
HOUSE BILL No. 1352

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 36-10-8-11; IC 36-10-9-9.

Synopsis: Public deposits. 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 nonprofit corporations 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 any
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Effective: Upon passage; July 1, 2013.

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January 22, 2013, read first time and referred to Committee on Financial Institutions.



Digest Continued

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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First Regular Session 118th General Assembly (2013)

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 2012 Regular Session of the General Assembly.

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HOUSE BILL No. 1352



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, 2013]: 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, 2013]: 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, 2013]: 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 2013]. 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 2013]. 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 2013]. 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 2013]. 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, 2013]: 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 for 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, 2013]: 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 ~~as added~~
 21 ~~by P.L.19-1987,~~ **(before its expiration).**

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, 2013]: 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, 2013]: 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, 2013]: 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, 2013]: 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, 2013]: 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, 2013]: 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, 2013]: 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, 2013]: 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, 2013]: 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 December 31, 2013, 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 on or before December 31, 2013, the secretary of state shall file an affidavit with the governor that states that the secretary of state finds 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 a domestic nonprofit corporation merges with the board for depositories under IC 5-13-12.5; or**
- (2) July 1, 2014.**

(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 January 1, 2014.

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1 SECTION 24. IC 5-13-12-0.2 IS ADDED TO THE INDIANA
 2 CODE AS A NEW SECTION TO READ AS FOLLOWS
 3 [EFFECTIVE JULY 1, 2013]: **Sec. 0.2. (a) Members of the board for**
 4 **depositories and any officers or employees of the board for**
 5 **depositories are not subject to personal liability or accountability**
 6 **by reason of any investment in any of the obligations listed in**
 7 **IC 5-13-12-7(d) (before its expiration).**

8 **(b) This section expires January 1, 2020.**

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

12 **Chapter 12.5. Merger of Board for Depositories with Domestic**
 13 **Nonprofit Corporation; Conversion into Nonprofit Corporation**

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

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

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

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

30 **Sec. 3. (a) The board for depositories may engage in a merger**
 31 **with a domestic nonprofit corporation described in section 12 of**
 32 **this chapter in a transaction in which the surviving entity is the**
 33 **domestic nonprofit corporation if all the following occur:**

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

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1 **(3) The resolution is approved by the voting members of the**
 2 **corporation by an affirmative vote of at least a majority of the**
 3 **voting members of the corporation:**

4 **(A) in a meeting at which a quorum is present; or**

5 **(B) by written consent or written ballot as provided under**
 6 **IC 23-17-19-3(e).**

7 **(b) The resolution of merger and conversion described under**
 8 **subsection (a) must include the details or a description of the plan**
 9 **of merger between the board for depositories and the domestic**
 10 **nonprofit corporation, including the following:**

11 **(1) The name of:**

12 **(A) each entity that is a party to the merger under this**
 13 **chapter; and**

14 **(B) the domestic nonprofit corporation that is the surviving**
 15 **entity in the transaction.**

16 **(2) The terms and conditions of the planned merger and**
 17 **conversion.**

18 **(c) A plan of merger may include the following:**

19 **(1) Amendments to, or a restatement of, the articles of**
 20 **incorporation or bylaws of the surviving nonprofit**
 21 **corporation.**

22 **(2) Other provisions relating to the planned merger and**
 23 **conversion.**

24 **(3) A delayed effective date.**

25 **(d) The domestic nonprofit corporation shall give notice of the**
 26 **meeting of members described in subsection (a)(3)(A) in**
 27 **accordance with IC 23-17-10-5. The notice must:**

28 **(1) state that the purpose of the meeting is to consider the plan**
 29 **of merger; and**

30 **(2) contain or be accompanied by a copy or summary of the**
 31 **plan of merger.**

32 **(e) If the board of directors of the domestic nonprofit**
 33 **corporation seeks to have a resolution for merger and conversion**
 34 **approved by the voting members by written consent or written**
 35 **ballot under subsection (a)(3)(B), the domestic nonprofit**
 36 **corporation shall include a copy or summary of the plan of merger**
 37 **with the material soliciting the approval of the resolution of**
 38 **merger and conversion.**

39 **(f) Upon the approval of a resolution of merger and conversion**
 40 **by the board of directors and members of the domestic nonprofit**
 41 **corporation as described in subsection (a), both of the following**
 42 **apply:**

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- 1 (1) The board for depositories is considered to have become
- 2 a party to the plan of merger described in this section.
- 3 (2) The board for depositories is considered to have approved
- 4 the resolution of merger and conversion described in
- 5 subsection (a).
- 6 **Sec. 4. After a plan of merger is approved as provided under**
- 7 **section 3 of this chapter, the surviving nonprofit corporation shall**
- 8 **deliver to the secretary of state articles of merger that include the**
- 9 **following:**
- 10 (1) The plan of merger.
- 11 (2) The total number of votes for and votes against the plan of
- 12 merger cast by the members of the board of directors of the
- 13 domestic nonprofit corporation that will be the surviving
- 14 nonprofit corporation in the merger.
- 15 (3) The total number of votes for and votes against the plan of
- 16 merger cast by the members of the domestic nonprofit
- 17 corporation that will be the surviving nonprofit corporation
- 18 in the merger.
- 19 **Sec. 5. (a) When a merger and conversion under this chapter**
- 20 **take effect, the following occur:**
- 21 (1) The board for depositories merges into the surviving
- 22 nonprofit corporation and the separate existence of the board
- 23 for depositories ceases.
- 24 (2) The surviving nonprofit corporation has all the rights,
- 25 privileges, immunities, and powers and is subject to all the
- 26 duties, restrictions, penalties, and liabilities of a nonprofit
- 27 corporation organized under IC 23-17 and shall function as
- 28 the public deposit insurance corporation.
- 29 (3) The surviving nonprofit corporation shall operate for the
- 30 benefit of depositors of public funds deposited in financial
- 31 institutions approved by the surviving nonprofit corporation.
- 32 No entity other than the surviving nonprofit corporation may
- 33 be empowered to manage and operate the public deposit
- 34 insurance fund.
- 35 (4) The surviving nonprofit corporation:
- 36 (A) does not have the statutory rights, privileges,
- 37 immunities, and powers; and
- 38 (B) is not subject to the statutory duties, restrictions,
- 39 penalties, and liabilities;
- 40 of the board for depositories, including those provided under
- 41 IC 5-13, except as expressly provided for by reference to the
- 42 public deposit insurance corporation.

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1 (5) The title to real property and other property, including
 2 records and digital information, owned by each party to the
 3 merger is vested in the surviving nonprofit corporation
 4 without reversion or impairment, subject to any conditions to
 5 which the property was subject before the merger. In
 6 addition, the state shall transfer to the surviving nonprofit
 7 corporation all records and digital information relating to the
 8 board for depositories or the public deposit insurance fund
 9 that is in the state's possession.

10 (6) Subject to subdivision (4), the surviving nonprofit
 11 corporation has all the liabilities and obligations of each party
 12 to the merger.

13 (7) A proceeding pending against a party to the merger may
 14 be continued as if the merger and conversion had not
 15 occurred, or the surviving nonprofit corporation may be
 16 substituted in the proceeding for the board for depositories.

17 (8) The articles of incorporation and bylaws of the surviving
 18 nonprofit corporation are amended or restated to the extent
 19 provided in the plan of merger.

20 (b) After a merger and conversion take effect under this
 21 chapter, any terms of the plan of merger that are not included in
 22 the articles of incorporation are considered to be contract rights
 23 only and are not part of the governing documents of the nonprofit
 24 corporation.

25 Sec. 6. (a) Except as provided in subsection (b) or when the
 26 requirements of IC 23-17-19 relating to mergers are inconsistent
 27 with this chapter, a nonprofit corporation organized under
 28 IC 23-17 that is a party to a merger with the board for depositories
 29 under this chapter shall comply with the applicable requirements
 30 of IC 23-17-19 relating to mergers.

31 (b) IC 23-17-19-2 does not apply to a merger and conversion
 32 under this chapter.

33 Sec. 7. (a) The secretary of state shall approve or disapprove
 34 articles of merger filed under this chapter after first making the
 35 examinations or investigations the secretary of state considers
 36 necessary to determine whether the proposed merger and
 37 conversion is lawful.

38 (b) If the secretary of state approves the articles of merger:

39 (1) the approval is conclusive proof that the parties to the
 40 merger satisfied all conditions precedent to the merger; and

41 (2) the effective date of the merger and conversion is the date
 42 of the filing of the articles of merger unless a delayed effective

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date is specified in the articles of merger.

Sec. 8. (a) Every depository that has public funds shall:

- (1) pay into the corporation insurance fund the assessments provided in this article; and**
- (2) comply with all lawful requirements of the public deposit 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:

- (1) in any of the obligations listed in IC 5-13-12-7(d) (before its expiration); or**
- (2) 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.224-2003, SECTION 116.

Sec. 12. (a) The domestic nonprofit corporation with which the board for depositories may engage in a merger under this chapter is a corporation with, at the time of the merger, a board of directors described in subsection (b).

(b) The board of directors of the corporation is comprised of eight (8) members, as follows:

- (1) The treasurer of state.**
- (2) The director of the department of financial institutions.**
- (3) A treasurer of an Indiana county.**

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- 1 **(4) A city or town official responsible for investment of tax**
 2 **proceeds.**
 3 **(5) An individual identified in a record received by the**
 4 **corporation as the appointee of the Indiana Association of**
 5 **School Business Officials.**
 6 **(6) A chief executive officer or a chief financial officer of a**
 7 **financial institution operating in Indiana with not more than**
 8 **two hundred million dollars (\$200,000,000) of Indiana based**
 9 **deposits.**
 10 **(7) A chief executive officer or a chief financial officer of a**
 11 **financial institution operating in Indiana with more than two**
 12 **hundred million dollars (\$200,000,000) but not more than one**
 13 **billion dollars (\$1,000,000,000) of Indiana based deposits.**
 14 **(8) A chief executive officer or a chief financial officer of a**
 15 **financial institution operating in Indiana with more than one**
 16 **billion dollars (\$1,000,000,000) of Indiana based deposits.**
 17 **(c) The:**
 18 **(1) manner of selection, removal, replacement in the event of**
 19 **vacancy, the term of office, and additional qualifications of**
 20 **members of the board of directors of the corporation**
 21 **described in subsection (b); and**
 22 **(2) provisions regarding the functioning of the board of**
 23 **directors of the corporation;**
 24 **shall be established from time to time in the bylaws of the**
 25 **corporation.**
 26 **Sec. 13. If the United States government or an agency of the**
 27 **United States government extends insurance coverage of public**
 28 **deposits to one hundred percent (100%) of the amount on deposit**
 29 **irrespective of the amount of the deposit, in a law or regulation not**
 30 **having an expiration date, the public deposit insurance**
 31 **corporation, as directed and determined by its board of directors,**
 32 **shall transfer the corporation insurance fund to:**
 33 **(1) such an organization, if the organization is organized and**
 34 **operated exclusively for charitable purposes and at the time**
 35 **of the transfer qualifies as an exempt organization under**
 36 **Section 501(c)(3) of the Internal Revenue Code; or**
 37 **(2) the state of Indiana.**
 38 **Sec. 14. All interest or income derived from property in the**
 39 **corporation insurance fund or through its use and not used to pay**
 40 **expenses incident to the administration of the corporation**
 41 **insurance fund shall be added to the corpus of the corporation**
 42 **insurance fund.**

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1 **Sec. 15. The public deposit insurance corporation shall submit**
2 **to the board of finance at least annually a report of the financial**
3 **condition of the public deposit insurance corporation and the**
4 **corporation insurance fund.**

5 SECTION 26. IC 5-13-13-1 IS AMENDED TO READ AS
6 FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 1. (a) Whenever any
7 depository becomes a closed depository, the ~~board~~ **public deposit**
8 **insurance corporation** shall, as soon as possible and upon the
9 conditions prescribed in this section, make payment from the
10 **corporation** insurance fund to the proper public officers of all public
11 funds that were deposited in the closed depository in the manner
12 required by this article. These payments shall be made only to the
13 extent the public funds are not covered by insurance of any federal
14 deposit insurance agency.

15 (b) For the purpose of determining the sums to be paid on account
16 of public funds in any closed depository, the department of financial
17 institutions shall ascertain the amount of public funds on deposit in any
18 closed depository as disclosed by the records, and certify the amounts
19 to the attorney general, auditor of state, the several public officers who
20 have public funds on deposit, and the ~~board for depositories,~~ **public**
21 **deposit insurance corporation**, which then constitutes a claim on the
22 **corporation insurance** fund. The certification shall be made within
23 twenty (20) days after its special representative has taken charge of the
24 business and property of any closed depository, or the receiver of any
25 national banking association or state chartered state banks within
26 twenty (20) days after appointment.

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

- 31 (1) verified statements of the amount of the public funds on
32 deposit in the closed depository, as disclosed by their records;
- 33 (2) certified copies of the resolution or resolutions under which
34 the deposits were made; and
- 35 (3) any other information requested by the attorney general and
36 the auditor of state.

37 SECTION 27. IC 5-13-13-3 IS AMENDED TO READ AS
38 FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 3. (a) Whenever the
39 decision of the attorney general and auditor of state has become final,
40 or whenever a court of competent jurisdiction as provided in section 2
41 of this chapter has determined the amount payable from the
42 **corporation** insurance fund on account of public funds deposited in

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1 the closed depository, the ~~board for depositories~~ **public deposit**
2 **insurance corporation** shall ~~subject to IC 5-13-12-8(c)~~, cause the
3 amount to be paid to the treasurer or public officer out of the
4 **corporation** insurance fund.

5 (b) After payment is made under subsection (a), the ~~board;~~ **public**
6 **deposit insurance corporation**, on behalf of the ~~public deposit~~
7 **corporation** insurance fund, is then subrogated to all of the right, title,
8 and interest of the depositor of the public funds for the amount of the
9 depository's claim against any federal deposit insurance agency and
10 against the closed depository. The ~~board~~ **public deposit insurance**
11 **corporation** is so subrogated to the extent that the **corporation**
12 insurance fund has paid the loss not reimbursed by the insurance. The
13 ~~board~~ **public deposit insurance corporation** is entitled to share in the
14 distribution of the assets of the closed depository on the basis ratably
15 with other depositories, but the **corporation** insurance fund shall be
16 paid in full before any distribution is made on account of public funds
17 not insured under the terms of this chapter. The ~~board~~ **public deposit**
18 **insurance corporation** shall pay any sum or sums received from any
19 distribution into the **corporation** insurance fund.

20 SECTION 28. IC 5-13-13-4, AS AMENDED BY P.L.115-2010,
21 SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
22 JULY 1, 2013]: Sec. 4. (a) Whenever the assets in the **corporation**
23 insurance fund are not sufficient to pay the claims of any kind that have
24 been finally determined and have become payable, the ~~board for~~
25 ~~depositories~~ **public deposit insurance corporation** shall issue
26 anticipatory warrants for the purpose of raising money for the
27 immediate payment of the claims. The warrants outstanding and unpaid
28 must not at any time exceed the sum of three hundred million dollars
29 (\$300,000,000). Interest may be paid upon the warrants from the date
30 the rate was established by the ~~board for depositories;~~ **public deposit**
31 **insurance corporation**. Interest is payable at the end of each year or
32 for a shorter period as the warrants remain unpaid.

33 (b) The warrants are the obligation of the ~~board for depositories~~
34 **public deposit insurance corporation** payable out of the ~~public~~
35 ~~deposit~~ **corporation** insurance fund only and do not constitute a debt,
36 liability, or obligation of the state or a pledge of the faith and credit of
37 the state. Each warrant must have printed on its face the words, "This
38 warrant is an obligation of the ~~board for depositories~~ **public deposit**
39 **insurance corporation** payable solely out of the ~~public deposits~~
40 **corporation** insurance fund, and neither the faith and credit nor the
41 taxing power of the state is pledged to the payment of the principal, the
42 interest, or any other amount owed on the warrants."

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

5 SECTION 29. IC 5-13-13-5 IS AMENDED TO READ AS
 6 FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 5. (a) The
 7 ~~secretary-investment manager designee of the public deposit~~
 8 **insurance corporation** on behalf of the ~~board for depositories~~ **public**
 9 **deposit insurance corporation** has the powers and duties set out in
 10 this section and section 6 of this chapter and shall sell all anticipatory
 11 warrants issued under this chapter at a price not less than par plus
 12 accrued interest. The proceeds of the sale of the warrants shall be paid
 13 into the **corporation** insurance fund and shall be applied exclusively
 14 to the payment of the claims on account of which the warrants were
 15 issued.

16 (b) Any person may file an application with the
 17 ~~secretary-investment manager designee of the public deposit~~
 18 **insurance corporation** for an allotment of a definite amount of the
 19 warrants. The ~~secretary-investment manager designee of the public~~
 20 **deposit insurance corporation** shall then apportion to the several
 21 applicants an amount of warrants as the ~~secretary-investment manager~~
 22 **designee of the public deposit insurance corporation** sees fit, but no
 23 allotments shall be made in an amount less than two thousand dollars
 24 (\$2,000).

25 (c) The ~~secretary-investment manager designee of the public~~
 26 **deposit insurance corporation** shall make and retain in the
 27 ~~secretary-investment manager's designee of the public deposit~~
 28 **insurance corporation's** office a complete record of all warrants sold
 29 to each purchaser and of the post office address of the purchaser.
 30 Purchasers of warrants may notify the ~~secretary-investment manager~~
 31 **designee of the public deposit insurance corporation** of their post
 32 office addresses, or of any change in their addresses, and of the
 33 warrants owned or held by them, and the ~~secretary-investment manager~~
 34 **designee of the public deposit insurance corporation** shall change
 35 the ~~secretary-investment manager's designee of the public deposit~~
 36 **insurance corporation's** sale record accordingly.

37 SECTION 30. IC 5-13-13-6 IS AMENDED TO READ AS
 38 FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 6. (a) All anticipatory
 39 warrants and all interest on the warrants shall be payable by the
 40 ~~secretary-investment manager designee of the public deposit~~
 41 **insurance corporation** solely from the money paid into the
 42 **corporation** insurance fund and the money is, except for the payment

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1 of expenses incident to the operation of the **corporation** insurance
 2 fund, exclusively and irrevocably pledged to the payment of all
 3 warrants in the consecutive order in which they were issued. The
 4 warrants, as to interest as well as principal, shall be paid out of the
 5 money in the **corporation** insurance fund before the payment of any
 6 claims that may arise and be finally determined subsequent to the issue
 7 and sale of any warrants or series of warrants.

8 (b) When any warrant or series of warrants is outstanding and
 9 unpaid, the ~~secretary-investment manager~~ **designee of the public**
 10 **deposit insurance corporation** shall, when the ~~secretary-investment~~
 11 ~~manager~~ **designee of the public deposit insurance corporation** has
 12 money in the **corporation** insurance fund sufficient to pay a reasonable
 13 amount of the outstanding and unpaid warrants, notify the persons who,
 14 according to the ~~secretary-investment manager's~~ **designee of the public**
 15 **deposit insurance corporation's** record, hold the warrants or warrants
 16 then payable. The ~~secretary-investment manager~~ **designee of the**
 17 **public deposit insurance corporation** shall mail each notice to the
 18 post office address of the person as shown by the records of sale. The
 19 notice must state that the warrant or warrants will be paid on
 20 presentation, and that interest will cease after the expiration of ten (10)
 21 days from the mailing of the notice. At the expiration of the ten (10)
 22 day period, interest ceases on the warrant or warrants.

23 SECTION 31. IC 5-13-13-7, AS AMENDED BY P.L.115-2010,
 24 SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 25 JULY 1, 2013]: Sec. 7. (a) At any time when the ~~board for depositories~~
 26 **public deposit insurance corporation** determines that the assets of the
 27 **corporation** insurance fund are insufficient to pay its liabilities,
 28 accrued or contingent, or determines that the assessments due or to
 29 become due will not be sufficient to maintain the **corporation**
 30 insurance fund in a solvent condition and insure the safekeeping and
 31 prompt payment of public funds, the ~~board~~ **public deposit insurance**
 32 **corporation** may enter an order requiring any or all then constituted
 33 depositories to substitute other security, in the amount and type as
 34 determined by the ~~board~~ **public deposit insurance corporation** from
 35 time to time, to secure the safekeeping and prompt payment of public
 36 funds. The collateral to be accepted by the ~~board for depositories~~
 37 **public deposit insurance corporation** under this chapter may include,
 38 but is not limited to, the following:

- 39 (1) United States Treasury securities.
- 40 (2) Federal agency securities.
- 41 (3) An irrevocable letter of credit issued by a Federal Home Loan
 42 Bank if:

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1 (A) the federal home loan bank issuing the irrevocable letter
 2 of credit maintains a rating of at least the third highest level
 3 from at least one (1) of the nationally recognized rating
 4 agencies; and

5 (B) the irrevocable letter of credit provides that the ~~board~~
 6 **public deposit insurance corporation** for depositories may
 7 draw on the letter when necessary to satisfy losses to the
 8 ~~public deposit corporation~~ insurance fund under state law.

9 (b) The ~~board~~ **public deposit insurance corporation** may require
 10 any or all then constituted depositories to deliver and pledge to the
 11 proper local board of finance or to the state board of finance, under the
 12 conditions for joint control of the collateral by the depositories as may
 13 be approved by the ~~board for depositories,~~ **public deposit insurance**
 14 **corporation**, bonds or other obligations that the ~~board~~ **public deposit**
 15 **insurance corporation** determines are acceptable collateral. The
 16 market value of these securities, at the time of delivery, must be an
 17 amount determined by the ~~board,~~ **public deposit insurance**
 18 **corporation**, which may not exceed the amount of public funds then
 19 on deposit with the respective depositories. The ~~board~~ **public deposit**
 20 **insurance corporation** may require depositories to pledge acceptable
 21 securities to such an extent that the market value of the pledge will at
 22 all times be substantially equal to the amount of public funds on
 23 deposit in the respective depositories.

24 (c) Whenever an order is in force and the amount of public funds on
 25 deposit is at least ten percent (10%) less than the market value of
 26 securities pledged to secure the payment, as required by the board of
 27 **the public deposit insurance corporation**, the depository may
 28 withdraw the excess amount of pledged collateral.

29 (d) Any order of the ~~board for depositories~~ **public deposit**
 30 **insurance corporation** becomes effective within the time fixed by the
 31 ~~board,~~ **public deposit insurance corporation**. However, the time of
 32 effectiveness must not be earlier than thirty (30) days from the date of
 33 entry of the order by the ~~board~~ **public deposit insurance corporation**.
 34 The order continues in force until rescinded by the ~~board,~~ **public**
 35 **deposit insurance corporation**. Upon the entry of any order by the
 36 ~~board for depositories,~~ **public deposit insurance corporation**, all then
 37 constituted depositories affected by the order shall comply with the
 38 order. Upon compliance, and full payment of all its liabilities by the
 39 **corporation** insurance fund, depositories are not required to pay any
 40 further assessments for insurance under this chapter until the order
 41 requiring collateral has been revoked or rescinded and the collateral
 42 returned to the respective depositories.

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

5 (1) elects this option;

6 (2) has pledged and delivered the collateral to the ~~board~~; **public**
 7 **deposit insurance corporation**; and

8 (3) has maintained a one hundred percent (100%) collateral level
 9 continuously for the twelve (12) months immediately preceding
 10 an assessment;

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

14 (f) If the fund balance is zero (0), each depository shall pledge and
 15 deliver collateral to the ~~board~~ **public deposit insurance corporation**
 16 equal to the depository's pro rata share of total deposit accounts of
 17 public funds based on an average of the depository's total deposit
 18 accounts of public funds for the previous four (4) quarters, as reported
 19 under this article, as determined by the ~~board~~ **public deposit insurance**
 20 **corporation** from time to time, with at least fifteen (15) days notice to
 21 the depository, to secure the safekeeping and prompt payment of public
 22 funds.

23 SECTION 32. IC 5-20-4-7, AS AMENDED BY P.L.3-2008,
 24 SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 25 JULY 1, 2013]: Sec. 7. (a) There is established the affordable housing
 26 and community development fund. The fund shall be administered by
 27 the authority under the direction of the authority's board.

28 (b) The fund consists of the following resources:

29 (1) Appropriations from the general assembly.

30 (2) Gifts, grants, and donations of any tangible or intangible
 31 property from public or private sources.

32 (3) Investment income earned on the fund's assets.

33 (4) Repayments of loans from the fund.

34 (5) Funds borrowed from the ~~board for depositories~~ **public**
 35 **deposit insurance fund (IC 5-13-12-7) (before its expiration) in**
 36 **2004.**

37 (6) Money deposited in the fund under IC 6-7-2-17 and
 38 IC 36-2-7-10.

39 (c) The treasurer of state shall invest the money in the fund not
 40 currently needed to meet the obligations of the fund in the same
 41 manner as other public funds may be invested.

42 (d) The money remaining in the fund at the end of a fiscal year does

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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, 2013]: 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 district; and
 - (E) any regional transportation authority, transit authority, or like governmental unit in another state if the commuter transportation system crosses the boundary of the state or serves another.
- (5) To purchase, lease, or lease with option to purchase capital equipment in aid of any system of commuter transportation operating in the district, and lease the equipment to the system under conditions and for a term to be determined by the board.
- (6) As a municipal corporation, to sue and be sued.
- (7) To conduct public hearings to accomplish the purpose of this chapter.
- (8) To seek and accept the assistance of any public or publicly funded agency in carrying out its functions and duties.
- (9) To enter into agreements with either private or public agencies for any purpose required to accomplish the intent of this chapter. ~~The board may enter into a trust indenture or any other agreement with the board for depositories in order to obtain a loan or a loan guarantee under IC 5-13-12-11.~~
- (10) To set levels of service and rates notwithstanding IC 8-3-1,

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- 1 for transportation of passengers subject to section 7 of this
- 2 chapter.
- 3 (11) To expend funds granted to the district from any source for
- 4 the purpose of paying reasonable administrative expenses.
- 5 (12) To purchase, acquire, lease, or lease with option to purchase
- 6 all or any part of the assets of a railroad that is providing
- 7 commuter transportation services within the district and to
- 8 purchase or acquire all or any part of the issued and outstanding
- 9 stock of a railroad that is providing commuter transportation
- 10 services within the district.
- 11 (13) To own all or any part of the capital stock or assets of a
- 12 railroad that is providing commuter transportation services within
- 13 the district, and to operate either directly, by management
- 14 contract, or by lease any such railroad.
- 15 (14) To issue revenue bonds of the district payable solely from
- 16 revenues for the purpose of paying all or any part of the cost of
- 17 acquiring the capital stock of a railroad company, all or any part
- 18 of the assets of a railroad, or any property, real or personal, for the
- 19 purposes of this chapter.
- 20 (15) To acquire, lease, construct, maintain, repair, police, and
- 21 operate a railroad and to establish rules for the use of the railroad
- 22 and other properties subject to the jurisdiction and control of the
- 23 board.
- 24 (16) To acquire and dispose of real and personal property in the
- 25 exercise of its powers and the performance of its duties under this
- 26 chapter.
- 27 (17) To lease to others for development or operation all or any
- 28 part of a railroad on such terms and conditions as the board
- 29 considers advisable.
- 30 (18) To make and enter into all contracts, undertakings, and
- 31 agreements necessary or incidental to the performance of its
- 32 duties and the execution of its powers under this chapter.
- 33 (19) To employ, subject to sections 18 and 19 of this chapter, an
- 34 executive director or manager, consulting engineers,
- 35 superintendents, and such other engineers, construction and
- 36 accounting experts, attorneys, and other employees and agents as
- 37 may be necessary in its judgment, and to fix their compensation.
- 38 (20) To negotiate and enter into agreements for railroad trackage
- 39 rights regardless of the location of the track.
- 40 (21) To do all other acts necessary or reasonably incident to
- 41 carrying out the purpose of this chapter.
- 42 (b) Notwithstanding the powers granted to the board in subsection

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1 (a), the district does not have the power to levy taxes.
 2 (c) In the event the board of trustees determines that the commuter
 3 transportation system or the railroad owned by the district cannot
 4 continue to provide adequate transportation service, or the district is
 5 terminated, the board may, subject to the conditions of any state or
 6 federal grant used to purchase equipment or property, dispose of any
 7 properties of the district.
 8 (d) In the event the district is dissolved, ninety percent (90%) of the
 9 proceeds shall be paid to the state and ten percent (10%) to the counties
 10 in proportion to their contributions.
 11 (e) In the exercise of any of the powers granted to the board in
 12 subsection (a), the board is not subject to any other laws related to
 13 commuter transportation systems or railroads.
 14 SECTION 34. IC 28-1-2-40, AS ADDED BY P.L.115-2010,
 15 SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 16 JULY 1, 2013]: Sec. 40. (a) As used in this section, "act" refers to the
 17 federal Credit Card Accountability Responsibility and Disclosure Act
 18 of 2009 as it applies to Indiana borrowers.
 19 (b) If the department receives credible evidence from any source
 20 that a financial institution that issues to Indiana borrowers an
 21 unsecured credit card that is not a debit card, as a card issuer (as
 22 defined in 15 U.S.C. 1602(n)) is not in substantial compliance with the
 23 act, the director of the department shall send a notice of the evidence
 24 by certified mail to the financial institution's chief executive officer.
 25 The notice must:
 26 (1) set forth the provisions of IC 5-13-9.5-1(c) and
 27 IC 5-13-9.5-1(d);
 28 (2) describe the department's evidence that the financial
 29 institution is not in substantial compliance with the act;
 30 (3) describe the consequences under IC 5-13-9.5-1(c) of a finding
 31 that the financial institution is not in substantial compliance with
 32 the act; and
 33 (4) invite a reply that affirms or disputes the evidence of
 34 noncompliance with the act.
 35 If a financial institution disputes the preliminary determination that it
 36 is not in substantial compliance with the act, but fails to convince the
 37 director of the department of its substantial compliance with the act,
 38 the financial institution may, within twenty (20) days of the date of the
 39 notice, request a hearing on the determination. If a hearing is requested,
 40 the department shall schedule the hearing not earlier than twenty (20)
 41 days after the date of the request. If no hearing is requested, the
 42 department's determination that the financial institution is not in

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1 substantial compliance with the act is final.

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

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

14 (e) A financial institution that has been determined by the
15 department to not be in substantial compliance with the act may
16 petition the department for a hearing to demonstrate that the financial
17 institution has taken the necessary steps to attain substantial
18 compliance with the act, and to ensure future substantial compliance
19 with the act. The hearing and the determination by the department are
20 subject to IC 4-21.5-3. Judicial review of the department's final
21 determination may be obtained in accordance with IC 4-21.5-5. Upon
22 final determination by the department, or a final judgment in the case
23 of pending judicial review, that the financial institution is in substantial
24 compliance with the act, the department shall immediately notify the
25 chairperson of the board ~~for depositories established under IC 5-13-12~~
26 **public deposit insurance corporation (as defined in IC 5-13-4-19.5)**
27 of the determination or judgment.

28 SECTION 35. IC 34-30-2-13 IS AMENDED TO READ AS
29 FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 13. **(a) IC 5-13-12-7 or**
30 **IC 5-13-12-0.2** (Concerning members, officers, and employees of the
31 board for depositories).

32 **(b) This section expires January 1, 2014.**

33 SECTION 36. IC 34-30-2-13.5 IS ADDED TO THE INDIANA
34 CODE AS A **NEW SECTION** TO READ AS FOLLOWS
35 [EFFECTIVE JULY 1, 2013]: **Sec. 13.5. IC 5-13-12.5-10 (Concerning**
36 **the board of directors, officers, members, and employees of the**
37 **public deposit insurance corporation).**

38 SECTION 37. IC 36-8-8.5-17, AS AMENDED BY P.L.1-2009,
39 SECTION 170, IS AMENDED TO READ AS FOLLOWS
40 [EFFECTIVE JULY 1, 2013]: Sec. 17. (a) The ad valorem property tax
41 levy limits imposed by IC 6-1.1-18.5 do not apply to ad valorem
42 property taxes imposed by a civil taxing unit for a calendar year to pay



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1 pension benefits under section 12(c) of this chapter to the extent
2 provided in subsection (b).

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

9 (1) the amount of pension relief distributions under
10 IC 5-10.3-11-4, IC 5-10.3-11-4.5 (repealed effective January 1,
11 2009), and IC 5-10.3-11-4.7 to be received by the civil taxing unit
12 in that calendar year that is attributable to pension benefits paid
13 under section 12(c) of this chapter for that calendar year; and

14 (2) an amount equal to the percentage of the civil taxing unit's
15 pension distributions that were relieved under IC 5-13-12-4
16 **(before its expiration)** in the preceding calendar year, multiplied
17 by the amount of pension benefits paid under section 12(c) of this
18 chapter in that calendar year.

19 SECTION 38. IC 36-10-8-11 IS AMENDED TO READ AS
20 FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 11. (a) The treasurer of
21 the board is the official custodian of all funds and assets of the board
22 and is responsible for their safeguarding and accounting. ~~He~~ **The**
23 **treasurer of the board** shall give bond for the faithful performance
24 and discharge of all duties required of ~~him~~ **the treasurer of the board**
25 by law in the amount and with surety and other conditions that may be
26 prescribed and approved by the board. All funds and assets in the
27 capital improvement fund and the capital improvement bond fund
28 created by this chapter and all other funds, assets, and tax revenues
29 held, collected, or received by the treasurer of the county for the use of
30 the board shall be promptly remitted and paid over by ~~him~~ **the**
31 **treasurer of the county** to the treasurer of the board, who shall issue
32 receipts for them.

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

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1 (c) The board shall appoint a controller to act as the auditor and
 2 assistant treasurer of the board. ~~He~~ **The controller** shall serve as the
 3 official custodian of all books of account and other financial records of
 4 the board and has the same powers and duties as the treasurer of the
 5 board or the lesser powers and duties that the board prescribes. The
 6 controller, and any other employee or member of the board authorized
 7 to receive, collect, or expend money, shall give bond for the faithful
 8 performance and discharge of all duties required of ~~him~~ **the controller,**
 9 **employee, or member** in the amount and with surety and other
 10 conditions that may be prescribed and approved by the board. ~~He~~ **The**
 11 **controller** shall keep an accurate account of all money due the board
 12 and of all money received, invested, and disbursed in accordance with
 13 generally recognized governmental accounting principles and
 14 procedure. All accounting forms and records shall be prescribed or
 15 approved by the state board of accounts.

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

24 (e) If there are bonds outstanding issued under this chapter, the
 25 controller shall deposit with the paying agent or officer within a
 26 reasonable period before the date that any principal or interest becomes
 27 due sufficient money for the payment of the principal and interest on
 28 the due dates.

29 (f) At least annually the controller shall submit to the board a report
 30 of ~~his~~ **the controller's** accounts exhibiting the revenues, receipts, and
 31 disbursements and the sources from which the revenues and receipts
 32 were derived and the purpose and manner in which they were
 33 disbursed. The board may require that the report be prepared by an
 34 independent certified public accountant designated by the board. The
 35 handling and expenditure of funds is subject to audit and supervision
 36 by the state board of accounts.

37 SECTION 39. IC 36-10-9-9, AS AMENDED BY P.L.182-2009(ss),
 38 SECTION 457, IS AMENDED TO READ AS FOLLOWS
 39 [EFFECTIVE JULY 1, 2013]: Sec. 9. (a) The treasurer of the board is
 40 the official custodian of all funds and assets of the board and is
 41 responsible for their safeguarding and accounting. The treasurer shall
 42 give bond for the faithful performance and discharge of all duties

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

9 (b) The treasurer of the board shall deposit all funds coming into the
 10 treasurer's hands as required by this chapter and by IC 6-7-1-30.1, and
 11 in accordance with IC 5-13. Money so deposited may be invested and
 12 reinvested by the treasurer in accordance with general statutes relating
 13 to the investment of public funds and in securities that the board
 14 specifically directs. All interest and other income earned on
 15 investments becomes a part of the particular fund from which the
 16 money was invested, except as provided in a resolution, ordinance, or
 17 trust agreement providing for the issuance of bonds or notes. ~~All funds~~
 18 ~~invested in deposit accounts as provided in IC 5-13-9 must be insured~~
 19 ~~under IC 5-13-12.~~

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

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

42 (e) If there are bonds or notes outstanding issued under this chapter,



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1 the controller shall deposit with the paying agent or other paying officer
2 within a reasonable period before the date that any principal or interest
3 becomes due sufficient money for the payment of the principal and
4 interest on the due dates. The controller shall make the deposit:

5 (1) with money from the sources provided in this chapter; and ~~he~~
6 ~~shall make the deposit~~

7 (2) in an amount that, together with other money available for the
8 payment of the principal and interest, is sufficient to make the
9 payment.

10 In addition, the controller shall make other deposits for the bonds and
11 notes as is required by this chapter or by the resolutions, ordinances, or
12 trust agreements under which the bonds or notes are issued.

13 (f) The controller shall submit to the board at least annually a report
14 of the board's accounts exhibiting the revenues, receipts, and
15 disbursements and the sources from which the revenues and receipts
16 were derived and the purpose and manner in which they were
17 disbursed. The board may require that the report be prepared by an
18 independent certified public accountant designated by the board. The
19 state board of accounts shall audit annually the accounts, books, and
20 records of the board and prepare a financial report and a compliance
21 audit report. The board shall submit to the city-county legislative body
22 financial and compliance reports of the state board of accounts. The
23 board shall post the reports of the state board of accounts on the board's
24 Internet web site. The city-county legislative body shall discuss the
25 financial and compliance reports of the state board of accounts in a
26 public hearing. The handling and expenditure of funds is subject to
27 supervision by the state board of accounts.

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

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