

HOUSE BILL No. 1104

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.

Lehman

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



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.

