



Reprinted
February 12, 2013

SENATE BILL No. 506

DIGEST OF SB 506 (Updated February 11, 2013 2:54 pm - DI 102)

Citations Affected: IC 22-4; IC 27-16; noncode.

Synopsis: Unemployment insurance. Requires a professional employer organization (PEO) to use the client level reporting method for purposes of reporting and paying all required contributions to the unemployment compensation fund unless the PEO elects the PEO level reporting method. Provides that a PEO that initially elects the PEO level reporting method may subsequently elect the client level reporting method by notifying the department of workforce development (department) not later than December 1 of the calendar year before the calendar year in which the election is effective. Provides that a PEO using the client level reporting method may not change its reporting method. Requires a PEO and its related entities to use the same reporting method for all clients. Establishes a procedure for an acquirer or a PEO to request and receive a statement from the department indicating whether an account being acquired or transferred is in good standing, and provides that, if the statement shows that the account is in good standing and the department later discovers an outstanding liability associated with the acquired or transferred account, the department: (1) may not assess a delinquent employer rate modification based on the account for which a statement was received; and (2) in the case of a PEO, shall administratively separate the acquired or transferred client account from the PEO until the liability is recovered. Makes a technical correction concerning successor employer contribution rates. Repeals in Title 27 and establishes in Title 22 language concerning the determination and payment of employer contribution rates by a PEO. Voids obsolete department rules concerning PEOs.

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Effective: July 1, 2013; January 1, 2014.

Boots, Kruse, Tallian

January 14, 2013, read first time and referred to Committee on Pensions and Labor.
February 7, 2013, amended, reported favorably — Do Pass.
February 11, 2013, read second time, amended, ordered engrossed.

SB 506—LS 6431/DI 102+



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.

SENATE BILL No. 506

A BILL FOR AN ACT to amend the Indiana Code concerning labor and safety.

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

- 1 SECTION 1. IC 22-4-6.5 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2013]:
4 **Chapter 6.5. Professional Employer Organizations**
5 **Sec. 1. As used in this chapter, "client" has the meaning set**
6 **forth in IC 27-16-2-3.**
7 **Sec. 2. As used in this chapter, "client level reporting method"**
8 **has the meaning set forth in section 11(a) of this chapter.**
9 **Sec. 3. As used in this chapter, "covered employee" has the**
10 **meaning set forth in IC 27-16-2-8.**
11 **Sec. 4. As used in this chapter, "professional employer**
12 **agreement" has the meaning set forth in IC 27-16-2-12.**
13 **Sec. 5. As used in this chapter, "professional employer**
14 **organization" or "PEO" has the meaning set forth in**
15 **IC 27-16-2-13.**
16 **Sec. 6. As used in this chapter, "PEO level reporting method"**
17 **has the meaning set forth in section 9(a) of this chapter.**

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1 **Sec. 7. (a) For purposes of this article, a covered employee of a**
2 **PEO is an employee of the PEO.**

3 **(b) A PEO is responsible for the payment of contributions,**
4 **surcharges, penalties, and interest assessed under this article on**
5 **wages paid by the PEO to the PEO's covered employees during the**
6 **term of the professional employer agreement.**

7 **Sec. 8. (a) A PEO shall use the client level reporting method to**
8 **report and pay all required contributions to the unemployment**
9 **compensation fund as required by IC 22-4-10, unless the PEO**
10 **elects the PEO level reporting method under section 9 of this**
11 **chapter.**

12 **(b) A PEO that initially elects the PEO level reporting method**
13 **under section 9 of this chapter may subsequently elect the client**
14 **level reporting method under section 11 of this chapter.**

15 **(c) A PEO using the client level reporting method may not**
16 **change its reporting method.**

17 **(d) Except as provided by IC 22-4-32-21(d), a PEO and its**
18 **related entities shall use the same reporting method for all clients.**

19 **Sec. 9. (a) A PEO may elect the PEO level reporting method,**
20 **which uses the state employer account number and contribution**
21 **rate of the PEO to report and pay all required contributions to the**
22 **unemployment compensation fund as required by IC 22-4-10.**

23 **(b) A PEO shall make the election required by subsection (a) not**
24 **later than the following:**

25 **(1) December 1, 2013, if the PEO is doing business in Indiana**
26 **on July 1, 2013.**

27 **(2) The first date the PEO is liable to make contributions**
28 **under this article for at least one (1) covered employee, if the**
29 **PEO begins doing business in Indiana after July 1, 2013.**

30 **(c) The election required by subsection (a) must be made in**
31 **writing on forms prescribed by the department.**

32 **(d) A PEO that does not make an election under this section**
33 **shall use the client level reporting method.**

34 **Sec. 10. (a) The following apply to a PEO that elects to use the**
35 **PEO level reporting method:**

36 **(1) The PEO shall file all quarterly contribution and wage**
37 **reports in accordance with IC 22-4-10-1.**

38 **(2) Whenever the PEO enters into a professional employer**
39 **agreement with a client, the PEO:**

40 **(A) shall notify the department not later than fifteen (15)**
41 **days after the end of the quarter in which the professional**
42 **employer agreement became effective; and**

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(B) is subject to IC 22-4-10-6 and IC 22-4-11.5, beginning on the effective date of the professional employer agreement.

(3) The PEO shall notify the department in writing on forms prescribed by the department not later than fifteen (15) days after the date of the following:

(A) The PEO and a client terminate a professional employer agreement.

(B) The PEO elects the client level reporting method under section 11 of this chapter.

After receiving a notice under this subdivision, the department shall make any changes required by IC 22-4-10-6 and IC 22-4-11.5.

(b) Except as provided by IC 22-4-32-21(d), a PEO that elects to use the PEO level reporting method is liable for all contributions, interest, penalties, and surcharges until the effective date of an election under section 11 of this chapter by the PEO to change to the client level reporting method.

Sec. 11. (a) A PEO using the PEO level reporting method may elect the client level reporting method, which uses the state employer account number and contribution rate of the client to report and pay all required contributions to the unemployment compensation fund as required by IC 22-4-10.

(b) A PEO shall make an election under subsection (a) not later than December 1 of the calendar year before the calendar year in which the election is effective.

(c) An election under subsection (a) must be made in writing on forms prescribed by the department.

(d) An election under subsection (a) is effective on January 1 of the calendar year immediately following the year in which the department receives the notice described in subsection (c).

Sec. 12. The following apply to a PEO that elects to use the client level reporting method:

(1) Whenever the PEO enters into a professional employer agreement with a client, the PEO shall notify the department not later than fifteen (15) days after the end of the quarter in which the professional employer agreement became effective.

(2) If a client is an employing unit on the date the professional employer agreement becomes effective, the client retains its experience balance, liabilities, and wage credits, and IC 22-4-10-6 does not apply to the client.

(3) If a client is not an employing unit on the date the

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1 professional employer agreement becomes effective, the client
2 immediately qualifies for an employer experience account
3 under IC 22-4-7-2(f) and is subject to IC 22-4-11-2(b)(2) for
4 purposes of establishing an initial contribution rate.

5 (4) A client is associated with the PEO's employer experience
6 account by means of the PEO's primary federal employer
7 identification number (FEIN) for purposes of liability under
8 this article and federal certification.

9 (5) Upon the termination of a professional employer
10 agreement between the PEO and a client:

11 (A) the client retains the experience balance, liabilities, and
12 wage credits for the client's employing unit account;

13 (B) the client's federal employer identification number
14 (FEIN) becomes the primary FEIN on the employing unit's
15 account; and

16 (C) the PEO's FEIN is not associated with the client's
17 employing unit account after the date:

18 (i) all outstanding reports are submitted; and

19 (ii) all outstanding liabilities are paid in full.

20 Sec. 13. (a) A client that transfers between PEOs is not subject
21 to IC 22-4-10-6 and IC 22-4-11.5 whenever:

22 (1) the PEOs are not commonly owned, managed, or
23 controlled; and

24 (2) both PEOs have elected to use the PEO level reporting
25 method.

26 (b) The client of a PEO that has elected to use the client level
27 reporting method may elect to become liable for payments in lieu
28 of contributions (as defined in IC 22-4-2-32) whenever:

29 (1) the client is otherwise eligible to make the election; and

30 (2) the requirements of IC 22-4-10-1 are met.

31 SECTION 2. IC 22-4-9-3, AS AMENDED BY P.L.108-2006,
32 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
33 JULY 1, 2013]: Sec. 3. (a) This section is subject to the provisions of
34 IC 22-4-6.5 and IC 22-4-11.5.

35 (b) Any employer subject to this article as successor to an employer
36 pursuant to the provisions of IC 22-4-7-2(a) or IC 22-4-7-2(b) shall
37 cease to be an employer at the end of the year in which the acquisition
38 occurs only if the department finds that within such calendar year the
39 employment experience of the predecessor prior to the date of
40 disposition combined with the employment experience of the successor
41 subsequent to the date of acquisition would not be sufficient to qualify
42 the successor employer as an employer under the provisions of

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1 IC 22-4-7-1. No such successor employer may cease to be an employer
 2 subject to this article at the end of the first year of the current period of
 3 coverage of the predecessor employer. If all of the resources and
 4 liabilities of the experience account of an employer are assumed by
 5 another in accordance with the provisions of IC 22-4-10-6 or
 6 IC 22-4-10-7, such employer's status as employer and under this article
 7 is hereby terminated unless and until such employer subsequently
 8 qualifies under the provisions of IC 22-4-7-1 or IC 22-4-7-2 or elects
 9 to become an employer under sections 4 or 5 of this chapter.

10 (c) If no application for termination, as herein provided, is filed by
 11 an employer and four (4) full calendar years have elapsed since any
 12 contributions have become payable from such employer, then and in
 13 such cases the department may terminate such employer's experience
 14 account.

15 SECTION 3. IC 22-4-10-6, AS AMENDED BY P.L.108-2006,
 16 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 17 JULY 1, 2013]: Sec. 6. (a) **Except as provided by IC 22-4-6.5**, when:

18 (1) an employing unit (whether or not an employing unit at the
 19 time of the acquisition) becomes an employer under
 20 IC 22-4-7-2(a);

21 (2) an employer acquires the organization, trade, or business, or
 22 substantially all the assets of another employer; or

23 (3) an employer transfers all or a portion of the employer's trade
 24 or business (including the employer's workforce) to another
 25 employer as described in IC 22-4-11.5-7;

26 the successor employer shall, in accordance with the rules prescribed
 27 by the department, assume the position of the predecessor with respect
 28 to all the resources and liabilities of the predecessor's experience
 29 account.

30 (b) Except as provided by **IC 22-4-6.5** or IC 22-4-11.5, when:

31 (1) an employing unit (whether or not an employing unit at the
 32 time of the acquisition) becomes an employer under
 33 IC 22-4-7-2(b); or

34 (2) an employer acquires a distinct and segregable portion of the
 35 organization, trade, or business within this state of another
 36 employer;

37 the successor employer shall assume the position of the predecessor
 38 employer with respect to the portion of the resources and liabilities of
 39 the predecessor's experience account as pertains to the distinct and
 40 segregable portion of the predecessor's organization, trade, or business
 41 acquired by the successor. An application for the acquiring employer
 42 to assume this portion of the resources and liabilities of the disposing

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1 employer's experience account must be filed with the department on
 2 prescribed forms not later than thirty (30) days immediately following
 3 the disposition date or not later than ten (10) days after the disposing
 4 and acquiring employers are mailed or otherwise delivered final notice
 5 that the acquiring employer is a successor employer, whichever is the
 6 earlier date. This portion of the resources and liabilities of the
 7 disposing employer's experience account shall be transferred in
 8 accordance with IC 22-4-11.5.

9 (c) Except as provided by **IC 22-4-6.5** or IC 22-4-11.5, the
 10 successor employer, if an employer prior to the acquisition, shall pay
 11 at the rate of contribution originally assigned to it for the calendar year
 12 in which the acquisition occurs, until the end of that year. If not an
 13 employer prior to the acquisition, the successor employer shall pay the
 14 rate of ~~two and seven-tenths percent (2.7%)~~ **determined under**
 15 **IC 22-4-11-2(b)(2)**, unless the successor employer assumes all or part
 16 of the resources and liabilities of the predecessor employer's experience
 17 account, in which event the successor employer shall pay at the rate of
 18 contribution assigned to the predecessor employer for the period
 19 starting with the first day of the calendar quarter in which the
 20 acquisition occurs, until the end of that year. However, if a successor
 21 employer, not an employer prior to the acquisition, simultaneously
 22 acquires all or part of the experience balance of two (2) or more
 23 employers, the successor employer shall pay at the highest rate
 24 applicable to the experience accounts totally or partially acquired for
 25 the period starting with the first day of the calendar quarter in which
 26 the acquisition occurs, until the end of the year. If the successor
 27 employer had any employment prior to the date of acquisition upon
 28 which contributions were owed under IC 22-4-9-1, the employer's rate
 29 of contribution from the first of the year to the first day of the calendar
 30 quarter in which the acquisition occurred would be ~~two and~~
 31 ~~seven-tenths percent (2.7%).~~ **determined under IC 22-4-11-2(b)(2).**

32 SECTION 4. IC 22-4-10-7, AS AMENDED BY P.L.98-2005,
 33 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 34 JULY 1, 2013]: Sec. 7. (a) Except as provided by **IC 22-4-6.5** or
 35 IC 22-4-11.5, when an employing unit (whether or not an employing
 36 unit prior thereto) assumes all of the resources and liabilities of the
 37 experience account of a predecessor employer, as provided in section
 38 6 of this chapter, amounts paid by such predecessor employer shall be
 39 deemed to have been so paid by such successor employer. The
 40 experience of such predecessor with respect to unemployment risk,
 41 including but not limited to past payrolls and contributions, shall be
 42 credited to the account of such successor.

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1 (b) The payments of benefits to an individual shall not in any case
 2 be denied or withheld because the experience account of an employer
 3 does not reflect a balance and total of contributions paid to be in excess
 4 of benefits charged to such experience account.

5 SECTION 5. IC 22-4-32-21 IS AMENDED TO READ AS
 6 FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 21. (a) Any individual,
 7 group of individuals, or other legal entity, whether or not an employing
 8 unit which acquires all or part of the organization, trade, or business
 9 within this state of an employer or which acquires all or part of the
 10 assets of such organization, trade or business, shall notify the
 11 commissioner in writing by registered mail not later than five (5) days
 12 prior to the acquisition.

13 (b) Unless such notice is given, the commissioner shall have the
 14 right to proceed against either the predecessor or successor, in
 15 personam or in rem, for the collection of contributions and interest due
 16 or accrued and unpaid by the predecessor, as of the date of such
 17 acquisition, and the amount of such liability shall, in addition, be a lien
 18 against the property or assets so acquired which shall be prior to all
 19 other liens. However, the lien shall not be valid as against one who
 20 acquires from the successor any interest in the property or assets in
 21 good faith, for value and without notice of the lien.

22 (c) On written request after the acquisition is completed, the
 23 commissioner shall furnish the successor with a written statement of
 24 the amount of contributions and interest due or accrued and unpaid by
 25 the predecessor as of the date of such acquisition, and the liability of
 26 the successor and the amount of the lien shall in no event exceed the
 27 reasonable value of the property or assets acquired by the successor
 28 from the predecessor or the amount disclosed by such statement,
 29 whichever is the lesser.

30 **(d) An acquirer described in subsection (a) or a professional**
 31 **employer organization under IC 22-4-6.5 may file a request for**
 32 **clearance in the manner prescribed by the department at least five**
 33 **(5) business days before an acquisition or transfer. After filing a**
 34 **request, the acquirer or professional employer organization is**
 35 **entitled to receive a statement indicating whether an account being**
 36 **acquired or transferred is in good standing with the department as**
 37 **of the date of the transfer. If the statement shows that the account**
 38 **that is being acquired or transferred is in good standing with the**
 39 **department at the time of the transfer, and the department later**
 40 **discovers an outstanding liability associated with the acquired or**
 41 **transferred account, the department:**

42 (1) may not assess a delinquent employer rate modification



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1 under IC 22-4-11-2 based on the account for which a
 2 statement was made under this subsection; and
 3 **(2) in the case of a PEO, shall administratively separate the**
 4 **acquired or transferred client account from the PEO until the**
 5 **liability is recovered.**
 6 (†) (e) The remedies prescribed by this section are in addition to all
 7 other existing remedies against the predecessor or successor.
 8 SECTION 6. IC 27-16-10 IS REPEALED [EFFECTIVE JANUARY
 9 1, 2014]. (Unemployment Compensation Insurance).
 10 SECTION 7. [EFFECTIVE JULY 1, 2013] (a) **After December 31,**
 11 **2013, 646 IAC 5-1-14 and 646 IAC 5-4 are void. The publisher of**
 12 **the Indiana Administrative Code and the Indiana Register shall**
 13 **remove 646 IAC 5-1-14 and 646 IAC 5-4 from the Indiana**
 14 **Administrative Code.**
 15 (b) This SECTION expires July 1, 2014.

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COMMITTEE REPORT

Madam President: The Senate Committee on Pensions and Labor, to which was referred Senate Bill No. 506, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 1, delete lines 5 through 6.

Page 1, line 7, delete "2." and insert "1."

Page 1, between lines 8 and 9, begin a new paragraph and insert:

"Sec. 2. As used in this chapter, "client level reporting method" has the meaning set forth in section 11(a) of this chapter."

Page 1, between lines 15 and 16, begin a new paragraph and insert:

"Sec. 6. As used in this chapter, "PEO level reporting method" has the meaning set forth in section 9(a) of this chapter."

Page 1, line 16, delete "6." and insert "7."

Page 1, line 17, delete "client." and insert "PEO."

Page 2, line 1, after "contributions," insert "surcharges,"

Page 2, delete lines 5 through 11, begin a new paragraph and insert:

"Sec. 8. (a) A PEO shall use the client level reporting method to report and pay all required contributions to the unemployment compensation fund as required by IC 22-4-10, unless the PEO elects the PEO level reporting method under section 9 of this chapter.

(b) A PEO that initially elects the PEO level reporting method under section 9 of this chapter may subsequently elect the client level reporting method under section 11 of this chapter.

(c) A PEO using the client level reporting method may not change its reporting method.

(d) A PEO and its related entities shall use the same reporting method for all clients.

Sec. 9. (a) A PEO may elect the PEO level reporting method, which uses the state employer account number and contribution rate of the PEO to report and pay all required contributions to the unemployment compensation fund as required by IC 22-4-10.

(b) A PEO shall make the election required by subsection (a) not later than the following:

(1) December 1, 2013, if the PEO is doing business in Indiana on July 1, 2013.

(2) The first date the PEO is liable to make contributions under this article for at least one (1) covered employee, if the PEO begins doing business in Indiana after July 1, 2013.

(c) The election required by subsection (a) must be made in writing on forms prescribed by the department.

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(d) A PEO that does not make an election under this section shall use the client level reporting method.

Sec. 10. (a) The following apply to a PEO that elects to use the PEO level reporting method:

(1) The PEO shall file all quarterly contribution and wage reports in accordance with IC 22-4-10-1.

(2) Whenever the PEO enters into a professional employer agreement with a client, the PEO:

(A) shall notify the department not later than fifteen (15) days after the end of the quarter in which the professional employer agreement became effective; and

(B) is subject to IC 22-4-10-6 and IC 22-4-11.5, beginning on the effective date of the professional employer agreement.

(3) The PEO shall notify the department in writing on forms prescribed by the department not later than fifteen (15) days after the date of the following:

(A) The PEO and a client terminate a professional employer agreement.

(B) The PEO elects the client level reporting method under section 11 of this chapter.

After receiving a notice under this subdivision, the department shall make any changes required by IC 22-4-10-6 and IC 22-4-11.5.

(b) A PEO that elects to use the PEO level reporting method is liable for all contributions, interest, penalties, and surcharges until the effective date of an election under section 11 of this chapter by the PEO to change to the client level reporting method.

Sec. 11. (a) A PEO using the PEO level reporting method may elect the client level reporting method, which uses the state employer account number and contribution rate of the client to report and pay all required contributions to the unemployment compensation fund as required by IC 22-4-10.

(b) A PEO shall make an election under subsection (a) not later than December 1 of the calendar year before the calendar year in which the election is effective.

(c) An election under subsection (a) must be made in writing on forms prescribed by the department.

(d) An election under subsection (a) is effective on January 1 of the calendar year immediately following the year in which the department receives the notice described in subsection (b).

Sec. 12. The following apply to a PEO that elects to use the client

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level reporting method:

(1) Whenever the PEO enters into a professional employer agreement with a client, the PEO shall notify the department not later than fifteen (15) days after the end of the quarter in which the professional employer agreement became effective.

(2) If a client is an employing unit on the date the professional employer agreement becomes effective, the client retains its experience balance, liabilities, and wage credits, and IC 22-4-10-6 does not apply to the client.

(3) If a client is not an employing unit on the date the professional employer agreement becomes effective, the client immediately qualifies for an employer experience account under IC 22-4-7-2(f) and is subject to IC 22-4-11-2(b)(2) for purposes of establishing an initial contribution rate.

(4) A client is associated with the PEO's employer experience account by means of the PEO's primary federal employer identification number (FEIN) for purposes of liability under this article and federal certification.

(5) Upon the termination of a professional employer agreement between the PEO and a client:

(A) the client retains the experience balance, liabilities, and wage credits for the client's employing unit account;

(B) the client's federal employer identification number (FEIN) becomes the primary FEIN on the employing unit's account; and

(C) the PEO's FEIN is not associated with the client's employing unit account after the date:

(i) all outstanding reports are submitted; and

(ii) all outstanding liabilities are paid in full.

Sec. 13. (a) A client that transfers between PEOs is not subject to IC 22-4-10-6 and IC 22-4-11.5 whenever:

(1) the PEOs are not commonly owned, managed, or controlled; and

(2) both PEOs have elected to use the PEO level reporting method.

(b) The client of a PEO that has elected to use the client level reporting method may elect to become liable for payments in lieu of contributions (as defined in IC 22-4-2-32) whenever:

(1) the client is otherwise eligible to make the election; and

(2) the requirements of IC 22-4-10-1 are met."

Page 4, between lines 27 and 28, begin a new paragraph and insert:
"SECTION 5. IC 22-4-32-21 IS AMENDED TO READ AS

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FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 21. (a) Any individual, group of individuals, or other legal entity, whether or not an employing unit which acquires all or part of the organization, trade, or business within this state of an employer or which acquires all or part of the assets of such organization, trade or business, shall notify the commissioner in writing by registered mail not later than five (5) days prior to the acquisition.

(b) Unless such notice is given, the commissioner shall have the right to proceed against either the predecessor or successor, in personam or in rem, for the collection of contributions and interest due or accrued and unpaid by the predecessor, as of the date of such acquisition, and the amount of such liability shall, in addition, be a lien against the property or assets so acquired which shall be prior to all other liens. However, the lien shall not be valid as against one who acquires from the successor any interest in the property or assets in good faith, for value and without notice of the lien.

(c) On written request after the acquisition is completed, the commissioner shall furnish the successor with a written statement of the amount of contributions and interest due or accrued and unpaid by the predecessor as of the date of such acquisition, and the liability of the successor and the amount of the lien shall in no event exceed the reasonable value of the property or assets acquired by the successor from the predecessor or the amount disclosed by such statement, whichever is the lesser.

(d) An acquirer described in subsection (a) or a professional employer organization under IC 22-4-6.5 may file a request for clearance in the manner prescribed by the department at least five (5) business days before an acquisition or transfer. After filing a request, the acquirer or professional employer organization is entitled to receive a statement indicating whether an account being acquired or transferred is in good standing with the department as of the date of the transfer. If the statement shows that the account that is being acquired or transferred is in good standing with the department at the time of the transfer, the acquirer or the professional employer organization may not be subject to assessment of a delinquent employer rate modification under IC 22-4-11-2 based on the account for which a statement was made under this subsection.

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(d) (e) The remedies prescribed by this section are in addition to all other existing remedies against the predecessor or successor."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 506 as introduced.)

BOOTS, Chairperson

Committee Vote: Yeas 8, Nays 0.

SENATE MOTION

Madam President: I move that Senate Bill 506 be amended to read as follows:

Page 2, line 17, delete "A" and insert "**Except as provided by IC 22-4-32-21(d), a**".

Page 3, line 14, delete "A" and insert "**Except as provided by IC 22-4-32-21(d), a**".

Page 3, line 30, delete "(b)." and insert "(c)."

Page 7, line 38, delete "the acquirer or the" and insert "**and the department later discovers an outstanding liability associated with the acquired or transferred account, the department:**".

Page 7, line 39, delete "professional employer organization", begin a new line block indented and insert:

"(1)".

Page 7, line 39, delete "be subject to".

Page 7, line 40, delete "assessment of" and insert "**assess**".

Page 7, line 42, delete "." and insert "**; and**

(2) in the case of a PEO, shall administratively separate the acquired or transferred client account from the PEO until the liability is recovered.".

(Reference is to SB 506 as printed February 8, 2013.)

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