

# HOUSE BILL No. 1104

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 4-3-17-4; IC 4-12; IC 4-30; IC 4-35-7-12; IC 4-37; IC 5-10.5-4-1; IC 5-11; IC 5-20-7-8; IC 5-22-10-3; IC 5-28; IC 6-3.5-7; IC 6-8.1-3-6; IC 6-9-42-9; IC 8-1.5-3-14; IC 8-10-1-22; IC 9-15-3-1; IC 9-16-5-1; IC 13-23-7-7; IC 14-13; IC 14-14-1-44; IC 15-13-3-11; IC 16-19-3-30; IC 20-39-3-4; IC 20-49-3-14; IC 21-7-14-7; IC 21-16-5-6; IC 22-14-6-7; IC 28-11-1-1; IC 33-44-7-15; IC 36-7-23-47; IC 36-8-16.7; IC 36-10-9-9.

**Synopsis:** State board of accounts examinations. Permits the state board of accounts to determine the frequency with which the state board of accounts conducts financial examinations based on risk based criteria approved by the audit and financial reporting subcommittee of the legislative council. Indicates that the results of an examination of the state board of accounts are confidential until approved and released for publication by the state examiner. Permits disclosure under certain circumstances.

**Effective:** July 1, 2015.

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## Lehman

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January 8, 2015, read first time and referred to Committee on Government and Regulatory Reform.

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First Regular Session of the 119th General Assembly (2015)

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 2014 Regular Session and 2014 Second Regular Technical Session of the General Assembly.

# HOUSE BILL No. 1104



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

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

1 SECTION 1. IC 4-3-17-4 IS AMENDED TO READ AS FOLLOWS  
2 [EFFECTIVE JULY 1, 2015]: Sec. 4. (a) The articles of incorporation  
3 or bylaws of the corporation, as appropriate, must provide that:  
4 (1) the exclusive purpose of the corporation is to provide grants  
5 and serve as a resource for education programs on drug and  
6 alcohol abuse, by providing assistance to persons or entities  
7 involved with:  
8 (A) coordinating the activities of all parties having a role in  
9 drug and alcohol abuse education and prevention; and  
10 (B) educating and assisting local communities in educating  
11 Indiana citizens on the problems of drug and alcohol abuse;  
12 (2) the board must include:  
13 (A) the governor or the governor's designee;  
14 (B) the state health commissioner or the commissioner's  
15 designee; and



- 1 (C) additional persons appointed by the governor, who have  
 2 knowledge or experience in drug or alcohol education  
 3 programs;  
 4 (3) the governor shall designate a member of the board to serve  
 5 as chairman of the board;  
 6 (4) the board shall select any other officers it considers necessary,  
 7 such as a vice chairman, treasurer, or secretary;  
 8 (5) the chairman of the board may appoint any subcommittees that  
 9 the chairman considers necessary to carry out the duties of the  
 10 corporation;  
 11 (6) with the approval of the governor, the corporation may appoint  
 12 a president, who shall serve as the chief operating officer of the  
 13 corporation and who may appoint staff or employ consultants to  
 14 carry out the corporation's duties under this chapter, including  
 15 personnel to receive or disseminate information that furthers the  
 16 goals of the corporation;  
 17 (7) the corporation may receive funds from any source (including  
 18 state appropriations), may enter into contracts, and may expend  
 19 funds for any activities necessary, convenient, or expedient to  
 20 carry out its purposes;  
 21 (8) any amendments to the articles of incorporation or bylaws of  
 22 the corporation must be approved by the board;  
 23 (9) the corporation shall submit an annual report to the governor,  
 24 lieutenant governor, and chairman of the legislative council  
 25 before December 31 of each year;  
 26 (10) the corporation shall conduct an annual public hearing to  
 27 receive comments from interested parties regarding the annual  
 28 report, and notice of the hearing shall be given at least fourteen  
 29 (14) days before the hearing in accordance with IC 5-14-1.5-5(b);  
 30 and  
 31 (11) the corporation is subject to ~~an annual~~ audit by the state  
 32 board of accounts, and the corporation shall bear the full costs of  
 33 this audit.  
 34 An annual report described in subdivision (9) that is submitted to the  
 35 chairman of the legislative council must be in an electronic format  
 36 under IC 5-14-6.  
 37 (b) The corporation may perform other acts necessary, convenient,  
 38 or expedient to carry out its purposes under this chapter and has all the  
 39 rights, powers, and privileges granted to corporations by IC 23-17 and  
 40 by common law.  
 41 (c) With the approval of the governor, the corporation may merge  
 42 with an entity with similar purposes. If the corporation merges with



1 another entity under this subsection, the governor shall revoke the  
2 certification under section 7 of this chapter.

3 SECTION 2. IC 4-12-4-15, AS AMENDED BY P.L.229-2011,  
4 SECTION 51, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
5 JULY 1, 2015]: Sec. 15. The funds, accounts, management, and  
6 operations of the state department of health under this chapter are  
7 subject to ~~annual~~ audit by the state board of accounts.

8 SECTION 3. IC 4-12-15-2, AS ADDED BY P.L.187-2013,  
9 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
10 JULY 1, 2015]: Sec. 2. (a) The office may establish a nonprofit  
11 subsidiary corporation that is exempt from federal income taxation  
12 under Section 501(c)(3) of the Internal Revenue Code, to solicit and  
13 accept private funding, gifts, donations, bequests, devises, and  
14 contributions.

15 (b) A subsidiary corporation established under this section:

16 (1) shall use money received under subsection (a) to carry out in  
17 any manner the purposes and programs of the office;

18 (2) shall report to the budget committee each year concerning:

19 (A) the use of money received under subsection (a); and

20 (B) the balances in any accounts or funds established by the  
21 subsidiary corporation; and

22 (3) may deposit money received under subsection (a) in an  
23 account or fund that is:

24 (A) administered by the subsidiary corporation; and

25 (B) not part of the state treasury.

26 (c) A subsidiary corporation established under this section is  
27 governed by a board of directors comprised of members appointed by  
28 the office.

29 (d) Employees of the office shall provide administrative support for  
30 a subsidiary corporation established under this section.

31 (e) The state board of accounts shall ~~annually~~ audit a subsidiary  
32 corporation established under this section.

33 SECTION 4. IC 4-30-17-11 IS AMENDED TO READ AS  
34 FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 11. (a) Each eligible  
35 recipient that is approved to receive money from the build Indiana fund  
36 under section 10 of this chapter must, as a condition of receiving  
37 money from the build Indiana fund, enter into a funding agreement  
38 with the budget agency.

39 (b) The agreement required under subsection (a) must obligate the  
40 eligible recipient to do the following:

41 (1) Complete the project in conformity with the information in the  
42 project statement reviewed and approved under section 10 of this



1 chapter and any subsequent agreements reviewed by the budget  
2 committee and approved by the governor, upon recommendation  
3 of the budget agency.

4 (2) Acknowledge, on a form prescribed by the budget agency, the  
5 receipt and deposit of money received from the build Indiana  
6 fund. The written acknowledgment must include proof that the  
7 funds have been deposited in the financial institution listed in the  
8 documents described in subdivision (1) and must be submitted to  
9 the budget agency within ten (10) business days after receipt of  
10 the money.

11 (3) Account for money received from the build Indiana fund in  
12 accordance with generally accepted accounting principles, the  
13 accounting guidelines established by the state board of accounts,  
14 or an alternative method of accounting approved by the state  
15 board of accounts.

16 (4) Be subject to the audit and the reporting requirements under  
17 IC 5-11-1 (state board of accounts), ~~for each year~~ beginning with  
18 the year in which money from the build Indiana fund is received  
19 and ending with the year in which the project is completed.

20 (5) Upon request, provide for the contact person specified in the  
21 project statement or another person who is knowledgeable about  
22 the project to appear and give testimony to the budget committee  
23 concerning the project.

24 (6) Submit to the budget agency, on a form prescribed by the  
25 budget agency, verification of the completion of the project not  
26 later than ten (10) business days after the project is complete.

27 (7) If a project is not completed by the anticipated completion  
28 date specified in the documents described in subdivision (1),  
29 submit to the budget agency, on a form prescribed by the budget  
30 agency, information as to the reason the project is not complete  
31 and the revised completion date of the project. The form must be  
32 submitted before the anticipated completion date specified in the  
33 documents described in subdivision (1).

34 (8) Pay reasonable attorney's fees and other reasonable expenses  
35 incurred to enforce the provisions of the agreement described in  
36 subdivisions (1) through (7), collect reimbursement of project  
37 funds under subsection (d), or prosecute a violation of the  
38 agreement.

39 (c) The budget agency shall monitor compliance with the agreement  
40 required under subsection (a).

41 (d) In addition to any other remedy provided by law, if the eligible  
42 recipient fails to comply with a condition of the agreement required



1 under subsection (a), the budget agency may, under the procedures set  
 2 forth in IC 4-21.5, require the entity to repay all the funds distributed  
 3 to the eligible recipient under this chapter. The budget agency shall  
 4 give notice of the order under IC 4-21.5-3-4. Money repaid under this  
 5 section shall be deposited in the build Indiana fund.

6 SECTION 5. IC 4-30-19-2, AS AMENDED BY P.L.84-2005,  
 7 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 8 JULY 1, 2015]: Sec. 2. The state board of accounts shall ~~conduct an~~  
 9 ~~annual~~ audit of the operations of the lottery and shall receive a copy of  
 10 any independent financial audit and any security report prepared under  
 11 this article. The commission shall pay the full costs of the audit  
 12 required under this section.

13 SECTION 6. IC 4-35-7-12, AS AMENDED BY P.L.210-2013,  
 14 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 15 JULY 1, 2015]: Sec. 12. (a) The Indiana horse racing commission shall  
 16 enforce the requirements of this section.

17 (b) A licensee shall before the fifteenth day of each month distribute  
 18 the following amounts for the support of the Indiana horse racing  
 19 industry:

20 (1) An amount equal to fifteen percent (15%) of the adjusted  
 21 gross receipts of the slot machine wagering from the previous  
 22 month at each casino operated by the licensee with respect to  
 23 adjusted gross receipts received after June 30, 2013, and before  
 24 January 1, 2014.

25 (2) The percentage of the adjusted gross receipts of the slot  
 26 machine wagering from the previous month at each casino  
 27 operated by the licensee that is determined under section 16 or 17  
 28 of this chapter with respect to adjusted gross receipts received  
 29 after December 31, 2013.

30 (c) The Indiana horse racing commission may not use any of the  
 31 money distributed under this section for any administrative purpose or  
 32 other purpose of the Indiana horse racing commission.

33 (d) A licensee shall distribute the money devoted to horse racing  
 34 purses and to horsemen's associations under this subsection as follows:

35 (1) Five-tenths percent (0.5%) shall be transferred to horsemen's  
 36 associations for equine promotion or welfare according to the  
 37 ratios specified in subsection (g).

38 (2) Two and five-tenths percent (2.5%) shall be transferred to  
 39 horsemen's associations for backside benevolence according to  
 40 the ratios specified in subsection (g).

41 (3) Ninety-seven percent (97%) shall be distributed to promote  
 42 horses and horse racing as provided in subsection (f).



1 (e) A horsemen's association shall expend the amounts distributed  
 2 to the horsemen's association under subsection (d)(1) through (d)(2) for  
 3 a purpose promoting the equine industry or equine welfare or for a  
 4 benevolent purpose that the horsemen's association determines is in the  
 5 best interests of horse racing in Indiana for the breed represented by the  
 6 horsemen's association. Expenditures under this subsection are subject  
 7 to the regulatory requirements of subsection (h).

8 (f) A licensee shall distribute the amounts described in subsection  
 9 (d)(3) as follows:

10 (1) Forty-six percent (46%) for thoroughbred purposes as follows:

11 (A) Sixty percent (60%) for the following purposes:

12 (i) Ninety-seven percent (97%) for thoroughbred purses.

13 (ii) Two and four-tenths percent (2.4%) to the horsemen's  
 14 association representing thoroughbred owners and trainers.

15 (iii) Six-tenths percent (0.6%) to the horsemen's association  
 16 representing thoroughbred owners and breeders.

17 (B) Forty percent (40%) to the breed development fund  
 18 established for thoroughbreds under IC 4-31-11-10.

19 (2) Forty-six percent (46%) for standardbred purposes as follows:

20 (A) Three hundred seventy-five thousand dollars (\$375,000)  
 21 to the state fair commission to be used by the state fair  
 22 commission to support standardbred racing and facilities at the  
 23 state fairgrounds.

24 (B) One hundred twenty-five thousand dollars (\$125,000) to  
 25 the state fair commission to be used by the state fair  
 26 commission to make grants to county fairs to support  
 27 standardbred racing and facilities at county fair tracks. The  
 28 state fair commission shall establish a review committee to  
 29 include the standardbred association board, the Indiana horse  
 30 racing commission, and the Indiana county fair association to  
 31 make recommendations to the state fair commission on grants  
 32 under this clause.

33 (C) Fifty percent (50%) of the amount remaining after the  
 34 distributions under clauses (A) and (B) for the following  
 35 purposes:

36 (i) Ninety-six and five-tenths percent (96.5%) for  
 37 standardbred purses.

38 (ii) Three and five-tenths percent (3.5%) to the horsemen's  
 39 association representing standardbred owners and trainers.

40 (D) Fifty percent (50%) of the amount remaining after the  
 41 distributions under clauses (A) and (B) to the breed  
 42 development fund established for standardbreds under



1 IC 4-31-11-10.

2 (3) Eight percent (8%) for quarter horse purposes as follows:

3 (A) Seventy percent (70%) for the following purposes:

4 (i) Ninety-five percent (95%) for quarter horse purses.

5 (ii) Five percent (5%) to the horsemen's association  
6 representing quarter horse owners and trainers.

7 (B) Thirty percent (30%) to the breed development fund  
8 established for quarter horses under IC 4-31-11-10.

9 Expenditures under this subsection are subject to the regulatory  
10 requirements of subsection (h).

11 (g) Money distributed under subsection (d)(1) and (d)(2) shall be  
12 allocated as follows:

13 (1) Forty-six percent (46%) to the horsemen's association  
14 representing thoroughbred owners and trainers.

15 (2) Forty-six percent (46%) to the horsemen's association  
16 representing standardbred owners and trainers.

17 (3) Eight percent (8%) to the horsemen's association representing  
18 quarter horse owners and trainers.

19 (h) Money distributed under this section may not be expended  
20 unless the expenditure is for a purpose authorized in this section and is  
21 either for a purpose promoting the equine industry or equine welfare or  
22 is for a benevolent purpose that is in the best interests of horse racing  
23 in Indiana or the necessary expenditures for the operations of the  
24 horsemen's association required to implement and fulfill the purposes  
25 of this section. The Indiana horse racing commission may review any  
26 expenditure of money distributed under this section to ensure that the  
27 requirements of this section are satisfied. The Indiana horse racing  
28 commission shall adopt rules concerning the review and oversight of  
29 money distributed under this section and shall adopt rules concerning  
30 the enforcement of this section. The following apply to a horsemen's  
31 association receiving a distribution of money under this section:

32 (1) The horsemen's association must annually file a report with  
33 the Indiana horse racing commission concerning the use of the  
34 money by the horsemen's association. The report must include  
35 information as required by the commission.

36 (2) The horsemen's association must register with the Indiana  
37 horse racing commission.

38 The state board of accounts shall ~~annually~~ audit the accounts, books,  
39 and records of the Indiana horse racing commission, each horsemen's  
40 association, a licensee, and any association for backside benevolence  
41 containing any information relating to the distribution of money under  
42 this section.





1 (i) The commission shall provide the Indiana horse racing  
2 commission with the information necessary to enforce this section.

3 (j) The Indiana horse racing commission shall investigate any  
4 complaint that a licensee has failed to comply with the horse racing  
5 purse requirements set forth in this section. If, after notice and a  
6 hearing, the Indiana horse racing commission finds that a licensee has  
7 failed to comply with the purse requirements set forth in this section,  
8 the Indiana horse racing commission may:

9 (1) issue a warning to the licensee;

10 (2) impose a civil penalty that may not exceed one million dollars  
11 (\$1,000,000); or

12 (3) suspend a meeting permit issued under IC 4-31-5 to conduct  
13 a pari-mutuel wagering horse racing meeting in Indiana.

14 (k) A civil penalty collected under this section must be deposited in  
15 the state general fund.

16 SECTION 7. IC 4-37-2-4, AS AMENDED BY P.L.166-2013,  
17 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
18 JULY 1, 2015]: Sec. 4. The corporation is subject to ~~an annual~~  
19 compliance ~~audit audits~~ by the state board of accounts.

20 SECTION 8. IC 4-37-8-5, AS AMENDED BY P.L.166-2013,  
21 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
22 JULY 1, 2015]: Sec. 5. The foundation is subject to ~~an annual~~  
23 compliance ~~audit audits~~ by the state board of accounts.

24 SECTION 9. IC 5-10.5-4-1, AS AMENDED BY P.L.53-2014,  
25 SECTION 64, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
26 JULY 1, 2015]: Sec. 1. The board shall do all of the following:

27 (1) Appoint and fix the salary of a director.

28 (2) Employ or contract with employees, auditors, technical  
29 experts, legal counsel, and other service providers as the board  
30 considers necessary to transact the business of the fund without  
31 the approval of any state officer, and fix the compensation of  
32 those persons.

33 (3) Establish a general office in Indianapolis for board meetings  
34 and for administrative personnel.

35 (4) Provide for the installation in the general office of a complete  
36 system of:

37 (A) books;

38 (B) accounts, including reserve accounts; and

39 (C) records;

40 to give effect to all the requirements of this article and to ensure  
41 the proper operation of the fund.

42 (5) Provide for a report at least annually to each member of the



- 1 amount credited to the member in the annuity savings account in  
 2 each investment program under IC 5-10.2-2.
- 3 (6) With the advice of the actuary, adopt actuarial tables and  
 4 compile data needed for actuarial studies that are necessary for  
 5 the fund's operation.
- 6 (7) Act on applications for benefits and claims of error filed by  
 7 members.
- 8 (8) Have the accounts of the fund audited ~~annually~~ by the state  
 9 board of accounts and if the board determines that it is advisable,  
 10 have the operation of a public pension or retirement fund of the  
 11 system audited by a certified public accountant.
- 12 (9) Publish for the members a synopsis of the fund's condition.
- 13 (10) Adopt a budget on a calendar year or fiscal year basis that is  
 14 sufficient, as determined by the board, to perform the board's  
 15 duties and, as appropriate and reasonable, draw upon fund assets  
 16 to fund the budget.
- 17 (11) Expend money, including income from the fund's  
 18 investments, for effectuating the fund's purposes.
- 19 (12) Establish personnel programs and policies for the employees  
 20 of the system.
- 21 (13) Submit a financial report before November 1 each year to the  
 22 governor, the interim study committee on pension management  
 23 oversight established by IC 2-5-1.3-4 in an electronic format  
 24 under IC 5-14-6, and the budget committee. The report under this  
 25 subdivision must set forth a complete operating and financial  
 26 statement covering its operations during the most recent fiscal  
 27 year, and include any other information requested by the chair of  
 28 the interim study committee on pension management oversight  
 29 established by IC 2-5-1.3-4 in an electronic format under  
 30 IC 5-14-6.
- 31 (14) Provide the necessary forms for administering the fund.
- 32 (15) Submit to the auditor of state or the treasurer of state  
 33 vouchers or reports necessary to claim an amount due from the  
 34 state to the system.
- 35 SECTION 10. IC 5-11-1-9, AS AMENDED BY P.L.280-2013,  
 36 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 37 JULY 1, 2015]: Sec. 9. (a) The state examiner, personally or through  
 38 the deputy examiners, field examiners, or private examiners, shall  
 39 examine all accounts and all financial affairs of every public office and  
 40 officer, state office, state institution, and entity.
- 41 (b) An examination of an entity deriving:  
 42 (1) less than fifty percent (50%); or



1 (2) subject to subsection (h), at least fifty percent (50%) but less  
 2 than two hundred thousand dollars (\$200,000) if the entity is  
 3 organized as a not-for-profit corporation;  
 4 of its disbursements during the period subject to an examination from  
 5 appropriations, public funds, taxes, and other sources of public expense  
 6 shall be limited to matters relevant to the use of the public money  
 7 received by the entity.

8 (c) The examination of an entity described in subsection (b) may be  
 9 waived ~~or deferred~~ by the state examiner if the state examiner  
 10 determines in writing that all disbursements of public money during the  
 11 period subject to examination were made for the purposes for which the  
 12 money was received. However, the:

13 (1) Indiana economic development corporation created by  
 14 IC 5-28-3 and the corporation's funds, accounts, and financial  
 15 affairs; and

16 (2) department of financial institutions established by  
 17 IC 28-11-1-1 and the department's funds, accounts, and financial  
 18 affairs;

19 shall be examined biennially by the state board of accounts.

20 (d) On every examination under this section, inquiry shall be made  
 21 as to the following:

22 (1) The financial condition and resources of each municipality,  
 23 office, institution, or entity.

24 (2) Whether the laws of the state and the uniform compliance  
 25 guidelines of the state board of accounts established under section  
 26 24 of this chapter have been complied with.

27 (3) The methods and accuracy of the accounts and reports of the  
 28 person examined.

29 The examinations shall be made without notice.

30 (e) If during an examination of a state office under this chapter the  
 31 examiner encounters an inefficiency in the operation of the state office,  
 32 the examiner may comment on the inefficiency in the examiner's report.

33 (f) The state examiner, deputy examiners, any field examiner, or any  
 34 private examiner, when engaged in making any examination or when  
 35 engaged in any official duty devolved upon them by the state examiner,  
 36 is entitled to do the following:

37 (1) Enter into any state, county, city, township, or other public  
 38 office in this state, or any entity, agency, or instrumentality, and  
 39 examine any books, papers, documents, or electronically stored  
 40 information for the purpose of making an examination.

41 (2) Have access, in the presence of the custodian or the  
 42 custodian's deputy, to the cash drawers and cash in the custody of



1 the officer.

2 (3) During business hours, examine the public accounts in any  
3 depository that has public funds in its custody pursuant to the  
4 laws of this state.

5 (g) The state examiner, deputy examiner, or any field examiner,  
6 when engaged in making any examination authorized by law, may issue  
7 subpoenas for witnesses to appear before the examiner in person or to  
8 produce books, papers, or other records (including records stored in  
9 electronic data processing systems) for inspection and examination.  
10 The state examiner, deputy examiner, and any field examiner may  
11 administer oaths and examine witnesses under oath orally or by  
12 interrogatories concerning the matters under investigation and  
13 examination. Under the authority of the state examiner, the oral  
14 examinations may be transcribed with the reasonable expense paid by  
15 the examined person in the same manner as the compensation of the  
16 field examiner is paid. The subpoenas shall be served by any person  
17 authorized to serve civil process from any court in this state. If a  
18 witness duly subpoenaed refuses to attend, refuses to produce  
19 information required in the subpoena, or attends and refuses to be  
20 sworn or affirmed, or to testify when called upon to do so, the examiner  
21 may apply to the circuit court having jurisdiction of the witness for the  
22 enforcement of attendance and answers to questions as provided by the  
23 law governing the taking of depositions.

24 (h) ~~This subsection applies to audited years beginning after June 30,~~  
25 ~~2009.~~ The definitions in IC 20-24-1 apply throughout this subsection.  
26 Appropriations, public funds, taxes, and other sources of public money  
27 received by a nonprofit corporation as a charter school or organizer of  
28 a charter school for the purposes of a charter school may not be  
29 counted for the purpose of applying subsection (b)(2). Unless the  
30 nonprofit corporation receives other public money that would qualify  
31 the nonprofit corporation for a full examination of all accounts and  
32 financial affairs of the entity under subsection (b)(2), an examination  
33 of a charter school or organizer of a charter school must be limited to  
34 matters relevant to the use of the public money received for the charter  
35 school. This subsection does not prohibit the state examiner, personally  
36 or through the deputy examiners, field examiners, or private examiners,  
37 from examining the accounts in which appropriations, public funds,  
38 taxes, or other sources of public money are applied that are received by  
39 a nonprofit corporation as a charter school or organizer of a charter  
40 school relating to the operation of the charter school.

41 SECTION 11. IC 5-11-1-25 IS AMENDED TO READ AS  
42 FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 25. (a) **This section**



1 does not limit the application of any law that requires a  
 2 municipality, a public hospital, another public office or public  
 3 officer, an entity, or another person or organization to be audited  
 4 or otherwise examined on an annual or other basis by:

5 (1) a certified public accountant; or

6 (2) a person other than the state examiner or the state board  
 7 of accounts.

8 (b) Subject to section 9 of this chapter and subsections (c)  
 9 through (d), the state board of accounts shall conduct examinations  
 10 of audited entities at the times determined by the state board of  
 11 accounts, but not less than once every four (4) years, using risk  
 12 based examination criteria that are:

13 (1) established by the state board of accounts; and

14 (2) approved by the audit committee.

15 (c) Examinations under this chapter shall ~~must~~ be conducted  
 16 annually for the following:

17 (1) the state.

18 (2) Cities:

19 (3) Counties:

20 (4) Towns with a population greater than five thousand (5,000):

21 (5) Public hospitals:

22 (b) Subject to section 9 of this chapter, examinations under this  
 23 chapter shall be conducted biennially for:

24 (1) municipalities; and

25 (2) entities;

26 that are not listed in subsection (a).

27 (d) As permitted under this section since September 1, 1986 (the  
 28 effective date of P.L.3-1986, SECTION 16), examinations of school  
 29 corporations shall be conducted biennially.

30 SECTION 12. IC 5-11-5-1, AS AMENDED BY P.L.104-2014,  
 31 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 32 JULY 1, 2015]: Sec. 1. (a) Whenever an examination is made under  
 33 this article, a report of the examination shall be made. The report must  
 34 include a list of findings and shall be signed and verified by the  
 35 examiner making the examination. A finding that is critical of an  
 36 examined entity must be based upon one (1) of the following:

37 (1) Failure of the entity to observe a uniform compliance  
 38 guideline established under IC 5-11-1-24(a).

39 (2) Failure of the entity to comply with a specific law.

40 A report that includes a finding that is critical of an examined entity  
 41 must designate the uniform compliance guideline or the specific law  
 42 upon which the finding is based. The reports shall immediately be filed



1 with the state examiner, and, after inspection of the report, the state  
 2 examiner shall immediately file one (1) copy with the officer or person  
 3 examined, one (1) copy with the auditing department of the  
 4 municipality examined and reported upon (if the subject of the report  
 5 is a municipality), and one (1) copy in an electronic format under  
 6 IC 5-14-6 with the legislative services agency, as staff to the audit  
 7 committee and the general assembly. Upon filing, the report becomes  
 8 a part of the public records of the office of the state examiner, of the  
 9 office or the person examined, of the auditing department of the  
 10 municipality examined and reported upon, and of the legislative  
 11 services agency, as staff to the audit committee and the general  
 12 assembly. A report is open to public inspection at all reasonable times  
 13 after it is filed. If an examination discloses malfeasance, misfeasance,  
 14 or nonfeasance in office or of any officer or employee, a copy of the  
 15 report, signed and verified, shall be placed by the state examiner with  
 16 the attorney general and the inspector general. The attorney general  
 17 shall diligently institute and prosecute civil proceedings against the  
 18 delinquent officer, or upon the officer's official bond, or both, and  
 19 against any other proper person that will secure to the state or to the  
 20 proper municipality the recovery of any funds misappropriated,  
 21 diverted, or unaccounted for.

22 (b) Before an examination report is signed, verified, and filed as  
 23 required by subsection (a), the officer or the chief executive officer of  
 24 the state office, municipality, or entity examined must have an  
 25 opportunity to review the report and to file with the state examiner a  
 26 written response to that report. If a written response is filed, it becomes  
 27 a part of the examination report that is signed, verified, and filed as  
 28 required by subsection (a).

29 (c) Except as ~~required~~ **provided** by subsections (b), ~~and~~ (d), ~~and~~ (e),  
 30 it is unlawful for any ~~deputy examiner, field examiner, or private~~  
 31 ~~examiner, person,~~ before an examination report is made public as  
 32 provided by this section, to make any disclosure of the result of any  
 33 examination of any public account, except:

- 34 (1) to the state examiner; ~~or~~  
 35 (2) if directed to give publicity to the examination report by the  
 36 state examiner or by any court;  
 37 (3) **to another deputy examiner, field examiner, or private**  
 38 **examiner engaged in conducting the examination; or**  
 39 (4) **if directed by the state examiner, to the chair of the audit**  
 40 **committee or the members of the audit committee acting in**  
 41 **executive session, or both.**

42 If an examination report shows or discloses the commission of a crime



1 by any person, it is the duty of the state examiner to transmit and  
 2 present the examination report to the ~~grand jury~~ **prosecuting attorney**  
 3 of the county in which the crime was committed. ~~at its first session~~  
 4 ~~after the making of the examination report and at any subsequent~~  
 5 ~~sessions that may be required:~~ The state examiner shall furnish to the  
 6 **grand jury prosecuting attorney** all evidence at the state examiner's  
 7 command necessary in the investigation and prosecution of the crime.

8 (d) If, during an examination under this article, a deputy examiner,  
 9 field examiner, or private examiner acting as an agent of the state  
 10 examiner determines that the following conditions are satisfied, the  
 11 examiner shall report the determination to the state examiner:

12 (1) A substantial amount of public funds has been  
 13 misappropriated or diverted.

14 (2) The deputy examiner, field examiner, or private examiner  
 15 acting as an agent of the state examiner has a reasonable belief  
 16 that the malfeasance or misfeasance that resulted in the  
 17 misappropriation or diversion of the public funds was committed  
 18 by the officer or an employee of the office.

19 (e) After receiving a preliminary report under subsection (d), the  
 20 state examiner may provide a copy of the report to the attorney general.  
 21 The attorney general may institute and prosecute civil proceedings  
 22 against the delinquent officer or employee, or upon the officer's or  
 23 employee's official bond, or both, and against any other proper person  
 24 that will secure to the state or to the proper municipality the recovery  
 25 of any funds misappropriated, diverted, or unaccounted for.

26 (f) In an action under subsection (e), the attorney general may attach  
 27 the defendant's property under IC 34-25-2.

28 (g) ~~▲ The results of an examination, including a~~ preliminary  
 29 ~~report under subsection (d), is~~ **are** confidential until **the occurrence of**  
 30 **the earliest of the following:**

31 (1) The final report **is made public** under subsection (a). ~~is~~  
 32 ~~issued;~~

33 (2) **The results of the examination are publicized under**  
 34 **subsection (c)(2).** ~~unless~~

35 (3) The attorney general institutes an action under subsection (e)  
 36 on the basis of the preliminary report.

37 **Otherwise, a public agency (as defined in IC 5-14-3-2), a public**  
 38 **employee, a public official, or an employee or officer of a**  
 39 **contractor or subcontractor of a public agency that receives**  
 40 **confidential results of an examination shall maintain the**  
 41 **confidentiality of the results of an examination, regardless of**  
 42 **whether the information is received orally, as a public record (as**



1 defined in IC 5-14-3-2), or by other means. Except as permitted in  
 2 this section, a public agency (as defined in IC 5-14-3-2), a public  
 3 employee, a public official, or an employee or officer of a  
 4 contractor or subcontractor of a public agency that knowingly or  
 5 intentionally communicates knowledge of the confidential results  
 6 of an examination, regardless of the form in which the information  
 7 is received, violates IC 5-14-3-10.

8 SECTION 13. IC 5-20-7-8, AS ADDED BY P.L.87-2011,  
 9 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 10 JULY 1, 2015]: Sec. 8. The fund is subject to an ~~annual~~ audit by the  
 11 state board of accounts. The full costs of the audit shall be paid from  
 12 money in the fund.

13 SECTION 14. IC 5-22-10-3 IS AMENDED TO READ AS  
 14 FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 3. (a) A purchasing  
 15 agent shall maintain the contract records for a special purchase in a  
 16 separate file.

17 (b) A purchasing agent shall include in the contract file a written  
 18 determination of the basis for:

- 19 (1) the special purchase; and
- 20 (2) the selection of a particular contractor.

21 (c) Notwithstanding any other law, a governmental body shall  
 22 maintain a record listing all contracts made under this chapter for a  
 23 minimum of five (5) years. The record must contain the following  
 24 information:

- 25 (1) Each contractor's name.
- 26 (2) The amount and type of each contract.
- 27 (3) A description of the supplies purchased under each contract.
- 28 (d) The contract records for a special purchase are subject to ~~annual~~

29 audit by the state board of accounts.

30 SECTION 15. IC 5-28-3-2, AS ADDED BY P.L.4-2005, SECTION  
 31 34, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1,  
 32 2015]: Sec. 2. (a) The corporation is a body politic and corporate, not  
 33 a state agency but an independent instrumentality exercising essential  
 34 public functions.

35 (b) The corporation and the corporation's funds, accounts, and  
 36 financial affairs shall be examined ~~biennially~~ by the state board of  
 37 accounts ~~under IC 5-11-1-9~~ as required by IC 5-11-1-9.

38 SECTION 16. IC 5-28-5-13, AS ADDED BY P.L.4-2005,  
 39 SECTION 34, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 40 JULY 1, 2015]: Sec. 13. (a) Notwithstanding section 12 of this chapter,  
 41 the board may establish a nonprofit subsidiary corporation to solicit  
 42 and accept private sector funding, gifts, donations, bequests, devises,





- 1 and contributions.
- 2 (b) A subsidiary corporation established under this section:
- 3 (1) must use money received under subsection (a) to carry out in
- 4 any manner the purposes and programs under this article;
- 5 (2) must report to the budget committee each year concerning:
- 6 (A) the use of money received under subsection (a); and
- 7 (B) the balances in any accounts or funds established by the
- 8 subsidiary corporation; and
- 9 (3) may deposit money received under subsection (a) in an
- 10 account or fund that is:
- 11 (A) administered by the subsidiary corporation; and
- 12 (B) not part of the state treasury.
- 13 (c) The state board of accounts shall ~~annually~~ audit a subsidiary
- 14 corporation established under this section.
- 15 SECTION 17. IC 5-28-18-7, AS AMENDED BY P.L.87-2011,
- 16 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 17 JULY 1, 2015]: Sec. 7. (a) The small business development fund is
- 18 established within the state treasury. The fund is a revolving fund to:
- 19 (1) provide loans approved by the corporation under this chapter
- 20 and IC 5-28-17; and
- 21 (2) provide loans or loan guarantees under the small and minority
- 22 business financial assistance program established by
- 23 IC 5-28-20-9.
- 24 (b) The fund consists of appropriations from the general assembly
- 25 and loan repayments.
- 26 (c) The corporation shall administer the fund. The following may be
- 27 paid from money in the fund:
- 28 (1) Expenses of administering the fund.
- 29 (2) Nonrecurring administrative expenses incurred to carry out the
- 30 purposes of this chapter and IC 5-28-20.
- 31 (d) Earnings from loans made under this chapter shall be deposited
- 32 in the fund.
- 33 (e) The treasurer of state shall invest the money in the fund not
- 34 currently needed to meet the obligations of the fund in the same
- 35 manner as other public funds may be invested. Interest that accrues
- 36 from these investments shall be deposited in the state general fund.
- 37 (f) Money in the fund at the end of a state fiscal year does not revert
- 38 to the state general fund.
- 39 (g) The fund is subject to ~~an annual~~ audit by the state board of
- 40 accounts. The fund shall bear the full costs of the audit.
- 41 (h) With respect to loans or loan guarantees made from the fund
- 42 before July 1, 2011, references in law or loan documents made to the



1 microenterprise partnership program fund before July 1, 2011, shall be  
 2 construed after June 30, 2011, as references to the small business  
 3 development fund.

4 SECTION 18. IC 6-3.5-7-13.5, AS ADDED BY P.L.137-2006,  
 5 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 6 JULY 1, 2015]: Sec. 13.5. (a) The general assembly finds that counties  
 7 and municipalities in Indiana have a need to foster economic  
 8 development, the development of new technology, and industrial and  
 9 commercial growth. The general assembly finds that it is necessary and  
 10 proper to provide an alternative method for counties and municipalities  
 11 to foster the following:

- 12 (1) Economic development.
- 13 (2) The development of new technology.
- 14 (3) Industrial and commercial growth.
- 15 (4) Employment opportunities.
- 16 (5) The diversification of industry and commerce.

17 The fostering of economic development and the development of new  
 18 technology under this section or section 13.6 of this chapter for the  
 19 benefit of the general public, including industrial and commercial  
 20 enterprises, is a public purpose.

21 (b) The fiscal bodies of two (2) or more counties or municipalities  
 22 may, by resolution, do the following:

- 23 (1) Determine that part or all the taxes received by the units under  
 24 this chapter should be combined to foster:
  - 25 (A) economic development;
  - 26 (B) the development of new technology; and
  - 27 (C) industrial and commercial growth.
- 28 (2) Establish a regional venture capital fund.

29 (c) Each unit participating in a regional venture capital fund  
 30 established under subsection (b) may deposit the following in the fund:

- 31 (1) Taxes distributed to the unit under this chapter.
- 32 (2) The proceeds of public or private grants.

33 (d) A regional venture capital fund shall be administered by a  
 34 governing board. The expenses of administering the fund shall be paid  
 35 from money in the fund. The governing board shall invest the money  
 36 in the fund not currently needed to meet the obligations of the fund in  
 37 the same manner as other public money may be invested. Interest that  
 38 accrues from these investments shall be deposited into the fund. The  
 39 fund is subject to an annual audit by the state board of accounts. The  
 40 fund shall bear the full costs of the audit.

41 (e) The fiscal body of each participating unit shall approve an  
 42 interlocal agreement created under IC 36-1-7 establishing the terms for



1 the administration of the regional venture capital fund. The terms must  
2 include the following:

- 3 (1) The membership of the governing board.
- 4 (2) The amount of each unit's contribution to the fund.
- 5 (3) The procedures and criteria under which the governing board  
6 may loan or grant money from the fund.
- 7 (4) The procedures for the dissolution of the fund and for the  
8 distribution of money remaining in the fund at the time of the  
9 dissolution.

10 (f) An interlocal agreement made by the participating units under  
11 subsection (e) must provide that:

- 12 (1) each of the participating units is represented by at least one (1)  
13 member of the governing board; and
- 14 (2) the membership of the governing board is established on a  
15 bipartisan basis so that the number of the members of the  
16 governing board who are members of one (1) political party may  
17 not exceed the number of members of the governing board  
18 required to establish a quorum.

19 (g) A majority of the governing board constitutes a quorum, and the  
20 concurrence of a majority of the governing board is necessary to  
21 authorize any action.

22 (h) An interlocal agreement made by the participating units under  
23 subsection (e) must be submitted to the Indiana economic development  
24 corporation for approval before the participating units may contribute  
25 to the fund.

26 (i) A majority of members of a governing board of a regional  
27 venture capital fund established under this section must have at least  
28 five (5) years of experience in business, finance, or venture capital.

29 (j) The governing board of the fund may loan or grant money from  
30 the fund to a private or public entity if the governing board finds that  
31 the loan or grant will be used by the borrower or grantee for at least one  
32 (1) of the following economic development purposes:

- 33 (1) To promote significant employment opportunities for the  
34 residents of the units participating in the regional venture capital  
35 fund.
- 36 (2) To attract a major new business enterprise to a participating  
37 unit.
- 38 (3) To develop, retain, or expand a significant business enterprise  
39 in a participating unit.

40 (k) The expenditures of a borrower or grantee of money from a  
41 regional venture capital fund that are considered to be for an economic  
42 development purpose include expenditures for any of the following:



- 1 (1) Research and development of technology.
- 2 (2) Job training and education.
- 3 (3) Acquisition of property interests.
- 4 (4) Infrastructure improvements.
- 5 (5) New buildings or structures.
- 6 (6) Rehabilitation, renovation, or enlargement of buildings or
- 7 structures.
- 8 (7) Machinery, equipment, and furnishings.
- 9 (8) Funding small business development with respect to:
- 10 (A) prototype products or processes;
- 11 (B) marketing studies to determine the feasibility of new
- 12 products or processes; or
- 13 (C) business plans for the development and production of new
- 14 products or processes.

15 SECTION 19. IC 6-3.5-7-13.6, AS ADDED BY P.L.137-2006,  
 16 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 17 JULY 1, 2015]: Sec. 13.6. (a) The fiscal body of a county or  
 18 municipality may, by resolution, establish a local venture capital fund.

19 (b) A unit establishing a local venture capital fund under subsection  
 20 (a) may deposit the following in the fund:

- 21 (1) Taxes distributed to the unit under this chapter.
- 22 (2) The proceeds of public or private grants.

23 (c) A local venture capital fund shall be administered by a  
 24 governing board. The expenses of administering the fund shall be paid  
 25 from money in the fund. The governing board shall invest the money  
 26 in the fund not currently needed to meet the obligations of the fund in  
 27 the same manner as other public money may be invested. Interest that  
 28 accrues from these investments shall be deposited into the fund. The  
 29 fund is subject to ~~an annual~~ audit by the state board of accounts. The  
 30 fund shall bear the full costs of the audit.

31 (d) The fiscal body of a unit establishing a local venture capital fund  
 32 under subsection (a) shall establish the terms for the administration of  
 33 the local venture capital fund. The terms must include the following:

- 34 (1) The membership of the governing board.
- 35 (2) The amount of the unit's contribution to the fund.
- 36 (3) The procedures and criteria under which the governing board
- 37 may loan or grant money from the fund.
- 38 (4) The procedures for the dissolution of the fund and for the
- 39 distribution of money remaining in the fund at the time of the
- 40 dissolution.

41 (e) A unit establishing a local venture capital fund under subsection  
 42 (a) must be represented by at least one (1) member of the governing



1 board.

2 (f) The membership of the governing board must be established on  
3 a bipartisan basis so that the number of the members of the governing  
4 board who are members of one (1) political party may not exceed the  
5 number of members of the governing board required to establish a  
6 quorum.

7 (g) A majority of the governing board constitutes a quorum, and the  
8 concurrence of a majority of the governing board is necessary to  
9 authorize any action.

10 (h) The terms established under subsection (d) for the  
11 administration of the local venture capital fund must be submitted to  
12 the Indiana economic development corporation for approval before a  
13 unit may contribute to the fund.

14 (i) A majority of members of a governing board of a local venture  
15 capital fund established under this section must have at least five (5)  
16 years of experience in business, finance, or venture capital.

17 (j) The governing board of the fund may loan or grant money from  
18 the fund to a private or public entity if the governing board finds that  
19 the loan or grant will be used by the borrower or grantee for at least one  
20 (1) of the following economic development purposes:

21 (1) To promote significant employment opportunities for the  
22 residents of the unit establishing the local venture capital fund.

23 (2) To attract a major new business enterprise to the unit.

24 (3) To develop, retain, or expand a significant business enterprise  
25 in the unit.

26 (k) The expenditures of a borrower or grantee of money from a local  
27 venture capital fund that are considered to be for an economic  
28 development purpose include expenditures for any of the following:

29 (1) Research and development of technology.

30 (2) Job training and education.

31 (3) Acquisition of property interests.

32 (4) Infrastructure improvements.

33 (5) New buildings or structures.

34 (6) Rehabilitation, renovation, or enlargement of buildings or  
35 structures.

36 (7) Machinery, equipment, and furnishings.

37 (8) Funding small business development with respect to:

38 (A) prototype products or processes;

39 (B) marketing studies to determine the feasibility of new  
40 products or processes; or

41 (C) business plans for the development and production of new  
42 products or processes.



1 SECTION 20. IC 6-8.1-3-6 IS AMENDED TO READ AS  
 2 FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 6. (a) The department  
 3 shall maintain, for a period of at least three (3) years, a record of all  
 4 monies received and disbursed, and copies of all returns filed with the  
 5 department.

6 (b) ~~At the end of each fiscal year,~~ The state board of accounts shall  
 7 audit the department's record of receipts and disbursements.

8 SECTION 21. IC 6-9-42-9, AS ADDED BY P.L.182-2009(ss),  
 9 SECTION 262, IS AMENDED TO READ AS FOLLOWS  
 10 [EFFECTIVE JULY 1, 2015]: Sec. 9. The accounts, books, and records  
 11 of the complex are subject to ~~an annual~~ financial and compliance audit  
 12 by the state board of accounts.

13 SECTION 22. IC 8-1.5-3-14 IS AMENDED TO READ AS  
 14 FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 14. (a) A municipally  
 15 owned utility under the jurisdiction of the commission for approval of  
 16 rates and charges and of the issuance of stocks, bonds, notes, or other  
 17 evidence of indebtedness shall file with the commission an annual  
 18 report of the operation of the plant on forms prescribed by the  
 19 commission. The annual reports shall be kept in the office of the  
 20 commission as a public record. A municipally owned utility that has  
 21 withdrawn from commission jurisdiction under IC 8-1-2-100 (before  
 22 its repeal on January 1, 1983) or section 9 or 9.1 of this chapter is not  
 23 required to file the annual report required by this section.

24 (b) The state board of accounts shall examine all accounts of every  
 25 municipally owned utility. ~~at regular intervals~~ In the examination,  
 26 inquiry shall be made as to:

- 27 (1) the financial condition and resources of the utility;
- 28 (2) whether the laws of the state have been complied with; and
- 29 (3) the methods and accuracy of the accounts and reports of the  
 30 utilities examined.

31 The examination shall be made without notice, and its cost shall be  
 32 paid out of the funds of the utility.

33 SECTION 23. IC 8-10-1-22, AS AMENDED BY P.L.98-2008,  
 34 SECTION 32, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 35 JULY 1, 2015]: Sec. 22. (a) The ports of Indiana shall cause an audit  
 36 of its books and accounts to be made at least once each year by  
 37 certified public accountants, and the cost thereof may be treated as a  
 38 part of the cost of construction or of operations of the ports and projects  
 39 of the ports of Indiana. The accounts, books, and records of the ports  
 40 of Indiana shall be audited ~~annually~~ by the state board of accounts, and  
 41 the cost of such audit may be treated as a part of the cost of  
 42 construction or of operations of the ports and projects of the ports of



1 Indiana.

2 (b) The ports of Indiana shall, following the close of each fiscal  
3 year, submit an annual report of its activities for the preceding year to  
4 the governor, the budget committee, and the general assembly. An  
5 annual report submitted under this section to the general assembly must  
6 be in an electronic format under IC 5-14-6. Each report shall set forth  
7 a complete operating and financial statement for the ports of Indiana  
8 during the fiscal year it covers.

9 SECTION 24. IC 9-15-3-1 IS AMENDED TO READ AS  
10 FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 1. The state board of  
11 accounts shall audit all accounts of the commission. ~~annually.~~

12 SECTION 25. IC 9-16-5-1 IS AMENDED TO READ AS  
13 FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 1. The state board of  
14 accounts shall ~~conduct an annual~~ audit of each account of each license  
15 branch operated under this article. An audit prepared under this section  
16 is a public record.

17 SECTION 26. IC 13-23-7-7 IS AMENDED TO READ AS  
18 FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 7. ~~Not later than~~  
19 ~~December 31, 1996, and every two (2) years thereafter,~~ The state board  
20 of accounts shall ~~conduct an~~ audit of the excess liability trust fund.

21 SECTION 27. IC 14-13-1-41, AS AMENDED BY P.L.13-2013,  
22 SECTION 49, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
23 JULY 1, 2015]: Sec. 41. (a) The commission may establish a nonprofit  
24 subsidiary corporation that is exempt from federal income taxation  
25 under Section 501(c)(3) of the Internal Revenue Code, to solicit and  
26 accept private funding, gifts, donations, bequests, devises, and  
27 contributions.

28 (b) A subsidiary corporation established under this section:  
29 (1) shall use money received under subsection (a) to carry out in  
30 any manner the purposes of and programs under this chapter;  
31 (2) shall report to the budget committee each year concerning:  
32 (A) the use of money received under subsection (a); and  
33 (B) the balances in any accounts or funds established by the  
34 subsidiary corporation; and  
35 (3) may deposit money received under subsection (a) in an  
36 account or fund that is:  
37 (A) administered by the subsidiary corporation; and  
38 (B) not part of the state treasury.

39 (c) A subsidiary corporation established under this section shall be  
40 governed by a board of directors comprised of:  
41 (1) the members of the commission appointed under section 6 of  
42 this chapter; and



- 1 (2) any other directors that the members of the commission  
2 appoint.
- 3 (d) Employees of the commission shall provide administrative  
4 support for a subsidiary corporation established under this section.
- 5 (e) The state board of accounts shall ~~annually~~ audit a subsidiary  
6 corporation established under this section.
- 7 SECTION 28. IC 14-13-2-30, AS ADDED BY P.L.181-2009,  
8 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
9 JULY 1, 2015]: Sec. 30. The commission is responsible for the  
10 safekeeping and deposit of money the commission receives under this  
11 chapter. The state board of accounts shall:
- 12 (1) prescribe the methods and forms for the keeping of; and  
13 (2) ~~annually~~ audit;  
14 the accounts, records, and books of the commission and fund.
- 15 SECTION 29. IC 14-14-1-44 IS AMENDED TO READ AS  
16 FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 44. (a) The:
- 17 (1) commission shall have an audit of the commission's books and  
18 accounts to be made at least one (1) time each year by certified  
19 public accountants; and  
20 (2) state board of accounts shall audit ~~annually~~ the accounts,  
21 books, and records of the commission.
- 22 (b) The cost of the audits may be treated as a part of the  
23 administrative expense of the commission.
- 24 SECTION 30. IC 15-13-3-11, AS AMENDED BY P.L.6-2012,  
25 SECTION 108, IS AMENDED TO READ AS FOLLOWS  
26 [EFFECTIVE JULY 1, 2015]: Sec. 11. (a) The commission may  
27 establish a nonprofit subsidiary corporation that is exempt from federal  
28 income taxation under Section 501(c)(3) of the Internal Revenue Code,  
29 to solicit and accept private funding, gifts, donations, bequests, devises,  
30 and contributions.
- 31 (b) A subsidiary corporation established under this section:
- 32 (1) shall use money received under subsection (a) to carry out in  
33 any manner the purposes and programs under this article;  
34 (2) shall report to the budget committee each year concerning:  
35 (A) the use of money received under subsection (a); and  
36 (B) the balances in any accounts or funds established by the  
37 subsidiary corporation; and  
38 (3) may deposit money received under subsection (a) in an  
39 account or fund that is:  
40 (A) administered by the subsidiary corporation; and  
41 (B) not part of the state treasury.
- 42 (c) A subsidiary corporation established under this section is





1 governed by a board of directors comprised of the members of the  
2 commission.

3 (d) Employees of the commission shall provide administrative  
4 support for a subsidiary corporation established under this section.

5 (e) The state board of accounts shall ~~annually~~ audit a subsidiary  
6 corporation established under this section.

7 SECTION 31. IC 16-19-3-30, AS ADDED BY P.L.191-2013,  
8 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
9 JULY 1, 2015]: Sec. 30. (a) The state department may establish a  
10 nonprofit subsidiary corporation that is exempt from federal income  
11 taxation under Section 501(c)(3) of the Internal Revenue Code, to  
12 solicit and accept private funding, gifts, donations, bequests, devises,  
13 and contributions.

14 (b) A subsidiary corporation established under this section:

15 (1) shall use money received under subsection (a) to carry out in  
16 any manner the purposes and programs of the state department,  
17 which may include programs intended to reduce infant mortality,  
18 increase childhood immunizations, reduce obesity, and reduce  
19 smoking rates;

20 (2) shall report to the budget committee each year concerning:

21 (A) the use of money received under subsection (a); and

22 (B) the balances in any accounts or funds established by the  
23 subsidiary corporation; and

24 (3) may deposit money received under subsection (a) in an  
25 account or fund that is:

26 (A) administered by the subsidiary corporation; and

27 (B) not part of the state treasury.

28 (c) A subsidiary corporation established under this section is  
29 governed by a board of directors comprised of members appointed by  
30 the governor. Employees of the state department may serve on the  
31 board of directors.

32 (d) Employees of the state department shall provide administrative  
33 support for a subsidiary corporation established under this section.  
34 Employees of the state department directly involved in the subsidiary  
35 corporation established under this section may engage in fundraising  
36 activities on behalf of the subsidiary corporation.

37 (e) The state board of accounts shall ~~annually~~ audit a subsidiary  
38 corporation established under this section.

39 SECTION 32. IC 20-39-3-4, AS ADDED BY P.L.2-2006,  
40 SECTION 162, IS AMENDED TO READ AS FOLLOWS  
41 [EFFECTIVE JULY 1, 2015]: Sec. 4. The state board of accounts shall  
42 prescribe accounting forms to be used by the county committees (as



1 defined in IC 20-23-4-4) and shall audit the financial records of each  
 2 county committee (as defined in IC 20-23-4-4). ~~at least once every~~  
 3 ~~three (3) years.~~

4 SECTION 33. IC 20-49-3-14, AS ADDED BY P.L.2-2006,  
 5 SECTION 172, IS AMENDED TO READ AS FOLLOWS  
 6 [EFFECTIVE JULY 1, 2015]: Sec. 14. ~~A field examiner assigned by~~  
 7 The state **examiner board of accounts** shall ~~annually~~ examine the  
 8 status of the fund. Upon completion of the examination, the examiner  
 9 performing the duty shall prepare a report of the examination. The  
 10 report must show:

- 11 (1) all necessary pertinent information;
- 12 (2) the balance of the fund's principal at the close of the previous
- 13 examination;
- 14 (3) the amount of interest and principal paid by each county to the
- 15 state board of finance since the close of the previous examination;
- 16 (4) the balance of principal due at the date of the closing of the
- 17 report;
- 18 (5) a statement of receipts and disbursements by the state board
- 19 of finance;
- 20 (6) a list of the securities found to be in the possession of the state
- 21 board of finance;
- 22 (7) the amount of each security; and
- 23 (8) the total amount of all the securities held in custody.

24 The appropriate officer of the state board of finance shall sign the list  
 25 described in subdivision (6) in duplicate. The original signed list shall  
 26 be deposited with the state board of accounts, and the duplicate of the  
 27 signed list shall be kept in the files of the treasurer of state.

28 SECTION 34. IC 21-7-14-7, AS ADDED BY P.L.2-2007,  
 29 SECTION 244, IS AMENDED TO READ AS FOLLOWS  
 30 [EFFECTIVE JULY 1, 2015]: Sec. 7. The state board of accounts shall  
 31 ~~annually~~ examine the status of the fund. ~~by a field examiner or field~~  
 32 ~~examiners assigned by the state examiner.~~ Upon the completion of the  
 33 examination, the examiners performing the duty shall prepare a report  
 34 of the examination. The report must show:

- 35 (1) all necessary, pertinent information;
- 36 (2) the balance of the fund's principal at the close of the previous
- 37 examination;
- 38 (3) the amount of interest and principal paid by each county to the
- 39 state board of finance since the close of the previous examination;
- 40 (4) the balance of principal due at the date of closing of the
- 41 report;
- 42 (5) a statement of receipts and disbursements by the state board



- 1 of finance;
- 2 (6) a list of the securities found to be possessed by the state board
- 3 of finance;
- 4 (7) the amount of each security; and
- 5 (8) the total amount of all the securities held in custody.
- 6 The appropriate officer of the state board of finance shall sign the list
- 7 described in subdivision (6) in duplicate. The original signed list shall
- 8 be deposited with the state board of accounts, and the duplicate of the
- 9 signed list shall be kept in the files of the treasurer of state.
- 10 SECTION 35. IC 21-16-5-6, AS ADDED BY P.L.2-2007,
- 11 SECTION 257, IS AMENDED TO READ AS FOLLOWS
- 12 [EFFECTIVE JULY 1, 2015]: Sec. 6. The corporation is subject to ~~an~~
- 13 ~~annual~~ audit by the state board of accounts. The corporation shall bear
- 14 the full costs of this audit.
- 15 SECTION 36. IC 22-14-6-7, AS ADDED BY P.L.107-2007,
- 16 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 17 JULY 1, 2015]: Sec. 7. The fund is subject to ~~an annual~~ audit by the
- 18 state board of accounts. The fund shall pay all costs of the audit.
- 19 SECTION 37. IC 28-11-1-1, AS AMENDED BY P.L.6-2012,
- 20 SECTION 200, IS AMENDED TO READ AS FOLLOWS
- 21 [EFFECTIVE JULY 1, 2015]: Sec. 1. (a) The department of financial
- 22 institutions is established.
- 23 (b) The department:
- 24 (1) is an independent agency in the executive branch of state
- 25 government; and
- 26 (2) exercises essential public functions.
- 27 (c) The expenses of the department in administering the financial
- 28 institutions subject to the department's oversight are paid by financial
- 29 institutions through fees established by the department under
- 30 IC 28-11-3-5.
- 31 (d) Subject to subsection (e), the department's regulatory and
- 32 budgetary functions are not subject to oversight by the following:
- 33 (1) The office of management and budget (notwithstanding
- 34 IC 4-3-22-14).
- 35 (2) The budget agency (notwithstanding IC 4-12-1).
- 36 (3) The state personnel department (notwithstanding IC 4-15-2.2).
- 37 (4) The Indiana department of administration (notwithstanding
- 38 IC 4-13-1).
- 39 (5) The office of technology (notwithstanding IC 4-13.1).
- 40 (e) The department's funds, accounts, and financial affairs shall be
- 41 examined ~~biennially~~ by the state board of accounts. ~~under~~
- 42 ~~IC 5-11-1-9(c).~~



1 SECTION 38. IC 33-44-7-15 IS AMENDED TO READ AS  
 2 FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 15. The state board of  
 3 accounts shall ~~conduct an audit of the fund at least one (1) time during~~  
 4 ~~each year~~ to ensure that the fund is administered as required by this  
 5 chapter. The state board of accounts may conduct audits of qualified  
 6 legal services providers, law school clinics, and programs or projects  
 7 in the public interest that assist in the improvement of the  
 8 administration of justice as the state board of accounts considers  
 9 necessary to ensure that the money distributed to qualified legal  
 10 services providers, law school clinics, and programs or projects in the  
 11 public interest that assist in the improvement of the administration of  
 12 justice is being used as required by this article.

13 SECTION 39. IC 36-7-23-47 IS AMENDED TO READ AS  
 14 FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 47. The funds and  
 15 accounts of the authority are subject to ~~an annual~~ audit by the state  
 16 board of accounts.

17 SECTION 40. IC 36-8-16.7-30, AS ADDED BY P.L.132-2012,  
 18 SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 19 JULY 1, 2015]: Sec. 30. (a) The state board of accounts shall audit the  
 20 fund ~~on an annual basis~~ to determine whether the fund is being  
 21 managed in accordance with this chapter. ~~For each of the two (2) state~~  
 22 ~~fiscal years ending:~~

23 (A) ~~June 30, 2013; and~~

24 (B) ~~June 30, 2014;~~

25 the state board of accounts shall submit, not later than November 1 of  
 26 each year during which the particular state fiscal year ends, a report of  
 27 the audit required by this subsection to the budget committee for the  
 28 budget committee's review. A report submitted under this subsection  
 29 must be in an electronic format under IC 5-14-6.

30 (b) ~~On an annual basis; and~~ In conjunction with the board's review  
 31 under section 38(d) of this chapter of the state board of accounts'  
 32 ~~annual~~ audit of PSAPs, the board shall review 911 service in Indiana,  
 33 including the collection, disbursement, and use of the statewide 911 fee  
 34 assessed under section 32 of this chapter. The purpose of the review is  
 35 to ensure that the statewide 911 fee:

36 (1) does not exceed the amount reasonably necessary to provide  
 37 adequate and efficient 911 service; and

38 (2) is used only for the purposes set forth in this chapter.

39 (c) ~~For each of the two (2) calendar years ending:~~

40 (A) ~~December 31, 2013; and~~

41 (B) ~~December 31, 2014;~~

42 the board shall submit, not later than March 1 of the year immediately



1 following the particular calendar year; a summary report of the board's  
 2 findings under the review required by subsection (b) to the budget  
 3 committee for the budget committee's review. A report submitted under  
 4 this subsection must be in an electronic format under IC 5-14-6.

5 SECTION 41. IC 36-8-16.7-38, AS ADDED BY P.L.132-2012,  
 6 SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 7 JULY 1, 2015]: Sec. 38. (a) A PSAP may use a distribution from a  
 8 county under this chapter only for the following:

9 (1) The lease, purchase, or maintenance of communications  
 10 service equipment.

11 (2) Necessary system hardware and software and data base  
 12 equipment.

13 (3) Personnel expenses, including wages, benefits, training, and  
 14 continuing education, only to the extent reasonable and necessary  
 15 for the provision and maintenance of:

16 (A) the statewide 911 system; or

17 (B) a wireline enhanced emergency telephone system funded  
 18 under IC 36-8-16 (before its repeal on July 1, 2012).

19 (4) Operational costs, including costs associated with:

20 (A) utilities;

21 (B) maintenance;

22 (C) equipment designed to provide backup power or system  
 23 redundancy, including generators; and

24 (D) call logging equipment.

25 (5) An emergency notification system that is approved by the  
 26 board under section 40 of this chapter.

27 (6) Connectivity to the Indiana data and communications system  
 28 (IDACS).

29 (7) Rates associated with communications service providers'  
 30 enhanced emergency communications system network services.

31 (8) Mobile radio equipment used by first responders, other than  
 32 radio equipment purchased under subdivision (9) as a result of the  
 33 narrow banding requirements specified by the Federal  
 34 Communications Commission.

35 (9) Up to fifty percent (50%) of the costs associated with the  
 36 narrow banding or replacement of radios or other equipment as a  
 37 result of the narrow banding requirements specified by the  
 38 Federal Communications Commission.

39 (b) A PSAP may not use a distribution from a county under this  
 40 chapter for the following:

41 (1) The construction, purchase, renovation, or furnishing of PSAP  
 42 buildings.



- 1           (2) Vehicles.
- 2           (c) Not later than January 31 of each year, each PSAP shall submit
- 3 to the board a report of the following:
- 4           (1) All expenditures made during the immediately preceding
- 5           calendar year from distributions under this chapter.
- 6           (2) Call data and statistics for the immediately preceding calendar
- 7           year, as specified by the board and collected in accordance with
- 8           any reporting method established or required by the board.
- 9           (d) ~~Beginning in 2013~~; The state board of accounts ~~annually~~ shall
- 10          audit the expenditures of distributions under this chapter ~~made during~~
- 11          ~~the immediately preceding calendar year~~ by each PSAP that receives
- 12          distributions under this chapter. In conducting an audit under this
- 13          subsection, the state board of accounts shall determine, in conjunction
- 14          with the board, whether the expenditures made by each PSAP are in
- 15          compliance with subsections (a) and (b). The board shall review and
- 16          further audit any ineligible expenditure identified by the state board of
- 17          accounts under this subsection or through any other report. If the board
- 18          verifies that the expenditure did not comply with this section, the board
- 19          shall ensure that the fund is reimbursed in the dollar amount of the
- 20          noncomplying expenditure from any source of funding, other than a
- 21          fund described in subsection ~~(f)~~; ~~(e)~~, that is available to the PSAP or to
- 22          a unit in which the PSAP is located.
- 23          ~~(e) For each of the two (2) calendar years ending:~~
- 24                  ~~(A) December 31, 2013; and~~
- 25                  ~~(B) December 31, 2014;~~
- 26          the state board of accounts shall submit, not later than March 1 of the
- 27          year immediately following the particular calendar year, a summary
- 28          report of the audits required by subsection ~~(d)~~ for the particular
- 29          calendar year to the budget committee for the budget committee's
- 30          review. ~~A report submitted under this subsection must be in an~~
- 31          ~~electronic format under IC 5-14-6.~~
- 32          ~~(f) (e)~~ A distribution under section 37(a)(2) of this chapter must be
- 33          deposited by the treasurer of the county in a separate fund set aside for
- 34          the purposes allowed by subsections (a) and (b). The fund must be
- 35          known as the \_\_\_\_\_ (insert name of county) 911 fund. The county
- 36          treasurer may invest money in the fund in the same manner that other
- 37          money of the county may be invested, but income earned from the
- 38          investment must be deposited in the fund set aside under this
- 39          subsection.
- 40          SECTION 42. IC 36-10-9-9, AS AMENDED BY P.L. 182-2009(ss),
- 41          SECTION 457, IS AMENDED TO READ AS FOLLOWS
- 42          [EFFECTIVE JULY 1, 2015]: Sec. 9. (a) The treasurer of the board is



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

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

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

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



1 board or by the executive manager. Warrants may be executed with  
2 facsimile signatures.

3 (e) If there are bonds or notes outstanding issued under this chapter,  
4 the controller shall deposit with the paying agent or other paying officer  
5 within a reasonable period before the date that any principal or interest  
6 becomes due sufficient money for the payment of the principal and  
7 interest on the due dates. The controller shall make the deposit with  
8 money from the sources provided in this chapter, and ~~he~~ shall make the  
9 deposit in an amount that, together with other money available for the  
10 payment of the principal and interest, is sufficient to make the payment.  
11 In addition, the controller shall make other deposits for the bonds and  
12 notes as is required by this chapter or by the resolutions, ordinances, or  
13 trust agreements under which the bonds or notes are issued.

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

