS ADDED BY P.L.111-2011, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. The commission and the commission's committees may close a meeting, or a part of a meeting, upon a determination by the commission by majority vote that an open meeting would be likely to do any of the following:

(1) Relate solely to the commission's internal personnel practices and procedures.

(2) Disclose matters specifically exempted from disclosure by federal ~~and~~ **or** state statute.

(3) Disclose trade secrets or commercial or financial information that is privileged or confidential.

(4) Involve:

(A) the accusation of a person of a crime; or

(B) the formal censure of a person.

(5) Disclose information of a personal nature where disclosure would constitute a clearly unwarranted invasion of personal privacy.

(6) Disclose investigative records compiled for law enforcement purposes.

(7) Specifically relate to the commission's issuance of a subpoena or the commission's participation in a civil action or other legal proceeding.

SECTION 189. IC 28-1-2-23, AS AMENDED BY P.L.89-2011, SECTION 32, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 23. (a) A corporation or an individual acting directly, indirectly, or through or in concert with one (1) or more other corporations or individuals may not acquire control of any bank, trust company, stock savings bank, holding company, corporate fiduciary, or industrial loan and investment company unless the department has received and approved an application for change in control. The department has not more than one hundred twenty (120) days following receipt of an application to issue a notice approving the proposed change in control. The application shall contain the name and address of the corporation, individual, or individuals who propose to acquire

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control.

(b) The period for approval under subsection (a) may be extended:

(1) in the discretion of the director for an additional thirty (30) days; and

(2) not to exceed two (2) additional times for not more than forty-five (45) days each time if:

(A) the director determines that the corporation, individual, or individuals who propose to acquire control have not submitted substantial evidence of the qualifications described in subsection (c);

(B) the director determines that any material information submitted is substantially inaccurate; or

(C) the director has been unable to complete the investigation of the corporation, individual, or individuals who propose to acquire control because of any delay caused by or the inadequate cooperation of the corporation, individual, or individuals.

(c) The department shall issue a notice approving the application only after it has become satisfied that both of the following apply:

(1) The corporation, individual, or individuals who propose to acquire control are qualified by competence, experience, character, and financial responsibility to control and operate the bank, trust company, stock savings bank, bank holding company, corporate fiduciary, or industrial loan and investment company in a legal and proper manner.

(2) The interests of the stockholders, depositors, and creditors of the bank, trust company, stock savings bank, bank holding company, corporate fiduciary, or industrial loan and investment company and the interests of the public generally will not be jeopardized by the proposed change in control.

(d) As used in this section, "holding company" means any company (as defined in IC 28-2-15-5 before July 1, 1992, and as defined in IC 28-2-16-5 beginning July 1, 1992) that directly or indirectly controls one (1) or more state chartered financial institutions.

(e) As used in this section, "control", "controlling", "controlled by", or "under common control with" means possession of the power directly or indirectly to:

(1) direct or cause the direction of the management or policies of a bank, a trust company, a holding company, a corporate fiduciary, or an industrial loan and investment company, whether through the beneficial ownership of voting securities, by contract, or otherwise; or

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(2) vote at least twenty-five percent (25%) of voting securities of a bank, a trust company, a holding company, a corporate fiduciary, or an industrial loan and investment company, whether the voting rights are derived through the beneficial ownership of voting securities, by contract, or otherwise.

(f) The director may determine, in the director's discretion, that subsection (a) does not apply to a transaction if the director determines that the direct or beneficial ownership of the bank, trust company, stock savings bank, holding company, corporate fiduciary, or industrial loan and investment company will not change as a result of the transaction.

(g) The president or other chief executive officer of a financial institution or holding company shall report to the director any transfer or sale of shares of stock of the financial institution or holding company that results in direct or indirect ownership by a stockholder or an affiliated group of stockholders of at least ten percent (10%) of the outstanding stock of the financial institution or holding company. The report required by this ~~section~~ **subsection** must be made not later than ten (10) days after the transfer of the shares of stock on the books of the financial institution or holding company.

SECTION 190. IC 28-1-7.1-6, AS ADDED BY P.L.89-2011, SECTION 33, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) The director may determine under section 5(1)(B) of this chapter, based upon information then available to the director, that a voluntary supervisory conversion will likely result in a depository financial institution becoming a viable entity with stock ownership if all the following are satisfied:

(1) The depository financial institution resulting from the conversion will be adequately capitalized.

(2) The depository financial institution resulting from the conversion, and any person acquiring capital stock in the depository financial **institution** resulting from the conversion, will comply with all applicable supervisory policies.

(3) The depository financial institution involved in, or the one (1) or more entities resulting from, the conversion will be insured by the Federal Deposit Insurance Corporation.

(4) The voluntary supervisory conversion is in the best interest of:

(A) the depository financial institution involved in, or the one (1) or more entities resulting from, the conversion; and

(B) the public.

(5) The voluntary supervisory conversion will not injure or be detrimental to:

(A) the depository financial institutions involved in, or the one

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(1) or more entities resulting from, the conversion; or

(B) the public interest.

(b) The director may act on a voluntary supervisory merger, consolidation, sale, or other disposition on behalf of the department.

(c) Except as otherwise provided in this chapter, a provision of IC 28-1-7 concerning mergers or consolidations applies to a voluntary supervisory conversion under this chapter unless the director determines that the provision should be waived or considered inapplicable with respect to a particular voluntary supervisory conversion. The director may make a determination described in this subsection if the director finds, in the director's discretion, that the determination will:

(1) facilitate the consummation of the voluntary supervisory conversion; and

(2) in the director's judgment and considering the available information under the prevailing circumstances, result in one (1) or more entities that are more favorable to the public than if:

(A) the provision were not waived or considered inapplicable; or

(B) the voluntary supervisory conversion were not approved.

SECTION 191. IC 28-1-29-3.1, AS ADDED BY P.L.89-2011, SECTION 38, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3.1. (a) As used in this section, "control" means possession of the power directly or indirectly to:

(1) direct or cause the direction of the management or policies of a licensee, whether through the beneficial ownership of voting securities, by contract, or otherwise; or

(2) vote at least twenty-five percent (25%) of the voting securities of a licensee, whether the voting rights are derived through the beneficial ownership of voting securities, by contract, or otherwise.

(b) An organization or an individual acting directly, indirectly, or through or in concert with one (1) or more other organizations or individuals may not acquire control of any licensee unless the department has received and approved an application for change in control. The department has not more than one hundred twenty (120) days after receipt of an application to issue a notice approving the proposed change in control. The application must contain the name and address of the organization, individual, or individuals who propose to acquire control and any other information required by the director.

(c) The period for approval under subsection (b) may be extended:

(1) in the discretion of the director for an additional thirty (30)

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days; and

(2) not more than two (2) additional times for not more than forty-five (45) days each time if:

(A) the director determines that the organization, individual, or individuals who propose to acquire control have not submitted substantial evidence of the qualifications described in subsection (d);

(B) the director determines that any material information submitted is substantially inaccurate; or

(C) the director has been unable to complete the investigation of the organization, individual, or individuals who propose to acquire control because of any delay caused by or the inadequate cooperation of the organization, individual, or individuals.

(d) The department shall issue a notice approving the application only after it is satisfied that both of the following apply:

(1) The organization, individual, or individuals who propose to acquire control are qualified by competence, experience, character, and financial responsibility to control and operate the licensee in a legal and proper manner.

(2) The interests of the owners and creditors of the licensee and the interests of the public generally will not be jeopardized by the proposed change in control.

(e) The director may determine, in the director's discretion, that subsection (b) does not apply to a transaction if the director determines that the direct or beneficial ownership of the licensee will not change as a result of the transaction.

(f) The president or other chief executive officer of a licensee shall report to the director any transfer or sale of securities of the licensee that results in direct or indirect ownership by a holder or an affiliated group of holders of at least ten percent (10%) of the outstanding securities of the licensee. The report required by this ~~section~~ **subsection** must be made not later than ten (10) days after the transfer of the securities on the books of the licensee.

(g) Depending on the circumstances of the transaction, the director may reserve the right to require the organization, individual, or individuals who propose to acquire control of a licensee to apply for a new license under section 3 of this chapter, instead of acquiring control of the licensee under this section.

SECTION 192. IC 28-1-29-8.3, AS AMENDED BY P.L.89-2011, SECTION 42, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8.3. (a) Except as otherwise permitted by this

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section, a licensee may not:

(1) impose, directly or indirectly, a fee or other charge on a debtor; or

(2) receive money from or on behalf of a debtor for debt management services.

(b) A licensee may not impose charges or receive payment for debt management services until:

(1) the licensee and the debtor have agreed upon a plan and have signed an agreement that complies with sections 8, 8.6, and 9.5 of this chapter; and

(2) at least one (1) payment has been made to a creditor under the plan.

All creditors must be notified of the debtor's and licensee's relationship.

(c) If a debtor assents to a plan, the licensee may charge the following:

(1) A set up fee of not more than fifty dollars ($50) for consultation, obtaining a credit report, and setting up an account. Acceptance of a plan payment constitutes agreement by the creditor to the plan. A set up fee under this subdivision may not be collected until the debtor, or the licensee on behalf of the debtor, has made at least one (1) payment to a creditor under the plan.

(2) A monthly service fee of the lesser of:

(A) not more than fifteen percent (15%) of the amount the contract debtor agrees to pay through the licensee, divided into equal monthly payments over the term of the agreement; or

(B) not more than seventy-five dollars ($75) in any month.

The monthly service fee under this subdivision may be charged for any one (1) month or part of a month. The amount of a set up fee under subdivision (1) may not be included in the calculation of the monthly service fee.

(d) Upon cancellation by a contract debtor or termination of payments by a contract debtor, a licensee may not withhold for the licensee's own benefit more than one hundred dollars ($100), which may be accrued as a close-out fee.

(e) A licensee may not charge a contract debtor more than one (1) set up fee or one (1) ~~cancellation~~ **close-out** fee unless the contract debtor leaves the services of the licensee for more than six (6) months.

(f) With respect to any additional charge not specifically provided for in this section, the licensee must submit a written explanation of the charge to the department indicating how the charge would be assessed and the value or benefit conferred on the contract debtor in connection

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with the charge. Supporting documents may be required by the department. The department shall determine whether the charge:

(1) would be imposed in relation to some benefit conferred on the consumer; and

(2) is reasonable in relation to the benefit conferred.

An additional charge is not permitted unless approved by the department.

(g) For purposes of this chapter, the terms of an agreement commence on the date on which the agreement is made.

(h) A licensee may assess a charge of not more than twenty-five dollars ($25) for each return by a bank or other depository institution of a dishonored check, negotiable order of withdrawal, or share draft issued by the contract debtor.

(i) Any fee charged by the licensee to the debtor under this section for services rendered by the licensee, other than the fees described under subsection (e), is not considered a debt owed by the debtor to the licensee.

SECTION 193. IC 28-1-29-9, AS AMENDED BY P.L.89-2011, SECTION 43, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) All money paid to a licensee by or on behalf of a contract debtor for distribution to creditors under a plan is held in trust. On or before the close of the same banking day the funds are received, the licensee shall deposit the money in a trust account established for the benefit of the contract debtor to whom the licensee is furnishing debt management services.

(b) A licensee shall do the following:

(1) Maintain separate records of account for each individual to whom the licensee is furnishing debt management services.

(2) Disburse money paid by or on behalf of the contract debtor to creditors of the contract debtor as disclosed in the agreement.

(3) Make remittances not later than thirty (30) days after initial receipt of funds. After the initial receipt of funds, remittances shall be made not later than thirty (30) days after receipt of funds, less fees and costs, unless the reasonable payment of one (1) or more of the contract debtor's obligations requires that the funds be held for a longer period to accumulate a sum certain. For purposes of this section, the close-out fee set forth in section 8.3(d) of this chapter is not considered an obligation of the contract debtor.

(4) Retain in the contract debtor's trust account, for charges, an amount less than or equal to the sum of one (1) month's fee as permitted by section 8.3(c)(2) of this chapter plus the close-out fee as permitted by section 8.3(d) of this chapter, unless a greater

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amount is approved in writing by the department.

(5) Promptly:

(A) correct any payments that are not made or that are misdirected as a result of an error by the licensee or other person in control of the trust account; and

(B) reimburse the contract debtor for any costs or fees imposed by a creditor as a result of the failure to pay or misdirection.

(c) A licensee may not commingle money in a trust account established for the benefit of a contract ~~debtors~~ **debtor** to whom the licensee is furnishing debt management services with money of other persons.

(d) A trust account must at all times have a cash balance equal to the sum of the balances of each contract debtor's account.

(e) If a licensee has established a trust account under subsection (a), the licensee shall reconcile the trust account at least every thirty (30) days after receipt of the bank statement. The reconciliation must compare the cash balance in the trust account with the sum of the balances in each contract debtor's account. If the licensee or the licensee's designee has more than one (1) trust account, each trust account must be individually reconciled.

(f) If a licensee or a licensee's employee discovers, or has a reasonable suspicion of, embezzlement or other unlawful appropriation of money held in trust, the licensee or the licensee's employee shall:

(1) immediately notify the department in writing; and

(2) unless the department by rule provides otherwise, give notice to the department describing the remedial action taken or to be taken not later than five (5) days after the licensee or the licensee's employee discovers, or has a reasonable suspicion of, the embezzlement or other unlawful appropriation.

(g) If a contract debtor terminates an agreement or it becomes reasonably apparent to a licensee that a plan has failed, the licensee shall promptly refund to the contract debtor all money paid by or on behalf of the contract debtor that has not been paid to creditors less the fee that is payable to the licensee under section 8.3(e) of this chapter.

(h) Before relocating a trust account from one (1) bank to another, a licensee shall inform the department of the name, business address, and telephone number of the new bank. As soon as practicable, the licensee shall inform the department of the account number of the trust account at the new bank.

(i) At least once every three (3) months the licensee shall render an accounting to the contract debtor which must itemize the total amount received from the contract debtor, the total amount paid each creditor,

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the amount of charges deducted, and any amount held in reserve. A licensee shall provide such an accounting to a contract debtor not later than seven (7) days after written demand, but is not required to provide more than three (3) such accountings per six (6) month period.

(j) Upon the completion or termination of a contract between a licensee and a contract debtor, the licensee shall provide to the contract debtor a statement:

(1) indicating that the licensee no longer holds funds in trust for the contract debtor; and

(2) listing the name and address of:

(A) each creditor paid in full; and

(B) any creditors remaining unpaid.

SECTION 194. IC 28-7-1-9, AS AMENDED BY P.L.89-2011, SECTION 47, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) A credit union has the following powers:

(1) To issue shares of its capital stock to its members. No commission or compensation shall be paid for securing members or for the sale of shares.

(2) To make loans to officers, directors, or committee members under sections 17.1 and 17.2 of this chapter.

(3) To invest in any of the following:

(A) Bonds, notes, or certificates that are the direct or indirect obligations of the United States, or of the state, or the direct obligations of a county, township, city, town, or other taxing district or municipality or instrumentality of Indiana and that are not in default.

(B) Bonds or debentures issued by the Federal Home Loan Bank Act (12 U.S.C. 1421 through 1449) or the Home Owners' Loan Act (12 U.S.C. 1461 through 1468).

(C) Obligations of national mortgage associations issued under the authority of the National Housing Act.

(D) Mortgages on real estate situated in Indiana which are fully insured under Title 2 of the National Housing Act (12 U.S.C. 1707 through 1715z).

(E) Obligations issued by farm credit banks and banks for cooperatives under the Farm Credit Act of 1971 (12 U.S.C. 2001 through 2279aa-14).

(F) ~~In~~ Savings and loan associations, other credit unions that are insured under section 31.5 of this chapter, and certificates of indebtedness or investment of an industrial loan and investment company if the association or company is federally

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insured. Not more than twenty percent (20%) of the assets of a credit union may be invested in the shares or certificates of an association or company, nor more than forty percent (40%) in all such associations and companies.

(G) Corporate credit unions.

(H) Federal funds or similar types of daily funds transactions with other financial institutions.

(I) Shares or certificates of an open-end management investment company registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. 80a-1 through 15 U.S.C. 80a-3 and 15 U.S.C. 80a-4 through 15 U.S.C. 80a-64), if all of the following conditions are met:

(i) The fund's assets consist of and are limited to securities in which a credit union may invest directly.

(ii) The credit union has an equitable and undivided interest in the underlying assets of the fund.

(iii) The credit union is not liable for acts or obligations of the fund.

(iv) The credit union's investment in any one (1) fund does not exceed fifteen percent (15%) of the amount of the credit union's net worth.

(J) For a credit union that is well capitalized (as defined in Part 702 of the Rules and Regulations of the National Credit Union Administration, 12 CFR 702), investment securities, as may be defined by a statute or a policy or rule of the department and subject to the following:

(i) The department may prescribe, by policy or rule, limitations or restrictions on a credit union's investment in investment securities.

(ii) The total amount of any investment securities purchased or held by a credit union may never exceed at any given time ten percent (10%) of the capital and surplus of the credit union. However, the limitations imposed by this item do not apply to investments in the direct or indirect obligations of the United States or in the direct obligations of a United States territory or insular possession, or in the direct obligations of the state or any municipal corporation or taxing district in Indiana.

(iii) A credit union may not purchase for its own account any bond, note, or other evidence of indebtedness that is commonly designated as a security that is speculative in

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character or that has speculative characteristics. For the purposes of this item, a security is speculative or has speculative characteristics if at the time of purchase the security is in default, is rated below the first four (4) rating classes by a generally recognized security rating service, or is otherwise considered speculative by the director.

(iv) A credit union may purchase for its own account a security that is not rated by a generally recognized security rating service if the credit union at the time of purchase obtains financial information that is adequate to document the investment quality of the security and if the security is not otherwise considered speculative by the director.

(v) A credit union that purchases a security for its own account shall maintain sufficient records of the security to allow the security to be properly identified by the department for examination purposes.

(vi) Except as otherwise authorized by this title, a credit union may not purchase any share of stock of a corporation. If a credit union possesses stock or another equity investment as a result of a loan default, the credit union shall dispose of the investment within a reasonable period that does not exceed one (1) year or a longer period if approved by the department.

(vii) Subject to items (i) through (iv), a credit union may purchase yankee dollar deposits, eurodollar deposits, banker's acceptances, deposit notes, bank notes with original weighted average maturities of less than five (5) years, and investments in obligations of, or issued by, any state or political subdivision (including any agency, corporation, or instrumentality of a state or political subdivision).

(K) Collateralized obligations that are eligible for purchase and sale by federal credit unions. However, a credit union may purchase for its own account and sell the obligations only to the extent that a federal credit union can purchase and sell those obligations.

(4) With the prior approval of the department, and subject to the limitations of this subsection, a credit union may organize, invest in, or loan money to a credit union service organization (as defined in Part 712 of the regulations of the National Credit Union Administration, 12 CFR 712). A credit union may not loan or invest in a credit union service organization if the aggregate amount of all such loans or investments in a particular credit

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union service organization is greater than ten percent (10%) of the capital, surplus, and unimpaired shares of the credit union without the prior written approval of the department. A credit union may organize, invest in, or loan money to a credit union service organization described in this subdivision only if the following requirements are met:

(A) The credit union service organization is adequately capitalized or has a reasonable plan for adequate capitalization if the credit union service organization is to be formed or is newly formed.

(B) The credit union service organization is structured and operated as a separate legal entity from the credit union.

(C) The credit union obtains a written legal opinion that the credit union service organization is structured and operated in a manner that limits the credit union's potential liability for the debts and liabilities of the credit union service organization to not more than the loss of money invested in or loaned to the credit union service organization by the credit union.

(D) The credit union service organization agrees in writing to prepare financial statements and provide the financial statements to the credit union at least quarterly, and to the department upon request.

(E) The credit union service organization agrees in writing to obtain an audit of the credit union service organization from a certified public accountant at least annually and provide a copy of each audit report to the credit union, and to the department upon request. A wholly owned credit union service organization is not required to obtain a separate annual audit if the credit union service organization is included in the annual consolidated audit of the credit union that is the credit union service organization's parent.

(F) The credit union service organization operates in compliance with all applicable federal and state laws.

(5) To deposit its funds into:

(A) depository institutions that are federally insured; or

(B) state chartered credit unions that are privately insured by an insurer approved by the department.

(6) To purchase, hold, own, or convey real estate as may be conveyed to the credit union in satisfaction of debts previously contracted or in exchange for real estate conveyed to the credit union.

(7) To own, hold, or convey real estate as may be purchased by

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the credit union upon judgment in its favor or decrees of foreclosure upon mortgages.

(8) To issue shares of stock and upon the terms, conditions, limitations, and restrictions and with the relative rights as may be stated in the bylaws of the credit union, but no stock may have preference or priority over the other to share in the assets of the credit union upon liquidation or dissolution or for the payment of dividends except as to the amount of the dividends and the time for the payment of the dividends as provided in the bylaws.

(9) To charge the member's share account for the actual cost of a necessary locator service when the member has failed to keep the credit union informed about the member's current address. The charge shall be made only for amounts paid to a person or concern normally engaged in providing such service, and shall be made against the account or accounts of any one (1) member not more than once in any twelve (12) month period.

(10) To transfer to an accounts payable account, a dormant account, or a special account share accounts which have been inactive, except for dividend credits, for a period of at least two (2) years. The credit union shall not consider the payment of dividends on the transferred account.

(11) To invest in fixed assets with the funds of the credit union. An investment in fixed assets in excess of five percent (5%) of its assets is subject to the approval of the department. A credit union may rent excess space at the credit union's main office or branch as a source of income.

(12) To establish branch offices, upon approval of the department, provided that all books of account shall be maintained at the principal office.

(13) To pay an interest refund on loans proportionate to the interest paid during the dividend period by borrowers who are members at the end of the dividend period.

(14) To purchase life savings and loan protection insurance for the benefit of the credit union and its members, if:

(A) the coverage is placed with an insurance company licensed to do business in Indiana; and

(B) no officer, director, or employee of the credit union personally benefits, directly or indirectly, from the sale or purchase of the coverage.

(15) To sell and cash negotiable checks, travelers checks, and money orders for members.

(16) To purchase members' notes from any liquidating credit

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union, with written approval from the department, at prices agreed upon by the boards of directors of both the liquidating and the purchasing credit unions. However, the aggregate of the unpaid balances of all notes of liquidating credit unions purchased by any one (1) credit union shall not exceed ten percent (10%) of the purchasing credit union's capital and surplus unless special written authorization has been granted by the department.

(17) To exercise such incidental powers necessary or requisite to enable it to carry on effectively the business for which it is incorporated.

(18) To act as a custodian or trustee of any trust created or organized in the United States and forming part of a tax advantaged savings plan which qualifies or qualified for specific tax treatment under Section 223, 401(d), 408, 408A, or 530 of the Internal Revenue Code, if the funds of the trust are invested only in share accounts or insured certificates of the credit union.

(19) To issue shares or insured certificates to a trustee or custodian of a pension plan, profit sharing plan, or stock bonus plan which qualifies for specific tax treatment under Sections 401(d) or 408(a) of the Internal Revenue Code.

(20) A credit union may exercise any rights and privileges that are:

(A) granted to federal credit unions; but

(B) not authorized for credit unions under the Indiana Code (except for this section) or any rule adopted under the Indiana Code;

if the credit union complies with section 9.2 of this chapter.

(21) To sell, pledge, or discount any of its assets. However, a credit union may not pledge any of its assets as security for the safekeeping and prompt payment of any money deposited, except that a credit union may, for the safekeeping and prompt payment of money deposited, give security as authorized by federal law.

(22) To purchase assets of another credit union and to assume the liabilities of the selling credit union.

(23) To act as a fiscal agent of the United States and to receive deposits from nonmember units of the federal, state, or county governments, from political subdivisions, and from other credit unions upon which the credit union may pay varying interest rates at varying maturities subject to terms, rates, and conditions that are established by the board of directors. However, the total amount of public funds received from units of state and county governments and political subdivisions that a credit union may

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have on deposit may not exceed twenty percent (20%) of the total assets of that credit union, excluding those public funds.

(24) To join the National Credit Union Administration Central Liquidity Facility.

(25) To participate in community investment initiatives under the administration of organizations:

(A) exempt from taxation under Section 501(c)(3) of the Internal Revenue Code; and

(B) located or conducting activities in communities in which the credit union does business.

Participation may be in the form of either charitable contributions or participation loans. In either case, disbursement of funds through the administering organization is not required to be limited to members of the credit union. Total contributions or participation loans may not exceed one-tenth of one percent (0.1%) of total assets of the credit union. A recipient of a contribution or loan is not considered qualified for credit union membership. A contribution or participation loan made under this subdivision must be approved by the board of directors.

(26) To establish and operate an automated teller machine (ATM):

(A) at any location within Indiana; or

(B) as permitted by the laws of the state in which the automated teller machine is to be located.

(27) To demand and receive, for the faithful performance and discharge of services performed under the powers vested in the credit union by this article:

(A) reasonable compensation, or compensation as fixed by agreement of the parties;

(B) all advances necessarily paid out and expended in the discharge and performance of its duties; and

(C) unless otherwise agreed upon, interest at the legal rate on the advances referred to in clause (B).

(28) Subject to any restrictions the department may impose, to become the owner or lessor of personal property acquired upon the request and for the use of a member and to incur additional obligations as may be incident to becoming an owner or lessor of such property.

(b) A credit union shall maintain files containing credit and other information adequate to demonstrate evidence of prudent business judgment in exercising the investment powers granted under this chapter or by rule, order, or declaratory ruling of the department.

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SECTION 195. IC 28-7-5-9.1, AS ADDED BY P.L.89-2011, SECTION 52, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9.1. (a) As used in this section, "control" means possession of the power directly or indirectly to:

(1) direct or cause the direction of the management or policies of a licensee, whether through the beneficial ownership of voting securities, by contract, or otherwise; or

(2) vote at least twenty-five percent (25%) of the voting securities of a licensee, whether the voting rights are derived through the beneficial ownership of voting securities, by contract, or otherwise.

(b) An organization or an individual acting directly, indirectly, or through or in concert with one (1) or more other organizations or individuals may not acquire control of any licensee unless the department has received and approved an application for change in control. The department has not more than one hundred twenty (120) days after receipt of an application to issue a notice approving the proposed change in control. The application must contain the name and address of the organization, individual, or individuals who propose to acquire control and any other information required by the director.

(c) The period for approval under subsection (b) may be extended:

(1) in the discretion of the director for an additional thirty (30) days; and

(2) not more than two (2) additional times for not more than forty-five (45) days each time if:

(A) the director determines that the organization, individual, or individuals who propose to acquire control have not submitted substantial evidence of the qualifications described in subsection (d);

(B) the director determines that any material information submitted is substantially inaccurate; or

(C) the director has been unable to complete the investigation of the organization, individual, or individuals who propose to acquire control because of any delay caused by or the inadequate cooperation of the organization, individual, or individuals.

(d) The department shall issue a notice approving the application only after it is satisfied that both of the following apply:

(1) The organization, individual, or individuals who propose to acquire control are qualified by competence, experience, character, and financial responsibility to control and operate the licensee in a legal and proper manner.

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(2) The interests of the owners and creditors of the licensee and the interests of the public generally will not be jeopardized by the proposed change in control.

(e) The director may determine, in the director's discretion, that subsection (b) does not apply to a transaction if the director determines that the direct or beneficial ownership of the licensee will not change as a result of the transaction.

(f) The president or other chief executive officer of a licensee shall report to the director any transfer or sale of securities of the licensee that results in direct or indirect ownership by a holder or an affiliated group of holders of at least ten percent (10%) of the outstanding securities of the licensee. The report required by this ~~section~~ **subsection** must be made not later than ten (10) days after the transfer of the securities on the books of the licensee.

(g) Depending on the circumstances of the transaction, the director may reserve the right to require the organization, individual, or individuals who propose to acquire control of a licensee to apply for a new license under section 4 of this chapter, instead of acquiring control of the licensee under this section.

SECTION 196. IC 28-8-4-40.2, AS ADDED BY P.L.89-2011, SECTION 59, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 40.2. (a) As used in this section, "control" means possession of the power directly or indirectly to:

(1) direct or cause the direction of the management or policies of a licensee, whether through the beneficial ownership of voting securities, by contract, or otherwise; or

(2) vote at least twenty-five percent (25%) of the voting securities of a licensee, whether the voting rights are derived through the beneficial ownership of voting securities, by contract, or otherwise.

(b) An organization or an individual acting directly, indirectly, or through or in concert with one (1) or more other organizations or individuals may not acquire control of any licensee unless the department has received and approved an application for change in control. The department has not more than one hundred twenty (120) days after receipt of an application to issue a notice approving the proposed change in control. The application must contain the name and address of the organization, individual, or individuals who propose to acquire control and any other information required by the director.

(c) The period for approval under subsection (b) may be extended:

(1) in the discretion of the director for an additional thirty (30) days; and

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(2) not more than two (2) additional times for not more than forty-five (45) days each time if:

(A) the director determines that the organization, individual, or individuals who propose to acquire control have not submitted substantial evidence of the qualifications described in subsection (d);

(B) the director determines that any material information submitted is substantially inaccurate; or

(C) the director has been unable to complete the investigation of the organization, individual, or individuals who propose to acquire control because of any delay caused by or the inadequate cooperation of the organization, individual, or individuals.

(d) The department shall issue a notice approving the application only after it is satisfied that both of the following apply:

(1) The organization, individual, or individuals who propose to acquire control are qualified by competence, experience, character, and financial responsibility to control and operate the licensee in a legal and proper manner.

(2) The interests of the owners and creditors of the licensee and the interests of the public generally will not be jeopardized by the proposed change in control.

(e) The director may determine, in the director's discretion, that subsection (b) does not apply to a transaction if the director determines that the direct or beneficial ownership of the licensee will not change as a result of the transaction.

(f) The president or other chief executive officer of a licensee shall report to the director any transfer or sale of securities of the licensee that results in direct or indirect ownership by a holder or an affiliated group of holders of at least ten percent (10%) of the outstanding securities of the licensee. The report required by this ~~section~~ **subsection** must be made not later than ten (10) days after the transfer of the securities on the books of the licensee.

(g) Depending on the circumstances of the transaction, the director may reserve the right to require the organization, individual, or individuals who propose to acquire control of a licensee to apply for a new license under section 20 of this chapter, instead of acquiring control of the licensee under this section.

SECTION 197. IC 28-8-5-13.1, AS ADDED BY P.L.89-2011, SECTION 64, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 13.1. (a) As used in this section, "control" means possession of the power directly or indirectly to:

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(1) direct or cause the direction of the management or policies of a licensee, whether through the beneficial ownership of voting securities, by contract, or otherwise; or

(2) vote at least twenty-five percent (25%) of the voting securities of a licensee, whether the voting rights are derived through the beneficial ownership of voting securities, by contract, or otherwise.

(b) An organization or an individual acting directly, indirectly, or through or in concert with one (1) or more other organizations or individuals may not acquire control of any licensee unless the department has received and approved an application for change in control. The department has not more than one hundred twenty (120) days after receipt of an application to issue a notice approving the proposed change in control. The application must contain the name and address of the organization, individual, or individuals who propose to acquire control and any other information required by the director.

(c) The period for approval under subsection (b) may be extended:

(1) in the discretion of the director for an additional thirty (30) days; and

(2) not more than two (2) additional times for not more than forty-five (45) days each time if:

(A) the director determines that the organization, individual, or individuals who propose to acquire control have not submitted substantial evidence of the qualifications described in subsection (d);

(B) the director determines that any material information submitted is substantially inaccurate; or

(C) the director has been unable to complete the investigation of the organization, individual, or individuals who propose to acquire control because of any delay caused by or the inadequate cooperation of the organization, individual, or individuals.

(d) The department shall issue a notice approving the application only after it is satisfied that both of the following apply:

(1) The organization, individual, or individuals who propose to acquire control are qualified by competence, experience, character, and financial responsibility to control and operate the licensee in a legal and proper manner.

(2) The interests of the owners and creditors of the licensee and the interests of the public generally will not be jeopardized by the proposed change in control.

(e) The director may determine, in the director's discretion, that

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subsection (b) does not apply to a transaction if the director determines that the direct or beneficial ownership of the licensee will not change as a result of the transaction.

(f) The president or other chief executive officer of a licensee shall report to the director any transfer or sale of securities of the licensee that results in direct or indirect ownership by a holder or an affiliated group of holders of at least ten percent (10%) of the outstanding securities of the licensee. The report required by this ~~section~~ **subsection** must be made not later than ten (10) days after the transfer of the securities on the books of the licensee.

(g) Depending on the circumstances of the transaction, the director may reserve the right to require the organization, individual, or individuals who propose to acquire control of a licensee to apply for a new license under section 11 of this chapter, instead of acquiring control of the licensee under this section.

SECTION 198. IC 28-11-1-1, AS AMENDED BY P.L.217-2007, SECTION 89, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 1. (a) The department of financial institutions is established.

(b) The department:

(1) is an independent agency in the executive branch of state government; and

(2) exercises essential public functions.

(c) The expenses of the department in administering the financial institutions subject to the department's oversight are paid by financial institutions through fees established by the department under IC 28-11-3-5.

(d) Subject to subsection (e), the department's regulatory and budgetary functions are not subject to oversight by the following:

(1) The office of management and budget (notwithstanding IC 4-3-22-14).

(2) The budget agency (notwithstanding IC 4-12-1).

(3) The state personnel department (notwithstanding ~~IC 4-15-1.8).~~ **IC 4-15-2.2).**

(4) The Indiana department of administration (notwithstanding IC 4-13-1).

(5) The office of technology (notwithstanding IC 4-13.1).

(e) The department's funds, accounts, and financial affairs shall be examined biennially by the state board of accounts under IC 5-11-1-9(c).

SECTION 199. IC 29-2-19-17, AS AMENDED BY P.L.34-2011, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

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UPON PASSAGE]: Sec. 17. The right to control the disposition of a decedent's body, to make arrangements for funeral services, and to make other ceremonial arrangements after an individual's death devolves on the following, in the priority listed:

(1) A person:

(A) granted the authority to serve in a funeral planning declaration executed by the decedent under this chapter; or

(B) named in a United States Department of Defense form "Record of Emergency Data" (DD Form 93) or a successor form adopted by the United States Department of Defense, if the decedent died while serving in any branch of the United States Armed Forces (as defined in 10 U.S.C. 1481) and completed the form.

(2) An individual specifically granted the authority in a power of attorney or a health care power of attorney executed by the decedent under IC 30-5-5-16.

(3) The decedent's surviving spouse.

(4) A surviving adult child of the decedent or, if more than one (1) adult child is surviving, the majority of the other adult children. However, less than half of the surviving adult children have the rights under this subdivision if the adult children have used reasonable efforts to notify the other surviving adult children of their intentions and are not aware of any opposition to the final disposition instructions by more than half of the surviving adult children.

(5) The surviving parent or parents of the decedent. If one (1) of the parents is absent, the parent who is present has the rights under this subdivision if the parent who is present has used reasonable efforts to notify the absent parent.

(6) The decedent's surviving sibling or, if more than one (1) sibling is surviving, the majority of the surviving siblings. However, less than half of the surviving siblings have the rights under this subdivision if the siblings have used reasonable efforts to notify the other surviving siblings of their intentions and are not aware of any opposition to the final disposition instructions by more than half of the surviving siblings.

(7) An individual in the next degree of kinship under IC 29-1-2-1 to inherit the estate of the decedent or, if more than one (1) individual of the same degree survives, the majority of those who ~~have~~ **are of** the same degree of kinship. However, less than half of the individuals who ~~have~~ **are of** the same degree of kinship have the rights under this subdivision if they have used reasonable

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efforts to notify the other individuals who ~~have~~ **are of** the same degree of kinship of their intentions and are not aware of any opposition to the final disposition instructions by more than half of the individuals who ~~have~~ **are of** the same degree of kinship.

(8) If none of the persons described in subdivisions (1) through (7) are available, any other person willing to act and arrange for the final disposition of the ~~decedent,~~ **decedent's remains,** including a funeral home that:

(A) has a valid prepaid funeral plan executed under IC 30-2-13 that makes arrangements for the disposition of the ~~decedent;~~ **decedent's remains;** and

(B) attests in writing that a good faith effort has been made to contact any living individuals described in subdivisions (1) through (7).

SECTION 200. IC 30-4-2.1-14, AS AMENDED BY P.L.36-2011, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 14. (a) The following rules apply only to discretionary interests (as defined in ~~IC 30-4-2.1-14.5):~~ **section 14.5 of this chapter):**

(1) A discretionary interest is a mere expectancy that is neither a property interest nor an enforceable right.

(2) A creditor may not:

(A) require a trustee to exercise the trustee's discretion to make a distribution; or

(B) cause a court to foreclose a discretionary interest.

(3) A court may review a trustee's distribution discretion only if the trustee acts dishonestly or with an improper motive.

(b) Words such as sole, absolute, uncontrolled, or unfettered discretion dispense with the trustee acting reasonably.

(c) Absent express language to the contrary, if the distribution language in a discretionary interest permits unequal distributions between beneficiaries or distributions to the exclusion of other beneficiaries, a trustee may, in the trustee's discretion, distribute all of the accumulated, accrued, or undistributed income and principal to one (1) beneficiary to the exclusion of the other beneficiaries.

(d) Regardless of whether a beneficiary has any outstanding creditors, a trustee of a discretionary interest may directly pay any expense on behalf of the beneficiary and may exhaust the income and principal of the trust for the benefit of the beneficiary. A trustee is not liable to a creditor for paying the expenses of a beneficiary who holds a discretionary interest.

SECTION 201. IC 31-16-6-1.5, AS ADDED BY P.L.210-2011,

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SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1.5. (a) A court shall specify in a child support order which parent of a child may claim the child as a dependent for purposes of federal and state taxes.

(b) In determining which parent may claim the child as a dependent under subsection **(a),** the court shall consider the following:

(1) The value of claiming the child as a dependent at the marginal tax rate of each parent.

(2) The income of each parent.

(3) The age of the child or children and the number of years that the child or children could be claimed as a dependent or dependents.

(4) Each parent's percentage of the costs of supporting the child or children.

(5) If applicable, the financial aid benefit for postsecondary education for the child or children.

(6) If applicable, the financial burden each parent assumed under the property settlement in a dissolution proceeding.

(7) Any other relevant factors.

(c) If a court designates that the noncustodial parent of a child may claim the child as a dependent for purposes of federal and state taxes, the court shall order the custodial parent of the child to take all actions necessary to release the custodial parent's claim to the exemption in the manner required under Section 152(e) of the Internal Revenue Code.

(d) If a court determines that a parent who is ordered to pay child support may claim the child as a dependent under subsection (a), the court shall include in the order that the parent may only claim the child as a dependent for federal and state tax purposes if the parent has paid at least ninety-five percent (95%) of the parent's child support for the calendar year for which the parent is ordered to claim the child as a dependent by January 31 of the following year.

SECTION 202. IC 31-19-25-19, AS ADDED BY P.L.191-2011, SECTION 52, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 19. (a) Except as provided in section 18.5 of this chapter and subject to section 21 of this chapter, upon a request described under section 18 of this chapter, a county office of family and children, a licensed child placing agency, or an attorney that contacts an adoptee may not disclose identifying information unless the adoptee:

(1) if the adoptee is at least twenty-one (21) years of age, gives written consent; or

(2) if the adoptee is less than twenty-one (21) years of age, has the

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written consent of the adoptee's adoptive parents;

to the release of identifying information by the county office of family and children, the licensed child placing agency, or the attorney.

(b) If:

(1) an adoptee who is at least twenty-one (21) years of age; or

(2) an adoptive parent of an adoptee who is less than twenty-one (21) years of age;

consents to the release of identifying information but does not provide the consent in writing, the county office of family and children, the licensed child placing agency, or the attorney may inform the birth parent regarding the fact that the adoptee or the adoptive parent has consented to the release of identifying information. The county office of family and children, the licensed child placing agency, or the attorney may inquire as to whether the adoptee or adoptive parent, whose consent is still needed before identifying information may be released, is interested in participating in the adoption registry under IC 31-19-18 through IC 31-19-24, this chapter, ~~or~~ **and** IC 31-19-25.5.

SECTION 203. IC 31-19-25.5-5, AS ADDED BY P.L.191-2011, SECTION 55, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) This section applies to adoptions that are filed after December 31, 1993.

(b) Except as provided under subsections (d) and ~~(e),~~ **(f),** the state registrar shall release the name and address of a pre-adoptive sibling to an adoptee who submits a written request under section 2 of this chapter if:

(1) the pre-adoptive sibling of the adoptee has submitted a written request under section 2 of this chapter; and

(2) a birth parent has not filed a written nonrelease form with the state registrar under IC 31-19-25.

(c) Except as provided under subsections (d) and ~~(e),~~ **(f),** the state registrar shall release the name and address of an adoptee to a pre-adoptive sibling of the adoptee who submits a written request under section 2 of this chapter if:

(1) the adoptee has submitted a written request under section 2 of this chapter; and

(2) a birth parent has not filed a written nonrelease form with the state registrar under IC 31-19-25.

(d) Except as provided under subsection (g), the state registrar shall release information under this section if:

(1) both the adoptee and pre-adoptive sibling of the adoptee have submitted requests under section 2 of this chapter; and

(2) the adoptee or pre-adoptive sibling who requested information

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under section 2 of this chapter submits:

(A) a death certificate;

(B) an obituary; or

(C) any other form of evidence approved by the state department of health;

indicating that a birth parent is deceased to the state registrar for each birth parent who is named on the adoptee's original birth certificate.

(e) The state registrar shall search the death certificates in the state registrar's possession regarding a birth parent if:

(1) an adoptee and a pre-adoptive sibling of the adoptee have submitted written requests to be in contact; and

(2) a birth parent has filed a nonrelease form under IC 31-19-25.

(f) Except as provided under subsection (g), if, upon searching the death certificates under subsection (e), the state registrar finds that a birth parent is deceased, the state registrar shall:

(1) inform the adoptee and pre-adoptive sibling of the death; and

(2) release the information if additional consent is not required by this chapter.

(g) The state registrar may not release information under this section to an adoptee or pre-adoptive sibling if:

(1) additional consent is required under this chapter; or

(2) a nonrelease form submitted by a birth parent specifically states that the nonrelease form shall remain in effect after the birth parent's death.

(h) If the state registrar is prohibited from releasing the name and address of the pre-adoptive sibling under this section, the state registrar shall provide information on requesting the release of adoption information under IC 31-19-24 to the adoptee or pre-adoptive sibling.

SECTION 204. IC 31-25-2-2, AS ADDED BY P.L.145-2006, SECTION 271, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 2. The director may employ necessary personnel to carry out the department's responsibilities subject to:

(1) the budget agency's approval under IC 4-12-1-13; and

(2) ~~IC 4-15-2.~~ **IC 4-15-2.2.**

SECTION 205. IC 32-21-14-1, AS ADDED BY P.L.136-2011, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. As used in this ~~section,~~ **chapter,** "transfer" means the transfer of an interest in real property located in Indiana by:

(1) sale;

(2) gift;

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(3) conveyance;
(4) assignment;
(5) inheritance; or
(6) other means of transfer.

SECTION 206. IC 32-21-14-2, AS ADDED BY P.L.136-2011, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) As used in this ~~section,~~ **chapter,** "transfer fee" means a fee or charge that:

(1) is required under a transfer fee covenant; and
(2) is payable:
(A) upon the transfer of an interest in real property; or
(B) for the right to make or accept a transfer of an interest in real property;

regardless of whether the fee or charge is in a fixed amount or is determined as a percentage of the value of the property, of the purchase price of the property, or of any consideration given for the transfer of the property.

(b) The term does not include any of the following:

(1) Any consideration payable by the transferee to the transferor for the interest in the real property being transferred, including any consideration payable for a separate mineral estate and its appurtenant surface access rights.
(2) Any commission to a real estate broker or salesperson licensed under IC 25-34.1 payable:
(A) in connection with the transfer of an interest in real property; and
(B) under an agreement between the real estate broker or salesperson and the transferor or transferee.
(3) Any interest, charges, fees, or other amounts payable by a borrower to a lender under a loan secured by a mortgage against an interest in real property, including the following:
(A) Any fee payable to the lender for consenting to an assumption of the loan or to a transfer of the property interest subject to the mortgage.
(B) Any fees or charges payable to the lender for estoppel letters or certificates.
(C) Any other consideration allowed by law and payable to the lender in connection with the loan.
(4) Any rent, reimbursement, charge, fee, or other amount payable by a lessee to a lessor under a lease, including any fee payable to the lessor for consenting to an assignment, subletting, encumbrance, or transfer of the lease.

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(5) Any consideration payable to the holder of:
(A) an option to purchase an interest in real property; or
(B) a right of first refusal or first offer to purchase an interest in real property;
for waiving, releasing, or not exercising the option or right upon the transfer of the property interest to another person.
(6) Any tax, fee, charge, assessment, fine, or other amount payable to or imposed by a governmental entity.
(7) Any fee, charge, assessment, fine, or other amount payable to:
(A) a homeowners association;
(B) a condominium association;
(C) a cooperative association;
(D) a mobile home association;
(E) another property owners association; or
(F) an agent representing an association described in clauses (A) through (E);
under a covenant, law, or contract applicable to the association.

SECTION 207. IC 32-23-2-6 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 6. (a) This section applies to the alienation, inheritance, or assignment of:**

**(1) an easement in gross of a commercial character that was created before January 1, 1990; and**

**(2) an interest in an easement in gross of a commercial character described in subdivision (1).**

**(b) This section applies to an easement in gross of a commercial character that was acquired by eminent domain.**

**(c) Unless the instrument that created the easement states that the easement may not be alienated, inherited, or assigned, the alienation, inheritance, or assignment of an easement in gross of a commercial character that occurred before April 1, 1990, is legalized and declared valid.**

SECTION 208. IC 32-23-7-6.5, AS ADDED BY P.L.140-2011, SECTION 26, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6.5. (a) This section does not apply in the event of an emergency entry.

(b) Unless otherwise agreed by the surface owner, **a person who is** an owner or holder of **an** oil **and** gas **mineral interest** or coal bed methane mineral interest **and** who wants to enter land for the purpose of surveying a drilling location must provide to the surface owner a written notice of the **person's** intent to enter the property at least five (5) days before the **person's** entry.

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(c) The written notice under subsection (b) may be given by personal delivery or by certified mail:

**(1)** to the last known address of each person **who is** liable for any property taxes **on the property** as shown on the tax duplicate; or

**(2)** to the last known address of the most recent owner **of the property** shown in the transfer book.

SECTION 209. IC 32-30-10.5-5, AS AMENDED BY P.L.89-2011, SECTION 76, AND AS AMENDED BY P.L.170-2011, SECTION 7, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. *(a)* As used in this chapter, "mortgage" means:

*(1)* a loan; *or*

*(2) a consumer credit sale;*

that is or will be used by the debtor primarily for personal, family, or household purposes and that is secured by a mortgage *(or another equivalent consensual security interest)* that constitutes a first lien on a dwelling or on residential real estate upon which a dwelling is constructed or intended to be constructed.

*(b)* The term does not include a land contract *(as defined in IC 24-4.4-1-301(36)) or similar agreement in which the debtor does not possess a deed.*

SECTION 210. IC 32-30-10.5-8, AS AMENDED BY P.L.170-2011, SECTION 8, AND AS AMENDED BY P.L.116-2011, SECTION 4, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. (a) This section applies to a foreclosure action that is filed after June 30, 2009. Except as provided in subsection (e) and section 10(g) of this chapter, not later than thirty (30) days before a creditor files an action for foreclosure, the creditor shall send to the debtor by certified mail a presuit notice on a form prescribed by the ~~*Indiana housing and community development*~~ authority. ~~*created by IC 5-20-1-3.*~~ The notice required by this subsection must do the following:

(1) Inform the debtor that:

(A) the debtor is in default;

(B) the debtor is encouraged to obtain assistance from a mortgage foreclosure counselor; and

(C) if the creditor proceeds to file a foreclosure action and obtains a foreclosure judgment, the debtor has a right to do the following before a sheriff's sale is conducted:

(i) Appeal a finding of abandonment by a court under IC 32-29-7-3(a)(2).

(ii) Redeem the real estate from the judgment under

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IC 32-29-7-7.

(iii) Retain possession of the property under IC 32-29-7-11(b), subject to the conditions set forth in IC 32-29-7-11(b).

(2) Provide the contact information for the Indiana Foreclosure Prevention Network.

(3) Include the following statement printed in at least 14 point boldface type:

"NOTICE REQUIRED BY STATE LAW

Mortgage foreclosure is a complex process. People may approach you about "saving" your home. You should be careful about any such promises. There are government agencies and nonprofit organizations you may contact for helpful information about the foreclosure process. For the name and telephone number of an organization near you, please call the Indiana Foreclosure Prevention Network.".

(b) The notice required by subsection (a) shall be sent to:

(1) the address of the mortgaged property; or

(2) the last known mailing address of the debtor if the creditor's records indicate that the mailing address of the debtor is other than the address of the mortgaged property.

If the creditor provides evidence that the notice required by subsection (a) was sent by certified mail, return receipt requested, and ~~*as prescribed by*~~ *in accordance with* this subsection, it is not necessary that the debtor accept receipt of the notice for an action to proceed as allowed under this chapter.

(c) Except as provided in subsection (e) and section 10(g) of this chapter, if a creditor files an action to foreclose a mortgage, the creditor shall:

*(1) in the case of a foreclosure action filed after June 30, 2009, but before July 1, 2011,* include with the complaint served on the debtor, *on a form prescribed by the authority; and*

*(2) subject to subsection (f), in the case of a foreclosure action filed after June 30, 2011, include on the first page of the summons that is served on the debtor in conjunction with the complaint;*

a notice that informs the debtor of the debtor's right to participate in a settlement conference, *subject to section 9(b) of this chapter.* ~~*The notice must be in a form prescribed by the Indiana housing and community development authority created by IC 5-20-1-3.*~~ The notice *under subdivision (1) or (2)* must inform the debtor that the debtor may schedule a settlement conference by notifying the court, not later than

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thirty (30) days after the ~~*notice*~~ *complaint* is served *on the debtor,* of the debtor's intent to participate in a settlement conference.

(d) ~~*In a foreclosure action filed under IC 32-30-10-3 after June 30, 2009,*~~ *If a creditor files an action to foreclose a mortgage,* the creditor shall *do the following:*

*(1)* ~~*attach to*~~ *Include with* the complaint filed with the court:

~~*(1)*~~ **(A)** *except as provided in subsection (e) and section 10(g) of this chapter,* a copy of the notices sent to the debtor under subsections (a) and (c), *if the foreclosure action is filed after June 30, 2009, but before July 1, 2011; or*

~~*(2)*~~ **(B)** *the following, if the foreclosure action is filed after June 30, 2011:*

~~*(A)*~~ **(i)** *Except as provided in subsection (e) and section 10(g) of this chapter, a copy of the notice sent to the debtor under subsection (a).*

~~*(B)*~~ **(ii)** *The following most recent contact information for the debtor that the creditor has on file:* ~~*(i)*~~ *all telephone numbers and electronic mail addresses for the debtor* **and** ~~*(ii)*~~ *any mailing address described in subsection (b)(2). The contact information provided under this* ~~*clause*~~ **item** *is confidential under IC 5-14-3-4(a)(13).*

*(2) At the time the complaint is filed with the court, send:*

*(A) by certified mail, return receipt requested; and*

*(B) to the last known mailing address of the insurance company;*

*a copy of the complaint filed with the court to the insurance company of record for the property that is the subject of the foreclosure action.*

*It is not necessary that the insurance company accept receipt of the copy of the complaint for the creditor to satisfy the requirement of subdivision (2). A creditor's failure to provide a copy of the complaint as required by subdivision (2) does not affect the foreclosure action or subject the creditor to any liability. Subject to section 9(b) of this chapter, in the case of a foreclosure action filed after June 30, 2011, upon the filing of the complaint by the creditor, the court shall send to the debtor, by United States mail and to the address of the mortgaged property, or to an address for the debtor provided by the creditor under* ~~*subdivision (2)(B)(ii),*~~ **subdivision (1)(B)(ii),** *if applicable, a notice that informs the debtor of the debtor's right to participate in a settlement conference. The court's notice must inform the debtor that the debtor may schedule a settlement conference by notifying the court of the debtor's intent to participate in a settlement conference. The*

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*court's notice must specify a date by which the debtor must request a settlement conference, which date must be the date that is thirty (30) days after the date of the creditor's service of the complaint on the debtor under subsection (c), as determined by the court from the service list included with the complaint filed with the court. The court may not delegate the duty to send the notice the court is required to provide under this subsection to the creditor or to any other person.*

(e) A creditor is not required to send the notices described in this section if:

(1) the mortgage is secured by a dwelling that is not the debtor's primary residence;

(2) the mortgage has been the subject of a prior foreclosure prevention agreement under this chapter and the debtor has defaulted with respect to the terms of that foreclosure prevention agreement; or

(3) bankruptcy law prohibits the creditor from participating in a settlement conference under this chapter with respect to the mortgage.

*(f) Not later than June 1, 2011, the authority, in consultation with the division of state court administration, shall prescribe language for the notice required under subsection (c)(2) to be included on the first page of the summons that is served on the debtor in a foreclosure action filed after June 30, 2011. The language must convey the same information as the form prescribed by the authority under subsection (c)(1) for foreclosure actions filed after June 30, 2009, but before July 1, 2011. The authority shall make the language prescribed under this subsection available on the authority's Internet web site. A creditor complies with subsection (c)(2) in a foreclosure action filed after June 30, 2011, if the creditor includes on the first page of the summons served on the debtor:*

*(1) the language that is prescribed by the authority under this subsection and made available on the authority's Internet web site; or*

*(2) language that conveys the same information as the language that is prescribed by the authority under this subsection and made available on the authority's Internet web site.*

SECTION 211. IC 33-33-49-13.5, AS ADDED BY P.L.220-2011, SECTION 535, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 13.5. (a) The municipal court judge:

(1) whose term expires December 31, 1997; and

(2) who is serving as a part-time judge on December 31, 1997;

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is entitled to continue serving as a part-time judge of the Marion superior court established under IC 33-5.1-2 (before its repeal, now codified at IC 33-33-49-6). The municipal court judge whose term expires December 31, 1997, and who is serving as a part-time judge on that date is entitled to continue serving as a part-time judge of the Marion superior court established under IC 33-5.1-2 (before its repeal, now codified at IC 33-33-49-6) until midnight December 31, 2000.

(b) The following apply to the part-time judge described in subsection (a):

(1) The judge may not practice criminal law in the Marion superior court but may practice civil law in the Marion superior court.

(2) The judge may convert to full-time status at any time.

**(3) The annual salary of the part-time judge shall be equal to the sum of forty percent (40%) of the salary of a full-time superior court judge. The salary of the part-time judge shall be paid on a percentage basis from the same sources providing the salary of a full-time superior court judge.**

(c) If the judge serving as part-time judge of the Marion superior court stands for election in the general election held November 7, 2000, and any subsequent election, and is elected as judge of the Marion superior court, the judge may continue to serve as a part-time judge, subject to the provisions of subsection (b).

(d) If it is determined in a judicial ethics action that the judge serving as part-time judge of the Marion superior court may not engage in the practice of civil law before the Marion superior court, the cases in which the judge has entered an appearance or filed any pleadings shall be transferred to the Marion circuit court for further proceedings. The judge may continue to participate in the cases transferred to the circuit court. Cases transferred to the circuit court under this subsection have the same effect as if originally filed in or issued by the Marion circuit court.

SECTION 212. IC 34-6-2-8.2 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 8.2. "Agritourism activity", for the purposes of IC 34-31-9, has the meaning set forth in IC 34-31-9-2.**

SECTION 213. IC 34-6-2-8.3 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 8.3. "Agritourism provider", for the purposes of IC 34-31-9, has the meaning set forth in IC 34-31-9-3.**

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SECTION 214. IC 34-6-2-68.8 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 68.8. "Inherent risks of agritourism activities", for the purposes of IC 34-31-9, has the meaning set forth in IC 34-31-9-4.**

SECTION 215. IC 34-6-2-72.2 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 72.2. "Land", for the purposes of IC 34-31-9, has the meaning set forth in IC 34-31-9-5.**

SECTION 216. IC 34-6-2-83.8 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 83.8. "Monetary consideration", for the purposes of IC 34-31-9, has the meaning set forth in IC 34-31-9-6.**

SECTION 217. IC 34-6-2-95 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 95. **(a)** "Participant", for purposes of IC 34-31-5, means a person, whether an amateur or a professional, who engages in an equine activity, whether or not a fee is paid to participate in the equine activity.

**(b) "Participant", for purposes of IC 34-31-9, has the meaning set forth in 34-31-9-7.**

SECTION 218. IC 34-6-2-103, AS AMENDED BY P.L.154-2011, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 103. (a) "Person", for purposes of IC 34-14, has the meaning set forth in IC 34-14-1-13.

(b) "Person", for purposes of IC 34-11-2-11.5 and IC 34-24-4, means:

(1) an individual;
(2) a governmental entity;
(3) a corporation;
(4) a firm;
(5) a trust;
(6) a partnership; or
(7) an incorporated or unincorporated association that exists under or is authorized by the laws of this state, another state, or a foreign country.

(c) "Person", for purposes of section 44.8 of this chapter, means an adult or a minor.

(d) "Person", for purposes of IC 34-26-4, has the meaning set forth in IC 35-41-1-22.

(e) "Person", for purposes of IC 34-30-5, means any of the following:

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(1) An individual.
(2) A corporation.
(3) A partnership.
(4) An unincorporated association.
(5) The state (as defined in IC 34-6-2-140).
(6) A political subdivision (as defined in IC 34-6-2-110).
(7) Any other entity recognized by law.

(f) "Person", for purposes of IC 34-30-6, means an individual, a corporation, a limited liability company, a partnership, an unincorporated association, or a governmental entity that:

(1) has qualifications or experience in:
(A) storing, transporting, or handling a hazardous substance or compressed gas;
(B) fighting fires;
(C) emergency rescue; or
(D) first aid care; or
(2) is otherwise qualified to provide assistance appropriate to remedy or contribute to the remedy of the emergency.

(g) "Person", for purposes of IC 34-30-18, includes:

(1) an individual;
(2) an incorporated or unincorporated organization or association;
(3) the state of Indiana;
(4) a political subdivision (as defined in IC 36-1-2-13);
(5) an agency of the state or a political subdivision; or
(6) a group of such persons acting in concert.

(h) "Person", for purposes of sections 42, 43, 69, and 95 of this chapter, means an individual, an incorporated or unincorporated organization or association, or a group of such persons acting in concert.

(i) "Person", for purposes of IC 34-30-10.5, means the following:

(1) A political subdivision (as defined in IC 36-1-2-13).
(2) A volunteer fire department (as defined in IC 36-8-12-2).
(3) An employee of an entity described in subdivision (1) or (2) who acts within the scope of the employee's responsibilities.
(4) A volunteer firefighter (as defined in IC 36-8-12-2) who is acting for a volunteer fire department.
(5) A corporation, a limited liability company, a partnership, an unincorporated association, or any other entity recognized by law.

(j) "Person", for purposes of IC 34-28-7, means:

(1) an individual;
(2) a governmental entity;
(3) a corporation;

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(4) a firm;
(5) a trust;
(6) a partnership; or
(7) an incorporated or unincorporated association that exists under or is authorized by the laws of this state, another state, or a foreign country.

**(k) "Person", for purposes of IC 34-31-9, has the meaning set forth in IC 34-31-9-8.**

SECTION 219. IC 34-11-2-10.5, AS ADDED BY P.L.43-2005, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10.5. An action brought by a volunteer:

(1) firefighter; or
(2) member of a volunteer emergency medical services association connected with a unit of government as set forth in IC 16-31-5-1(6);

against the volunteer's political subdivision employer for being disciplined for being absent from employment while responding to an emergency must be commenced within one (1) year after the date of the disciplinary action, as provided in ~~IC 36-8-12-10.5(c).~~ **IC 36-8-12-10.5(g).**

SECTION 220. IC 34-30-2-14.6, AS ADDED BY P.L.113-2010, SECTION 105, IS REPEALED [EFFECTIVE UPON PASSAGE]. ~~Sec. 14.6. IC 5-14-3.5-3 (Concerning the state and state officials, officers, and employees for posting certain confidential information).~~

SECTION 221. IC 35-36-10-2, AS ADDED BY P.L.148-2011, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. As used in this chapter, "child pornography" ~~include:~~ **includes:**

(1) material described in IC 35-42-4-4(c); and
(2) material defined in 18 U.S.C. 2256(8).

SECTION 222. IC 35-41-1-26.3, AS ADDED BY P.L.182-2011, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 26.3. "Synthetic cannabinoid" means a substance containing one (1) or more of the following chemical compounds:

(1) JWH-015 ((2-Methyl-1-propyl-1H-indol-3-yl)-1-naphthalenylmethanone).
(2) JWH-018 (1-pentyl-3-(1-naphthoyl)indole).
(3) JWH-019 (1-hexyl-3-(naphthalen-1-oyl)indole).
(4) JWH-073 (naphthalen-1-yl-(1-butylindol-3-yl)methanone).
(5) JWH-081 (4-methoxynaphthalen- 1-yl- (1-pentylindol-3-yl)methanone).

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(6) JWH-122 (1-Pentyl-3-(4-methyl-1-naphthoyl)indole).
~~(7) JWH-200 (1-(2-morpholin-4-ylethyl)indol-3-yl)-naphthalen-1-ylmethanone).~~
**(7) JWH-200 ((1-(2-morpholin-4-ylethyl)indol-3-yl)-naphthalen-1-ylmethanone).**
(8) JWH-250 (1-pentyl-3-(2-methoxyphenylacetyl)indole).
(9) JWH-251 (1-pentyl-3-(2-methylphenylacetyl)indole).
(10) JWH-398 (1-pentyl-3-(4-chloro-1-naphthoyl)indole).
(11) HU-210 ((6aR,10aR)- 9-(Hydroxymethyl)- 6,6-dimethyl-3-(2-methyloctan-2-yl)- 6a,7,10,10a-tetrahydrobenzo [c]chromen-1-ol).
(12) HU-211 ((6aS,10aS)-9-(Hydroxymethyl)- 6,6-dimethyl-3-(2-methyloctan-2-yl)- 6a,7,10,10a-tetrahydrobenzo [c]chromen-1-ol).
(13) HU-308 ([(1R,2R,5R)-2-[2,6-dimethoxy-4- (2-methyloctan-2-yl)phenyl]- 7,7-dimethyl-4-bicyclo[3.1.1]hept-3-enyl] methanol).
~~(14) HU-331 ((3-hydroxy-2- [(1R,6R)-3-methyl-6-(1-methylethenyl)-2 -cyclohexen-1-yl]-5 -pentyl-2,5-cyclohexadiene-1,4-dione).~~
**(14) HU-331 (3-hydroxy-2- [(1R,6R)-3-methyl-6-(1-methylethenyl)-2 -cyclohexen-1-yl]-5 -pentyl-2,5-cyclohexadiene-1,4-dione).**
(15) CP 55,940 (2-[(1R,2R,5R)-5-hydroxy-2-(3-hydroxypropyl) cyclohexyl]- 5- (2-methyloctan-2-yl)phenol).
(16) CP 47,497 (2-[(1R,3S)-3-hydroxycyclohexyl]- 5-(2-methyloctan-2-yl)phenol) and its homologues.
(17) WIN 55212-2 ((R)-(+)-[2,3-Dihydro-5-methyl-3-(4-morpholinylmethyl) pyrrolo [1,2,3-de)- 1,4- benzoxazin- 6-yl]-1-napthalenylmethanone).
(18) RCS-4 ((4-methoxyphenyl) (1-pentyl-1H-indol-3-yl)methanone).
(19) RCS-8 (1-(1-(2-cyclohexylethyl)-1H-indol-3-yl)-2-(2-methoxyphenyl)ethanone).
(20) 4-Methylmethcathinone. Other name: mephedrone.
(21) 3,4-Methylenedioxymethcathinone. Other name: methylone.
(22) Fluoromethcathinone.
(23) 4-Methoxymethcathinone. Other name: methedrone.
(24) 4-Ethylmethcathinone (4-EMC).
(25) Methylenedioxypyrovalerone. Other name: MDPV.

SECTION 223. IC 35-42-2-1.3, AS AMENDED BY P.L.129-2006, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

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UPON PASSAGE]: Sec. 1.3. (a) A person who knowingly or intentionally touches an individual who:

(1) is or was a spouse of the other person;

(2) is or was living as if a spouse of the other person as provided in subsection (c); or

(3) has a child in common with the other person;

in a rude, insolent, or angry manner that results in bodily injury to the person described in subdivision (1), (2), or (3) commits domestic battery, a Class A misdemeanor.

(b) However, the offense under subsection (a) is a Class D felony if the person who committed the offense:

(1) has a previous, unrelated conviction:

(A) under this section (or IC 35-42-2-1(a)(2)(E) before ~~its repeal);~~ **that provision was removed by P.L.188-1999, SECTION 5);** or

(B) in any other jurisdiction, including a military court, in which the elements of the crime for which the conviction was entered are substantially similar to the elements described in this section; or

(2) committed the offense in the physical presence of a child less than sixteen (16) years of age, knowing that the child was present and might be able to see or hear the offense.

(c) In considering whether a person is or was living as a spouse of another individual ~~in~~ **for purposes of** subsection (a)(2), the court shall review: ~~the following:~~

(1) the duration of the relationship;

(2) the frequency of contact;

(3) the financial interdependence;

(4) whether the two (2) individuals are raising children together;

(5) whether the two (2) individuals have engaged in tasks directed toward maintaining a common household; and

(6) other factors the court considers relevant.

SECTION 224. IC 35-42-4-4, AS AMENDED BY P.L.180-2011, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) ~~As used in~~ **The following definitions apply throughout** this section:

**(1)** "Disseminate" means to transfer possession for free or for a consideration.

**(2)** "Matter" has the same meaning as in IC 35-49-1-3.

**(3)** "Performance" has the same meaning as in IC 35-49-1-7.

**(4)** "Sexual conduct" means sexual intercourse, deviate sexual conduct, exhibition of the uncovered genitals intended to satisfy

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or arouse the sexual desires of any person, sadomasochistic abuse, sexual intercourse or deviate sexual conduct with an animal, or any fondling or touching of a child by another person or of another person by a child intended to arouse or satisfy the sexual desires of either the child or the other person.

(b) A person who knowingly or intentionally:

(1) manages, produces, sponsors, presents, exhibits, photographs, films, videotapes, or creates a digitized image of any performance or incident that includes sexual conduct by a child under eighteen (18) years of age;

(2) disseminates, exhibits to another person, offers to disseminate or exhibit to another person, or sends or brings into Indiana for dissemination or exhibition matter that depicts or describes sexual conduct by a child under eighteen (18) years of age; or

(3) makes available to another person a computer, knowing that the computer's fixed drive or peripheral device contains matter that depicts or describes sexual conduct by a child less than eighteen (18) years of age;

commits child exploitation, a Class C felony.

(c) A person who knowingly or intentionally possesses:

(1) a picture;

(2) a drawing;

(3) a photograph;

(4) a negative image;

(5) undeveloped film;

(6) a motion picture;

(7) a videotape;

(8) a digitized image; or

(9) any pictorial representation;

that depicts or describes sexual conduct by a child who the person knows is less than sixteen (16) years of age or who appears to be less than sixteen (16) years of age, and that lacks serious literary, artistic, political, or scientific value commits possession of child pornography, a Class D felony.

(d) Subsections (b) and (c) do not apply to a bona fide school, museum, or public library that qualifies for certain property tax exemptions under IC 6-1.1-10, or to an employee of such a school, museum, or public library acting within the scope of the employee's employment when the possession of the listed materials is for legitimate scientific or educational purposes.

(e) It is a defense to a prosecution under this section that:

(1) the person is a school employee; and

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(2) the acts constituting the elements of the offense were performed solely within the scope of the person's employment as a school employee.

(f) Except as provided in subsection (g), it is a defense to a prosecution under ~~subsections~~ **subsection** (b)(1), **subsection** (b)(2), ~~and~~ **or subsection** (c) if all **of** the following apply:

(1) A cellular telephone, another wireless or cellular communications device, or a social networking web site was used to possess, produce, or disseminate the image.

(2) The defendant is not more than four (4) years older or younger than the person who is depicted in the image or who received the image.

(3) The relationship between the defendant and the person who received the image or who is depicted in the image was a dating relationship or an ongoing personal relationship. For purposes of this subdivision, the term "ongoing personal relationship" does not include a family relationship.

(4) The crime was committed by a person less than twenty-two (22) years of age.

(5) The person receiving the image or who is depicted in the image acquiesced in the defendant's conduct.

(g) The defense to a prosecution described in subsection (f) does not apply if:

(1) the person who receives the image disseminates it to a person other than the person:

(A) who sent the image; or

(B) who is depicted in the image;

(2) the image is of a person other than the person who sent the image or received the image; or

(3) the dissemination of the image violates:

(A) a protective order to prevent domestic or family violence issued under IC 34-26-5 (or, if the order involved a family or household member, under IC 34-26-2 or IC 34-4-5.1-5 before their repeal);

(B) an ex parte protective order issued under IC 34-26-5 (or, if the order involved a family or household member, an emergency order issued under IC 34-26-2 or IC 34-4-5.1 before their repeal);

(C) a workplace violence restraining order issued under IC 34-26-6;

(D) a no contact order in a dispositional decree issued under IC 31-34-20-1, IC 31-37-19-1, or IC 31-37-5-6 (or

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IC 31-6-4-15.4 or IC 31-6-4-15.9 before their repeal) or an order issued under IC 31-32-13 (or IC 31-6-7-14 before its repeal) that orders the person to refrain from direct or indirect contact with a child in need of services or a delinquent child;

(E) a no contact order issued as a condition of pretrial release, including release on bail or personal recognizance, or pretrial diversion, and including a no contact order issued under IC 35-33-8-3.6;

(F) a no contact order issued as a condition of probation;

(G) a protective order to prevent domestic or family violence issued under IC 31-15-5 (or IC 31-16-5 or IC 31-1-11.5-8.2 before their repeal);

(H) a protective order to prevent domestic or family violence issued under IC 31-14-16-1 in a paternity action;

(I) a no contact order issued under IC 31-34-25 in a child in need of services proceeding or under IC 31-37-25 in a juvenile delinquency proceeding;

(J) an order issued in another state that is substantially similar to an order described in clauses (A) through (I);

(K) an order that is substantially similar to an order described in clauses (A) through (I) and is issued by an Indian:

(i) tribe;

(ii) band;

(iii) pueblo;

(iv) nation; or

(v) organized group or community, including an Alaska Native village or regional or village corporation as defined in or established under the Alaska Native Claims Settlement Act (43 U.S.C. 1601 et seq.);

that is recognized as eligible for the special programs and services provided by the United States to Indians because of their special status as Indians;

(L) an order issued under IC 35-33-8-3.2; or

(M) an order issued under IC 35-38-1-30.

SECTION 225. IC 35-46-1-4, AS AMENDED BY P.L.109-2007, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) A person having the care of a dependent, whether assumed voluntarily or because of a legal obligation, who knowingly or intentionally:

(1) places the dependent in a situation that endangers the dependent's life or health;

(2) abandons or cruelly confines the dependent;

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(3) deprives the dependent of necessary support; or
(4) deprives the dependent of education as required by law;
commits neglect of a dependent, a Class D felony.
(b) However, the offense is:
(1) a Class C felony if it is committed under subsection (a)(1), (a)(2), or (a)(3) and:
(A) results in bodily injury; or
(B) is:
(i) committed in a location where a person is violating IC 35-48-4-1 (delivery, financing, or manufacture of cocaine, methamphetamine, or a narcotic drug); or
(ii) the result of a violation of IC 35-48-4-1 (delivery, financing, or manufacture of cocaine, methamphetamine, or a narcotic drug);
(2) a Class B felony if it is committed under subsection (a)(1), (a)(2), or (a)(3) and results in serious bodily injury;
(3) a Class A felony if it is committed under subsection (a)(1), (a)(2), or (a)(3) by a person at least eighteen (18) years of age and results in the death of a dependent who is less than fourteen (14) years of age; and
(4) a Class C felony if it is committed under subsection (a)(2) and consists of cruel confinement or abandonment that:
(A) deprives a dependent of necessary food, water, or sanitary facilities;
(B) consists of confinement in an area not intended for human habitation; or
(C) involves the unlawful use of handcuffs, a rope, a cord, tape, or a similar device to physically restrain a dependent.
(c) It is a defense to a prosecution based on an alleged act under this section that:
(1) the accused person left a dependent child who was, at the time the alleged act occurred, not more than thirty (30) days of age with an emergency medical provider who took custody of the child under IC 31-34-2.5 when:
(A) the prosecution is based solely on the alleged act of leaving the child with the emergency medical services provider; and
(B) the alleged act did not result in bodily injury or serious bodily injury to the child; or
(2) the accused person, in the legitimate practice of the accused person's religious belief, provided treatment by spiritual means through prayer, in lieu of medical care, to the accused person's

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dependent.

(d) Except for property transferred or received:

(1) under a court order made in connection with a proceeding under IC 31-15, IC 31-16, IC 31-17, or IC 31-35 (or IC 31-1-11.5 or IC 31-6-5 before their repeal); or

(2) under ~~IC 35-46-1-9(b);~~ **section 9(b) of this chapter;**

a person who transfers or receives any property in consideration for the termination of the care, custody, or control of a person's dependent child commits child selling, a Class D felony.

SECTION 226. IC 35-46-3-8.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8.5. A person who knowingly or intentionally possesses animal fighting paraphernalia with the intent to commit a violation of ~~IC 35-46-3-9~~ **section 9 of this chapter** commits possession of animal fighting paraphernalia, a Class B misdemeanor. However, the offense is a Class A misdemeanor if the person has a prior unrelated conviction under this section.

SECTION 227. IC 35-46-3-9.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9.5. A person who knowingly or intentionally:

(1) possesses animal fighting paraphernalia with the intent to commit a violation of ~~IC 35-46-3-9;~~ **section 9 of this chapter;** and

(2) possesses, harbors, or trains a dog, cock, fowl, or bird bearing:

(A) a scar;

(B) a wound; or

(C) an injury;

consistent with participation in or training for an animal fighting contest;

commits promoting an animal fighting contest, a Class D felony.

SECTION 228. IC 35-47-1-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. **Except as otherwise provided,** the definitions in this chapter apply throughout this article.

SECTION 229. IC 35-47-2-1, AS AMENDED BY P.L.164-2011, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) Except as provided in subsections (b) and (c) and section 2 of this chapter, a person shall not carry a handgun in any vehicle or on or about the person's body without being licensed under this chapter to carry a handgun.

(b) Except as provided in subsection (c), a person may carry a handgun without being licensed under this chapter to carry a handgun if:

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(1) the person carries the handgun on or about the person's body in or on property that is owned, leased, rented, or otherwise legally controlled by the person;

(2) the person carries the handgun on or about the person's body while lawfully present in or on property that is owned, leased, rented, or otherwise legally controlled by another person, if the person:

(A) has the consent of the owner, renter, lessor, or person who legally controls the property to have the handgun on the premises;

(B) is attending a firearms related event on the property, including a gun show, firearms expo, gun owner's club or convention, hunting club, shooting club, or training course; or

(C) ~~the person~~ is on the property to receive firearms related services, including the repair, maintenance, or modification of a firearm;

(3) the person carries the handgun in a vehicle that is owned, leased, rented, or otherwise legally controlled by the person, if the handgun is:

(A) unloaded;

(B) not readily accessible; and

(C) secured in a case;

(4) the person carries the handgun while lawfully present in a vehicle that is owned, leased, rented, or otherwise legally controlled by another person, if the handgun is:

(A) unloaded;

(B) not readily accessible; and

(C) secured in a case; or

(5) the person carries the handgun:

(A) at a shooting range (as defined in IC 14-22-31.5-3);

(B) while attending a firearms instructional course; or

(C) while engaged in a legal hunting activity.

(c) Unless the person's right to possess a firearm has been restored under IC 35-47-4-7, a person who has been convicted of domestic battery under IC 35-42-2-1.3 may not possess or carry a handgun.

(d) This section may be not construed:

(1) to prohibit a person who owns, leases, rents, or otherwise legally controls private property from regulating or prohibiting the possession of firearms on the private property;

(2) to allow a person to adopt or enforce an ordinance, resolution, policy, or rule that:

(A) prohibits; or

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(B) has the effect of prohibiting;
an employee of the person from possessing a firearm or ammunition that is locked in the trunk of the employee's vehicle, kept in the glove compartment of the employee's locked vehicle, or stored out of plain sight in the employee's locked vehicle, unless the person's adoption or enforcement of the ordinance, resolution, policy, or rule is allowed under IC 34-28-7-2(b); or
(3) to allow a person to adopt or enforce a law, statute, ordinance, resolution, policy, or rule that allows a person to possess or transport a firearm or ammunition if the person is prohibited from possessing or transporting the firearm or ammunition by state or federal law.

SECTION 230. IC 35-47-11.1-4, AS ADDED BY P.L.152-2011, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. This chapter may not be construed to prevent any of the following:

(1) A law enforcement agency of a political subdivision from enacting and enforcing regulations pertaining to firearms, ammunition, or firearm accessories issued to or used by law enforcement officers in the course of their official duties.
(2) Subject to IC 34-28-7-2, an employer from regulating or prohibiting the employees of the employer from carrying firearms and ammunition in the course of the employee's official duties.
(3) A court or administrative law judge from hearing and resolving any case or controversy or issuing any opinion or order on a matter within the jurisdiction of the court or judge.
(4) The enactment or enforcement of generally applicable zoning or business ordinances that apply to firearms businesses to the same degree as other similar businesses. However, a provision of an ordinance that is designed or enforced to effectively restrict or prohibit the sale, purchase, transfer, manufacture, or display of firearms, ammunition, or firearm accessories that is otherwise lawful under the laws of this state is void. A unit (as defined in IC 36-1-2-23) may not use the unit's planning and zoning powers under IC 36-7-4 to prohibit the sale of firearms within a prescribed distance of any other type of commercial property or of school property or other educational property.
(5) The enactment or enforcement of a provision prohibiting or restricting the possession of a firearm in any building that contains the courtroom of a circuit, superior, city, town, or small claims court. However, if a portion of the building is occupied by a residential tenant or private business, any provision restricting

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or prohibiting the possession of a firearm does not apply to the portion of the building that is occupied by the residential tenant or private business, or to common areas of the building used by a residential tenant or private business.

(6) The enactment or enforcement of a provision prohibiting or restricting the intentional display of a firearm at a public meeting.

(7) The enactment or enforcement of a provision prohibiting or restricting the possession of a firearm in a public hospital corporation that contains a secure correctional health unit that is staffed by a law enforcement officer twenty-four (24) hours a day.

(8) The imposition of any restriction or condition placed on a person participating in:

(A) a community corrections program (IC 11-12-1);

(B) a forensic diversion program (IC 11-12-3.7); or

(C) a pretrial diversion program (IC 33-39-1).

(9) The enforcement or prosecution of the offense of criminal recklessness (IC 35-42-2-2) involving the use of a firearm.

(10) For an event occurring on property leased from a political subdivision or municipal corporation by the promoter or organizer of the event:

(A) the establishment, by the promoter or organizer, at the promoter's or organizer's own discretion, of rules of conduct or admission upon which attendance at or participation in the event is conditioned; or

(B) the implementation or enforcement of the rules of conduct or admission described in clause (A) by a political subdivision or municipal corporation in connection with the event.

(11) The enactment or enforcement of a provision prohibiting or restricting the possession of a firearm in a hospital established and operated under IC 16-22-2 or IC 16-23.

(12) A unit from using the unit's ~~planing~~ **planning** and zoning powers under IC 36-7-4 to prohibit the sale of firearms within two hundred (200) feet of a school by a person having a business that did not sell firearms within two hundred (200) feet of a school before April 1, 1994.

(13) A unit (as defined in IC 36-1-2-23) from enacting or enforcing a provision prohibiting or restricting the possession of a firearm in a building owned or administered by the unit if:

(A) metal detection devices are located at each public entrance to the building;

(B) each public entrance to the building is staffed by at least one (1) law enforcement officer:

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(i) who has been adequately trained to conduct inspections of persons entering the building by use of metal detection devices and proper physical pat down searches; and

(ii) when the building is open to the public; and

(C) each:

(i) individual who enters the building through the public entrance when the building is open to the public; and

(ii) bag, package, and other container carried by the individual;

is inspected by a law enforcement officer described in clause (B).

However, except as provided in subdivision (5) concerning a building that contains a courtroom, a unit may not prohibit or restrict the possession of a handgun under this subdivision in a building owned or administered by the unit if the person who possesses the handgun has been issued a valid license to carry the handgun under IC 35-47-2.

SECTION 231. IC 35-48-2-4, AS AMENDED BY P.L.182-2011, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) The controlled substances listed in this section are included in schedule I.

(b) Opiates. Any of the following opiates, including their isomers, esters, ethers, salts, and salts of isomers, esters, and ethers, unless specifically excepted by rule of the board or unless listed in another schedule, whenever the existence of these isomers, esters, ethers, and salts is possible within the specific chemical designation:

Acetyl-alpha-methylfentanyl (N-[1-(1-methyl-2-phenethyl)-4-piperidinyl]-N-phenylacetamide) (9815)

Acetylmethadol (9601)

Allylprodine (9602)

Alpha-methylthiofentanyl (N-[1-methyl-2-(2-thienyl)ethyl-4-piperidinyl]-N-phenylpropanamide) (9832)

Alphacetylmethadol (9603)

Alphameprodine (9604)

Alphamethadol (9605)

Alphamethylfentanyl (9814)

Benzethidine (9606)

Beta-hydroxy-3-methylfentanyl (9831). Other name: N-[1-(2-hydroxy-2-phenethyl)-3-methyl-4-piperidinyl ]-N-phenylpropanamide

Beta-hydroxyfentanyl (N-[1-(2-hydroxy-2-phenethyl)-4-piperidinyl]-N-phenylpropanamide) (9830)

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Betacetylmethadol (9607)
Betameprodine (9608)
Betamethadol (9609)
Betaprodine (9611)
Clonitazene (9612)
Dextromoramide (9613)
Diampromide (9615)
Diethylthiambutene (9616)
Difenoxin (9168)
Dimenoxadol (9617)
Dimepheptanol (9618)
Dimethylthiambutene (9619)
Dioxaphetyl butyrate (9621)
Dipipanone (9622)
Ethylmethylthiambutene (9623)
Etonitazene (9624)
Etoxeridine (9625)
Furethidine (9626)
Hydroxypethidine (9627)
Ketobemidone (9628)
Levomoramide (9629)
Levophenacylmorphan (9631)
3-Methylfentanyl [N-[3-methyl-1-(2-phenylethyl)-4-piperidyl]-N-phenyl-propanimide](9813)
3-Methylthiofentanyl (N-[(3-methyl-1-(2-thienyl)ethyl-4-piperidinyl]-N-phenylpropanamide) (9833)
MPPP (1-methyl-4-phenyl-4-propionoxypiperidine) (9961)
Morpheridine (9632)
N-[1-benzyl-4-piperidyl]-N-phenylpropanamide (benzylfentanyl), including any isomers, salts, or salts of isomers (9818)
N-[1-(2-thienyl)methyl-4-piperidyl]-N-phenylpropanamide (thenylfentanyl), including any isomers, salts, or salts of isomers (9834)
Noracymethadol (9633)
Norlevorphanol (9634)
Normethadone (9635)
Norpipanone (9636)
Para-fluorofentanyl (N-(4-fluorophenyl)-N-[1-(2-phenethyl)-4-piperidinyl] propanamide (9812)
Phenadoxone (9637)
Phenampromide (9638)
Phenomorphan (9647)

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Phenoperidine (9641)
PEPAP [1-(2-phenethyl)-4-phenyl-4-acetoxypiperidine] (9663)
Piritramide (9642)
Proheptazine (9643)
Properidine (9644)
Propiram (9649)
Racemoramide (9645)
Thiofentanyl (N-phenyl-N-[ 1-(2-thienyl)ethyl-4-piperidinyl]-propanamide) (9835)
Tilidine (9750)
Trimeperidine (9646)

(c) Opium derivatives. Any of the following opium derivatives, their salts, isomers, and salts of isomers, unless specifically excepted by rule of the board or unless listed in another schedule, whenever the existence of these salts, isomers, and salts of isomers is possible within the specific chemical designation:

Acetorphine (9319)
Acetyldihydrocodeine (9051)
Benzylmorphine (9052)
Codeine methylbromide (9070)
Codeine-N-Oxide (9053)
Cyprenorphine (9054)
Desomorphine (9055)
Dihydromorphine (9145)
Drotebanol (9335)
Etorphine (except hydrochloride salt) (9056)
Heroin (9200)
Hydromorphinol (9301)
Methyldesorphine (9302)
Methyldihydromorphine (9304)
Morphine methylbromide (9305)
Morphine methylsulfonate (9306)
Morphine-N-Oxide (9307)
Myrophine (9308)
Nicocodeine (9309)
Nicomorphine (9312)
Normorphine (9313)
Pholcodine (9314)
Thebacon (9315)

(d) Hallucinogenic substances. Any material, compound, mixture, or preparation which contains any quantity of the following hallucinogenic, psychedelic, or psychogenic substances, their salts,

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isomers, and salts of isomers, unless specifically excepted by rule of the board or unless listed in another schedule, whenever the existence of these salts, isomers, and salts of isomers is possible within the specific chemical designation:

(1) 1-[1-(2-thienyl)cyclohexyl]pyrrolidine (7473). Other name: TCPy.

(2) 4-Bromo-2, 5-Dimethoxyamphetamine (7391). Some trade or other names: 4-Bromo-2, 5-Dimethoxy-a-methylphenethylamine; 4-Bromo-2, 5-DMA.

(3) 4-Bromo-2, 5-dimethoxphenethylamine (7392). Some trade or other names: 2-[4-bromo-2,5-dimethoxyphenyl]-1-aminoethane; alpha-desmethyl DOB; 2C-B, Nexus.

(4) 2, 5-Dimethoxy-4-ethylamphet-amine (7399). Other name: DOET.

(5) 2, 5-Dimethoxy-4-(n)-propylthiophenethylamine (7348). Other name: 2C-T-7.

(6) 2, 5-Dimethoxyamphetamine (7396). Some trade or other names: 2, 5-Dimethoxy-a-methylphenethylamine; 2, 5-DMA.

(7) 4-Methoxyamphetamine (7411). Some trade or other names: 4-Methoxy-a-methylphenethylamine; Paramethoxyamphetamine; PMA.

(8) 5-Methoxy-3, 4-methylenedioxy amphetamine (7401). Other Name: MMDA.

(9) 5-Methoxy-N, N-diisopropyltryptamine, including any isomers, salts, or salts of isomers (7439). Other name: 5-MeO-DIPT.

(10) 4-methyl-2, 5-dimethoxyamphetamine (7395). Some trade and other names: 4-methyl-2, 5-dimethoxy-a-methylphenethylamine; DOM; and STP.

(11) 3, 4-methylenedioxy amphetamine (7400). Other name: MDA.

(12) 3,4-methylenedioxy-N-ethylamphetamine (7404). Other names: N-ethyl-alpha-methyl-3,4(methylenedioxy) phenethylamine; N-ethyl MDA; MDE; and MDEA.

(13) 3, 4-methylenedioxymethamphetamine (MDMA) (7405).

(14) 3, 4, 5-trimethoxy amphetamine (7390). Other name: TMA.

(15) Alpha-ethyltryptamine (7249). Some trade and other names: Etryptamine; Monase; [alpha]-ethyl-1H-indole-3-ethanamine; 3-(2-aminobutyl) indole; [alpha]-ET; and AET.

(16) Alpha-methyltryptamine (7432). Other name: AMT.

(17) Bufotenine (7433). Some trade and other names:

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3-(B-Dimethylaminoethyl)-5-hydroxyindole; 3-(2-dimethylaminonethyl)-5-indolol; N, N-dimethylserotonin; 5-hydroxy-N, N-dimethyltryptamine; mappine.

(18) Diethyltryptamine (7434). Some trade or other names: N, N-Diethyltryptamine; DET.

(19) Dimethyltrytamine (7435). Some trade or other names: DMT.

(20) Ibogaine (7260). Some trade and other names: 7-Ethyl-6, 6b, 7, 8, 9, 10, 12, 13-octahydro-2-methoxy-6, 9-methano-5H-pyrido (1', 2': 1, 2, azepino 4, 5-b) indole; tabernanthe iboga.

(21) Lysergic acid diethylamide (7315). Other name: LSD.

(22) Marijuana (7360).

(23) Mescaline (7381).

(24) Parahexyl (7374). Some trade or other names: 3-Hexyl-1-hydroxy-7, 8, 9, 10-Tetrahydro-6, 6, 9-trimethyl-6H-dibenzo (b,d) pyran; Snyhexyl.

(25) Peyote (7415), including:

(A) all parts of the plant that are classified botanically as lophophora williamsii lemaire, whether growing or not;

(B) the seeds thereof;

(C) any extract from any part of the plant; and

(D) every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or extracts.

(26) N-ethyl-3-piperidyl benzilate (7482). Other name: DMZ.

(27) N-hydroxy-3,4-methylenedioxyamphetamine (7402). Other names: N-hydroxy-alpha-methyl-3,4 (methylenedioxy)phenethylamine; and N-hydroxy MDA.

(28) N-methyl-3-piperidyl benzilate (7484). Other name: LBJ.

(29) Psilocybin (7437).

(30) Psilocyn (7438).

(31) Tetrahydrocannabinols (7370), including synthetic equivalents of the substances contained in the plant, or in the resinous extractives of Cannabis, sp. and synthetic substances, derivatives, and their isomers with similar chemical structure and pharmacological activity such as:

(A) $\pi^1$ cis or trans tetrahydrocannabinol, and their optical isomers;

(B) $\pi^6$ cis or trans tetrahydrocannabinol, and their optical isomers; and

(C) $\pi^{3,}{}_4$ cis or trans tetrahydrocannabinol, and their optical isomers.

Since nomenclature of these substances is not internationally

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standardized, compounds of these structures, regardless of numerical designation of atomic positions are covered. Other name: THC.

(32) Ethylamine analog of phencyclidine (7455). Some trade or other names: N-Ethyl-1-phenylcyclohexylamine; (1-phenylcyclohexyl) ethylamine; N-(1-phenylcyclohexyl) ethylamine; cyclohexamine; PCE.

(33) Pyrrolidine analog of phencyclidine (7458). Some trade or other names: 1-(1-phenylcyclohexyl)-pyrrolidine; $PCP_y$; PHP.

(34) Thiophene analog of phencyclidine (7470). Some trade or other names: 1-(1-(2-thienyl) cyclohexyl) piperidine; 2-Thienyl Analog of Phencyclidine; TPCP.

(35) Synthetic cannabinoids, including a substance containing one (1) or more of the following chemical compounds:

(A) JWH-015 ((2-Methyl-1-propyl-1H-indol-3-yl)-1-naphthalenylmethanone).

(B) JWH-018 (1-pentyl-3-(1-naphthoyl)indole).

(C) JWH-019 (1-hexyl-3-(naphthalen-1-oyl)indole).

(D) JWH-073 (naphthalen-1-yl-(1-butylindol-3-yl)methanone).

(E) JWH-081 (4-methoxynaphthalen- 1-yl- (1-pentylindol-3-yl)methanone).

(F) JWH-122 (1-Pentyl-3-(4-methyl-1-naphthoyl)indole).

~~(G) JWH-200 (1-(2-morpholin-4-ylethyl)indol-3-yl)-naphthalen-1-ylmethanone).~~

**(G) JWH-200 ((1-(2-morpholin-4-ylethyl)indol-3-yl)-naphthalen-1-ylmethanone).**

(H) JWH-250 (1-pentyl-3-(2-methoxyphenylacetyl)indole).

(I) JWH-251 (1-pentyl-3-(2-methylphenylacetyl)indole).

(J) JWH-398 (1-pentyl-3-(4-chloro-1-naphthoyl)indole).

(K) HU-210 ((6aR,10aR)- 9-(Hydroxymethyl)- 6,6-dimethyl-3-(2-methyloctan-2-yl)- 6a,7,10,10a- tetrahydrobenzo [c]chromen- 1-ol).

(L) HU-211 ((6aS,10aS)-9-(Hydroxymethyl)- 6,6-dimethyl-3-(2-methyloctan-2-yl)- 6a,7,10,10a-tetrahydrobenzo [c]chromen-1-ol).

(M) HU-308 ([(1R,2R,5R)-2-[2,6-dimethoxy-4-(2-methyloctan- 2-yl)phenyl]-7,7-dimethyl-4-bicyclo[3.1.1]hept-3-enyl] methanol).

~~(N) HU-331 ((3-hydroxy-2- [(1R,6R)-3-methyl-6-(1-methylethenyl)-2 -cyclohexen-1-yl]-5 -pentyl-2,5-cyclohexadiene-1,4-dione).~~



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**(N) HU-331 (3-hydroxy-2- [(1R,6R)-3-methyl-6-(1-methylethenyl)-2 -cyclohexen-1-yl]-5 -pentyl-2,5-cyclohexadiene-1,4-dione).**

(O) CP 55,940 (2-[(1R,2R,5R)-5-hydroxy-2-(3-hydroxypropyl) cyclohexyl]- 5-(2-methyloctan-2-yl)phenol).

(P) CP 47,497 (2-[(1R,3S)-3-hydroxycyclohexyl]- 5-(2-methyloctan-2-yl)phenol) and its homologues.

(Q) WIN 55212-2 ((R)-(+)-[2,3-Dihydro-5-methyl-3-(4-morpholinylmethyl) pyrrolo [1,2,3-de)- 1,4- benzoxazin-6-yl]-1-napthalenylmethanone).

(R) RCS-4 ((4-methoxyphenyl) (1-pentyl-1H-indol-3-yl)methanone).

(S) RCS-8 (1-(1-(2-cyclohexylethyl)-1H-indol-3-yl)-2-(2-methoxyphenyl)ethanone).

(T) 4-Methylmethcathinone. Other name: mephedrone.

(U) 3,4-Methylenedioxymethcathinone. Other name: methylone.

(V) Fluoromethcathinone.

(W) 4-Methoxymethcathinone. Other name: methedrone.

(X) 4-Ethylmethcathinone. Other name: 4-EMC.

(Y) Methylenedioxypyrovalerone. Other name: MDPV.

(36) Salvia divinorum or salvinorin A, including:

(A) all parts of the plant that are classified botanically as salvia divinorum, whether growing or not;

(B) the seeds of the plant;

(C) any extract from any part of the plant; and

(D) every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or extracts.

(e) Depressants. Unless specifically excepted in a rule adopted by the board or unless listed in another schedule, any material, compound, mixture, or preparation which contains any quantity of the following substances having a depressant effect on the central nervous system, including its salts, isomers, and salts of isomers whenever the existence of such salts, isomers, and salts of isomers is possible within the specific chemical designation:

Gamma-hydroxybutyric acid (other names include GHB; gamma-hydroxybutyrate; 4-hydroxybutanoic acid; sodium oxybate; sodium oxybutyrate) (2010)

Mecloqualone (2572)

Methaqualone (2565)

(f) Stimulants. Unless specifically excepted or unless listed in

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another schedule, any material, compound, mixture, or preparation that contains any quantity of the following substances having a stimulant effect on the central nervous system, including its salts, isomers, and salts of isomers:

([+/-]) cis-4-methylaminorex (([+/-])cis-4,5-dihydro-4-methyl-5-phenyl-2-oxazolamine) (1590)

Aminorex (1585). Other names: aminoxaphen; 2-amino-5-phenyl-2-oxazoline; or 4,5-dihydro-5-phenyl-2-oxazolamine.

Cathinone (1235). Some trade or other names: 2-amino-1-phenyl-1-propanone; alpha-aminopropiophenone; 2-aminopropiophenone; and norephedrone.

Fenethylline (1503).

N-Benzylpiperazine (7493). Other names: BZP; and 1-benzylpiperazine.

N-ethylamphetamine (1475)

Methcathinone (1237) Some other trade names: 2-Methylamino-1-Phenylpropan-I-one; Ephedrone; Monomethylpropion; UR 1431.

N, N-dimethylamphetamine (1480). Other names: N, N-alpha-trimethyl-benzeneethanamine; and N, N-alpha-trimethylphenethylamine.

SECTION 232. IC 35-48-4-11, AS AMENDED BY P.L.138-2011, SECTION 17, AND AS AMENDED BY P.L.182-2011, SECTION 17, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11. A person who:

(1) knowingly or intentionally possesses (pure or adulterated) marijuana, hash oil, hashish, salvia, or a synthetic cannabinoid;

(2) knowingly or intentionally grows or cultivates marijuana; or

(3) knowing that marijuana is growing on the person's premises, fails to destroy the marijuana plants;

commits possession of marijuana, hash oil, hashish, salvia, or a synthetic cannabinoid, a Class A misdemeanor. However, the offense is a Class D felony ~~(i)~~ if the amount involved is more than thirty (30) grams of marijuana or two (2) grams of hash oil, hashish, salvia, or a synthetic cannabinoid, or ~~(ii)~~ if the person has a prior conviction of an offense involving marijuana, hash oil, or hashish, salvia, or a synthetic cannabinoid.

SECTION 233. IC 35-51-4-1, AS ADDED BY P.L.70-2011, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. The following statutes define crimes in IC 4:

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IC 4-1-10-8 (Concerning state agencies).
IC 4-1-10-9 (Concerning state agencies).
IC 4-2-6-13 (Concerning state officers).
IC 4-2-6-14 (Concerning state officers).
IC 4-2-7-8 (Concerning the inspector general).
IC 4-4-27-8 (Concerning the inspection of grain).
IC 4-11-1-6 (Concerning certain loans and mortgages).
IC 4-13-1.2-11 (Concerning the department of correction ombudsman).
IC 4-13-4.1-4 (Concerning the department of administration).
IC 4-13-19-11 (Concerning the department of child services ombudsman).
IC 4-13.6-4-14 (Concerning state public works).
IC 4-15-2-42 (Concerning state merit employment).
IC 4-15-10-4 (Concerning certain state employee reports).
IC 4-21.5-3-36 (Concerning administrative proceedings).
IC 4-21.5-3-37 (Concerning administrative proceedings).
IC 4-30-3-19 (Concerning the lottery).
IC 4-30-3-19.5 (Concerning the lottery).
IC 4-30-3-19.7 (Concerning the lottery).
IC 4-30-12-5 (Concerning the lottery).
IC 4-30-13-1 (Concerning the lottery).
IC 4-30-14-1 (Concerning the lottery).
IC 4-30-14-2 (Concerning the lottery).
IC 4-30-14-3 (Concerning the lottery).
IC 4-30-14-4 (Concerning the lottery).
IC 4-30-14-5 (Concerning the lottery).
IC 4-30-14-6 (Concerning the lottery).
IC 4-31-13-3 (Concerning horse racing).
IC 4-31-13-3.5 (Concerning horse racing).
IC 4-31-13-9 (Concerning ~~the lottery).~~ **horse racing).**
IC 4-32.2-8-4 (Concerning charity gaming).
IC 4-33-10-1 (Concerning riverboat gambling).
IC 4-33-10-2 (Concerning riverboat gambling).
IC 4-33-10-2.1 (Concerning riverboat gambling).
IC 4-33-10-2.5 (Concerning riverboat gambling).
IC 4-33-22-14 (Concerning boxing and mixed martial arts).
IC 4-33-22-40 (Concerning boxing and mixed martial arts).
IC 4-35-9-2 (Concerning gambling games at racetracks).
IC 4-35-9-3 (Concerning gambling games at racetracks).
IC 4-35-9-4 (Concerning gambling games at racetracks).
IC 4-35-9-5 (Concerning gambling games at racetracks).

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IC 4-36-6-5 (Concerning gambling in certain establishments).

SECTION 234. IC 35-51-6-1, AS ADDED BY P.L.70-2011, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. The following statutes define crimes in IC 6:

IC 6-1.1-5.5-10 (Concerning sales disclosure forms).
IC 6-1.1-37-1 (Concerning officers of the state or local government).
IC 6-1.1-37-2 (Concerning officials or representatives of the department of local government).
IC 6-1.1-37-3 (Concerning property tax returns, statements, or documents).
IC 6-1.1-37-4 (Concerning property tax deductions).
IC 6-1.1-37-5 (Concerning false statements on a report or application).
IC 6-1.1-37-6 (Concerning general assessments).
IC 6-2.3-5.5-12 (Concerning utility taxes).
IC 6-2.3-7-1 (Concerning taxes).
IC 6-2.3-7-2 (Concerning taxes).
IC 6-2.3-7-3 (Concerning taxes).
IC 6-2.3-7-4 (Concerning taxes).
IC 6-2.5-9-1 (Concerning taxes).
IC 6-2.5-9-2 (Concerning taxes).
IC 6-2.5-9-3 (Concerning taxes).
IC 6-2.5-9-6 (Concerning taxes).
IC 6-2.5-9-7 (Concerning retail sales).
IC 6-2.5-9-8 (Concerning taxes).
IC 6-3-3-9 (Concerning taxes).
IC 6-3-4-8 (Concerning taxes).
IC 6-3-6-10 (Concerning taxes).
IC 6-3-6-11 (Concerning taxes).
IC 6-3-7-5 (Concerning taxes).
IC 6-3.5-4-16 (Concerning taxes).
IC 6-4.1-12-12 (Concerning taxes).
IC 6-5.5-7-3 (Concerning taxes).
IC 6-5.5-7-4 (Concerning taxes).
IC 6-6-1.1-1307 (Concerning taxes).
IC 6-6-1.1-1308 (Concerning taxes).
IC 6-6-1.1-1309 (Concerning taxes).
IC 6-6-1.1-1310 (Concerning taxes).
IC 6-6-1.1-1311 (Concerning taxes).
IC 6-6-1.1-1312 (Concerning taxes).

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IC 6-6-1.1-1313 (Concerning taxes).
IC 6-6-1.1-1316 (Concerning taxes).
IC 6-6-2.5-28 (Concerning taxes).
IC 6-6-2.5-40 (Concerning fuel).
IC 6-6-2.5-56.5 (Concerning fuel).
IC 6-6-2.5-62 (Concerning fuel).
IC 6-6-2.5-63 (Concerning taxes).
IC 6-6-2.5-71 (Concerning taxes).
IC 6-6-5-11 (Concerning taxes).
IC 6-6-5.1-25 (Concerning taxes).
IC 6-6-6-10 (Concerning taxes).
IC 6-6-11-27 (Concerning taxes).
IC 6-7-1-15 (Concerning tobacco taxes).
IC 6-7-1-21 (Concerning tobacco taxes).
IC 6-7-1-22 (Concerning tobacco taxes).
IC 6-7-1-23 (Concerning tobacco taxes).
IC 6-7-1-24 (Concerning tobacco taxes).
IC 6-7-1-36 (Concerning tobacco taxes).
IC 6-7-2-18 (Concerning tobacco taxes).
IC 6-7-2-19 (Concerning tobacco taxes).
IC 6-7-2-20 (Concerning tobacco taxes).
IC 6-7-2-21 (Concerning tobacco taxes).
IC 6-8-1-19 (Concerning petroleum severance taxes).
IC 6-8-1-23 (Concerning petroleum severance taxes).
IC 6-8-1-24 (Concerning petroleum severance taxes).
IC 6-8.1-3-21.2 (Concerning taxes).
IC 6-8.1-7-3 (Concerning taxes).
IC 6-8.1-8-2 (Concerning taxes).
IC 6-8.1-10-4 (Concerning taxes).
IC 6-9-2-5 (Concerning innkeeper's taxes).
IC 6-9-2.5-8 (Concerning innkeeper's taxes).
IC 6-9-4-8 (Concerning innkeeper's taxes).
IC 6-9-6-8 (Concerning innkeeper's taxes).
IC 6-9-7-8 (Concerning innkeeper's taxes).
IC 6-9-10-8 (Concerning innkeeper's taxes).
**IC 6-9-10.5-12 (Concerning innkeeper's taxes).**
IC 6-9-11-8 (Concerning innkeeper's taxes).
IC 6-9-14-8 (Concerning innkeeper's taxes).
IC 6-9-15-8 (Concerning innkeeper's taxes).
IC 6-9-16-8 (Concerning innkeeper's taxes).
IC 6-9-17-8 (Concerning innkeeper's taxes).
IC 6-9-18-8 (Concerning innkeeper's taxes).

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IC 6-9-19-8 (Concerning innkeeper's taxes).
IC 6-9-29-2 (Concerning innkeeper's taxes).
IC 6-9-32-8 (Concerning innkeeper's taxes).
IC 6-9-37-8 (Concerning innkeeper's taxes).

SECTION 235. IC 35-51-7-1, AS ADDED BY P.L.70-2011, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. The following statutes define crimes in IC ~~7:~~ **7.1:**

IC 7.1-3-10-10 (Concerning liquor dealer's permits).
IC 7.1-3-26-15 (Concerning direct wine seller's permits).
IC 7.1-5-1-3 (Concerning public intoxication).
IC 7.1-5-1-6 (Concerning public intoxication).
IC 7.1-5-1-8 (Concerning alcohol).
IC 7.1-5-1-9 (Concerning alcohol).
IC 7.1-5-1-9.5 (Concerning alcohol).
IC 7.1-5-1-12 (Concerning alcohol).
IC 7.1-5-4-1 (Concerning alcohol).
IC 7.1-5-6-1 (Concerning alcohol).
IC 7.1-5-7-1 (Concerning alcohol).
IC 7.1-5-7-2 (Concerning alcohol).
IC 7.1-5-7-7 (Concerning alcohol).
IC 7.1-5-7-8 (Concerning alcohol).
IC 7.1-5-7-10 (Concerning alcohol).
IC 7.1-5-7-12 (Concerning alcohol).
IC 7.1-5-7-14 (Concerning alcohol).
IC 7.1-5-8-1 (Concerning alcohol and tobacco).
IC 7.1-5-8-3 (Concerning alcohol).
IC 7.1-5-8-5 (Concerning alcohol).
IC 7.1-5-8-6 (Concerning alcohol).
IC 7.1-5-10-10 (Concerning alcohol).
IC 7.1-5-10-21 (Concerning alcohol).
IC 7.1-5-10-23 (Concerning alcohol).
IC 7.1-5-11-5 (Concerning alcohol).
IC 7.1-5-11-16 (Concerning alcohol).

SECTION 236. IC 35-51-8-1, AS ADDED BY P.L.70-2011, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. The following statutes define crimes in IC 8:

IC 8-1-2-79 (Concerning utilities).
IC 8-1-2-102 (Concerning utilities).
IC 8-1-2-103 (Concerning utilities).
IC 8-2-3-1 (Concerning fraudulent bills of lading).

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IC 8-2.1-22-46 (Concerning motor carrier regulation).
IC 8-2.1-25-7 (Concerning motor carrier regulation).
~~IC 8-3-1-13 (Concerning railroads).~~
IC 8-3-15-3 (Concerning railroads).
IC 8-10-1-23 (Concerning ports).
IC 8-10-1-29 (Concerning ports).
IC 8-15.5-13-8 (Concerning prohibited political contributions).
IC 8-15.7-16-8 (Concerning prohibited political contributions).
IC 8-21-1-12 (Concerning aeronautics).
IC 8-21-2-5 (Concerning aeronautics).
IC 8-21-4-8 (Concerning aeronautics).
IC 8-21-4-9 (Concerning aeronautics).
IC 8-21-9-35 (Concerning aeronautics).
IC 8-22-2-20 (Concerning aeronautics).
IC 8-23-20-22 (Concerning billboards).
IC 8-23-23-3 (Concerning Indiana department of transportation inspectors).

SECTION 237. IC 35-51-12-1, AS ADDED BY P.L.70-2011, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. The following statutes define crimes in IC 12:

IC 12-10-13-20 (Concerning long term care ombudsman program).
IC 12-11-13-16 (Concerning statewide waiver ombudsman).
IC 12-13-14-4.5 (Concerning electronic benefits transfer).
IC 12-14-22-8 (Concerning family assistance services).
IC 12-15-24-2 (Concerning Medicaid).
IC 12-15-35-44 (Concerning Medicaid).
IC 12-17.2-4-35 (Concerning day care regulation).
IC 12-17.2-5-35 (Concerning day care regulation).
IC 12-17.6-6-12 (Concerning children's health insurance program).
IC 12-20-7-6 (Concerning township assistance).
IC 12-20-25-55 (Concerning township assistance).
IC 12-24-17-3 (Concerning state institutions).
IC 12-24-17-6 (Concerning state institutions).
IC 12-24-17-7 (Concerning state institutions).
**IC 12-32-1-7 (Concerning verifications of eligibility for public benefits).**

SECTION 238. IC 35-51-14-1, AS ADDED BY P.L.70-2011, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. The following statutes define crimes in

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IC 14:

IC 14-9-8-19 (Concerning the department of natural resources).
IC 14-15-3-31 (Concerning watercraft).
IC 14-15-4-4 (Concerning watercraft accidents).
IC 14-15-8-8 (Concerning operating a watercraft while intoxicated).
IC 14-15-8-9 (Concerning operating a watercraft while intoxicated).
IC 14-15-9-8 (Concerning divers).
IC 14-15-11-11 (Concerning motorboat operators).
IC 14-15-12-13 (Concerning personal watercraft).
IC 14-16-1-29 (Concerning off-road vehicles).
IC 14-17-4-8 (Concerning property acquisition).
~~IC 14-20-1-25 (Concerning state museums and historic sites).~~
IC 14-21-1-16 (Concerning historic preservation and archeology).
IC 14-21-1-26 (Concerning historic preservation and archeology).
IC 14-21-1-26.5 (Concerning historic preservation and archeology).
IC 14-21-1-27 (Concerning historic preservation and archeology).
IC 14-21-1-28 (Concerning historic preservation and archeology).
IC 14-21-1-36 (Concerning historic preservation and archeology).
IC 14-21-2-5 (Concerning historic preservation and archeology).
**IC 14-22-13-10 (Concerning commercial fishing licenses).**
IC 14-22-17-4 (Concerning fish and wildlife).
IC 14-22-32-3 (Concerning fish and wildlife).
IC 14-22-34-12 (Concerning fish and wildlife).
IC 14-22-37-2 (Concerning fish and wildlife).
IC 14-22-37-3 (Concerning fish and wildlife).
IC 14-22-38-1 (Concerning fish and wildlife).
IC 14-22-38-3 (Concerning fish and wildlife).
IC 14-22-38-6 (Concerning fish and wildlife).
IC 14-22-40-6 (Concerning fish and wildlife).
IC 14-23-7-5 (Concerning forestry).
IC 14-24-11-4 (Concerning entomology and plant pathology).
IC 14-26-7-8 (Concerning lakes and reservoirs).
IC 14-27-6-52 (Concerning levees, dams, and drainage).
IC 14-29-8-5 (Concerning rivers, streams, and waterways).
IC 14-31-3-15 (Concerning nature preserves).
IC 14-31-3-16 (Concerning nature preserves).
IC 14-31-3-17 (Concerning nature preserves).
IC 14-31-3-19 (Concerning nature preserves).
IC 14-31-3-20 (Concerning nature preserves).

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IC 14-31-3-21 (Concerning nature preserves).
IC 14-34-2-6 (Concerning surface coal mining and reclamation).
IC 14-34-16-6 (Concerning surface coal mining and reclamation).
IC 14-34-16-7 (Concerning surface coal mining and reclamation).
IC 14-37-13-6 (Concerning oil and gas).

SECTION 239. IC 36-1-12-4, AS AMENDED BY P.L.139-2011, SECTION 6, AND AS AMENDED BY P.L.172-2011, SECTION 139, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) This section applies whenever the cost of a public work project will be:

~~*(1) at least seventy-five thousand dollars ($75,000) in:*~~

~~*(A) a consolidated city or second class city;*~~

~~*(B) a county containing a consolidated city or second class city; or*~~

~~*(C) a regional water or sewage district established under IC 13-26; or*~~

~~*(2) at least fifty thousand dollars ($50,000) in a political subdivision or an agency not described in subdivision (1).*~~

*(1) except as provided in subdivision (2), at least one hundred fifty thousand dollars ($150,000); or*

*(2) in the case of a board of aviation commissioners or an airport authority board, at least one hundred thousand dollars ($100,000).*

(b) The board must comply with the following procedure:

(1) The board shall prepare general plans and specifications describing the kind of public work required, but shall avoid specifications which might unduly limit competition. If the project involves the resurfacing (as defined by IC 8-14-2-1) of a road, street, or bridge, the specifications must show how the weight or volume of the materials will be accurately measured and verified.

(2) The board shall file the plans and specifications in a place reasonably accessible to the public, which shall be specified in the notice required by subdivision (3).

(3) Upon the filing of the plans and specifications, the board shall publish notice in accordance with IC 5-3-1 calling for sealed proposals for the public work needed.

(4) The notice must specify the place where the plans and specifications are on file and the date fixed for receiving bids.

(5) The period of time between the date of the first publication and the date of receiving bids shall be governed by the size of the contemplated project in the discretion of the board. The period of

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time between the date of the first publication and receiving bids may not be more than:

(A) six (6) weeks if the estimated cost of the public works project is less than twenty-five million dollars ($25,000,000); and

(B) ten (10) weeks if the estimated cost of the public works project is at least twenty-five million dollars ($25,000,000).

(6) ~~*If the cost of a project is one hundred thousand dollars ($100,000) or more,*~~ The board shall require the bidder to submit a financial statement, a statement of experience, a proposed plan or plans for performing the public work, and the equipment that the bidder has available for the performance of the public work. The statement shall be submitted on forms prescribed by the state board of accounts.

(7) The board may not require a bidder to submit a bid before the meeting at which bids are to be received. The meeting for receiving bids must be open to the public. All bids received shall be opened publicly and read aloud at the time and place designated and not before. *Notwithstanding any other law, bids may be opened after the time designated if both of the following apply:*

*(A) The board makes a written determination that it is in the best interest of the board to delay the opening.*

*(B) The day, time, and place of the rescheduled opening are announced at the day, time, and place of the originally scheduled opening.*

(8) Except as provided in subsection (c) *or (after June 30, 2011) section 22 of this chapter,* the board shall:

(A) award the contract for public work or improvements to the lowest responsible and responsive bidder; or

(B) reject all bids submitted.

(9) If the board awards the contract to a bidder other than the lowest bidder, the board must state in the minutes or memoranda, at the time the award is made, the factors used to determine which bidder is the lowest responsible and responsive bidder and to justify the award. The board shall keep a copy of the minutes or memoranda available for public inspection.

(10) In determining whether a bidder is responsive, the board may consider the following factors:

(A) Whether the bidder has submitted a bid or quote that conforms in all material respects to the specifications.

(B) Whether the bidder has submitted a bid that complies

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specifically with the invitation to bid and the instructions to bidders.

(C) Whether the bidder has complied with all applicable statutes, ordinances, resolutions, or rules pertaining to the award of a public contract.

(11) In determining whether a bidder is a responsible bidder, the board may consider the following factors:

(A) The ability and capacity of the bidder to perform the work.

(B) The integrity, character, and reputation of the bidder.

(C) The competence and experience of the bidder.

(12) The board shall require the bidder to submit an affidavit:

(A) that the bidder has not entered into a combination or agreement:

(i) relative to the price to be bid by a person;

(ii) to prevent a person from bidding; or

(iii) to induce a person to refrain from bidding; and

(B) that the bidder's bid is made without reference to any other bid.

(c) Notwithstanding subsection (b)(8), a county may award sand, gravel, asphalt paving materials, or crushed stone contracts to more than one (1) responsible and responsive bidder if the specifications allow for bids to be based upon service to specific geographic areas and the contracts are awarded by geographic area. The geographic areas do not need to be described in the specifications.

SECTION 240. IC 36-7-4-214, AS AMENDED BY P.L.126-2011, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 214. (a) ADVISORY. When a municipal plan commission exercises jurisdiction outside the incorporated area of the municipality as provided for in section 205 of the advisory planning law, the executive of the county in which the unincorporated area is located shall appoint two (2) additional citizen members to the municipal plan commission. The citizen members must:

(1) be residents of:

(A) the unincorporated area; or

(B) the county, and must also be owners of real property located in whole or in part within the unincorporated area; and

(2) not be of the same political party.

However, at least one (1) of the members must be a resident of the ~~incorporated~~ **unincorporated** area.

(b) ADVISORY. Initially, one (1) member under subsection (a) shall be appointed for a term of one (1) year and the other for a term of four (4) years. Thereafter, each appointment is for a term of four (4)

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years. The additional citizen members are entitled to participate and vote in all deliberations of the municipal plan commission.

(c) ADVISORY. If the unincorporated area referred to in subsection (a) lies in two (2) counties, the executive of each of those counties shall appoint one (1) of the additional citizen members. The executive of the county having the larger proportion of the unincorporated area shall appoint its member first, and the executive of the other county shall then appoint its member, who must not be of the same political party.

SECTION 241. IC 36-7-13.5-3, AS AMENDED BY P.L.159-2011, SECTION 48, AND AS AMENDED BY P.L.197-2011, SECTION 129, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. The commission consists of the following members:

(1) The following *voting* members: ~~*appointed by the governor:*~~

(A) The mayor of East Chicago.

(B) The mayor of Gary.

(C) The mayor of Hammond.

(D) The mayor of Michigan City.

(E) The mayor of Portage.

(F) The mayor of Whiting.

(G) Two (2) ~~*representatives*~~ *members,* each ~~*from a*~~ *representing and appointed by a different* steel company that owns land abutting Lake Michigan with a continuous shoreline of not less than one (1) mile.

(H) One (1) ~~*representative of*~~ *member to represent and to be appointed by* a company that:

(i) is not a steel company; and

(ii) owns land abutting Lake Michigan with a continuous shoreline of not less than three-tenths (0.3) mile.

~~*(I) One (1) representative of the department of environmental management.*~~

~~*(J) One (1) representative of the department of natural resources.*~~

~~*(K) One (1) representative of the Indiana department of transportation.*~~

~~*(L)*~~ *(I)* One (1) ~~*representative of*~~ *member appointed jointly by the executives of the following municipalities:*

(i) Beverly Shores.

~~*(M) One (1) representative of Burns Harbor.*~~

~~*(N) One (1) representative of*~~ *(ii)* Dune Acres.

~~*(O) One (1) representative of*~~ *(iii)* Ogden Dunes.

*(J) One (1) member appointed jointly by the executives of the*



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*following municipalities:*

*(i) Burns Harbor.*

*(ii) Chesterton.*

*(iii) Porter.*

~~*(P)*~~ *(K)* One (1) ~~*representative of*~~ *member appointed by* a public utility that owns real property that:

(i) is located in the counties contiguous to Lake Michigan; and

(ii) has a total assessed value that exceeds the total assessed value of real property in the counties contiguous to Lake Michigan that is owned by any other public utility.

~~*(Q) The port director of the Port of Indiana-Burns Harbor.*~~

~~*(2) One (1) member, preferably from a visitor and tourism business, appointed by the lieutenant governor.*~~

~~*(3)*~~ *(L)* Two (2) members appointed by the speaker of the house of representatives who:

~~*(A)*~~ *(i)* are members of the house of representatives;

~~*(B)*~~ *(ii)* represent house districts that have territory within the corridor; and

~~*(C)*~~ *(iii)* are not affiliated with the same political party.

If ~~*all the house districts that have territory within the corridor are represented by members of the house of representatives who are from the same political party,*~~ *the requirement under item (iii) cannot be satisfied,* the speaker ~~*shall appoint a member of the house of representatives who represents a house district that is located anywhere in a county that has territory within the corridor to satisfy*~~ *may disregard* the requirement under ~~*clause (C).*~~ *item (iii) when appointing members under this clause.*

~~*(4)*~~ *(M)* Two (2) members appointed by the president pro tempore of the senate who:

~~*(A)*~~ *(i)* are members of the senate;

~~*(B)*~~ *(ii)* represent senate districts that have territory within the corridor; and

~~*(C)*~~ *(iii)* are not affiliated with the same political party.

If ~~*all the senate districts that have territory within the corridor are represented by members of the senate who are from the same political party,*~~ *the requirement under item (iii) cannot be satisfied,* the president pro tempore ~~*shall appoint a member of the senate who represents a senate district that is located anywhere in a county that has territory within the corridor to satisfy*~~ *may disregard* the requirement under ~~*clause (C).*~~ *item*

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*(iii) when appointing members under this clause.*

*(2) The following nonvoting members:*

*(A) One (1) member to represent the department of environmental management, appointed by the governor.*

*(B) One (1) member to represent the department of natural resources, appointed by the governor.*

*(C) One (1) member to represent the Indiana department of transportation, appointed by the governor.*

*(D) One (1) member appointed by the executive of the Indiana Dunes National Lakeshore.*

*(E) The port director of the Port of Indiana-Burns Harbor.*

*(F) One (1) member appointed by the Lake County Convention and Visitors Bureau.*

*(G) One (1) member appointed by the LaPorte County Convention and Visitors Bureau.*

*(H) One (1) member appointed by the Porter County Convention Recreation and Visitor Commission.*

SECTION 242. IC 36-7-14-39.3, AS AMENDED BY P.L.172-2011, SECTION 149, AND AS AMENDED BY P.L.220-2011, SECTION 664, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 39.3. (a) As used in this section, "depreciable personal property" refers to:

(1) all of the designated taxpayer's depreciable personal property that is located in the allocation area; and

(2) all other depreciable property located and taxable on the designated taxpayer's site of operations within the allocation area.

(b) As used in this section, "designated taxpayer" means any taxpayer designated by the commission in a declaratory resolution adopted or amended under section 15 or 17.5 of this chapter, and with respect to which the commission finds that taxes to be derived from the depreciable personal property in the allocation area, in excess of the taxes attributable to the base assessed value of that personal property, are needed to pay debt service or to provide security for bonds issued under section 25.1 of this chapter or to make payments or to provide security on leases payable under section 25.2 of this chapter in order to provide local public improvements for a particular allocation area. However, a commission may not designate a taxpayer after June 30, 1992, unless the commission also finds that:

(1) the taxpayer's property in the allocation area will consist primarily of industrial, manufacturing, warehousing, research and development, processing, distribution, or transportation related projects *or regulated amusement devices (as defined in*

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*IC 22-12-1-19.1) and related improvements;* and

(2) the taxpayer's property in the allocation area will not consist primarily of retail, commercial, or residential projects, *other than an amusement park or tourism industry project.*

(c) The allocation provision of a declaratory resolution may modify the definition of "property taxes" under section 39(a) of this chapter to include taxes imposed under IC 6-1.1 on the depreciable personal property located and taxable on the site of operations of the designated taxpayers in accordance with the procedures and limitations set forth in this section and section 39 of this chapter. If such a modification is included in the resolution, for purposes of section 39 of this chapter the term "base assessed value" with respect to the depreciable personal property means the net assessed value of all the depreciable personal property as finally determined for the assessment date immediately preceding:

(1) the effective date of the modification, for modifications adopted before July 1, 1995; and

(2) the adoption date of the modification for modifications adopted after June 30, 1995;

as adjusted under section 39(h) of this chapter.

*(d) A declaratory resolution of a city redevelopment commission that is adopted before March 20, 1990, is legalized and validated as if it had been adopted under this section.*

*(e) An action taken by a redevelopment commission before February 24, 1992, to designate a taxpayer, modify the definition of property taxes, or establish a base assessed value as described in this section, as in effect on February 24, 1992, is legalized and validated as if this section, as in effect on February 24, 1992, had been in effect on the date of the action.*

*(f) The amendment made to this section by P.L.41-1992, does not affect actions taken pursuant to P.L.35-1990.*

*(g) A declaratory resolution or an amendment to a declaratory resolution that was adopted by:*

*(1) a county redevelopment commission for a county; or*

*(2) a city redevelopment commission for a city;*

*before February 26, 1992, is legalized and validated as if the declaratory resolution or amendment had been adopted under this section as amended by P.L.147-1992.*

SECTION 243. IC 36-7-15.1-35, AS AMENDED BY P.L.42-2011, SECTION 78, AND AS AMENDED BY P.L.203-2011, SECTION 15, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 35. (a) Notwithstanding section

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26(a) of this chapter, with respect to the allocation and distribution of property taxes for the accomplishment of a program adopted under section 32 of this chapter, "base assessed value" means the net assessed value of all of the land as finally determined for the assessment date immediately preceding the effective date of the allocation provision, as adjusted under section ~~26(g)~~ *26(h)* of this chapter. However, "base assessed value" does not include the value of real property improvements to the land.

(b) The special fund established under section 26(b) of this chapter for the allocation area for a program adopted under section 32 of this chapter may be used only for purposes related to the accomplishment of the program, including the following:

(1) The construction, rehabilitation, or repair of residential units within the allocation area.

(2) The construction, reconstruction, or repair of infrastructure (such as streets, sidewalks, and sewers) within or serving the allocation area.

(3) The acquisition of real property and interests in real property within the allocation area.

(4) The demolition of real property within the allocation area.

(5) To provide financial assistance to enable individuals and families to purchase or lease residential units within the allocation area. However, financial assistance may be provided only to those individuals and families whose income is at or below the county's median income for individuals and families, respectively.

(6) To provide financial assistance to neighborhood development corporations to permit them to provide financial assistance for the purposes described in subdivision (5).

(7) For property taxes first due and payable before 2009, to provide each taxpayer in the allocation area a credit for property tax replacement as determined under subsections (c) and (d). However, this credit may be provided by the commission only if the city-county legislative body establishes the credit by ordinance adopted in the year before the year in which the credit is provided.

(c) The maximum credit that may be provided under subsection (b)(7) to a taxpayer in a taxing district that contains all or part of an allocation area established for a program adopted under section 32 of this chapter shall be determined as follows:

STEP ONE: Determine that part of the sum of the amounts described in IC 6-1.1-21-2(g)(1)(A) ~~(repealed)~~ and IC 6-1.1-21-2(g)(2) through IC 6-1.1-21-2(g)(5) ~~(repealed)~~

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*(before their repeal)* that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of each county's eligible property tax replacement amount (as defined in IC 6-1.1-21-2 ~~(repealed)~~ *(before its repeal))* for that year as determined under IC 6-1.1-21-4(a)(1) ~~(repealed)~~ *(before its repeal)* that is attributable to the taxing district; by

(B) the amount determined under STEP ONE.

STEP THREE: Multiply:

(A) the STEP TWO quotient; by

(B) the taxpayer's taxes (as defined in IC 6-1.1-21-2 *(before its repeal))* ~~(repealed)~~ levied in the taxing district allocated to the allocation fund, including the amount that would have been allocated but for the credit.

(d) Except as provided in subsection (g), the commission may determine to grant to taxpayers in an allocation area from its allocation fund a credit under this section, as calculated under subsection (c), by applying one-half (1/2) of the credit to each installment of taxes (as defined in IC 6-1.1-21-2 *(before its repeal))* ~~(repealed)~~ that under IC 6-1.1-22-9 are due and payable in a year. Except as provided in subsection (g), one-half (1/2) of the credit shall be applied to each installment of taxes (as defined in IC 6-1.1-21-2 *(before its repeal)).* ~~(repealed).~~ The commission must provide for the credit annually by a resolution and must find in the resolution the following:

(1) That the money to be collected and deposited in the allocation fund, based upon historical collection rates, after granting the credit will equal the amounts payable for contractual obligations from the fund, plus ten percent (10%) of those amounts.

(2) If bonds payable from the fund are outstanding, that there is a debt service reserve for the bonds that at least equals the amount of the credit to be granted.

(3) If bonds of a lessor under section 17.1 of this chapter or under IC 36-1-10 are outstanding and if lease rentals are payable from the fund, that there is a debt service reserve for those bonds that at least equals the amount of the credit to be granted.

If the tax increment is insufficient to grant the credit in full, the commission may grant the credit in part, prorated among all taxpayers.

(e) Notwithstanding section 26(b) of this chapter, the special fund established under section 26(b) of this chapter for the allocation area for a program adopted under section 32 of this chapter may only be used to do one (1) or more of the following:

(1) Accomplish one (1) or more of the actions set forth in section

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~~26(b)(2)(A)~~ *26(b)(3)(A)* through ~~26(b)(2)(H)~~ *26(b)(3)(H)* of this chapter.

(2) Reimburse the consolidated city for expenditures made by the city in order to accomplish the housing program in that allocation area.

The special fund may not be used for operating expenses of the commission.

(f) Notwithstanding section 26(b) of this chapter, the commission shall, relative to the special fund established under section 26(b) of this chapter for an allocation area for a program adopted under section 32 of this chapter, do the following before July 15 of each year:

(1) Determine the amount, if any, by which the assessed value of the taxable property in the allocation area, when multiplied by the estimated tax rate of the allocation area, will exceed the amount of assessed value needed to produce the property taxes necessary *to:*

*(A) make the distribution required under section 26(b)(2) of this chapter;*

~~(A) to~~ *(B)* make, when due, principal and interest payments on bonds described in section ~~26(b)(2)~~ *26(b)(3)* of this chapter;

~~(B) to~~ *(C)* pay the amount necessary for other purposes described in section ~~26(b)(2)~~ *26(b)(3)* of this chapter; and

~~(C) to~~ *(D)* reimburse the consolidated city for anticipated expenditures described in subsection (e)(2).

(2) Provide a written notice to the county auditor, the legislative body of the consolidated city, and the officers who are authorized to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for each of the other taxing units that is wholly or partly located within the allocation area. The notice must:

(A) state the amount, if any, of excess assessed value that the commission has determined may be allocated to the respective taxing units in the manner prescribed in section 26(b)(1) of this chapter; or

(B) state that the commission has determined that there is no excess assessed value that may be allocated to the respective taxing units in the manner prescribed in section 26(b)(1) of this chapter.

The county auditor shall allocate to the respective taxing units the amount, if any, of excess assessed value determined by the commission.

(g) This subsection applies to an allocation area only to the extent that the net assessed value of property that is assessed as residential

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property under the rules of the department of local government finance is not included in the base assessed value. If property tax installments with respect to a homestead (as defined in IC 6-1.1-20.9-1 *(before its repeal))* ~~*(repealed)*~~ are due in installments established by the department of local government finance under IC 6-1.1-22-9.5, each taxpayer subject to those installments in an allocation area is entitled to an additional credit under subsection (d) for the taxes (as defined in IC 6-1.1-21-2 *(before its repeal))* ~~*(repealed)*~~ due in installments. The credit shall be applied in the same proportion to each installment of taxes (as defined in IC 6-1.1-21-2 *(before its repeal))*. ~~*(repealed).*~~

SECTION 244. IC 36-7-30.5-30, AS AMENDED BY P.L.42-2011, SECTION 80, AND AS AMENDED BY P.L.203-2011, SECTION 20, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 30. (a) The following definitions apply throughout this section:

(1) "Allocation area" means that part of a military base development area to which an allocation provision of a declaratory resolution adopted under section 16 of this chapter refers for purposes of distribution and allocation of property taxes.

(2) "Base assessed value" means:

(A) the net assessed value of all the property as finally determined for the assessment date immediately preceding the adoption date of the allocation provision of the declaratory resolution, as adjusted under subsection (h); plus

(B) to the extent that it is not included in clause (A) or (C), the net assessed value of any and all parcels or classes of parcels identified as part of the base assessed value in the declaratory resolution or an amendment to the declaratory resolution, as finally determined for any subsequent assessment date; plus

(C) to the extent that it is not included in clause (A) or (B), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

(3) "Property taxes" means taxes imposed under IC 6-1.1 on real property.

(b) A declaratory resolution adopted under section 16 of this chapter before the date set forth in IC 36-7-14-39(b) pertaining to declaratory resolutions adopted under IC 36-7-14-15 may include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. A declaratory resolution previously adopted may include an allocation provision by

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the amendment of that declaratory resolution in accordance with the procedures set forth in section 18 of this chapter. The allocation provision may apply to all or part of the military base development area. The allocation provision must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the allocation area be allocated and distributed as follows:

(1) Except as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:

(A) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(B) the base assessed value;

shall be allocated to and, when collected, paid into the funds of the respective taxing units.

*(2) The excess of the proceeds of the property taxes imposed for the assessment date with respect to which the allocation and distribution is made that are attributable to taxes imposed after being approved by the voters in a referendum or local public question conducted after April 30, 2010, not otherwise included in subdivision (1) shall be allocated to and, when collected, paid into the funds of the taxing unit for which the referendum or local public question was conducted.*

~~(2)~~ *(3)* Except as otherwise provided in this section, property tax proceeds in excess of those described in ~~subdivision~~ *subdivisions* (1) *and (2)* shall be allocated to the development authority and, when collected, paid into an allocation fund for that allocation area that may be used by the development authority and only to do one (1) or more of the following:

(A) Pay the principal of and interest and redemption premium on any obligations incurred by the development authority or any other entity for the purpose of financing or refinancing military base development or reuse activities in or directly serving or ~~benefitting~~ *benefiting* that allocation area.

(B) Establish, augment, or restore the debt service reserve for bonds payable solely or in part from allocated tax proceeds in that allocation area or from other revenues of the development authority, including lease rental revenues.

(C) Make payments on leases payable solely or in part from allocated tax proceeds in that allocation area.

(D) Reimburse any other governmental body for expenditures made for local public improvements (or structures) in or

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directly serving or ~~benefitting~~ **benefiting** that allocation area.

(E) For property taxes first due and payable before 2009, pay all or a part of a property tax replacement credit to taxpayers in an allocation area as determined by the development authority. This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district (as defined in IC 6-1.1-1-20) that contains all or part of the allocation area:

STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A), ~~*(repealed),*~~ IC 6-1.1-21-2(g)(2), ~~*(repealed),*~~ IC 6-1.1-21-2(g)(3), ~~*(repealed),*~~ IC 6-1.1-21-2(g)(4), ~~*(repealed),*~~ and IC 6-1.1-21-2(g)(5) ~~*(repealed)*~~ *(before their repeal)* that is attributable to the taxing district.

STEP TWO: Divide:

(i) that part of each county's eligible property tax replacement amount (as defined in IC 6-1.1-21-2 ~~*(repealed))*~~ *(before its repeal))* for that year as determined under IC 6-1.1-21-4 ~~*(repealed)*~~ *(before its repeal)* that is attributable to the taxing district; by

(ii) the STEP ONE sum.

STEP THREE: Multiply:

(i) the STEP TWO quotient; by

(ii) the total amount of the taxpayer's taxes (as defined in IC 6-1.1-21-2 ~~*(repealed))*~~ *(before its repeal))* levied in the taxing district that have been allocated during that year to an allocation fund under this section.

If not all the taxpayers in an allocation area receive the credit in full, each taxpayer in the allocation area is entitled to receive the same proportion of the credit. A taxpayer may not receive a credit under this section and a credit under section 32 of this chapter (before its repeal) in the same year.

(F) Pay expenses incurred by the development authority for local public improvements or structures that were in the allocation area or directly serving or ~~*benefitting*~~ *benefiting* the allocation area.

(G) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:

(i) in the allocation area; and

(ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local

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government finance.

However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made not more than three (3) years after the date on which the investments that are the basis for the increment financing are made.

The allocation fund may not be used for operating expenses of the development authority.

~~(3)~~ *(4)* Except as provided in subsection (g), before July 15 of each year the development authority shall do the following:

(A) Determine the amount, if any, by which property taxes payable to the allocation fund in the following year will exceed the amount of property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision ~~(2)~~ *(3)* plus the amount necessary for other purposes described in ~~*subdivision*~~ *subdivisions* (2) *and (3).*

(B) Provide a written notice to the appropriate county auditors and the fiscal bodies and other officers who are authorized to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for each of the other taxing units that is wholly or partly located within the allocation area. The notice must:

(i) state the amount, if any, of the excess property taxes that the development authority has determined may be paid to the respective taxing units in the manner prescribed in subdivision (1); or

(ii) state that the development authority has determined that there is no excess assessed value that may be allocated to the respective taxing units in the manner prescribed in subdivision (1).

The county auditors shall allocate to the respective taxing units the amount, if any, of excess assessed value determined by the development authority. The development authority may not authorize a payment to the respective taxing units under this subdivision if to do so would endanger the interest of the holders of bonds described in subdivision ~~(2)~~ *(3)* or lessors under section 24 of this chapter. Property taxes received by a taxing unit under this subdivision before 2009 are eligible for the property tax replacement credit provided under IC 6-1.1-21 ~~*(repealed).*~~ *(before its repeal).*

(c) For the purpose of allocating taxes levied by or for any taxing

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unit or units, the assessed value of taxable property in a territory in the allocation area that is annexed by a taxing unit after the effective date of the allocation provision of the declaratory resolution is the lesser of:

(1) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(2) the base assessed value.

(d) Property tax proceeds allocable to the military base development district under subsection ~~(b)(2)~~ *(b)(3)* may, subject to subsection ~~(b)(3),~~ *(b)(4),* be irrevocably pledged by the military base development district for payment as set forth in subsection ~~(b)(2).~~ *(b)(3).*

(e) Notwithstanding any other law, each assessor shall, upon petition of the development authority, reassess the taxable property situated upon or in or added to the allocation area, effective on the next assessment date after the petition.

(f) Notwithstanding any other law, the assessed value of all taxable property in the allocation area, for purposes of tax limitation, property tax replacement, and the making of the budget, tax rate, and tax levy for each political subdivision in which the property is located is the lesser of:

(1) the assessed value of the property as valued without regard to this section; or

(2) the base assessed value.

(g) If any part of the allocation area is located in an enterprise zone created under IC 5-28-15, the development authority shall create funds as specified in this subsection. A development authority that has obligations, bonds, or leases payable from allocated tax proceeds under subsection ~~(b)(2)~~ *(b)(3)* shall establish an allocation fund for the purposes specified in subsection ~~(b)(2)~~ *(b)(3)* and a special zone fund. The development authority shall, until the end of the enterprise zone phase out period, deposit each year in the special zone fund any amount in the allocation fund derived from property tax proceeds in excess of those described in subsection (b)(1) *and (b)(2)* from property located in the enterprise zone that exceeds the amount sufficient for the purposes specified in subsection ~~(b)(2)~~ *(b)(3)* for the year. The amount sufficient for purposes specified in subsection ~~(b)(2)~~ *(b)(3)* for the year shall be determined based on the pro rata part of such current property tax proceeds from the part of the enterprise zone that is within the allocation area as compared to all such current property tax proceeds derived from the allocation area. A development authority that does not have obligations, bonds, or leases payable from allocated tax proceeds under subsection ~~(b)(2)~~ *(b)(3)* shall establish a special zone fund and deposit all the property tax proceeds in excess of those described in

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subsection (b)(1) *and (b)(2)* that are derived from property in the enterprise zone in the fund. The development authority that creates the special zone fund shall use the fund (based on the recommendations of the urban enterprise association) for programs in job training, job enrichment, and basic skill development that are designed to benefit residents and employers in the enterprise zone or for other purposes specified in subsection ~~(b)(2),~~ *(b)(3),* except that where reference is made in subsection ~~(b)(2)~~ *(b)(3)* to an allocation area it shall refer for purposes of payments from the special zone fund only to that part of the allocation area that is also located in the enterprise zone. The programs shall reserve at least one-half (1/2) of their enrollment in any session for residents of the enterprise zone.

(h) After each general reassessment under IC 6-1.1-4, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the general reassessment on the property tax proceeds allocated to the military base development district under this section. After each annual adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the military base development district under this section. However, the adjustments under this subsection may not include the effect of property tax abatements under IC 6-1.1-12.1, and these adjustments may not produce less property tax proceeds allocable to the military base development district under subsection ~~(b)(2)~~ *(b)(3)* than would otherwise have been received if the general reassessment or annual adjustment had not occurred. The department of local government finance may prescribe procedures for county and township officials to follow to assist the department in making the adjustments.

SECTION 245. IC 36-8-6-8.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8.1. (a) If a local board determines that a fund member has a temporary or a permanent disability, the local board shall also make a recommendation to the ~~1977 fund advisory committee~~ **board of trustees of the Indiana public retirement system (referred to in this section as "the system board")** concerning whether the disability is:

(1) a disability in the line of duty (as described in section 8(b)(1) of this chapter); or

(2) a disability not in the line of duty (a disability other than a disability described in section 8(b)(1) of this chapter).

The local board shall forward its recommendation to the ~~1977 fund advisory committee.~~ **system board.**



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(b) The ~~1977 fund advisory committee~~ **system board** shall review the local board's recommendation not later than forty-five (45) days after receiving the recommendation and shall then issue an initial determination of whether the disability is in the line of duty or not in the line of duty. The ~~1977 fund advisory committee~~ **system board** shall notify the local board, the safety board, and the fund member of its initial determination.

(c) The fund member, the safety board, or the local board may object in writing to the ~~1977 fund advisory committee's~~ **system board's** initial determination under subsection (b) not later than fifteen (15) days after the initial determination is issued. If a written objection is not filed, the ~~1977 fund advisory committee's~~ **system board's** initial determination becomes final. If a timely written objection is filed, the ~~1977 fund advisory committee~~ **system board** shall issue a final determination after a hearing. The final determination must be issued not later than one hundred eighty (180) days after the date of receipt of the local board's recommendation.

SECTION 246. IC 36-8-7-11, AS AMENDED BY P.L.99-2007, SECTION 216, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11. (a) Benefits paid under this section are subject to section 2.5 of this chapter.

(b) If a member of the fire department becomes seventy (70) years of age or is found upon examination by a medical officer to have a physical or mental disability and to be unable to perform the essential functions of the job, considering reasonable accommodation to the extent required by the Americans with Disabilities Act, so as to make necessary the person's retirement from all service with the department, the local board shall retire the person.

(c) The local board may retire a person for disability only after a hearing conducted under IC 36-8-8-12.7.

(d) If after the hearing the local board determines that a person who became disabled before July 1, 2000, is disabled and unable to perform the essential functions of the job, considering reasonable accommodation to the extent required by the Americans with Disabilities Act, the local board shall then authorize the monthly payment to the person from the 1937 fund of an amount equal to fifty-five percent (55%) of the salary of a fully paid first class firefighter in the unit at the time of the payment of the pension. All physical and mental examinations of members of the fire department shall be made on order of the local board by a medical officer designated by the local board.

(e) If, after the hearing under this section and a recommendation

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under section 12.5 of this chapter, the ~~1977 fund advisory committee~~ **board of trustees of the Indiana public retirement system** determines that a person who becomes disabled after June 30, 2000:

(1) has a disability that is:

(A) the direct result of:

(i) a personal injury that occurs while the fund member is on duty;

(ii) a personal injury that occurs while the fund member is responding to an emergency or reported emergency for which the fund member is trained; or

(iii) an occupational disease (as defined in IC 22-3-7-10), including a duty related disease that is also included within clause (B);

(B) a duty related disease (for purposes of this section, a "duty related disease" means a disease arising out of the fund member's employment. A disease is considered to arise out of the fund member's employment if it is apparent to the rational mind, upon consideration of all of the circumstances, that:

(i) there is a connection between the conditions under which the fund member's duties are performed and the disease;

(ii) the disease can be seen to have followed as a natural incident of the fund member's duties as a result of the exposure occasioned by the nature of the fund member's duties; and

(iii) the disease can be traced to the fund member's employment as the proximate cause); or

(C) a disability presumed incurred in the line of duty under IC 5-10-13 or IC 5-10-15; and

(2) is unable to perform the essential functions of the job, considering reasonable accommodation to the extent required by the Americans with Disabilities Act;

the local board shall then authorize the monthly payment to the person from the 1937 fund of an amount equal to fifty-five percent (55%) of the salary of a fully paid first class firefighter in the unit at the time of the payment of the pension. All physical and mental examinations of members of the fire department shall be made on order of the local board by a medical officer designated by the local board.

(f) If after the hearing under this section and a recommendation under section 12.5 of this chapter, the ~~1977 fund advisory committee~~ **board of trustees of the Indiana public retirement system** determines that a person who becomes disabled after June 30, 2000:

(1) has a disability that is not a disability described in subsection

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(e)(1); and

(2) is unable to perform the essential functions of the job, considering reasonable accommodation to the extent required by the Americans with Disabilities Act;

the local board shall then authorize the monthly payment to the person from the 1937 fund of an amount equal to fifty-five percent (55%) of the salary of a fully paid first class firefighter in the unit at the time of the payment of the pension. All physical and mental examinations of members of the fire department shall be made on order of the local board by a medical officer designated by the local board.

SECTION 247. IC 36-8-7-12.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12.5. (a) If a local board determines that a fund member has a temporary or a permanent disability, the local board shall also make a recommendation to the ~~1977 fund advisory committee~~ **board of trustees of the Indiana public retirement system (referred to in this section as "the system board")** concerning whether the disability is:

(1) a disability in the line of duty (as described in section 11(e)(1) of this chapter); or

(2) a disability not in the line of duty (a disability other than a disability described in section 11(e)(1) of this chapter).

The local board shall forward its recommendation to the ~~1977 fund advisory committee.~~ **system board.**

(b) The ~~1977 fund advisory committee~~ **system board** shall review the local board's recommendation not later than forty-five (45) days after receiving the recommendation and shall then issue an initial determination of whether the disability is in the line of duty or not in the line of duty. The ~~1977 fund advisory committee~~ **system board** shall notify the local board, the safety board, and the fund member of its initial determination.

(c) The fund member, the safety board, or the local board may object in writing to the ~~1977 fund advisory committee's~~ **system board's** initial determination under subsection (b) not later than fifteen (15) days after the initial determination is issued. If a written objection is not filed, the ~~1977 fund advisory committee's~~ **system board's** initial determination becomes final. If a timely written objection is filed, the ~~1977 fund advisory committee~~ **system board** shall issue a final determination after a hearing. The final determination must be issued not later than one hundred eighty (180) days after the date of receipt of the local board's recommendation.

SECTION 248. IC 36-8-7.5-13.2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 13.2. (a) If a local

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board determines that a fund member has a temporary or a permanent disability, the local board shall also make a recommendation to the ~~1977 fund advisory committee~~ **board of trustees of the Indiana public retirement system (referred to in this section as "the system board")** concerning whether the disability is:

(1) a disability in the line of duty (as described in section 13(b)(1) of this chapter); or

(2) a disability not in the line of duty (a disability other than a disability described in section 13(b)(1) of this chapter).

The local board shall forward its recommendation to the ~~1977 fund advisory committee.~~ **system board.**

(b) The ~~1977 fund advisory committee~~ **system board** shall review the local board's recommendation not later than forty-five (45) days after receiving the recommendation and shall then issue an initial determination of whether the disability is in the line of duty or not in the line of duty. The ~~1977 fund advisory committee~~ **system board** shall notify the local board, the safety board, and the fund member of its initial determination.

(c) The fund member, the safety board, or the local board may object in writing to the ~~1977 fund advisory committee's~~ **system board's** initial determination under subsection (b) not later than fifteen (15) days after the initial determination is issued. If a written objection is not filed, the ~~1977 fund advisory committee's~~ **system board's** initial determination becomes final. If a timely written objection is filed, the ~~1977 fund advisory committee~~ **system board** shall issue a final determination after a hearing. The final determination must be issued not later than one hundred eighty (180) days after the date of receipt of the local board's recommendation.

SECTION 249. IC 36-8-8-8, AS AMENDED BY P.L.13-2011, SECTION 17, AND AS AMENDED BY P.L.16-2011, SECTION 13, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. (a) Each fund member shall contribute during the period of the fund member's employment or for thirty-two (32) years, whichever is shorter, an amount equal to six percent (6%) of the salary of a first class patrolman or firefighter. However, the employer may pay all or a part of the contribution for the member. The amount of the contribution, other than contributions paid on behalf of a member, shall be deducted each pay period from each fund member's salary by the disbursing officer of the employer. The employer shall send to the ~~PERF~~ **system** board each year on March 31, June 30, September 30, and December 31, for the calendar quarters ending on those dates, *or an alternate date established by the rules of*

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*the* ~~*PERF*~~ **system** *board,* a certified list of fund members and a warrant issued by the employer for the total amount deducted for fund members' contributions.

*(b) After December 31, 2011, an employer shall submit:*

*(1) the list described in subsection (a) in a uniform format through a secure connection over the Internet or through other electronic means specified by the* ~~*PERF*~~ **system** *board; and*

*(2) the contributions paid by or on behalf of a member under subsection (a) by electronic funds transfer.*

~~*(b)*~~ *(c)* Except as provided in section 7.2 of this chapter, if a fund member ends the fund member's employment other than by death or disability before the fund member completes twenty (20) years of active service, the ~~PERF~~ **system** board shall return to the fund member in a lump sum the fund member's contributions plus interest ~~*as determined*~~ *at a rate specified by rule* by the ~~PERF~~ **system** board. If the fund member returns to service, the fund member is entitled to credit for the years of service for which the fund member's contributions were refunded if the fund member repays the amount refunded to the fund member in either a lump sum or a series of payments determined by the ~~PERF~~ **system** board.

SECTION 250. IC 36-8-8-13.1, AS AMENDED BY P.L.13-2011, SECTION 19, AND AS AMENDED BY P.L.23-2011, SECTION 28, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 13.1. (a) If:

(1) the local board has determined under this chapter that a covered impairment exists and the safety board has determined that there is no suitable and available work within the department, considering reasonable accommodation to the extent required by the Americans with Disabilities Act; or

(2) the fund member has filed an appeal under section 12.7(o) of this chapter;

the local board shall submit the local board's determinations and the safety board's determinations to the ~~*PERF*~~ *system* board's director.

(b) Whenever a fund member is determined to have an impairment under section 12.7(i) of this chapter, the ~~*PERF*~~ *system* board's director shall initiate a review of the default award not later than sixty (60) days after the director learns of the default award.

(c) After the ~~*PERF*~~ *system* board's director receives the determinations under subsection (a) or initiates a review under subsection (b), the fund member must submit to an examination by a medical authority selected by the ~~*PERF*~~ *system* board. The authority shall determine if there is a covered impairment. With respect to a fund

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member who is covered by sections 12.5 and 13.5 of this chapter, the authority shall determine the degree of impairment. The ~~*PERF*~~ *system* board shall adopt rules ~~*under IC 4-22-2*~~ to establish impairment standards, such as the impairment standards contained in the United States Department of Veterans Affairs Schedule for Rating Disabilities. The report of the examination shall be submitted to the ~~*PERF*~~ *system* board's director. If a fund member refuses to submit to an examination, the authority may find that no impairment exists.

(d) The ~~*PERF*~~ *system* board's director shall review the medical authority's report and the local board's determinations and issue an initial determination within sixty (60) days after receipt of the local board's determinations. The ~~*PERF*~~ *system* board's director shall notify the local board, the safety board, and the fund member of the initial determination. The following provisions apply if the ~~*PERF*~~ *system* board's director does not issue an initial determination within sixty (60) days and if the delay is not attributable to the fund member or the safety board:

(1) In the case of a review initiated under subsection ~~(a)(1):~~ **(b):**

(A) the determinations of the local board and the chief of the police or fire department are considered to be the initial determination; and

(B) for purposes of section 13.5(d) of this chapter, the fund member is considered to be totally impaired.

(2) In the case of an appeal submitted under subsection (a)(2), the statements made by the fund member under section 12.7(o) of this chapter are considered to be the initial determination.

(3) In the case of a review initiated under subsection (b), the initial determination is the impairment determined under section 12.7(i) of this chapter.

(e) The fund member, the safety board, or the local board may object in writing to the director's initial determination within fifteen (15) days after the determination is issued. If no written objection is filed, the initial determination becomes the final order of the ~~*PERF*~~ *system* board. If a timely written objection is filed, the ~~*PERF*~~ *system* board shall issue the final order after a hearing. *Unless an administrative law judge orders a waiver or an extension of the period for cause shown,* the final order shall be issued not later than one hundred eighty (180) days after the date of receipt of the local board's determination or the date the ~~*PERF*~~ *system* board's director initiates a review under subsection (b). The following provisions apply if a final order is not issued within ~~*one hundred eighty (180) days*~~ *the time limit described in this subsection* and if the delay is not attributable to the

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fund member or the chief of the police or fire department:

(1) In the case of a review initiated under subsection ~~(a)(1):~~ **(b):**

(A) the determinations of the local board and the chief of the police or fire department are considered to be the final order; and

(B) for purposes of section 13.5(d) of this chapter, the fund member is considered to be totally impaired.

(2) In the case of an appeal submitted under subsection (a)(2), the statements made by the fund member under section 12.7(o) of this chapter are considered to be the final order.

(3) In the case of a review initiated under subsection (b), the impairment determined under section 12.7(i) of this chapter is considered to be the final order.

(f) If the ~~*PERF*~~ *system* board approves the director's initial determination, then the ~~*PERF*~~ *system* board shall issue a final order adopting the initial determination. The local board and the chief of the police or fire department shall comply with the initial determination. If the ~~*PERF*~~ *system* board does not approve the initial determination, the ~~*PERF*~~ *system* board may receive additional evidence on the matter before issuing a final order.

(g) Appeals of the ~~*PERF*~~ *system* board's final order may be made under IC 4-21.5.

(h) The transcripts, records, reports, and other materials compiled under this section must be retained in accordance with the procedures specified in section 12.7(p) of this chapter.

SECTION 251. IC 36-8-8-19, AS AMENDED BY P.L.23-2011, SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 19. (a) The baseline statewide physical examination required by section 7(a) of this chapter shall be prescribed by the system board and shall be administered by the appointing authority, as determined by the local board, after the appointing authority extends a conditional offer for employment. The baseline statewide physical examination shall be administered by a licensed physician and must include all of the following:

(1) A general medical history.

(2) The tests identified in rules that shall be adopted by the system board.

(b) The system board shall adopt minimum standards by rule that a police officer or firefighter must meet for the baseline statewide physical examination described in subsection (a). The baseline statewide physical examination and related standards must:

(1) reflect the essential functions of the job;

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(2) be consistent with business necessity; and
(3) be evaluated by the system board one (1) time before January 1, 2015, and every five (5) years thereafter.

(c) The system board shall, in consultation with the commissioner of mental health, select the baseline statewide mental examination described in section 7(a) of this chapter. The standards for passing the baseline statewide mental examination shall be determined by the local board. The baseline statewide mental examination and related standards must:

(1) reflect the essential functions of the job;
(2) be consistent with business necessity; and
(3) be evaluated by the system board one (1) time before January 1, 2015, and every five (5) years thereafter.

The purpose of the baseline statewide mental examination is to determine if the police officer or firefighter is mentally suitable to be a member of the department. The local board may designate a community mental health center or a managed care provider (as defined in IC 12-7-2-127(b)), a hospital, a licensed physician, or a licensed psychologist to administer the examination. However, the results of a baseline statewide mental examination shall be interpreted by a licensed physician or a licensed psychologist.

(d) The employer shall pay for no less than one-half (1/2) the cost of the examinations.

(e) Each local board shall name the physicians who will conduct the examinations under this section.

(f) If a local board determines that a candidate passes the local physical and mental standards, if any, established under IC 36-8-3.2-6, the baseline statewide physical examination described in subsection (a), and the baseline statewide mental examination described in subsection (c), the local board shall send the following to **the** Indiana public retirement system:

(1) Copies and certification of the results of the baseline statewide physical examination described in subsection (a).
(2) Certification of the results of the physical agility examination required under IC 36-8-3.2-3 or IC 36-8-3.2-3.5.
(3) Certification of the results of the baseline statewide mental examination described in subsection (c).

(g) The system board or the system board's designee shall then determine whether the candidate passes the baseline statewide physical standards adopted under subsection (b). If the candidate passes the baseline statewide standards, the system board or the system board's designee shall also determine whether the candidate has a Class 3

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excludable condition under section 13.6 of this chapter. The system board or the system board's designee shall retain the results of the examinations and all documents related to the examination until the police officer or firefighter retires or separates from the department.

(h) To the extent required by the federal Americans with Disabilities Act, the system board shall do the following:

(1) Treat the medical transcripts, reports, records, and other material compiled under this section as confidential medical records.

(2) Keep the transcripts, reports, records, and material described in subdivision (1) in separate medical files for each member.

(i) A local board may, at the request of an appointing authority or on the local board's own motion, issue subpoenas, discovery orders, and protective orders in accordance with the Indiana Rules of Trial Procedure to facilitate the receipt of accurate and original documents necessary for the proper administration of this chapter. A subpoena or order issued under this subsection:

(1) must be served in accordance with the Indiana Rules of Trial Procedure; and

(2) may be enforced in the circuit or superior court with jurisdiction for the county in which the subpoena or order is served.

SECTION 252. IC 36-8-16.5-51, AS AMENDED BY P.L.173-2011, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 51. (a) For purposes of this section, a PSAP includes a public safety communications system operated and maintained under IC 36-8-15.

(b) As used in this section, "PSAP operator" means:

(1) a political subdivision; or

(2) an agency;

that operates a PSAP. The term does not include any entity described in subsection (c)(1) through (c)(3).

(c) Subject to subsection (d), after December 31, 2014, a county may not contain more than two (2) PSAPs. However, a county may contain one (1) or more PSAPs in addition to the number of PSAPs authorized by this section, as long as any additional PSAPs are operated: ~~by:~~

(1) **by** a state educational institution;

(2) **by** an airport authority established for a county having a consolidated city; or

(3) in a county having a consolidated city, **by** an excluded city (as defined in IC 36-3-1-7).

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(d) If, on March 15, 2008, a county does not contain more than one (1) PSAP, not including any PSAP operated by an entity described in subsection (c)(1) through (c)(3), an additional PSAP may not be established and operated in the county on or after March 15, 2008, unless the additional PSAP is established and operated by:

(1) a state educational institution;

(2) in the case of a county having a consolidated city, an airport authority established for the county; or

(3) the municipality having the largest population in the county or an agency of that municipality.

(e) Before January 1, 2015, each PSAP operator in a county that contains more than the number of PSAPs authorized by subsection (c) shall enter into an interlocal agreement under IC 36-1-7 with every other PSAP operator in the county to ensure that the county does not contain more than the number of PSAPs authorized by subsection (c) after December 31, 2014.

(f) An interlocal agreement required under subsection (e) may include as parties, in addition to the PSAP operators required to enter into the interlocal agreement under subsection (e), any of the following that seek to be served by a county's authorized PSAPs after December 31, 2014:

(1) Other counties contiguous to the county.

(2) Other political subdivisions in a county contiguous to the county.

(3) Other PSAP operators in a county contiguous to the county.

(g) An interlocal agreement required under subsection (e) must provide for the following:

(1) A plan for the:

(A) consolidation;

(B) reorganization; or

(C) elimination;

of one (1) or more of the county's PSAPs, as necessary to ensure that the county does not contain more than the number of PSAPs authorized by subsection (c) after December 31, 2014.

(2) A plan for funding and staffing the PSAP or PSAPs that will serve:

(A) the county; and

(B) any areas contiguous to the county, if additional parties described in subsection (f) participate in the interlocal agreement;

after December 31, 2014.

(3) Subject to any applicable state or federal requirements,

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protocol to be followed by the county's PSAP or PSAPs in:

(A) receiving incoming 911 calls; and

(B) dispatching appropriate public safety agencies to respond to the calls;

after December 31, 2014.

(4) Any other matters that the participating PSAP operators or parties described in subsection (f), if any, determine are necessary to ensure that the county does not contain more than the number of PSAPs authorized by subsection (c) after December 31, 2014.

(h) This section may not be construed to require a county to contain a PSAP.

SECTION 253. P.L.229-2011, SECTION 278 IS REPEALED [EFFECTIVE UPON PASSAGE]. ~~SECTION 278. (a) As used in this SECTION, "division" refers to the division of disability and rehabilitative services established by IC 12-9-1-1.~~

~~(b) As used in this SECTION, "office" refers to the office of Medicaid policy and planning established by IC 12-8-6-1.~~

~~(c) As used in this SECTION, "waiver" refers to any waiver administered by the office and the division under section 1915(c) of the federal Social Security Act.~~

~~(d) Before October 1, 2011, the office shall apply to the United States Department of Health and Human Services for approval to amend a waiver to set an emergency placement priority for individuals in the following situations:~~

~~(1) Death of a primary caregiver where alternative placement in a supervised group living setting:~~

~~(A) is not available; or~~

~~(B) is determined by the division to be an inappropriate option.~~

~~(2) A situation in which:~~

~~(A) the primary caregiver is at least eighty (80) years of age; and~~

~~(B) alternate placement in a supervised group living setting is not available or is determined by the division to be an inappropriate option.~~

~~(3) There is evidence of abuse or neglect in the current institutional or home placement, and alternate placement in a supervised group living setting is not available or is determined by the division to be an inappropriate option.~~

~~(4) There are other health and safety risks, as determined by the division director, and alternate placement in a supervised group living setting is not available or is determined by the division to be an inappropriate option.~~

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~~(e) The division shall report on a quarterly basis the following information to the division of disability and rehabilitative services advisory council established by IC 12-9-4-2 concerning each Medicaid waiver for which the office has been approved under this section to administer an emergency placement priority for individuals described in this section:~~

~~(1) The number of applications for emergency placement priority waivers.~~

~~(2) The number of individuals served on the waiver.~~

~~(3) The number of individuals on a wait list for the waiver.~~

~~(f) The office may adopt rules under IC 4-22-2 necessary to implement this SECTION.~~

~~(g) This SECTION expires July 1, 2016.~~

SECTION 254. **An emergency is declared for this act.**

C o p y