
HOUSE BILL No. 1202

DIGEST OF INTRODUCED BILL

Citations Affected: IC 4-10-18-13; IC 5-11-14-1; IC 5-13; IC 5-20-4-7; IC 8-5-15-5; IC 28-1-2-40; IC 34-30-2; IC 36-8-8.5-17; IC 36-10.

Synopsis: Public deposit insurance fund. Allows the board for depositories to merge with a domestic nonprofit corporation if certain conditions are met, including the approval of a resolution of merger and conversion by the board of directors and voting members of the domestic nonprofit corporation. Requires the surviving nonprofit corporation of the merger, known as the public deposit insurance corporation, to deliver to the secretary of state articles of merger that include certain information regarding the merger. Allows the secretary of state to approve or disapprove the articles of merger. Establishes the effect of the merger, including that the: (1) surviving nonprofit corporation does not have the statutory rights, privileges, immunities, and powers and is not subject to the statutory duties, restrictions, penalties, and liabilities of the board for depositories unless specifically expressed otherwise in law; and (2) title to real property and other property owned by each party to the merger is vested in the surviving nonprofit corporation, including the public deposit insurance fund (which, under the management of the public deposit insurance corporation, is called the corporation insurance fund.) Requires the merging nonprofit corporation to comply with the laws relating to mergers of nonprofits except for a provision that requires court approval or when the requirements are otherwise inconsistent with the provisions governing the merger with the board for depositories. Provides that all property in the corporation insurance fund and all property otherwise held by the public deposit insurance corporation is exempt from all taxes imposed by the state or any political subdivision. Establishes certain immunity for members of the board of directors and
(Continued next page)

Effective: Upon passage; July 1, 2012.

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



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Digest Continued

any officers, members, or employees of the public deposit insurance corporation. Provides for the expiration of provisions that: (1) create the board for depositories; and (2) establish the duties, restrictions, penalties, and liabilities regarding the board for depositories and the management of the public deposit insurance fund. Allows the secretary of state to file an affidavit with the governor requesting that the board for depositories continue administering the public deposit insurance fund if the board for depositories and a nonprofit corporation fail to merge by a certain date and requires the governor, within 10 days, to issue an executive order that allows the board for depositories to continue to administer the public deposit insurance fund until a certain date. Changes references from the "board for depositories" to the "public deposit insurance corporation." Changes references from the "public deposit insurance fund" to the "corporation insurance fund." Makes other changes related to the expiration of the provisions regarding the board for depositories.

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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. 1202

A BILL FOR AN ACT to amend the Indiana Code concerning state and local administration.

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

1 SECTION 1. IC 4-10-18-13 IS AMENDED TO READ AS
 2 FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 13. (a) ~~The state board~~
 3 ~~of finance constituted by IC 4-9-1-1-1 shall promptly sell from the~~
 4 ~~fund; and the board for depositories created by IC 5-13-12-1 shall~~
 5 ~~promptly purchase from the fund; the loan made by the board of~~
 6 ~~finance under section 10(i) of this chapter.~~
 7 (b) ~~The loan shall be sold by the board of finance and purchased by~~
 8 ~~the board for depositories at a purchase price equal to the total of:~~
 9 (1) ~~the principal amount of the loan;~~
 10 (2) ~~the deferred interest payable thereon; and~~
 11 (3) ~~accrued interest to the date of purchase by the board for~~
 12 ~~depositories.~~
 13 (c) ~~Proceeds of the sale of the 2004 loan made by the state board~~
 14 ~~of finance under section 10(i) of this chapter, less the reasonable~~
 15 ~~expenses incurred by the board of finance and the board for~~



1 depositories in connection with the sale, ~~shall be deposited~~ **which were**
 2 **deposited** by the board of finance in a segregated account in the fund
 3 ~~(to be~~ (known as the economic growth initiatives account) **must**
 4 **remain on deposit** for the purpose of providing grants for the purposes
 5 described in section 15 of this chapter.

6 SECTION 2. IC 5-11-14-1, AS AMENDED BY P.L.169-2006,
 7 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 8 JULY 1, 2012]: Sec. 1. (a) As used in this section, "official" includes
 9 the following:

10 (1) An elected official who is entitled to attend a conference
 11 under this section.

12 (2) An individual elected to an office who is entitled to attend a
 13 conference under this section.

14 (3) A deputy or an assistant to an elected official who is entitled
 15 to attend a conference under this section.

16 (b) The state board of accounts shall annually call a conference of
 17 each of the following:

18 (1) County auditors and auditors elect.

19 (2) County treasurers and treasurers elect.

20 (3) Circuit court clerks and circuit court clerks elect.

21 (c) Each of the conferences called under subsection (b):

22 (1) must be held at a time and place fixed by the state examiner;

23 (2) may be held statewide or by district; and

24 (3) may not continue for longer than three (3) days in any one (1)
 25 year.

26 (d) The following training must be provided at each conference
 27 called under subsection (b):

28 (1) The proper use of forms prescribed by the state board of
 29 accounts.

30 (2) The keeping of the records of the respective offices.

31 (3) At the conference for county treasurers and treasurers elect,
 32 investment training by the following:

33 (A) The treasurer of state.

34 ~~(B) The board for depositories.~~

35 ~~(C)~~ **(B)** Any other person the state examiner considers to be
 36 competent in providing investment training.

37 (4) Any other training that, in the judgment of the state examiner,
 38 will result in the better conduct of the public business.

39 (e) The state examiner may hold other conferences for:

40 (1) the officials described in subsection (b); or

41 (2) other county, city, or township officers;

42 whenever in the judgment of the state examiner conferences are

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1 necessary.

2 (f) Whenever a conference is called by the state board of accounts
3 under this section, an elected official, at the direction of the state
4 examiner, may require the attendance of:

5 (1) each of the elected official's appointed and acting chief
6 deputies or chief assistants; and

7 (2) if the number of deputies or assistants employed:

8 (A) does not exceed three (3), one (1) of the elected official's
9 appointed and acting deputies or assistants; or

10 (B) exceeds three (3), two (2) of the elected official's duly
11 appointed and acting deputies or assistants.

12 (g) Each official representing a unit and attending any conference
13 under this section shall be allowed the following:

14 (1) A sum for mileage at a rate determined by the fiscal body of
15 the unit the official represents for each mile necessarily traveled
16 in going to and returning from the conference by the most
17 expeditious route. Regardless of the duration of the conference,
18 only one (1) mileage reimbursement shall be allowed to the
19 official furnishing the conveyance even if the official transports
20 more than one (1) person.

21 (2) An allowance for lodging for each night preceding conference
22 attendance in an amount equal to the single room rate. However,
23 lodging expense, in the case of a one (1) day conference, shall
24 only be allowed for persons who reside fifty (50) miles or farther
25 from the conference location.

26 (3) Reimbursement of an official, in an amount determined by the
27 fiscal body of the unit the official represents, for meals purchased
28 while attending a conference called under this section.

29 (h) The state board of accounts shall certify the number of days of
30 attendance and the mileage for each conference to each official
31 attending any conference under this section.

32 (i) All payments of mileage and lodging shall be made by the proper
33 disbursing officer in the manner provided by law on a duly verified
34 claim or voucher to which shall be attached the certificate of the state
35 board of accounts showing the number of days attended and the
36 number of miles traveled. All payments shall be made from the general
37 fund from any money not otherwise appropriated and without any
38 previous appropriation being made therefor.

39 (j) A claim for reimbursement under this section may not be denied
40 by the body responsible for the approval of claims if the claim complies
41 with IC 5-11-10-1.6 and this section.

42 SECTION 3. IC 5-13-4-2 IS AMENDED TO READ AS FOLLOWS



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1 [EFFECTIVE JULY 1, 2012]: Sec. 2. "Board for depositories" refers
2 to the board established under IC 5-13-12 **(before its expiration)**.

3 SECTION 4. IC 5-13-4-5 IS REPEALED [EFFECTIVE JULY 1,
4 2012]. Sec. 5. "Credit enhancement" means any letter of credit,
5 insurance, guarantee, or other credit enhancement issued by an issuer
6 approved by the board for depositories, which is used to secure debt or
7 leasehold financing for an industrial development obligation.

8 SECTION 5. IC 5-13-4-6 IS REPEALED [EFFECTIVE JULY 1,
9 2012]. Sec. 6. "Credit enhancement obligation" means the obligation
10 of the developers of an industrial development project under the
11 documents related to the credit enhancement.

12 SECTION 6. IC 5-13-4-6.5 IS ADDED TO THE INDIANA CODE
13 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
14 UPON PASSAGE]: Sec. 6.5. "Corporation insurance fund" refers
15 to the insurance fund for public deposits operated and managed by
16 the public deposit insurance corporation as the nonprofit
17 corporation that is the surviving entity of the merger under
18 IC 5-13-12.5.

19 SECTION 7. IC 5-13-4-13 IS REPEALED [EFFECTIVE JULY 1,
20 2012]. Sec. 13. "Industrial development obligation" means any loan or
21 lease by a lender or lessor approved by the board for depositories as
22 responsible and able to service the loan or lease properly, which is used
23 to finance all or any portion of the cost of an industrial development
24 project.

25 SECTION 8. IC 5-13-4-14 IS REPEALED [EFFECTIVE JULY 1,
26 2012]. Sec. 14. "Industrial development project" has the meaning set
27 forth in IC 4-4-10.9-11 and includes mining operations, agricultural
28 operations that involve the processing of agricultural products, and any
29 other type of business project for which the Indiana finance authority
30 may make a loan or lease guarantee.

31 SECTION 9. IC 5-13-4-15 IS REPEALED [EFFECTIVE UPON
32 PASSAGE]. Sec. 15. "Insurance fund" refers to the public deposits
33 insurance fund created by IC 5-13-12.

34 SECTION 10. IC 5-13-4-19 IS AMENDED TO READ AS
35 FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 19. (a) Except as
36 provided in subsections (b) and (c), "political subdivision" has the
37 meaning set forth in IC 36-1-2-13.

38 (b) A hospital organized or operated under IC 16-22-1 through
39 IC 16-22-5 or IC 16-23-1 is considered a political subdivision only for
40 purposes of IC 5-13-12 **(before its expiration)** and IC 5-13-13.

41 (c) For purposes of IC 5-13-7 and IC 5-13-8, the term does not
42 include a city or a town.

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1 SECTION 11. IC 5-13-4-19.5 IS ADDED TO THE INDIANA
 2 CODE AS A NEW SECTION TO READ AS FOLLOWS
 3 [EFFECTIVE UPON PASSAGE]: **Sec. 19.5. "Public deposit**
 4 **insurance corporation" refers to the nonprofit corporation that:**

5 **(1) is the surviving nonprofit corporation into which the**
 6 **board of depositories and a domestic nonprofit corporation**
 7 **merged under IC 5-13-12.5; and**

8 **(2) operates and manages the corporation insurance fund.**

9 SECTION 12. IC 5-13-4-19.7 IS ADDED TO THE INDIANA
 10 CODE AS A NEW SECTION TO READ AS FOLLOWS
 11 [EFFECTIVE UPON PASSAGE]: **Sec. 19.7. "Public deposit**
 12 **insurance fund" refers to the public deposit insurance fund created**
 13 **by IC 5-13-12 (before its expiration).**

14 SECTION 13. IC 5-13-5-0.3, AS ADDED BY P.L.220-2011,
 15 SECTION 92, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 16 JULY 1, 2012]: Sec. 0.3. (a) P.L.19-1987 is intended to restate the law
 17 affecting the public deposit insurance fund and the board for
 18 depositories. The substantive operation of the public deposit insurance
 19 fund and the board for depositories, established under IC 5-12-1-19.1
 20 (before its repeal) continues uninterrupted under IC 5-13-12 (**before its**
 21 **expiration**), as added by P.L.19-1987.

22 (b) P.L.19-1987 does not affect rights or liabilities of the public
 23 deposit insurance fund and board for depositories accrued before May
 24 6, 1987.

25 SECTION 14. IC 5-13-5-6, AS ADDED BY P.L.16-2009,
 26 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 27 JULY 1, 2012]: Sec. 6. (a) A financial institution that is a depository
 28 for the state on March 21, 1996, and any successor financial institution,
 29 continues to be a depository for the state after March 21, 1996, without
 30 reapplying under IC 5-13-10.5, until the earliest of the following
 31 occurs:

32 (1) The ~~board of depositories~~ **public deposit insurance**
 33 **corporation** revokes the status of the financial institution as a
 34 depository.

35 (2) The financial institution notifies the state board of finance that
 36 the financial institution is resigning as a depository for the state.

37 (3) Another law terminates the depository status of the financial
 38 institution.

39 A financial institution that qualifies under this subsection as a
 40 depository for the state after March 21, 1996, shall be treated after
 41 March 21, 1996, as if the financial institution were designated as a
 42 depository under IC 5-13-10.5.



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1 (b) A financial institution that is a depository for a political
 2 subdivision on March 21, 1996, and any successor financial institution
 3 continues to be a depository for the political subdivision after March
 4 21, 1996, without reapplying under IC 5-13-10.5 or IC 5-13-8-1, until
 5 the earliest of the following occurs:

6 (1) The state board of finance revokes the status of the financial
 7 institution as a depository.

8 (2) The financial institution notifies the state board of finance or
 9 the local board of finance for the political subdivision that the
 10 financial institution is resigning as a depository for the political
 11 subdivision.

12 (3) Another law terminates the depository status of the financial
 13 institution.

14 A financial institution that qualifies under this subsection as a
 15 depository for a political subdivision after March 21, 1996, shall be
 16 treated after March 21, 1996, as if the financial institution were
 17 designated as a depository under IC 5-13-8.

18 (c) Subject to IC 5-13-8-9, a financial institution that is a depository
 19 for the state on March 21, 1996, and any successor financial institution
 20 is eligible after March 21, 1996, to become a depository for any
 21 political subdivision for which the financial institution is not already a
 22 depository without reapplying under IC 5-13-10.5 or IC 5-13-8-1. A
 23 financial institution that qualifies under this subsection as a depository
 24 for a political subdivision after March 21, 1996, shall be treated after
 25 March 21, 1996, as if the financial institution were designated as a
 26 depository under IC 5-13-8.

27 (d) The treasurer of state shall add any financial institution that
 28 qualifies as a depository for political subdivisions under subsection (b)
 29 or (c) to the list of depositories eligible to receive the public funds of
 30 political subdivisions under IC 5-13-8-1.

31 SECTION 15. IC 5-13-8-7 IS AMENDED TO READ AS
 32 FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 7. (a) As used in this
 33 section, "Indiana resident" means any of the following:

34 (1) An individual who is a resident of Indiana.

35 (2) A political subdivision (as defined in IC 36-1-2-13) in Indiana.

36 (3) A corporation, a limited liability company, a partnership, a
 37 limited partnership, a trust, an estate, or other legal entity that:

38 (A) is established under Indiana law; or

39 (B) maintains its principal office in Indiana.

40 (4) A corporation, a limited liability company, a partnership, a
 41 limited partnership, a trust, an estate, or other legal entity that:

42 (A) is established under the law of a state other than Indiana;

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- 1 and
- 2 (B) carries out substantial business activities in Indiana,
- 3 including the employment of individuals who reside in
- 4 Indiana.
- 5 (b) As used in this section, "investment in an Indiana resident"
- 6 means an investment in an interest-bearing obligation of a political
- 7 subdivision (as defined in IC 36-1-2-13) in Indiana.
- 8 (c) The local board of finance under which any depository operates
- 9 may at any time revoke the commission of any depository at a meeting
- 10 called for the purpose of revoking a commission, of which the
- 11 depository shall have been notified by advance written notice sent by
- 12 first class or registered mail not less than twenty (20) days before the
- 13 meeting and at which the depository has the right to be heard. Not later
- 14 than thirty (30) days after a local board of finance revokes the
- 15 commission of a depository, the local board of finance shall give
- 16 written notice of the action to the ~~board of depositories:~~ **public deposit**
- 17 **insurance corporation.**
- 18 (d) The local board of finance may revoke the commission of any
- 19 depository to do business with the political subdivision:
- 20 (1) if the depository is unwilling or unable to perform banking
- 21 services reasonably required by the local board of finance,
- 22 considering the volume of transactions, that are:
- 23 (A) related to the public funds deposited in a deposit account
- 24 described in IC 5-13-9-4(a); and
- 25 (B) required by the political subdivision served by the local
- 26 board of finance to carry out the responsibilities of the political
- 27 subdivision, as determined by the local board of finance;
- 28 (2) if the depository is unwilling or unable to comply with a state
- 29 or federal statute, rule, or other regulation that governs the records
- 30 or handling of public funds of the political subdivision served by
- 31 the local board of finance, as determined by the local board of
- 32 finance;
- 33 (3) if the depository ceases to qualify as a depository under this
- 34 chapter, as determined by the local board of finance;
- 35 (4) if the depository fails to conduct lending activities in Indiana
- 36 to such an extent that, at the end of each quarter, pursuant to the
- 37 depository's certification, the sum of:
- 38 (A) the total principal amount of outstanding loans to Indiana
- 39 residents; plus
- 40 (B) the total value of investments in Indiana residents;
- 41 will at least equal the total amount of the public funds of the state
- 42 and political subdivisions of the state that are on deposit in the

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1 financial institution; or

2 (5) for any cause that is adopted in the written rules of the local
3 board of finance and that is directly related to the safe handling of
4 public funds.

5 (e) Upon revocation, the depository shall immediately render an
6 accounting and make settlement for all public funds deposited with the
7 depository.

8 SECTION 16. IC 5-13-9-8.5 IS AMENDED TO READ AS
9 FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 8.5. Funds deposited
10 in deposit accounts in accordance with this chapter and interest earned
11 or accrued on the funds are public funds and are covered by the
12 **corporation** insurance fund.

13 SECTION 17. IC 5-13-9.5-1, AS AMENDED BY P.L.202-2011,
14 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
15 JULY 1, 2012]: Sec. 1. (a) A financial institution may at any time file
16 an application to become a depository and receive public funds of the
17 state on deposit. Except as provided in IC 5-13-8-1 and IC 5-13-8-7,
18 designation of a depository to receive public funds of the state qualifies
19 a depository to receive public funds of a political subdivision.
20 Applications for the state board of finance must be filed with the
21 treasurer of state. The treasurer shall submit each application to the
22 board.

23 (b) An application must:

24 (1) be made in writing on forms prescribed under section 8 of this
25 chapter;

26 (2) contain terms and conditions as required and authorized by
27 this chapter; and

28 (3) offer to:

29 (A) receive public funds of the state on deposit; and

30 (B) provide the security required by IC 5-13-13-7 for the
31 safekeeping and prompt payment of the deposited funds.

32 (c) A financial institution is ineligible to become a depository and
33 receive public funds of the state if either of the following applies:

34 (1) The institution fails to maintain a capital ratio in excess of the
35 minimum required by the governmental supervisory body of the
36 institution. However, the requirement set forth in this subdivision
37 does not apply if the institution has fully collateralized the
38 institution's public funds on deposit by pledging and delivering
39 acceptable collateral to the ~~board for depositories;~~ **public deposit**
40 **insurance corporation**, or to the ~~board's~~ **public deposit**
41 **insurance corporation's** agent, in accordance with IC 5-13-13
42 and with any applicable rules of the ~~board;~~ **public deposit**

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1 **insurance corporation.**

2 (2) The institution has been found by the department of financial
3 institutions under IC 28-1-2-40, or the financial institution's
4 primary federal regulator, to not be in substantial compliance with
5 the federal Credit Card Accountability Responsibility and
6 Disclosure Act of 2009 as it applies to Indiana borrowers.

7 If the financial institution is already a depository, the institution may
8 continue to hold the public funds until maturity to avoid the imposition
9 of a penalty upon the depositor, although the financial institution may
10 not accept the public funds for reinvestment and may not accept
11 additional public funds. If necessary, a determination of the ratio
12 described in subdivision (1) must be based on the institution's most
13 recent periodic statement of condition filed with the institution's
14 governmental supervisory body under the regulatory accounting
15 principles as prescribed by the supervisory body.

16 (d) A financial institution shall furnish to the ~~board~~ **public deposit**
17 **insurance corporation** a certificate executed by an officer of the
18 institution signifying that the institution satisfies:

- 19 (1) the requirements of subsection (c); and
20 (2) the requirement in section 6(b) of this chapter that the sum of:
21 (A) the total principal amount of the depository's outstanding
22 loans to Indiana residents; plus
23 (B) the total value of the depository's investments in Indiana
24 residents;

25 is at least equal to the total amount of public funds of the state and
26 political subdivisions of the state that are on deposit in the
27 depository.

28 The ~~board~~ **public deposit insurance corporation** may rely on a
29 certificate furnished under this subsection in determining whether to
30 deposit public funds or reinvest public funds in the institution.

31 SECTION 18. IC 5-13-9.5-4 IS AMENDED TO READ AS
32 FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 4. When the state board
33 of finance has designated a depository for public funds, the treasurer of
34 state shall accept the application of the financial institution to act as a
35 depository for public funds. A designation under this section expires
36 only under the following conditions:

- 37 (1) The ~~board of depositories~~ **public deposit insurance**
38 **corporation** revokes the status of the financial institution as a
39 depository under section 6 of this chapter.
40 (2) The financial institution resigns as a depository under section
41 7 of this chapter.
42 (3) Another law terminates the depository status of the financial

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1 institution.
 2 SECTION 19. IC 5-13-9.5-6 IS AMENDED TO READ AS
 3 FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 6. (a) The ~~board for~~
 4 ~~depositories~~ **public deposit insurance corporation** regarding
 5 depositories of public funds of the state may revoke the commission of
 6 any depository at any time for any cause considered sufficient by the
 7 ~~board for depositories.~~ **public deposit insurance corporation.**

8 (b) The causes for which the ~~board for depositories~~ **public deposit**
 9 **insurance corporation** may revoke the commission of a depository
 10 under subsection (a) include the failure of the depository to conduct
 11 lending activities in Indiana to such an extent that, at the end of each
 12 quarter, pursuant to the depository's certification, the sum of:

- 13 (1) the total principal amount of the depository's outstanding loans
- 14 to Indiana residents (as defined in IC 5-13-8-7); plus
- 15 (2) the total value of the depository's investments in Indiana
- 16 residents (as defined in IC 5-13-8-7);

17 is at least equal to the total amount of public funds of the state and
 18 political subdivisions of the state that are on deposit in the depository.

19 (c) Upon revocation, the depository shall immediately render an
 20 accounting and make settlement for all public funds deposited with the
 21 depository.

22 SECTION 20. IC 5-13-10-3 IS AMENDED TO READ AS
 23 FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 3. The treasurer of state
 24 may not deposit aggregate funds in deposit accounts in any one (1)
 25 designated depository in an amount aggregating at any one (1) time
 26 more than fifty percent (50%) of the combined capital, surplus, and
 27 undivided profits of that depository as determined by its last published
 28 statement of condition filed with the treasurer of state. Each depository
 29 shall file with the treasurer of state each periodic statement of condition
 30 required to be filed by it with its governmental supervisory body. If the
 31 ~~state board for depositories~~ **public deposit insurance corporation**
 32 finds that excess cash of the state is substantially more than that which
 33 had been anticipated, it may increase that maximum percentage in any
 34 depository, and the treasurer of the state may invest the additional
 35 funds in deposit accounts distributed among the depositories
 36 substantially in proportion to their respective capital, surplus, and
 37 undivided profits.

38 SECTION 21. IC 5-13-10.5-8 IS AMENDED TO READ AS
 39 FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 8. (a) A public officer
 40 of the state may invest or reinvest funds held by the officer and
 41 available for investment in deposit accounts issued or offered by a
 42 designated depository. Investments under this ~~subdivision~~ **subsection**

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by the treasurer of state are governed by IC 5-13-10.

(b) Investments in deposit accounts under subsection (a) must be in the amounts, and for the rates and terms, as are agreed upon from time to time by the officer making the investment and the designated depository.

(c) Investments made in accordance with subsection (a) and the interest earned or accrued on them are public funds and are covered by the **corporation** insurance fund.

SECTION 22. IC 5-13-10.5-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 15. Any public depository insurance assessment paid by a depository on any deposit account of the state under IC 5-13-12-5 (**before its expiration**) shall be deducted from the interest otherwise payable on that account.

SECTION 23. IC 5-13-12-0.1 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 0.1. (a) Except for section 0.2 of this chapter, this chapter may not be administered after July 1, 2012, unless the governor issues an executive order under subsection (b).**

(b) If the secretary of state determines that a domestic nonprofit corporation will not merge with the board for depositories under IC 5-13-12.5 by June 30, 2012, the secretary of state shall file an affidavit with the governor stating that the secretary of state believes that the board for depositories should continue administering this chapter. If the secretary of state files an affidavit with the governor under this subsection, the governor shall, not later than ten (10) days after receiving the affidavit under this subsection, issue an executive order that specifies that the board for depositories may continue to administer this chapter until the earlier of:

- (1) the date that the board of directors of a domestic nonprofit corporation merges with the board for depositories under IC 5-13-12.5; or**
- (2) July 1, 2013.**

(c) If the governor issues an executive order under subsection (b), references in the Indiana Code, Indiana Administrative Code, and the Indiana Register to the:

- (1) corporation insurance fund shall be treated as references to the public deposit insurance fund; and**
- (2) public deposit insurance corporation shall be treated as references to the board for depositories.**

(d) Except for section 0.2 of this chapter, this chapter expires

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1 **January 1, 2013.**

2 SECTION 24. IC 5-13-12-0.2 IS ADDED TO THE INDIANA
3 CODE AS A NEW SECTION TO READ AS FOLLOWS
4 [EFFECTIVE JULY 1, 2012]: **Sec. 0.2. (a) Members of the board for**
5 **depositories and any officers or employees of the board for**
6 **depositories are not subject to personal liability or accountability**
7 **by reason of any investment in any of the obligations listed in**
8 **IC 5-13-12-7(d) (before its expiration).**

9 **(b) This section expires January 1, 2019.**

10 SECTION 25. IC 5-13-12.5 IS ADDED TO THE INDIANA CODE
11 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
12 UPON PASSAGE]:

13 **Chapter 12.5. Merger of Board for Depositories with Nonprofit**
14 **Corporation; Conversion Into Nonprofit Corporation**

15 **Sec. 1. This chapter applies to:**

- 16 (1) the public deposit insurance fund; and
17 (2) the following entities:
18 (A) The board for depositories.
19 (B) The domestic nonprofit corporation that merges with
20 the board for depositories under this chapter.
21 (C) The public deposit insurance corporation that is the
22 surviving nonprofit corporation after a merger under this
23 chapter.

24 **Sec. 2. The board for depositories shall:**

- 25 (1) merge with a domestic nonprofit corporation in a
26 transaction in which the domestic nonprofit corporation is the
27 surviving entity if the board of directors and members of the
28 domestic nonprofit corporation approve the merger as
29 provided in section 3 of this chapter; and
30 (2) thereby gain the rights, powers, privileges, immunities,
31 and franchises available under IC 23-17.

32 **Sec. 3. (a) The board of depositories may engage in a merger**
33 **with a domestic nonprofit corporation in a transaction in which the**
34 **surviving entity is the domestic nonprofit corporation if:**

- 35 (1) the board of directors of the domestic nonprofit
36 corporation proposes the merger by approving, by an
37 affirmative vote of a majority of the board of directors of the
38 domestic nonprofit corporation participating in a meeting at
39 which a quorum is present, a resolution of merger and
40 conversion;
41 (2) the board of directors of the domestic nonprofit
42 corporation submits the resolution described in subdivision

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- 1 (1) to the voting members of the corporation for approval;
 2 and
 3 (3) the resolution is approved by the voting members of the
 4 corporation by an affirmative vote of at least a majority of the
 5 voting members of the corporation:
 6 (A) in a meeting at which a quorum is present; or
 7 (B) by written consent or written ballot as provided in
 8 IC 23-17-19-3(e).
- 9 (b) The resolution of merger and conversion described in
 10 subsection (a) must include the details or a description of the plan
 11 of merger between the board for depositories and the domestic
 12 nonprofit corporation, including the following:
 13 (1) The name of:
 14 (A) each entity that is a party to the merger under this
 15 chapter; and
 16 (B) the domestic nonprofit corporation that will be the
 17 surviving entity in the transaction.
 18 (2) The terms and conditions of the planned merger and
 19 conversion.
 20 (c) A plan of merger may include the following:
 21 (1) Amendments to, or a restatement of, the articles of
 22 incorporation or bylaws of the surviving nonprofit
 23 corporation.
 24 (2) Other provisions relating to the planned merger and
 25 conversion.
 26 (3) A delayed effective date.
 27 (d) The domestic nonprofit corporation shall give notice of the
 28 meeting of members described in subsection (a)(3)(A) in
 29 accordance with IC 23-17-10-5. The notice shall:
 30 (1) state that the purpose of the meeting is to consider the plan
 31 of merger; and
 32 (2) contain or be accompanied by a copy or summary of the
 33 plan of merger.
 34 (e) If the board of directors of the domestic nonprofit
 35 corporation seeks to have a resolution of merger and conversion
 36 approved by the voting members by written consent or written
 37 ballot under subsection (a)(3)(B), the domestic nonprofit
 38 corporation shall include a copy or summary of the plan of merger
 39 with the material soliciting the approval of the resolution of
 40 merger and conversion.
 41 (f) Upon the approval of a resolution of merger and conversion
 42 by the board of directors and members of the domestic nonprofit

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1 corporation as described in subsection (a), both of the following
2 apply:

3 (1) The board for depositories shall be deemed to have
4 become a party to the plan of merger described in this section.

5 (2) The board for depositories shall be deemed to have
6 approved the resolution of merger and conversion described
7 in subsection (a).

8 Sec. 4. After a plan of merger is approved as provided in section
9 3 of this chapter, the domestic nonprofit corporation that will be
10 the surviving entity in the merger shall deliver to the secretary of
11 state articles of merger that include the following:

12 (1) The plan of merger.

13 (2) The total number of votes for and votes against the plan of
14 merger cast by the members of the board of directors of the
15 domestic nonprofit corporation that will be the surviving
16 nonprofit corporation in the merger.

17 (3) The total number of votes for and votes against the plan of
18 merger cast by the voting members of the board of directors
19 of the domestic nonprofit corporation that will be the
20 surviving nonprofit corporation in the merger.

21 Sec. 5. (a) When a merger and conversion under this chapter
22 take effect, the following occur:

23 (1) The board for depositories merges into the surviving
24 nonprofit corporation and the separate existence of the board
25 for depositories ceases.

26 (2) The surviving nonprofit corporation:
27 (A) has all of the rights, privileges, immunities, and
28 powers, and is subject to all the duties, restrictions,
29 penalties, and liabilities, of a nonprofit corporation
30 organized under IC 23-17; and

31 (B) shall function as the public deposit insurance
32 corporation.

33 (3) The surviving nonprofit corporation:
34 (A) does not have the statutory rights, privileges,
35 immunities, and powers; and
36 (B) is not subject to the statutory duties, restrictions,
37 penalties, and liabilities;

38 of the board for depositories, including, without limitation,
39 those provided under IC 5-13, except as expressly provided
40 for by reference to the public deposit insurance corporation.

41 (4) The title to real property and other property owned by
42 each party to the merger is vested in the surviving nonprofit

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1 corporation without reversion or impairment, subject to any
 2 conditions to which the property was subject before the
 3 merger.
 4 (5) Subject to subdivision (3), the surviving nonprofit
 5 corporation has all of the liabilities and obligations of each
 6 party to the merger.
 7 (6) A proceeding pending against a party to the merger may
 8 be continued as if the merger and conversion had not
 9 occurred, or the surviving nonprofit corporation may be
 10 substituted in the proceeding for the board for depositories
 11 whose existence ceased.
 12 (7) The articles of incorporation and bylaws of the surviving
 13 nonprofit corporation are amended or restated to the extent
 14 provided in the plan of merger.
 15 (b) After a merger and conversion take effect under this
 16 chapter, any terms of the plan of merger that are not included in
 17 the articles of incorporation are considered to be contract rights
 18 only and are not part of the governing documents of the nonprofit
 19 corporation.
 20 Sec. 6. (a) Except as provided in subsection (b) or when the
 21 requirements are inconsistent with this chapter, a nonprofit
 22 corporation organized under IC 23-17 that is a party to a merger
 23 with the board for depositories under this chapter shall comply
 24 with the applicable requirements of IC 23-17-19 relating to
 25 mergers.
 26 (b) IC 23-17-19-2 does not apply to a merger and conversion
 27 under this chapter.
 28 Sec. 7. (a) The secretary of state shall approve or disapprove
 29 articles of merger filed under this chapter after first making the
 30 examinations or investigations the secretary of state considers
 31 necessary to determine whether the proposed merger and
 32 conversion is lawful.
 33 (b) If the secretary of state approves the articles of merger:
 34 (1) the approval is conclusive proof that the parties to the
 35 merger satisfied all conditions precedent to the merger; and
 36 (2) the effective date of the merger and conversion is the date
 37 of the filing of the articles of merger, unless a delayed
 38 effective date is specified in the articles of merger.
 39 Sec. 8. (a) Every depository that has public funds shall:
 40 (1) pay into the corporation insurance fund the assessments
 41 provided for in this article; and
 42 (2) comply with all lawful requirements of the public deposit

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insurance corporation.
The corporation insurance fund shall be maintained by the assessments payable by the depositories, by the collection of all claims created under IC 5-13-13, and by the receipt of all interest and other earnings of the corporation insurance fund from any source.

(b) All property in the corporation insurance fund, the interest or income derived from it or through its use, and all property otherwise held by the public deposit insurance corporation under this title is exempt from all taxes imposed by the state or any political subdivision.

Sec. 9. The corporation insurance fund shall continue to hold until maturity the bonds issued by the Indiana housing finance authority in which the board for depositories invested in 2004.

Sec. 10. Members of the board of directors of the public deposit insurance corporation and any officers, members, or employees of the public deposit insurance corporation are not subject to personal liability or accountability by reason of any investment made in compliance with the investment policy adopted by the investment committee of the public deposit insurance corporation.

Sec. 11. The public deposit insurance corporation shall continue to hold until paid in accordance with its terms the instrument of indebtedness evidencing the obligation to repay the loan from the public deposit insurance fund to the state general fund under P.L.224-116 (2003).

SECTION 26. IC 5-13-13-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 1. (a) Whenever any depository becomes a closed depository, the ~~board~~ **public deposit insurance corporation** shall, as soon as possible and upon the conditions prescribed in this section, make payment from the **corporation** insurance fund to the proper public officers of all public funds that were deposited in the closed depository in the manner required by this article. These payments shall be made only to the extent the public funds are not covered by insurance of any federal deposit insurance agency.

(b) For the purpose of determining the sums to be paid on account of public funds in any closed depository, the department of financial institutions shall ascertain the amount of public funds on deposit in any closed depository as disclosed by the records, and certify the amounts to the attorney general, auditor of state, the several public officers who have public funds on deposit, and the ~~board for depositories,~~ **public deposit insurance corporation**, which then constitutes a claim on the

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1 fund. The certification shall be made within twenty (20) days after its
2 special representative has taken charge of the business and property of
3 any closed depository, or the receiver of any national banking
4 association or state chartered state banks within twenty (20) days after
5 appointment.

6 (c) Within ten (10) days after the receipt of a certification under
7 subsection (b), the several public officers who have public funds on
8 deposit in the closed depository shall furnish to the attorney general
9 and the auditor of state:

- 10 (1) verified statements of the amount of the public funds on
- 11 deposit in the closed depository, as disclosed by their records;
- 12 (2) certified copies of the resolution or resolutions under which
- 13 the deposits were made; and
- 14 (3) any other information requested by the attorney general and
- 15 the auditor of state.

16 SECTION 27. IC 5-13-13-3 IS AMENDED TO READ AS
17 FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 3. (a) Whenever the
18 decision of the attorney general and auditor of state has become final,
19 or whenever a court of competent jurisdiction as provided in section 2
20 of this chapter has determined the amount payable from the
21 **corporation** insurance fund on account of public funds deposited in
22 the closed depository, the ~~board for depositories public deposit~~
23 **insurance corporation** shall ~~subject to IC 5-13-12-8(c)~~, cause the
24 amount to be paid to the treasurer or public officer out of the
25 **corporation** insurance fund.

26 (b) After payment is made under subsection (a), the ~~board~~, **public**
27 **deposit insurance corporation**, on behalf of the ~~public deposit~~
28 **corporation** insurance fund, is then subrogated to all of the right, title,
29 and interest of the depositor of the public funds for the amount of the
30 depository's claim against any federal deposit insurance agency and
31 against the closed depository. The ~~board~~ **public deposit insurance**
32 **corporation** is so subrogated to the extent that the **corporation**
33 insurance fund has paid the loss not reimbursed by the insurance. The
34 ~~board~~ **public deposit insurance corporation** is entitled to share in the
35 distribution of the assets of the closed depository on the basis ratably
36 with other depositories, but the **corporation** insurance fund shall be
37 paid in full before any distribution is made on account of public funds
38 not insured under the terms of this chapter. The ~~board~~ **public deposit**
39 **insurance corporation** shall pay any sum or sums received from any
40 distribution into the **corporation** insurance fund.

41 SECTION 28. IC 5-13-13-4, AS AMENDED BY P.L.115-2010,
42 SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

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1 JULY 1, 2012]: Sec. 4. (a) Whenever the assets in the **corporation**
 2 insurance fund are not sufficient to pay the claims of any kind that have
 3 been finally determined and have become payable, the ~~board for~~
 4 ~~depositories~~ **public deposit insurance corporation** shall issue
 5 anticipatory warrants for the purpose of raising money for the
 6 immediate payment of the claims. The warrants outstanding and unpaid
 7 must not at any time exceed the sum of three hundred million dollars
 8 (\$300,000,000). Interest may be paid upon the warrants from the date
 9 the rate was established by the ~~board for depositories:~~ **public deposit**
 10 **insurance corporation.** Interest is payable at the end of each year or
 11 for a shorter period as the warrants remain unpaid.

12 (b) The warrants are the obligation of the ~~board for depositories~~
 13 **public deposit insurance corporation** payable out of the ~~public~~
 14 ~~deposit corporation~~ insurance fund only and do not constitute a debt,
 15 liability, or obligation of the state or a pledge of the faith and credit of
 16 the state. Each warrant must have printed on its face the words, "This
 17 warrant is an obligation of the ~~board for depositories~~ **public deposit**
 18 **insurance corporation** payable solely out of the ~~public deposits~~
 19 **corporation** insurance fund, and neither the faith and credit nor the
 20 taxing power of the state is pledged to the payment of the principal, the
 21 interest, or any other amount owed on the warrants."

22 (c) Subject to the limitations in subsections (a) through (b), the
 23 warrants shall be issued in the individual and gross amounts and in the
 24 form and at the rate of interest approved by the ~~board for depositories:~~
 25 **public deposit insurance corporation.**

26 SECTION 29. IC 5-13-13-5 IS AMENDED TO READ AS
 27 FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 5. (a) The
 28 ~~secretary-investment manager~~ **designee of the public deposit**
 29 **insurance corporation** on behalf of the ~~board for depositories~~ **public**
 30 **deposit insurance corporation** has the powers and duties set out in
 31 this section and section 6 of this chapter and shall sell all anticipatory
 32 warrants issued under this chapter at a price not less than par plus
 33 accrued interest. The proceeds of the sale of the warrants shall be paid
 34 into the **corporation** insurance fund and shall be applied exclusively
 35 to the payment of the claims on account of which the warrants were
 36 issued.

37 (b) Any person may file an application with the
 38 ~~secretary-investment manager~~ **designee of the public deposit**
 39 **insurance corporation** for an allotment of a definite amount of the
 40 warrants. The ~~secretary-investment manager~~ **designee of the public**
 41 **deposit insurance corporation** shall then apportion to the several
 42 applicants an amount of warrants as the ~~secretary-investment manager~~

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1 **designee of the public deposit insurance corporation** sees fit, but no
2 allotments shall be made in an amount less than two thousand dollars
3 (\$2,000).

4 (c) The ~~secretary-investment manager~~ **designee of the public**
5 **deposit insurance corporation** shall make and retain in the
6 ~~secretary-investment manager's~~ **designee of the public deposit**
7 **insurance corporation's** office a complete record of all warrants sold
8 to each purchaser and of the post office address of the purchaser.
9 Purchasers of warrants may notify the ~~secretary-investment manager~~
10 **designee of the public deposit insurance corporation** of their post
11 office addresses, or of any change in their addresses, and of the
12 warrants owned or held by them, and the ~~secretary-investment manager~~
13 **designee of the public deposit insurance corporation** shall change
14 the ~~secretary-investment manager's~~ **designee of the public deposit**
15 **insurance corporation's** sale record accordingly.

16 SECTION 30. IC 5-13-13-6 IS AMENDED TO READ AS
17 FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 6. (a) All anticipatory
18 warrants and all interest on the warrants shall be payable by the
19 ~~secretary-investment manager~~ **designee of the public deposit**
20 **insurance corporation** solely from the money paid into the
21 **corporation** insurance fund and the money is, except for the payment
22 of expenses incident to the operation of the **corporation** insurance
23 fund, exclusively and irrevocably pledged to the payment of all
24 warrants in the consecutive order in which they were issued. The
25 warrants, as to interest as well as principal, shall be paid out of the
26 money in the **corporation** insurance fund before the payment of any
27 claims that may arise and be finally determined subsequent to the issue
28 and sale of any warrants or series of warrants.

29 (b) When any warrant or series of warrants is outstanding and
30 unpaid, the ~~secretary-investment manager~~ **designee of the public**
31 **deposit insurance corporation** shall, when the ~~secretary-investment~~
32 ~~manager~~ **designee of the public deposit insurance corporation** has
33 money in the **corporation** insurance fund sufficient to pay a reasonable
34 amount of the outstanding and unpaid warrants, notify the persons who,
35 according to the ~~secretary-investment manager's~~ **designee of the public**
36 **deposit insurance corporation's** record, hold the warrants or warrants
37 then payable. The ~~secretary-investment manager~~ **designee of the**
38 **public deposit insurance corporation** shall mail each notice to the
39 post office address of the person as shown by the records of sale. The
40 notice must state that the warrant or warrants will be paid on
41 presentation, and that interest will cease after the expiration of ten (10)
42 days from the mailing of the notice. At the expiration of the ten (10)

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1 day period, interest ceases on the warrant or warrants.

2 SECTION 31. IC 5-13-13-7, AS AMENDED BY P.L.115-2010,
 3 SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 4 JULY 1, 2012]: Sec. 7. (a) At any time when the ~~board for depositories~~
 5 **public deposit insurance corporation** determines that the assets of the
 6 **corporation** insurance fund are insufficient to pay its liabilities,
 7 accrued or contingent, or determines that the assessments due or to
 8 become due will not be sufficient to maintain the **corporation**
 9 insurance fund in a solvent condition and insure the safekeeping and
 10 prompt payment of public funds, the ~~board~~ **public deposit insurance**
 11 **corporation** may enter an order requiring any or all then constituted
 12 depositories to substitute other security, in the amount and type as
 13 determined by the ~~board~~ **public deposit insurance corporation** from
 14 time to time, to secure the safekeeping and prompt payment of public
 15 funds. The collateral to be accepted by the ~~board for depositories~~
 16 **public deposit insurance corporation** under this chapter may include,
 17 but is not limited to, the following:

- 18 (1) United States Treasury securities.
 19 (2) Federal agency securities.
 20 (3) An irrevocable letter of credit issued by a Federal Home Loan
 21 Bank if:
 22 (A) the federal home loan bank issuing the irrevocable letter
 23 of credit maintains a rating of at least the third highest level
 24 from at least one (1) of the nationally recognized rating
 25 agencies; and
 26 (B) the irrevocable letter of credit provides that the ~~board~~
 27 **public deposit insurance corporation** for depositories may
 28 draw on the letter when necessary to satisfy losses to the
 29 ~~public deposit corporation~~ **insurance fund** under state law.

30 (b) The ~~board~~ **public deposit insurance corporation** may require
 31 any or all then constituted depositories to deliver and pledge to the
 32 proper local board of finance or to the state board of finance, under the
 33 conditions for joint control of the collateral by the depositories as may
 34 be approved by the ~~board for depositories,~~ **public deposit insurance**
 35 **corporation**, bonds or other obligations that the ~~board~~ **public deposit**
 36 **insurance corporation** determines are acceptable collateral. The
 37 market value of these securities, at the time of delivery, must be an
 38 amount determined by the ~~board,~~ **public deposit insurance**
 39 **corporation**, which may not exceed the amount of public funds then
 40 on deposit with the respective depositories. The ~~board~~ **public deposit**
 41 **insurance corporation** may require depositories to pledge acceptable
 42 securities to such an extent that the market value of the pledge will at

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1 all times be substantially equal to the amount of public funds on
2 deposit in the respective depositories.

3 (c) Whenever an order is in force and the amount of public funds on
4 deposit is at least ten percent (10%) less than the market value of
5 securities pledged to secure the payment, as required by the ~~board;~~
6 **public deposit insurance corporation**, the depository may withdraw
7 the excess amount of pledged collateral.

8 (d) Any order of the ~~board for depositories~~ **public deposit**
9 **insurance corporation** becomes effective within the time fixed by the
10 ~~board;~~ **public deposit insurance corporation**. However, the time of
11 effectiveness must not be earlier than thirty (30) days from the date of
12 entry of the order by the ~~board;~~ **public deposit insurance corporation**.
13 The order continues in force until rescinded by the ~~board;~~ **public**
14 **deposit insurance corporation**. Upon the entry of any order by the
15 ~~board for depositories;~~ **public deposit insurance corporation**, all then
16 constituted depositories affected by the order shall comply with the
17 order. Upon compliance, and full payment of all its liabilities by the
18 **corporation** insurance fund, depositories are not required to pay any
19 further assessments for insurance under this chapter until the order
20 requiring collateral has been revoked or rescinded and the collateral
21 returned to the respective depositories.

22 (e) A depository may elect at any time to pledge and deliver
23 collateral to the ~~board~~ **public deposit insurance corporation** in an
24 amount equal to one hundred percent (100%) of the public funds the
25 depository has on deposit. A depository that:

- 26 (1) elects this option;
- 27 (2) has pledged and delivered the collateral to the ~~board;~~ **public**
- 28 **deposit insurance corporation;** and
- 29 (3) has maintained a one hundred percent (100%) collateral level
- 30 continuously for the twelve (12) months immediately preceding
- 31 an assessment;

32 is exempt from paying any assessment authorized by this article while
33 the collateral continues to be maintained with the ~~board;~~ **public deposit**
34 **insurance corporation**.

35 (f) If the fund balance is zero (0), each depository shall pledge and
36 deliver collateral to the ~~board~~ **public deposit insurance corporation**
37 equal to the depository's pro rata share of total deposit accounts of
38 public funds based on an average of the depository's total deposit
39 accounts of public funds for the previous four (4) quarters, as reported
40 under this article, as determined by the ~~board~~ **public deposit insurance**
41 **corporation** from time to time, with at least fifteen (15) days notice to
42 the depository, to secure the safekeeping and prompt payment of public

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funds.

SECTION 32. IC 5-20-4-7, AS AMENDED BY P.L.3-2008, SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 7. (a) There is established the affordable housing and community development fund. The fund shall be administered by the authority under the direction of the authority's board.

(b) The fund consists of the following resources:

- (1) Appropriations from the general assembly.
- (2) Gifts, grants, and donations of any tangible or intangible property from public or private sources.
- (3) Investment income earned on the fund's assets.
- (4) Repayments of loans from the fund.
- (5) Funds borrowed from the board for depositories public deposit insurance fund (~~IC 5-13-12-7~~); **(IC 5-13-4-19.7) in 2004.**
- (6) Money deposited in the fund under IC 6-7-2-17 and IC 36-2-7-10.

(c) 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 funds may be invested.

(d) The money remaining in the fund at the end of a fiscal year does not revert to the state general fund.

(e) Interest earned on the fund may be used by the authority to pay expenses incurred in the administration of the fund.

SECTION 33. IC 8-5-15-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 5. (a) The board has all powers reasonably necessary to carry out the purpose of this chapter including the following powers:

- (1) To receive federal, state, county, and municipal funds, or private contributions and disburse them for the purpose of aiding commuter transportation systems serving the district.
- (2) To monitor and evaluate the use of funds granted or distributed by the district.
- (3) To apply for federal, state, municipal, or county funds for the purpose of rendering assistance to commuter transportation systems.
- (4) To coordinate its plans and activities with:
 - (A) any public transportation authority serving one (1) or more counties that are members of the district;
 - (B) the Indiana department of transportation;
 - (C) regional planning commissions serving any portion of the district;
 - (D) units of county and municipal government included in the

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- 1 district; and
- 2 (E) any regional transportation authority, transit authority, or
- 3 like governmental unit in another state if the commuter
- 4 transportation system crosses the boundary of the state or
- 5 serves another.
- 6 (5) To purchase, lease, or lease with option to purchase capital
- 7 equipment in aid of any system of commuter transportation
- 8 operating in the district, and lease the equipment to the system
- 9 under conditions and for a term to be determined by the board.
- 10 (6) As a municipal corporation, to sue and be sued.
- 11 (7) To conduct public hearings to accomplish the purpose of this
- 12 chapter.
- 13 (8) To seek and accept the assistance of any public or publicly
- 14 funded agency in carrying out its functions and duties.
- 15 (9) To enter into agreements with either private or public agencies
- 16 for any purpose required to accomplish the intent of this chapter.
- 17 ~~The board may enter into a trust indenture or any other agreement~~
- 18 ~~with the board for depositories in order to obtain a loan or a loan~~
- 19 ~~guarantee under IC 5-13-12-11.~~
- 20 (10) To set levels of service and rates notwithstanding IC 8-3-1,
- 21 for transportation of passengers subject to section 7 of this
- 22 chapter.
- 23 (11) To expend funds granted to the district from any source for
- 24 the purpose of paying reasonable administrative expenses.
- 25 (12) To purchase, acquire, lease, or lease with option to purchase
- 26 all or any part of the assets of a railroad that is providing
- 27 commuter transportation services within the district and to
- 28 purchase or acquire all or any part of the issued and outstanding
- 29 stock of a railroad that is providing commuter transportation
- 30 services within the district.
- 31 (13) To own all or any part of the capital stock or assets of a
- 32 railroad that is providing commuter transportation services within
- 33 the district, and to operate either directly, by management
- 34 contract, or by lease any such railroad.
- 35 (14) To issue revenue bonds of the district payable solely from
- 36 revenues for the purpose of paying all or any part of the cost of
- 37 acquiring the capital stock of a railroad company, all or any part
- 38 of the assets of a railroad, or any property, real or personal, for the
- 39 purposes of this chapter.
- 40 (15) To acquire, lease, construct, maintain, repair, police, and
- 41 operate a railroad and to establish rules for the use of the railroad
- 42 and other properties subject to the jurisdiction and control of the

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1 board.
 2 (16) To acquire and dispose of real and personal property in the
 3 exercise of its powers and the performance of its duties under this
 4 chapter.
 5 (17) To lease to others for development or operation all or any
 6 part of a railroad on such terms and conditions as the board
 7 considers advisable.
 8 (18) To make and enter into all contracts, undertakings, and
 9 agreements necessary or incidental to the performance of its
 10 duties and the execution of its powers under this chapter.
 11 (19) To employ, subject to sections 18 and 19 of this chapter, an
 12 executive director or manager, consulting engineers,
 13 superintendents, and such other engineers, construction and
 14 accounting experts, attorneys, and other employees and agents as
 15 may be necessary in its judgment, and to fix their compensation.
 16 (20) To negotiate and enter into agreements for railroad trackage
 17 rights regardless of the location of the track.
 18 (21) To do all other acts necessary or reasonably incident to
 19 carrying out the purpose of this chapter.
 20 (b) Notwithstanding the powers granted to the board in subsection
 21 (a), the district does not have the power to levy taxes.
 22 (c) In the event the board of trustees determines that the commuter
 23 transportation system or the railroad owned by the district cannot
 24 continue to provide adequate transportation service, or the district is
 25 terminated, the board may, subject to the conditions of any state or
 26 federal grant used to purchase equipment or property, dispose of any
 27 properties of the district.
 28 (d) In the event the district is dissolved, ninety percent (90%) of the
 29 proceeds shall be paid to the state and ten percent (10%) to the counties
 30 in proportion to their contributions.
 31 (e) In the exercise of any of the powers granted to the board in
 32 subsection (a), the board is not subject to any other laws related to
 33 commuter transportation systems or railroads.
 34 SECTION 34. IC 28-1-2-40, AS ADDED BY P.L.115-2010,
 35 SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 36 JULY 1, 2012]: Sec. 40. (a) As used in this section, "act" refers to the
 37 federal Credit Card Accountability Responsibility and Disclosure Act
 38 of 2009 as it applies to Indiana borrowers.
 39 (b) If the department receives credible evidence from any source
 40 that a financial institution that issues to Indiana borrowers an
 41 unsecured credit card that is not a debit card, as a card issuer (as
 42 defined in 15 U.S.C. 1602(n)) is not in substantial compliance with the

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1 act, the director of the department shall send a notice of the evidence
2 by certified mail to the financial institution's chief executive officer.

3 The notice must:

4 (1) set forth the provisions of IC 5-13-9.5-1(c) and
5 IC 5-13-9.5-1(d);

6 (2) describe the department's evidence that the financial
7 institution is not in substantial compliance with the act;

8 (3) describe the consequences under IC 5-13-9.5-1(c) of a finding
9 that the financial institution is not in substantial compliance with
10 the act; and

11 (4) invite a reply that affirms or disputes the evidence of
12 noncompliance with the act.

13 If a financial institution disputes the preliminary determination that it
14 is not in substantial compliance with the act, but fails to convince the
15 director of the department of its substantial compliance with the act,
16 the financial institution may, within twenty (20) days of the date of the
17 notice, request a hearing on the determination. If a hearing is requested,
18 the department shall schedule the hearing not earlier than twenty (20)
19 days after the date of the request. If no hearing is requested, the
20 department's determination that the financial institution is not in
21 substantial compliance with the act is final.

22 (c) Except as otherwise provided in this section, any hearing
23 requested by a financial institution under subsection (b) and the
24 determination by the department are subject to IC 4-21.5-3. Judicial
25 review of the department's final determination may be obtained in
26 accordance with IC 4-21.5-5.

27 (d) If a financial institution does not contest the determination that
28 it is not in substantial compliance with the act, or the financial
29 institution is determined under subsection (b) to not be in substantial
30 compliance with the act, the department shall immediately notify the
31 ~~chairperson of the board for depositories established under IC 5-13-12~~
32 **public deposit insurance corporation (as defined in IC 5-13-4-19.5)**
33 of the determination.

34 (e) A financial institution that has been determined by the
35 department to not be in substantial compliance with the act may
36 petition the department for a hearing to demonstrate that the financial
37 institution has taken the necessary steps to attain substantial
38 compliance with the act, and to ensure future substantial compliance
39 with the act. The hearing and the determination by the department are
40 subject to IC 4-21.5-3. Judicial review of the department's final
41 determination may be obtained in accordance with IC 4-21.5-5. Upon
42 final determination by the department, or a final judgment in the case

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1 of pending judicial review, that the financial institution is in substantial
 2 compliance with the act, the department shall immediately notify the
 3 ~~chairperson of the board for depositories established under IC 5-13-12~~
 4 **public deposit insurance corporation (as defined in IC 5-13-4-19.5)**
 5 of the determination or judgment.

6 SECTION 35. IC 34-30-2-13 IS AMENDED TO READ AS
 7 FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 13. ~~(a) IC 5-13-12-7~~
 8 **IC 5-13-12-0.2** (Concerning members, officers, and employees of the
 9 board for depositories).

10 **(b) This section expires January 1, 2019.**

11 SECTION 36. IC 34-30-2-13.5 IS ADDED TO THE INDIANA
 12 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
 13 [EFFECTIVE JULY 1, 2012]: **Sec. 13.5. IC 5-13-12.5-10 (Concerning**
 14 **the board of directors, members, officers, and employees of the**
 15 **public deposit insurance corporation).**

16 SECTION 37. IC 36-8-8.5-17, AS AMENDED BY P.L.1-2009,
 17 SECTION 170, IS AMENDED TO READ AS FOLLOWS
 18 [EFFECTIVE JULY 1, 2012]: Sec. 17. (a) The ad valorem property tax
 19 levy limits imposed by IC 6-1.1-18.5 do not apply to ad valorem
 20 property taxes imposed by a civil taxing unit for a calendar year to pay
 21 pension benefits under section 12(c) of this chapter to the extent
 22 provided in subsection (b).

23 (b) For purposes of determining the property tax levy limit imposed
 24 on a civil taxing unit under IC 6-1.1-18.5, the civil taxing unit's ad
 25 valorem property tax levy for a calendar year does not include an
 26 amount equal to the amounts paid by the civil taxing unit for pension
 27 benefits in that calendar year under section 12(c) of this chapter,
 28 minus:

- 29 (1) the amount of pension relief distributions under
 30 IC 5-10.3-11-4, IC 5-10.3-11-4.5 (repealed effective January 1,
 31 2009), and IC 5-10.3-11-4.7 to be received by the civil taxing unit
 32 in that calendar year that is attributable to pension benefits paid
 33 under section 12(c) of this chapter for that calendar year; and
 34 (2) an amount equal to the percentage of the civil taxing unit's
 35 pension distributions that were relieved under IC 5-13-12-4
 36 **(before its expiration)** in the preceding calendar year, multiplied
 37 by the amount of pension benefits paid under section 12(c) of this
 38 chapter in that calendar year.

39 SECTION 38. IC 36-10-8-11 IS AMENDED TO READ AS
 40 FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 11. (a) The treasurer of
 41 the board is the official custodian of all funds and assets of the board
 42 and is responsible for their safeguarding and accounting. ~~He~~ **The**

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1 **treasurer of the board** shall give bond for the faithful performance
 2 and discharge of all duties required of ~~him~~ **the treasurer of the board**
 3 by law in the amount and with surety and other conditions that may be
 4 prescribed and approved by the board. All funds and assets in the
 5 capital improvement fund and the capital improvement bond fund
 6 created by this chapter and all other funds, assets, and tax revenues
 7 held, collected, or received by the treasurer of the county for the use of
 8 the board shall be promptly remitted and paid over by ~~him~~ **the**
 9 **treasurer of the county** to the treasurer of the board, who shall issue
 10 receipts for them.

11 (b) The treasurer of the board shall deposit all money coming into
 12 ~~his~~ **the treasurer of the board's** hands as required by this chapter and
 13 IC 6-7-1-30.1, and in accordance with general statutes relating to the
 14 deposit of public funds. Money so deposited may be invested and
 15 reinvested by the treasurer in accordance with IC 5-13 and in securities
 16 that the board specifically directs. All interest and other income earned
 17 on investments becomes a part of the particular fund from which the
 18 money was invested. ~~All funds invested and fully safeguarded and~~
 19 ~~secured as provided in IC 5-13-9 are exempt from assessments under~~
 20 ~~IC 5-13-12.~~

21 (c) The board shall appoint a controller to act as the auditor and
 22 assistant treasurer of the board. ~~He~~ **The controller** shall serve as the
 23 official custodian of all books of account and other financial records of
 24 the board and has the same powers and duties as the treasurer of the
 25 board or the lesser powers and duties that the board prescribes. The
 26 controller, and any other employee or member of the board authorized
 27 to receive, collect, or expend money, shall give bond for the faithful
 28 performance and discharge of all duties required of ~~him~~ **the controller**
 29 in the amount and with surety and other conditions that may be
 30 prescribed and approved by the board. ~~He~~ **The controller** shall keep
 31 an accurate account of all money due the board and of all money
 32 received, invested, and disbursed in accordance with generally
 33 recognized governmental accounting principles and procedure. All
 34 accounting forms and records shall be prescribed or approved by the
 35 state board of accounts.

36 (d) The controller shall issue all warrants for the payment of money
 37 from the funds of the board in accordance with procedures prescribed
 38 by the board, but a warrant may not be issued for the payment of a
 39 claim until an itemized and verified statement of the claim has been
 40 filed with the controller, who may require evidence that all amounts
 41 claimed are justly due. All warrants shall be countersigned by the
 42 treasurer of the board or by the executive manager. Payroll and similar

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1 warrants may be executed with facsimile signatures.
 2 (e) If there are bonds outstanding issued under this chapter, the
 3 controller shall deposit with the paying agent or officer within a
 4 reasonable period before the date that any principal or interest becomes
 5 due sufficient money for the payment of the principal and interest on
 6 the due dates.
 7 (f) At least annually the controller shall submit to the board a report
 8 of ~~his~~ **the controller's** accounts exhibiting the revenues, receipts, and
 9 disbursements and the sources from which the revenues and receipts
 10 were derived and the purpose and manner in which they were
 11 disbursed. The board may require that the report be prepared by an
 12 independent certified public accountant designated by the board. The
 13 handling and expenditure of funds is subject to audit and supervision
 14 by the state board of accounts.
 15 SECTION 39. IC 36-10-9-9, AS AMENDED BY P.L.182-2009(ss),
 16 SECTION 457, IS AMENDED TO READ AS FOLLOWS
 17 [EFFECTIVE JULY 1, 2012]: Sec. 9. (a) The treasurer of the board is
 18 the official custodian of all funds and assets of the board and is
 19 responsible for their safeguarding and accounting. The treasurer shall
 20 give bond for the faithful performance and discharge of all duties
 21 required of the treasurer by law in the amount and with surety and other
 22 conditions that may be prescribed and approved by the board. All funds
 23 and assets in the capital improvement fund and the capital
 24 improvement bond fund created by this chapter and all other funds,
 25 assets, and tax revenues held, collected, or received by the treasurer of
 26 the county for the use of the board shall be promptly remitted and paid
 27 over by the county treasurer to the treasurer of the board, who shall
 28 issue receipts for them.
 29 (b) The treasurer of the board shall deposit all funds coming into the
 30 treasurer's hands as required by this chapter and by IC 6-7-1-30.1, and
 31 in accordance with IC 5-13. Money so deposited may be invested and
 32 reinvested by the treasurer in accordance with general statutes relating
 33 to the investment of public funds and in securities that the board
 34 specifically directs. All interest and other income earned on
 35 investments becomes a part of the particular fund from which the
 36 money was invested, except as provided in a resolution, ordinance, or
 37 trust agreement providing for the issuance of bonds or notes. ~~All funds~~
 38 ~~invested in deposit accounts as provided in IC 5-13-9 must be insured~~
 39 ~~under IC 5-13-12.~~
 40 (c) The board shall appoint a controller to act as the auditor and
 41 assistant treasurer of the board. The controller shall serve as the official
 42 custodian of all books of account and other financial records of the

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1 board and has the same powers and duties as the treasurer of the board
 2 or the lesser powers and duties that the board prescribes. The controller
 3 and any other employee or member of the board authorized to receive,
 4 collect, or expend money, shall give bond for the faithful performance
 5 and discharge of all duties required of the controller in the amount and
 6 with surety and other conditions that may be prescribed and approved
 7 by the board. The controller shall keep an accurate account of all
 8 money due the board and of all money received, invested, and
 9 disbursed in accordance with generally recognized governmental
 10 accounting principles and procedure. All accounting forms and records
 11 shall be prescribed or approved by the state board of accounts.

12 (d) The controller shall issue all warrants for the payment of money
 13 from the funds of the board in accordance with procedures prescribed
 14 by the board but a warrant may not be issued for the payment of a claim
 15 until an itemized and verified statement of the claim has been filed with
 16 the controller, who may require evidence that all amounts claimed are
 17 justly due. All warrants shall be countersigned by the treasurer of the
 18 board or by the executive manager. Warrants may be executed with
 19 facsimile signatures.

20 (e) If there are bonds or notes outstanding issued under this chapter,
 21 the controller shall deposit with the paying agent or other paying officer
 22 within a reasonable period before the date that any principal or interest
 23 becomes due sufficient money for the payment of the principal and
 24 interest on the due dates. The controller shall make the deposit with
 25 money from the sources provided in this chapter, and ~~he~~ **the controller**
 26 shall make the deposit in an amount that, together with other money
 27 available for the payment of the principal and interest, is sufficient to
 28 make the payment. In addition, the controller shall make other deposits
 29 for the bonds and notes as is required by this chapter or by the
 30 resolutions, ordinances, or trust agreements under which the bonds or
 31 notes are issued.

32 (f) The controller shall submit to the board at least annually a report
 33 of the board's accounts exhibiting the revenues, receipts, and
 34 disbursements and the sources from which the revenues and receipts
 35 were derived and the purpose and manner in which they were
 36 disbursed. The board may require that the report be prepared by an
 37 independent certified public accountant designated by the board. The
 38 state board of accounts shall audit annually the accounts, books, and
 39 records of the board and prepare a financial report and a compliance
 40 audit report. The board shall submit to the city-county legislative body
 41 financial and compliance reports of the state board of accounts. The
 42 board shall post the reports of the state board of accounts on the board's

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1 Internet web site. The city-county legislative body shall discuss the
2 financial and compliance reports of the state board of accounts in a
3 public hearing. The handling and expenditure of funds is subject to
4 supervision by the state board of accounts.

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

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