



# Journal of the House

State of Indiana

119th General Assembly

Second Regular Session

Twelfth Day

Thursday Morning

January 28, 2016

The invocation was offered by Pastor Aubrey Bessenger of Lancaster Baptist Church in Lancaster, a guest of Representative Randall L. Frye.

The House convened at 10:00 a.m. with Speaker Brian C. Bosma in the Chair.

The Pledge of Allegiance to the Flag was led by Representative Timothy P. Harman.

The Speaker ordered the roll of the House to be called:

Arnold	Kirchhofer
Austin	Klinker
Aylesworth	Koch
Bacon	Lawson
Baird	Lehe
Bartlett	Lehman
Bauer	Leonard
Behning	Lucas
Beumer	Lyness
Borders	Macer
Braun	Mahan
C. Brown	Mayfield
T. Brown	McNamara
Burton <input type="checkbox"/>	D. Miller
Carbaugh	Moed
Cherry <input type="checkbox"/>	Morris
Clere	Morrison
Cook	Moseley
Cox	Negele
Culver	Niezgodski
Davisson	Nisly
DeLaney	Ober
Dermody	Olthoff
DeVon	Pelath
Dvorak	Pierce
Eberhart	Porter
Ellington	Price
Errington	Pryor
Fine	Rhoads
Forestal	Richardson <input type="checkbox"/>
Friend	Riecken
Frizzell	Saunders
Frye	Schaibley
GiaQuinta	Shackleford
Goodin	Slager
Gutwein <input type="checkbox"/>	Smaltz
Hale	M. Smith
Hamm	V. Smith
Harman	Soliday
D. Harris	Speedy
Heaton	Stemler
Huston	Steuerwald
Judy	Sullivan
Karickhoff	Summers
Kersey	Thompson

Torr  
Truitt  
VanNatter  
Washburne  
Wesco

Wolkins  
Wright  
Zent  
Ziemke  
Mr. Speaker

Roll Call 71: 96 present; 4 excused. The Speaker announced a quorum in attendance. [NOTE:  indicates those who were excused.]

## HOUSE MOTION

Mr. Speaker: I move that when we do adjourn, we adjourn until Monday, February 1, 2016, at 1:30 p.m.

FRIEND

The motion was adopted by a constitutional majority.

## REPORTS FROM COMMITTEES

### COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1068, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

(Reference is to HB 1068 as introduced.)

Committee Vote: Yeas 18, Nays 0.

BROWN T, Chair

Report adopted.

### COMMITTEE REPORT

Mr. Speaker: Your Committee on Courts and Criminal Code, to which was referred House Bill 1069, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 8, line 10, after "IC 35-31.5-2-139.3)" insert "**by a person who is not a resident of the foster family home**".

(Reference is to HB 1069 as introduced.)  
and when so amended that said bill do pass.

Committee Vote: yeas 10, nays 0.

WASHBURN, Chair

Report adopted.

### COMMITTEE REPORT

Mr. Speaker: Your Committee on Environmental Affairs, to which was referred House Bill 1075, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Delete the title and insert the following:

A BILL FOR AN ACT to amend the Indiana Code concerning local government and utilities.

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 8-1-2-61.8 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS

[EFFECTIVE JULY 1, 2016]: **Sec. 61.8. (a)** As used in this section, "rental unit community" has the meaning set forth in IC 36-1-20-1.5.

**(b)** As used in this section, "utility" refers to a wastewater utility, whether or not the utility is under the jurisdiction of the commission for the approval of rates and charges.

**(c)** If a utility charges different rates for different classes of property based at least partially on consumption, the utility must charge a rental unit community a rate based at least partially on consumption.

**(d)** A rate for a rental unit community required by subsection (c) takes effect as follows:

**(1)** If the utility is not under the jurisdiction of the commission for the approval of rates and charges, the first date after June 30, 2016, that a change in the utility's rate structure becomes effective.

**(2)** If the utility is under the jurisdiction of the commission for the approval of rates and charges, the first date that a change in the utility's rate structure becomes effective after either of the following has occurred:

**(A)** The commission began review of the utility's rates after June 30, 2016.

**(B)** The utility sought a change in the utility's rates after June 30, 2016."

Page 6, delete lines 1 through 15, begin a new line block indented and insert:

**"(2) the property owner may renew the initial ten (10) year exemption described in subdivision (1) by seeking to obtain not more than two (2) additional five (5) year exemptions after the initial exemption expires by meeting the conditions set forth in subsection (i) for each five (5) year exemption. Each additional exemption under this subdivision begins on the date the previous exemption would otherwise expire.**

**The total period during which a property owner may be exempt from the requirement to connect to a municipality's sewer system under this subsection may not exceed twenty (20) years."**

Page 6, line 26, delete "(h)(2)(A) or (h)(2)(B);" and insert **"(h)(2);"**.

Page 7, line 2, delete "(h)(2)(A) or (h)(2)(B)." and insert **"(h)(2)."**

Page 7, line 23, delete "(h)(2)(A) or (h)(2)(B):" and insert **"(h)(2):"**.

Page 7, line 28, delete "(h)(2)(A) or (h)(2)(B)" and insert **"(h)(2)"**.

Renumber all SECTIONS consecutively.

(Reference is to HB 1075 as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 9, nays 3.

WOLKINS, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Family, Children and Human Affairs, to which was referred House Bill 1077, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 3, line 23, delete "store" and insert **"store, food bank, or food pantry"**.

Page 3, line 26, after "Farmers' markets," insert **"farm stands and markets, community supported agriculture programs,"**.

Page 4, line 2, delete "To accept" and insert **"If applicable, to accept, pending the accessibility of technology,"**.

Page 4, line 4, delete "To" and insert **"If applicable, to"**.

Page 4, between lines 12 and 13, begin a new line double

block indented and insert:

**"(F) To require that any partner in the implementation of a project under this chapter complies with clauses (A) through (E)."**

Page 4, between lines 37 and 38, begin a new line block indented and insert:

**"(9) Technology infrastructure and software development."**

(Reference is to HB 1077 as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 10, nays 0.

FRIZZELL, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Environmental Affairs, to which was referred House Bill 1082, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

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

**"(c) The board may adopt a rule or standard if:**

**(1) a corresponding regulation or standard established under federal law does not exist; and**

**(2) the rule or standard is adopted by the board under appropriate general or specific statutory authority granted to the board.**

**(d) If a regulation is established under federal law that is less stringent than a corresponding state rule, the state rule remains in effect until the earlier of the date:**

**(1) the state rule is amended to conform to the less stringent federal regulation; or**

**(2) specific statutory authority is granted to the department to enforce the rule that is more stringent than the federal regulation;**

**subject to IC 13-14-8-12.**

SECTION 2. IC 13-14-8-12 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: **Sec. 12. The department may not enforce a rule or standard after July 1, 2016, that is more stringent than a corresponding regulation or standard established under federal law unless specific statutory authority is granted to the department to enforce the more stringent rule or standard as provided in IC 13-13-8-15(d)(2)."**

Renumber all SECTIONS consecutively.

(Reference is to HB 1082 as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 7, nays 6.

WOLKINS, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1110, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, line 4, delete "twenty-five" and insert **"fifteen"**.

Page 1, line 5, delete "(25%)" and insert **"(15%)"**.

Page 1, line 7, strike "special" and insert **"trust"**.

Page 2, line 1, beginning with "The" begin a new paragraph and insert **"(c)"**.

Page 2, line 1, after "of" strike "the" and insert **"a"**.

Page 2, line 1, after "distribution" insert **"described in subsection (a)"**.

Page 2, line 2, after "which" insert **"**:

(1)".

Page 2, line 2, after "account" insert "; minus

(2) any supplemental distribution made in the determination year or made in the year before the determination year, or both;"

Page 2, line 2, beginning with "exceeds" begin a new line blocked left.

Page 2, line 2, delete "twenty-five" and insert "fifteen".

Page 2, line 3, delete "(25%)" and insert "(15%)".

Page 2, line 5, strike "(c)" and insert "(d)".

Page 2, line 7, strike "(d)" and insert "(e)".

Page 2, after line 8, begin a new paragraph and insert:

"SECTION 2. IC 6-3.6-9-17 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 17. (a) This section refers to a county's trust account maintained under the former local income tax laws set forth in IC 6-3.5-1.1, IC 6-3.5-6, and IC 6-3.5-7.**

**(b) The budget agency shall make a one-time special distribution before May 1, 2016, to each county having a positive balance in the county's trust account on December 31, 2014.**

**(c) The amount of the special distribution from a county's trust account is eighty-eight percent (88%) of the balance in the county's trust account on December 31, 2014, as determined by the budget agency.**

**(d) The amount of the special distribution for each taxing unit in the county shall be allocated in the same manner as certified distributions. The amount received by a taxing unit shall be deposited in the unit's rainy day fund established under IC 36-1-8-5.1. However, the part of a special distribution that is attributable to an additional rate authorized under this article:**

**(1) shall be used for the purpose specified in the statute authorizing the additional rate; and**

**(2) is not required to be deposited in the taxing unit's rainy day fund.**

**(e) Before May 15, 2016, the office of management and budget and the department of local government finance shall jointly determine and provide to the county auditor a taxing unit allocation of the special distribution made to the county under this section.**

**(f) Before June 1, 2016, the county auditor shall distribute to each taxing unit an amount equal to the allocation amount determined under subsection (e).**

**(g) For purposes of section 15 of this chapter after June 30, 2016, the special distribution shall be deducted from a county's trust account when the budget agency determines the balance in the county's trust account under both section 15(a) and 15(c) of this chapter.**

**(h) This section expires July 1, 2020.**

SECTION 3. An emergency is declared for this act."

Renumber all SECTIONS consecutively.

(Reference is to HB 1110 as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 17, nays 0.

BROWN T, Chair

Report adopted.

#### COMMITTEE REPORT

Mr. Speaker: Your Committee on Roads and Transportation, to which was referred House Bill 1112, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Delete the title and insert the following:

A BILL FOR AN ACT concerning the general assembly.

Delete everything after the enacting clause and insert the following:

SECTION 1. [EFFECTIVE JULY 1, 2016] (a) The general assembly urges the legislative council to assign to an appropriate interim study committee for study during the 2016 legislative interim the topic of transportation advisory boards, including the feasibility of establishing a statewide transportation advisory board to study highway construction projects and to advise the Indiana department of transportation on issues and policies regarding transportation needs in Indiana.

(b) This SECTION expires November 1, 2016.

(Reference is to HB 1112 as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 11, nays 0.

SOLIDAY, Chair

Report adopted.

#### COMMITTEE REPORT

Mr. Speaker: Your Committee on Public Policy, to which was referred House Bill 1118, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, line 5, delete "or".

Page 1, line 5, after "IC 7.1-3-20-16(m)" insert ", or IC 7.1-3-20-16(n)".

Page 7, line 12, after "three-way" delete ",".

Page 7, line 12, delete "two-way, or one-way".

Page 7, line 13, delete "applicants, each of whom must be" and insert "applicants".

Page 7, delete lines 14 through 16.

Page 7, line 17, delete "IC 36-7-14".

Page 7, line 21, after "(1)" insert "An applicant for a permit under this subsection must be a proprietor, as owner or lessor, or both, of a restaurant located within an economic development area, an area needing redevelopment, or a redevelopment district as established under IC 36-7-14 in a municipality's:

(A) downtown redevelopment district; or

(B) downtown economic revitalization area.

(2)".

Page 7, line 21, delete "six" and insert "twenty".

Page 7, line 22, delete "(\$6,000)." and insert "(\$20,000).".

Page 7, line 23, delete "(2)" and insert "(3)".

Page 7, line 28, delete "(3)" and insert "(4)".

Page 7, line 34, delete "(4)" and insert "(5)".

Page 7, line 38, delete "(5)" and insert "(6)".

Page 7, line 38, delete "(7)," and insert "(8)".

Page 7, line 40, delete "(6)" and insert "(7)".

Page 8, line 1, delete "(7)" and insert "(8)".

Page 8, between lines 6 and 7, begin a new paragraph and insert:

"(n) The commission may issue not more than ten (10) new three-way, two-way, or one-way permits to sell alcoholic beverages for on-premises consumption to applicants, each of whom must be the proprietor, as owner or lessee, or both, of a restaurant located within an economic development area, an area needing redevelopment, or a redevelopment district as established under IC 36-7-14 in a municipality located in a county having a population of more than fifty-five thousand (55,000) but less than fifty-seven thousand (57,000). The following apply to permits issued under this subsection:

(1) The cost of an initial permit is twenty thousand dollars (\$20,000).

(2) The total number of active permits issued under this subsection may not exceed ten (10) permits at any time. If any of the permits issued under this subsection are revoked or not renewed, the commission may issue only enough new permits to bring the total number of

permits to ten (10) active permits.

(3) The municipality may adopt an ordinance under IC 7.1-3-19-17 requiring a permit holder to enter into a formal written commitment as a condition of eligibility for a permit. As set forth in IC 7.1-3-19-17(b), a formal written commitment is binding on the permit holder and on any lessee or proprietor of the permit premises.

(4) Notwithstanding IC 7.1-3-1-3.5, if business operations cease at the permit premises for more than six (6) months, the permit shall revert to the commission and the permit holder is not entitled to any refund or other compensation.

(5) Except as provided in subdivision (7), the ownership of a permit may not be transferred.

(6) A permit may not be transferred from the premises for which the permit was issued. (7) If the area in which the permit premises is located is no longer designated an economic development area, an area needing redevelopment, or a redevelopment district, a permit issued under this subsection may be renewed, and the ownership of the permit may be transferred, but the permit may not be transferred from the permit premises."

(Reference is to HB 1118 as introduced.)  
and when so amended that said bill do pass.

Committee Vote: yeas 12, nays 1.

DERMODY, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Financial Institutions, to which was referred House Bill 1127, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 2, delete lines 21 through 22.

Page 3, delete lines 15 through 42, begin a new paragraph and insert:

"SECTION 2. IC 24-4.5-1-301.5, AS AMENDED BY P.L.137-2014, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 301.5. In addition to definitions appearing in subsequent chapters in this article, the following definitions apply throughout this article:

(1) "Affiliate", with respect to any person subject to this article, means a person that, directly or indirectly, through one (1) or more intermediaries:

- (a) controls;
- (b) is controlled by;
- (c) is under common control with;

the person subject to this article.

(2) "Agreement" means the bargain of the parties in fact as found in their language or by implication from other circumstances, including course of dealing or usage of trade or course of performance.

(3) "Agricultural purpose" means a purpose related to the production, harvest, exhibition, marketing, transportation, processing, or manufacture of agricultural products by a natural person who cultivates, plants, propagates, or nurtures the agricultural products. "Agricultural products" includes agricultural, horticultural, viticultural, and dairy products, livestock, wildlife, poultry, bees, forest products, fish and shellfish, and any and all products raised or produced on farms and any processed or manufactured products thereof.

(4) "Average daily balance" means the sum of each of the daily balances in a billing cycle divided by the number of days in the billing cycle, and if the billing cycle is a month, the creditor may elect to treat the number of days in each billing cycle as thirty (30).

(5) "Closing costs" with respect to a subordinate lien mortgage transaction includes:

- (a) fees or premiums for title examination, title insurance, or similar purposes, including surveys;
- (b) fees for preparation of a deed, settlement statement, or other documents;
- (c) escrows for future payments of taxes and insurance;
- (d) fees for notarizing deeds and other documents;
- (e) appraisal fees; and
- (f) fees for credit reports.

(6) "Conspicuous" refers to a term or clause when it is so written that a reasonable person against whom it is to operate ought to have noticed it.

(7) "Consumer credit" means credit offered or extended to a consumer primarily for a personal, family, or household purpose.

(8) "Consumer credit sale" is a sale of goods, services, or an interest in land in which:

- (a) credit is granted by a person who regularly engages as a seller in credit transactions of the same kind;
- (b) the buyer is a person other than an organization;
- (c) the goods, services, or interest in land are purchased primarily for a personal, family, or household purpose;
- (d) either the debt is payable in installments or a credit service charge is made; and
- (e) with respect to a sale of goods or services, either:

- (i) the amount of credit extended, the written credit limit, or the initial advance does not exceed fifty-three thousand five hundred dollars (\$53,500) or another amount as adjusted in accordance with the annual adjustment of the exempt threshold amount specified in Regulation Z (12 CFR 226.3 or 12 CFR 1026.3(b), as applicable); or
- (ii) the debt is secured by personal property used or expected to be used as the principal dwelling of the buyer.

Unless the sale is made subject to this article by agreement (IC 24-4.5-2-601), "consumer credit sale" does not include a sale in which the seller allows the buyer to purchase goods or services pursuant to a lender credit card or similar arrangement or except as provided with respect to disclosure (IC 24-4.5-2-301), debtors' remedies (IC 24-4.5-5-201), providing payoff amounts (IC 24-4.5-2-209), and powers and functions of the department (IC 24-4.5-6) a sale of an interest in land which is a first lien mortgage transaction.

(9) "Consumer loan" means a loan made by a person regularly engaged in the business of making loans in which:

- (a) the debtor is a person other than an organization;
- (b) the debt is primarily for a personal, family, or household purpose;
- (c) either the debt is payable in installments or a loan finance charge is made; and
- (d) either:

- (i) the amount of credit extended, the written credit limit, or the initial advance does not exceed fifty-three thousand five hundred dollars (\$53,500) or another amount as adjusted in accordance with the annual adjustment of the exempt threshold amount specified in Regulation Z (12 CFR 226.3 or 12 CFR 1026.3(b), as applicable); or
- (ii) the debt is secured by an interest in land or by personal property used or expected to be used as the principal dwelling of the debtor.

Except as described in IC 24-4.5-3-105, the term does not include a first lien mortgage transaction.

(10) "Credit" means the right granted by a creditor to a debtor to defer payment of debt or to incur debt and defer its payment.

(11) "Creditor" means a person:

- (a) who regularly engages in the extension of consumer credit that is subject to a credit service charge or loan finance charge, as applicable, or is payable by written agreement in more than four (4) installments (not including a down payment); and
- (b) to whom the obligation is initially payable, either on the face of the note or contract, or by agreement when there is not a note or contract.

(12) "Depository institution" has the meaning set forth in the Federal Deposit Insurance Act (12 U.S.C. 1813(c)) and includes any credit union.

(13) "Director" means the director of the department of financial institutions or the director's designee.

(14) "Dwelling" means a residential structure that contains one (1) to four (4) units, regardless of whether the structure is attached to real property. The term includes an individual:

- (a) condominium unit;
- (b) cooperative unit;
- (c) mobile home; or
- (d) trailer;

that is used as a residence.

(15) "Earnings" means compensation paid or payable for personal services, whether denominated as wages, salary, commission, bonus, or otherwise, and includes periodic payments under a pension or retirement program.

(16) "Employee" means an individual who is paid wages or other compensation by an employer required under federal income tax law to file Form W-2 on behalf of the individual.

(17) "Federal banking agencies" means the Board of Governors of the Federal Reserve System, the Office of the Comptroller of the Currency, the Office of Thrift Supervision, the National Credit Union Administration, and the Federal Deposit Insurance Corporation.

(18) "First lien mortgage transaction" means:

- (a) a consumer loan; or
- (b) a consumer credit sale;

that is or will be used by the debtor primarily for personal, family, or household purposes and that is secured by a mortgage or a land contract (or another consensual security interest equivalent to a mortgage or a land contract) that constitutes a first lien on a dwelling or on residential real estate upon which a dwelling is constructed or intended to be constructed.

(19) "Immediate family member" means a spouse, child, sibling, parent, grandparent, or grandchild. The term includes stepparents, stepchildren, stepsiblings, and adoptive relationships.

(20) "Individual" means a natural person.

(21) "Lender credit card or similar arrangement" means an arrangement or loan agreement, other than a seller credit card, pursuant to which a lender gives a debtor the privilege of using a credit card, letter of credit, or other credit confirmation or identification in transactions out of which debt arises:

- (a) by the lender's honoring a draft or similar order for the payment of money drawn or accepted by the debtor;
- (b) by the lender's payment or agreement to pay the debtor's obligations; or
- (c) by the lender's purchase from the obligee of the debtor's obligations.

(22) "Licensee" means a person licensed as a creditor under this article.

(23) "Loan brokerage business" means any activity in which a person, in return for any consideration from any source, procures, attempts to procure, or assists in procuring, a mortgage transaction from a third party or any other person, whether or not the person seeking the mortgage transaction actually obtains the mortgage transaction.

(24) "Loan processor or underwriter" means an individual who performs clerical or support duties as an employee at the direction of, and subject to the supervision and instruction of, a person licensed or exempt from licensing under this article. For

purposes of this subsection, the term "clerical or support duties" may include, after the receipt of an application, the following:

- (a) The receipt, collection, distribution, and analysis of information common for the processing or underwriting of a mortgage transaction.
- (b) The communication with a consumer to obtain the information necessary for the processing or underwriting of a loan, to the extent that the communication does not include:
  - (i) offering or negotiating loan rates or terms; or
  - (ii) counseling consumers about mortgage transaction rates or terms.

An individual engaging solely in loan processor or underwriter activities shall not represent to the public through advertising or other means of communicating or providing information, including the use of business cards, stationery, brochures, signs, rate lists, or other promotional items, that the individual can or will perform any of the activities of a mortgage loan originator.

(25) "Mortgage loan originator" means an individual who, for compensation or gain, or in the expectation of compensation or gain, regularly engages in taking a mortgage transaction application or in offering or negotiating the terms of a mortgage transaction that either is made under this article or under IC 24-4.4 or is made by an employee of a person licensed or exempt from licensing under this article or under IC 24-4.4, while the employee is engaging in the loan brokerage business. The term does not include the following:

- (a) An individual engaged solely as a loan processor or underwriter as long as the individual works exclusively as an employee of a person licensed or exempt from licensing under this article.
- (b) Unless the person or entity is compensated by:
  - (i) a creditor;
  - (ii) a loan broker;
  - (iii) another mortgage loan originator; or
  - (iv) any agent of the creditor, loan broker, or other mortgage loan originator described in items (i) through (iii);

a person or entity that only performs real estate brokerage activities and is licensed or registered in accordance with applicable state law.

(c) A person solely involved in extensions of credit relating to timeshare plans (as defined in 11 U.S.C. 101(53D)).

(26) "Mortgage servicer" means the last person to whom a mortgagor or the mortgagor's successor in interest has been instructed by a mortgagee to send payments on a loan secured by a mortgage.

(27) "Mortgage transaction" means:

- (a) a consumer loan; or
- (b) a consumer credit sale;

that is or will be used by the debtor primarily for personal, family, or household purposes and that is secured by a mortgage or a land contract (or another consensual security interest equivalent to a mortgage or a land contract) on a dwelling or on residential real estate upon which a dwelling is constructed or intended to be constructed.

(28) "Nationwide Mortgage Licensing System and Registry", or "NMLSR", means a mortgage licensing system developed and maintained by the Conference of State Bank Supervisors and the American Association of Residential Mortgage Regulators for the licensing and registration of creditors and mortgage loan originators.

(29) "Nontraditional mortgage product" means any mortgage product other than a thirty (30) year fixed rate mortgage.

(30) "Official fees" means:

- (a) fees and charges prescribed by law which actually are or will be paid to public officials for determining the existence of or for perfecting, releasing, or satisfying a security interest related to a consumer credit sale,

consumer lease, or consumer loan; or

(b) premiums payable for insurance in lieu of perfecting a security interest otherwise required by the creditor in connection with the sale, lease, or loan, if the premium does not exceed the fees and charges described in paragraph (a) that would otherwise be payable.

(31) "Organization" means a corporation, a government or governmental subdivision, an agency, a trust, an estate, a partnership, a limited liability company, a cooperative, an association, a joint venture, an unincorporated organization, or any other entity, however organized.

(32) "Payable in installments" means that payment is required or permitted by written agreement to be made in more than four (4) installments not including a down payment.

(33) "Person" includes an individual or an organization.

(34) "Person related to" with respect to an individual means:

- (a) the spouse of the individual;
- (b) a brother, brother-in-law, sister, or sister-in-law of the individual;
- (c) an ancestor or lineal descendants of the individual or the individual's spouse; and
- (d) any other relative, by blood or marriage, of the individual or the individual's spouse who shares the same home with the individual.

(35) "Person related to" with respect to an organization means:

- (a) a person directly or indirectly controlling, controlled by, or under common control with the organization;
- (b) a director, an executive officer, or a manager of the organization or a person performing similar functions with respect to the organization or to a person related to the organization;
- (c) the spouse of a person related to the organization; and
- (d) a relative by blood or marriage of a person related to the organization who shares the same home with the person.

(36) "Presumed" or "presumption" means that the trier of fact must find the existence of the fact presumed, unless and until evidence is introduced that would support a finding of its nonexistence.

(37) "Real estate brokerage activity" means any activity that involves offering or providing real estate brokerage services to the public, including the following:

- (a) Acting as a real estate agent or real estate broker for a buyer, seller, lessor, or lessee of real property.
- (b) Bringing together parties interested in the sale, purchase, lease, rental, or exchange of real property.
- (c) Negotiating, on behalf of any party, any part of a contract relating to the sale, purchase, lease, rental, or exchange of real property (other than in connection with providing financing with respect to the sale, purchase, lease, rental, or exchange of real property).
- (d) Engaging in any activity for which a person is required to be registered or licensed as a real estate agent or real estate broker under any applicable law.
- (e) Offering to engage in any activity, or act in any capacity, described in this subsection.

(38) "Registered mortgage loan originator" means any individual who:

- (a) meets the definition of mortgage loan originator and is an employee of:
  - (i) a depository institution;
  - (ii) a subsidiary that is owned and controlled by a depository institution and regulated by a federal banking agency; or
  - (iii) an institution regulated by the Farm Credit Administration; and
- (b) is registered with, and maintains a unique identifier through, the NMLSR.

(39) "Regularly engaged", with respect to a person who

extends consumer credit, refers to a person who:

- (a) extended consumer credit:
  - (i) more than twenty-five (25) times; or
  - (ii) more than five (5) times for a mortgage transaction secured by a dwelling;
 in the preceding calendar year; or
- (b) extends or will extend consumer credit:
  - (i) more than twenty-five (25) times; or
  - (ii) more than five (5) times for a mortgage transaction secured by a dwelling;
 in the current calendar year, if the person did not meet the numerical standards described in subdivision (a) in the preceding calendar year.

(40) "Residential real estate" means any real property that is located in Indiana and on which there is located or intended to be constructed a dwelling.

(41) "Seller credit card" means an arrangement that gives to a buyer or lessee the privilege of using a credit card, letter of credit, or other credit confirmation or identification for the purpose of purchasing or leasing goods or services from that person, a person related to that person, or from that person and any other person. The term includes a card that is issued by a person, that is in the name of the seller, and that can be used by the buyer or lessee only for purchases or leases at locations of the named seller.

(42) "Subordinate lien mortgage transaction" means:

- (a) a consumer loan; or
- (b) a consumer credit sale;

that is or will be used by the debtor primarily for personal, family, or household purposes and that is secured by a mortgage or a land contract (or another consensual security interest equivalent to a mortgage or a land contract) that constitutes a subordinate lien on a dwelling or on residential real estate upon which a dwelling is constructed or intended to be constructed.

(43) "Unique identifier" means a number or other identifier assigned by protocols established by the NMLSR.

(44) "Land contract" means a contract for the sale of real estate in which the seller of the real estate retains legal title to the real estate until the total contract price is paid by the buyer.

(45) "Bona fide nonprofit organization" means an organization that does the following, as determined by the director under criteria established by the director:

- (a) Maintains tax exempt status under Section 501(c)(3) of the Internal Revenue Code.
- (b) Promotes affordable housing or provides home ownership education or similar services.
- (c) Conducts the organization's activities in a manner that serves public or charitable purposes.
- (d) Receives funding and revenue and charges fees in a manner that does not encourage the organization or the organization's employees to act other than in the best interests of the organization's clients.
- (e) Compensates the organization's employees in a manner that does not encourage employees to act other than in the best interests of the organization's clients.
- (f) Provides to, or identifies for, debtors mortgage transactions with terms that are favorable to the debtor (as described in section 202(b)(15) of this chapter) and comparable to mortgage transactions and housing assistance provided under government housing assistance programs.
- (g) Maintains certification by the United States Department of Housing and Urban Development or employs counselors who are certified by the Indiana housing and community development authority.

**(46) "Civil proceeding advance payment transaction", or "CPAP transaction", has the meaning set forth in IC 24-4.5-3-110.**

**(47) "Civil proceeding", with respect to a CPAP transaction, has the meaning set forth in IC 24-4.5-3-110.5.**

(48) "Civil proceeding advance payment contract", or "CPAP contract", has the meaning set forth in IC 24-4.5-3-110.5.

(49) "Civil proceeding advance payment provider", or "CPAP provider", has the meaning set forth in IC 24-4.5-3-110.5.

(50) "Consumer claimant", with respect to a CPAP transaction, has the meaning set forth in IC 24-4.5-3-110.5.

(51) "Funded amount", with respect to a CPAP transaction, has the meaning set forth in IC 24-4.5-3-110.5.

SECTION 3. IC 24-4.5-3-110 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 110. (1) "Civil proceeding advance payment transaction", or "CPAP transaction", means a nonrecourse loan transaction in which a CPAP provider as creditor provides a funded amount to a consumer claimant to use for any purpose other than prosecuting the consumer claimant's civil proceeding, if the repayment of the funded amount is:

- (a) required only if the consumer claimant prevails in the civil proceeding; and
- (b) sourced from the proceeds of the civil proceeding, whether the proceeds result from a judgment, a settlement, or some other resolution.

(2) The term includes a transaction:

(a) that is termed or described as:

- (i) a purchase;
  - (ii) an assignment of an interest in a consumer claimant's civil proceeding, or in the proceeds of a consumer claimant's civil proceeding; or
- by the CPAP provider; or

(b) with respect to which the CPAP provider sets forth in a CPAP contract, an agreement by:

- (i) the CPAP provider to purchase from the consumer claimant; or
- (ii) the consumer claimant to assign to the CPAP provider;

a contingent right to receive a share of the potential proceeds of the consumer claimant's civil proceeding, whether the proceeds result from a judgment, a settlement, or some other resolution.

SECTION 4. IC 24-4.5-3-110.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 110.5. (1) "Civil proceeding", with respect to a CPAP transaction, means:

- (a) a civil action;
- (b) a mediation, an arbitration, or any other alternative dispute resolution proceeding; or
- (c) an administrative proceeding before:
  - (i) an agency or instrumentality of the state; or
  - (ii) a political subdivision, or an agency or instrumentality of a political subdivision, of the state;

that is filed in, or is under the jurisdiction of, a court with jurisdiction in Indiana, a tribunal in Indiana, or an agency or instrumentality described in subdivision (c) in Indiana. The term includes all proceedings arising out of or relating to the proceeding, including any proceedings on appeal or remand, and any enforcement, ancillary, or parallel proceedings.

(2) "Civil proceeding advance payment contract", or "CPAP contract", means a contract for a CPAP transaction that a CPAP provider enters into, or offers to enter into, with a consumer claimant.

(3) "Civil proceeding advance payment provider", or "CPAP provider", means a person that, as a creditor:

- (a) enters into, or offers to enter into, a CPAP transaction with a consumer claimant in connection with a civil proceeding; and
- (b) is licensed with, or is required to be licensed with,

the department under this chapter.

(4) "Consumer claimant" means an individual:

(a) who is or may become a plaintiff, a claimant, or a demandant in a civil proceeding; and

(b) who:

- (i) is offered a CPAP transaction by a CPAP provider; or
- (ii) enters into a CPAP transaction with a CPAP provider;

regardless of whether the individual is a resident of Indiana.

(5) "Funded amount", with respect to a CPAP transaction, means the amount of money:

(a) that is provided to the consumer claimant by the CPAP provider; and

(b) the repayment of which is:

- (i) required only if the consumer claimant prevails in the consumer claimant's civil proceeding; and
- (ii) sourced from the proceeds of the civil proceeding, whether the proceeds result from a judgment, a settlement, or some other resolution;

regardless of the term used by the CPAP provider in the CPAP contract to identify the amount.

SECTION 5. IC 24-4.5-3-202, AS AMENDED BY P.L.217-2007, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 202. (1) In addition to the loan finance charge permitted by IC 24-4.5-3-201 through IC 24-4.5-3-210, a lender may contract for and receive the following additional charges in connection with a consumer loan:

(a) Official fees and taxes.

(b) Charges for insurance as described in subsection (2).

(c) Annual participation fees assessed in connection with a revolving loan account. Annual participation fees must:

- (i) be reasonable in amount;
- (ii) bear a reasonable relationship to the lender's costs to maintain and monitor the loan account; and
- (iii) not be assessed for the purpose of circumvention or evasion of this article, as determined by the department.

(d) With respect to a debt secured by an interest in land, the following closing costs, if they are bona fide, reasonable in amount, and not for the purpose of circumvention or evasion of this article:

- (i) Fees for title examination, abstract of title, title insurance, property surveys, or similar purposes.
- (ii) Fees for preparing deeds, mortgages, and reconveyance, settlement, and similar documents.
- (iii) Notary and credit report fees.

(iv) Amounts required to be paid into escrow or trustee accounts if the amounts would not otherwise be included in the loan finance charge.

(v) Appraisal fees.

(e) Notwithstanding provisions of the Federal Consumer Credit Protection Act concerning disclosure, charges for other benefits, including insurance, conferred on the debtor, if the benefits are of value to the debtor and if the charges are reasonable in relation to the benefits, and are excluded as permissible additional charges from the loan finance charge. With respect to any other additional charge not specifically provided for in this section to be a permitted charge under this subsection, the creditor must submit a written explanation of the charge to the department indicating how the charge would be assessed and the value or benefit to the debtor. Supporting documents may be required by the department. The department shall determine whether the charge would be of benefit to the debtor and is reasonable in relation to the benefits.

(f) A charge not to exceed twenty-five dollars (\$25) for each return by a bank or other depository institution of a dishonored check, negotiable order of withdrawal, or

share draft issued by the debtor.

(g) With respect to a revolving loan account, a fee not to exceed twenty-five dollars (\$25) in each billing cycle during which the balance due under the revolving loan account exceeds by more than one hundred dollars (\$100) the maximum credit limit for the account established by the lender.

(h) With respect to a revolving loan account, a transaction fee that may not exceed the lesser of the following:

- (i) Two percent (2%) of the amount of the transaction.
- (ii) Ten dollars (\$10).

**(i) This subdivision applies to a CPAP transaction offered or entered into after June 30, 2016. With respect to a CPAP transaction, a CPAP provider may impose, not more than one (1) time with respect to any one (1) CPAP transaction, a charge that does not exceed five hundred dollars (\$500) for obtaining and preparing documents. A charge made or collected under this section does not constitute interest and is not a rate under IC 35-45-7-1. Except for a fee at the rate set forth in section 508(2)(a)(i) of this chapter, without regard to the amount of the CPAP transaction or the use of the actuarial method of calculation, the charge set forth in section 204 of this chapter, and the charge set forth in this subdivision, a CPAP provider may not assess to, or collect from, the consumer claimant any other fee or charge in connection with a CPAP transaction.**

The additional charges provided for in subdivisions (f), (g), and (h), and (i) are not subject to refund or rebate.

(2) An additional charge may be made for insurance in connection with the loan, other than insurance protecting the lender against the debtor's default or other credit loss:

- (a) with respect to insurance against loss of or damage to property or against liability, if the lender furnishes a clear and specific statement in writing to the debtor, setting forth the cost of the insurance if obtained from or through the lender and stating that the debtor may choose the person, subject to the lender's reasonable approval, through whom the insurance is to be obtained; and
- (b) with respect to consumer credit insurance providing life, accident, unemployment or other loss of income, or health coverage, if the insurance coverage is not a factor in the approval by the lender of the extension of credit and this fact is clearly disclosed in writing to the debtor, and if, in order to obtain the insurance in connection with the extension of credit, the debtor gives specific affirmative written indication of the desire to do so after written disclosure of the cost of the insurance.

SECTION 6. IC 24-4.5-3-502, AS AMENDED BY P.L.186-2015, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 502. (1) A person that is a:

- (a) depository institution;
- (b) subsidiary that is owned and controlled by a depository institution and regulated by a federal banking agency; or
- (c) credit union service organization;

may engage in Indiana in the making of consumer loans (including small loans that are subject to IC 24-4.5-7) that are not mortgage transactions without obtaining a license under this article.

(2) A collection agency licensed under IC 25-11-1 may engage in:

- (a) taking assignments of consumer loans (including small loans that are subject to IC 24-4.5-7) that are not mortgage transactions; and
- (b) undertaking the direct collection of payments from or the enforcement of rights against debtors arising from consumer loans (including small loans that are subject to IC 24-4.5-7) that are not mortgage transactions;

in Indiana without obtaining a license under this article.

(3) A person that does not qualify under subsection (1) or (2) shall acquire and retain a license under this chapter in order to regularly engage in Indiana in the following actions with respect to consumer loans that are not small loans (as defined in IC 24-4.5-7-104) or mortgage transactions:

- (a) The making of consumer loans.
- (b) Taking assignments of consumer loans.
- (c) Undertaking the direct collection of payments from or the enforcement of rights against debtors arising from consumer loans.

(4) A separate license under this chapter is required for each legal entity that engages in Indiana in any activity described in subsection (3). However, a separate license under this chapter is not required for each branch of a legal entity licensed under this chapter to perform an activity described in subsection (3).

(5) Except as otherwise provided in subsections (1) and (2), a separate license under IC 24-4.5-7 is required in order to regularly engage in Indiana in the following actions with respect to small loans (as defined in IC 24-4.5-7-104):

- (a) The making of small loans (as defined in IC 24-4.5-7-104).
- (b) Taking assignments of small loans (as defined in IC 24-4.5-7-104).
- (c) Undertaking the direct collection of payments from or the enforcement of rights against debtors arising from small loans (as defined in IC 24-4.5-7-104).

A person that seeks licensure under IC 24-4.5-7 in order to regularly engage in Indiana in the actions set forth in this subsection shall apply to the department for that license in the form and manner prescribed by the department, and is subject to the same licensure requirements and procedures as an applicant for a license to make consumer loans (other than small loans or mortgage transactions) under this section.

**(6) The following apply with respect to a CPAP transaction that is offered or entered into after June 30, 2016:**

- (a) Subject to subdivision (b), a CPAP contract must be in a form and made in a manner approved by the department.**
- (b) If the consumer claimant is represented by an attorney in the civil proceeding on which a CPAP transaction is based, the CPAP contract must contain a written acknowledgment by the attorney that attests to the following:**
  - (i) That to the best of the attorney's knowledge, all costs and charges relating to the CPAP transaction have been disclosed to the consumer claimant.**
  - (ii) That the attorney is being paid by the consumer claimant on a contingency basis under a written fee agreement.**
  - (iii) That all proceeds of the civil proceeding will be disbursed through a trust account of the attorney, or through a settlement fund established to receive the proceeds of the civil proceeding on behalf of the consumer claimant.**
  - (iv) That the attorney is following the instructions of the consumer claimant with respect to the CPAP transaction.**
  - (v) That the attorney has not received a referral fee or other consideration from the CPAP provider, and agrees not to receive a referral fee or other consideration from the CPAP provider at any time, in connection with the CPAP transaction.**

**If the attorney retained by the consumer claimant in the consumer claimant's civil proceeding does not complete the acknowledgment required by this subdivision, the CPAP contract, and the CPAP transaction to which it pertains, are void. However, the CPAP contract, and the CPAP transaction to**



which it pertains, remain valid and enforceable if the consumer claimant or the attorney terminates the representation.

SECTION 7. IC 24-4.5-3-511, AS AMENDED BY P.L.186-2015, SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 511. Regular Schedule of Payments; Maximum Loan Term — (1) **This section does not apply to a CPAP transaction.**

(2) Supervised loans not made pursuant to a revolving loan account and in which the principal is four thousand dollars (\$4,000) or less are payable in a single instalment or shall be scheduled to be payable in substantially equal instalments that are payable at equal periodic intervals, except to the extent that the schedule of payments is adjusted to the seasonal or irregular income of the debtor, and:

(a) over a period of not more than thirty-seven (37) months if the principal is more than three hundred dollars (\$300); or

(b) over a period of not more than twenty-five (25) months if the principal is three hundred dollars (\$300) or less.

(3) The amounts of three hundred dollars (\$300) and four thousand dollars (\$4,000) in subsection (2) are subject to change pursuant to the provisions on adjustment of dollar amounts (IC 24-4.5-1-106). However, notwithstanding IC 24-4.5-1-106(1), the Reference Base Index to be used with respect to the amount of:

(a) three hundred dollars (\$300) is the Index for October 1992; and

(b) four thousand dollars (\$4,000) is the Index for October 2012."

Delete pages 4 through 25.

Page 26, delete lines 1 through 26.

Renumber all SECTIONS consecutively.

(Reference is to HB 1127 as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 11, nays 1.

HEATON, Chair

Report adopted.

#### COMMITTEE REPORT

Mr. Speaker: Your Committee on Roads and Transportation, to which was referred House Bill 1130, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 9-30-8-3, AS AMENDED BY P.L.217-2014, SECTION 131, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 3. (a) The director of the state department of toxicology, based on the recommendation of the governor's council on impaired and dangerous driving, shall adopt rules under IC 4-22-2 to establish standards and specifications for a certified ignition interlock device. The standards and specifications must require at a minimum that the device meets the following requirements:

(1) Is accurate.

(2) Does not impede the safe operation of a vehicle.

(3) Provides a minimum opportunity to be bypassed.

(4) Shows evidence of tampering if tampering is attempted.

(5) Has a label affixed warning a person that tampering with or misusing the device is a crime and may subject that person to criminal and civil penalties.

(6) Provides the ability to accurately identify the user.

(b) After July 1, 2015, all ignition interlock devices used in Indiana must be certified under rules adopted by the state department of toxicology.

(c) A vendor or provider may submit an application for

approval of an ignition interlock device in a form prescribed by the director of the state department of toxicology.

(d) The director of the state department of toxicology shall:

(1) have tests conducted concerning the If testing is required to determine whether an ignition interlock device complies with standards set forth by the state department of toxicology, and

(2) have the results of the tests evaluated by a person or entity designated by the state department of toxicology.

(e) The tests required under this section the testing must be performed by an independent laboratory designated by the state department of toxicology. The vendor shall pay any testing expenses under this section.

(f) If the director of the state department of toxicology finds that the ignition interlock device complies with the standards of the state department of toxicology, the director may approve the ignition interlock device as a certified ignition interlock device.

(g) The director of the state department of toxicology shall provide periodic reports to the governor's council on impaired and dangerous driving, including, but not limited to:

(1) the number of ignition interlock devices certified by the state department of toxicology;

(2) the number of ignition interlock devices currently installed in Indiana; and

(3) the number of ignition interlock devices rejected by the state department of toxicology.

(h) The state department of toxicology shall consider all recommendations made by the governor's council on impaired and dangerous driving.

(i) The governor's council on impaired and dangerous driving shall meet once a year to:

(1) evaluate reports submitted by the state department of toxicology;

(2) evaluate and study ignition interlock issues;

(3) make recommendations to the state department of toxicology; and

(4) make recommendations to the general assembly in an electronic format under IC 5-14-6."

Page 1, line 3, after "7." insert "(a) This section applies after June 30, 2017.

(b)".

Page 1, delete lines 7 through 15.

Page 1, line 16, delete "(7)" and insert "(3)".

Page 1, delete line 17.

Page 2, line 1, delete "(9)" and insert "(4)".

Page 2, line 2, delete "(10)" and insert "(5)".

Page 2, line 4, delete "(11)" and insert "(6)".

Page 2, line 5, delete "certification." and insert "certification of service centers and ignition interlock installers and technicians."

Page 2, line 6, delete "(12)" and insert "(7)".

Page 2, line 6, delete "manufacturers" and insert "service centers".

Page 2, line 8, delete "(13)" and insert "(8)".

Page 2, line 8, delete "manufacturers" and insert "service centers".

Page 2, line 12, delete "state department of toxicology, the".

Renumber all SECTIONS consecutively.

(Reference is to HB 1130 as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 11, nays 0.

SOLIDAY, Chair

Report adopted.

#### COMMITTEE REPORT

Mr. Speaker: Your Committee on Public Policy, to which was referred House Bill 1168, has had the same under consideration and begs leave to report the same back to the

House with the recommendation that said bill be amended as follows:

Delete the title and insert the following:

A BILL FOR AN ACT to amend the Indiana Code concerning horses and horse racing.

Page 3, delete lines 25 through 35, begin a new paragraph and insert:

**"(f) Money in the fund may be used by the commission only for the following purposes:**

**(1) To provide grants to permit holders for the improvement and maintenance of the permit holders' horse racing facilities.**

**(2) To provide grants to:**

**(A) the state fair commission;**

**(B) county fairs;**

**(C) the department of parks and recreation in Johnson County; and**

**(D) colleges and universities located in Indiana that offer a bachelor of science degree in equine studies; for the improvement and maintenance of horse racing or horse training facilities at the state fairgrounds, county fairgrounds, county park tracks, and colleges and universities."**

Delete pages 4 through 7.

Page 8, delete lines 1 through 32.

Renumber all SECTIONS consecutively.

(Reference is to HB 1168 as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 13, nays 0.

DERMODY, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1180, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, line 4, delete "any of the following:" and insert **"property that:**

**(1) is located in a tax increment allocation area:**

**(A) before the designation of the area and the property has been continuously used since the date the area was designated for a purpose listed in subdivision (2); or**

**(B) that was donated for a purpose listed in subdivision (2); and**

**(2) is also any of the following:"**

Page 1, delete lines 5 through 9.

Page 1, line 10, delete "(3)", begin a new line double block indented and insert:

**"(A)"**.

Page 1, line 10, delete "used for religious purposes described in" and insert **"exempt from taxation under"**.

Page 1, delete lines 12 through 13.

Page 1, line 14, delete "(5)", begin a new line double block indented and insert:

**"(B)"**.

Page 1, line 15, delete "(A)", begin a new line triple block indented and insert:

**"(i)"**.

Page 1, line 15, delete "nonprofit private or parochial school;" and insert **"church or religious society exempt from taxation under IC 6-1.1-10-21;"**.

Page 1, line 16, delete "(B)", begin a new line triple block indented and insert:

**"(ii)"**.

Page 1, line 16, delete "described in".

Page 1, line 17, delete "IC 6-1.1-10-16".

Page 2, between lines 1 and 2, begin a new line double block indented and insert:

**"Tangible property used for educational purposes includes property used by teachers and students during the school day or for extracurricular activities, such as cafeterias, auditoriums, gymnasiums, offices, playgrounds, and recreational and athletic fields, and parking lots."**

(Reference is to HB 1180 as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 21, nays 1.

BROWN T, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Family, Children and Human Affairs, to which was referred House Bill 1183, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 2, line 33, after "overnight" insert **"or regular and continuous"**.

(Reference is to HB 1183 as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 11, nays 0.

FRIZZELL, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Courts and Criminal Code, to which was referred House Bill 1187, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, delete lines 1 through 17.

Delete page 2.

Page 3, delete lines 1 through 33.

Page 4, line 20, delete "Level 6 felony." and insert **"Class A misdemeanor."**

Renumber all SECTIONS consecutively.

(Reference is to HB 1187 as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 10, nays 0.

WASHBURN, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Courts and Criminal Code, to which was referred House Bill 1211, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, between lines 12 and 13, begin a new paragraph and insert:

**"SECTION 2. IC 5-2-16-3, AS ADDED BY P.L.151-2006, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 3. A law enforcement agency that discovers evidence of:**

**(1) methamphetamine abuse; or**

**(2) a fire related to methamphetamine abuse;**

shall report the methamphetamine abuse to the criminal justice institute on a form and in the manner prescribed by guidelines adopted by the criminal justice institute under IC 5-2-6-18."

Page 2, line 15, delete "(IC 35-48-4-1) or" and insert **"(IC 35-48-4-1), the dealing or attempted dealing of methamphetamine (IC 35-48-4-1.1), or the manufacturing of or attempted manufacturing of methamphetamine (IC**

35-48-4-1.2); and

**(3) a Level 4 felony if the offense is committed during the dealing or manufacture or attempted dealing or manufacture of cocaine or a narcotic drug (IC 35-48-4-1), the dealing or attempted dealing of methamphetamine (IC 35-48-4-1.1), or the manufacturing of or attempted manufacturing of methamphetamine (IC 35-48-4-1.2), and:".**

Page 2, delete lines 16 through 20.

Page 2, line 35, after "(3);" strike "or".

Page 2, line 37, after "(3);" insert "or

**(6) property:**

**(A) that is vacant; or**

**(B) after the person has been denied entry to the property by a court order that was issued:**

**(i) to the person; or**

**(ii) to the general public by conspicuous posting on or around the property in areas where a person could observe the order when the property has been designated by a municipality or county enforcement authority to be a vacant property, an abandoned property, or an abandoned structure (as defined in IC 36-7-36-1);".**

Page 3, after line 13, begin a new paragraph and insert:

"SECTION 3. IC 35-48-1-16.5, AS AMENDED BY P.L.168-2014, SECTION 90, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 16.5. "Enhancing circumstance" means one (1) or more of the following:

- (1) The person has a prior conviction, in any jurisdiction, for dealing in a controlled substance that is not marijuana, hashish, hash oil, salvia divinorum, or a synthetic drug, including an attempt or conspiracy to commit the offense.
- (2) The person committed the offense while in possession of a firearm.
- (3) The person committed the offense:
  - (A) on a school bus; or
  - (B) in, on, or within five hundred (500) feet of:
    - (i) school property while a person under eighteen (18) years of age was reasonably expected to be present; or
    - (ii) a public park while a person under eighteen (18) years of age was reasonably expected to be present.
- (4) The person delivered or financed the delivery of the drug to a person under eighteen (18) years of age at least three (3) years junior to the person.
- ~~(5) The person manufactured or financed the manufacture of the drug.~~
- ~~(6) (5) The person committed the offense in the physical presence of a child less than eighteen (18) years of age, knowing that the child was present and might be able to see or hear the offense.~~

SECTION 4. IC 35-48-4-1.1, AS AMENDED BY P.L.226-2014(ts), SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 1.1. (a) A person who:

- (1) knowingly or intentionally:
    - ~~(A) manufactures;~~
    - ~~(B) finances the manufacture of;~~
    - ~~(C) (A) delivers; or~~
    - ~~(D) (B) finances the delivery of;~~
 methamphetamine, pure or adulterated; or
  - (2) possesses, with intent to:
    - (A) manufacture;
    - (B) finance the manufacture of;
    - (C) deliver; or
    - (D) finance the delivery of;
 methamphetamine, pure or adulterated;
- commits dealing in methamphetamine, a Level 5 felony, except

as provided in subsections (b) through (e).

(b) A person may be convicted of an offense under subsection (a)(2) only if there is evidence in addition to the weight of the drug that the person intended to manufacture, finance the manufacture of, deliver, or finance the delivery of the drug.

(c) The offense is a Level 4 felony if:

- (1) the amount of the drug involved is at least one (1) gram but less than five (5) grams; or
- (2) the amount of the drug involved is less than one (1) gram and an enhancing circumstance applies.

(d) The offense is a Level 3 felony if:

- (1) the amount of the drug involved is at least five (5) grams but less than ten (10) grams; or
- (2) the amount of the drug involved is at least one (1) gram but less than five (5) grams and an enhancing circumstance applies.

(e) The offense is a Level 2 felony if:

- (1) the amount of the drug involved is at least ten (10) grams; or
- (2) the amount of the drug involved is at least five (5) grams but less than ten (10) grams and an enhancing circumstance applies. or

~~(3) the person is manufacturing the drug and the manufacture results in an explosion causing serious bodily injury to a person other than the manufacturer.~~

SECTION 5. IC 35-48-4-1.2 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 1.2. (a) Except as provided in subsections (b) and (c), a person who:

**(1) knowingly or intentionally:**

**(A) manufactures; or**

**(B) finances the manufacture of;**

**methamphetamine, pure or adulterated, commits manufacturing methamphetamine, a Level 4 felony.**

**(b) The offense is a Level 3 felony if the amount of the drug involved is at least five (5) grams but less than ten (10) grams.**

**(c) The offense is a Level 2 felony if:**

- (1) the amount of the drug is at least ten (10) grams;**
- (2) an enhancing circumstance applies;**
- (3) the manufacture of the drug results in serious bodily injury to a person other than the manufacturer; or**
- (4) the manufacture of the drug results in the death of another person."**

Renumber all SECTIONS consecutively.

(Reference is to HB 1211 as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 9, nays 0.

WASHBURN, Chair

Report adopted.

#### COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1213, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

(Reference is to HB1213 as printed January 22, 2016.)

Committee Vote: Yeas 17, Nays 0.

BROWN T, Chair

Report adopted.

#### COMMITTEE REPORT

Mr. Speaker: Your Committee on Family, Children and Human Affairs, to which was referred House Bill 1233, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be

amended as follows:

Replace the effective dates in SECTIONS 1 through 2 with "[EFFECTIVE UPON PASSAGE]".

Page 3, delete lines 20 through 24.

Page 3, line 27, strike "The".

Page 3, line 27, delete "fund".

Page 3, between lines 27 and 28, begin a new paragraph and insert:

**"(k) Money in the fund shall be distributed by the division. Before making a distribution, the division shall seek direction from a statewide nonprofit sexual assault coalition as designated by the federal Centers for Disease Control and Prevention under 42 U.S.C. 280 et seq. If no statewide nonprofit sexual assault coalition exists, the division may make distributions without seeking direction. The fund".**

Page 3, line 36, delete "(k)" and insert "(l)".

Page 3, line 37, strike "shall" and insert "may".

Page 4, line 2, delete "(l)" and insert "(m)".

Page 4, line 5, delete "(m)" and insert "(n)".

Page 4, line 7, delete "(n)" and insert "(o)".

Page 7, after line 41, begin a new paragraph and insert:

**"SECTION 3. An emergency is declared for this act."**

(Reference is to HB 1233 as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 12, nays 0.

FRIZZELL, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Roads and Transportation, to which was referred House Bill 1249, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 6, line 6, delete "person" and insert **"individual"**.

Page 6, line 8, delete "the person and the person's" and insert **"the individual and the individual's"**.

Page 6, line 9, delete "A person" and insert **"An individual"**.

Page 6, line 15, delete "person;" and insert **"individual;"**.

Page 6, line 19, delete "A person" and insert **"An individual"**.

Page 6, line 23, delete "person" and insert **"individual"**.

Page 6, delete lines 25 through 27, begin a new paragraph and insert:

**"(f) An individual who seeks specialized driving privileges must file a petition for specialized driving privileges in each court that has ordered or imposed a suspension of the individual's driving privileges. Each petition must:**

- (1) be verified by the petitioner;**
- (2) state the petitioner's age, date of birth, and address;**
- (3) state the grounds for relief and the relief sought;**
- (4) be filed in a circuit or superior court; and**
- (5) be served on the bureau and the prosecuting attorney.**

**A prosecuting attorney shall appear on behalf of the bureau to respond to a petition filed under this subsection."**

(Reference is to HB 1249 as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 11, nays 0.

SOLIDAY, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Roads and Transportation, to which was referred House Bill 1254, has had the same under consideration and begs leave to report the same back to the

House with the recommendation that said bill be amended as follows:

Delete the title and insert the following:

A BILL FOR AN ACT concerning the general assembly.

Delete everything after the enacting clause and insert the following:

**SECTION 1. [EFFECTIVE JULY 1, 2016] (a) The general assembly urges the legislative council to assign to an appropriate interim study committee for study during the 2016 legislative interim the topic of new motor vehicle dealer and manufacturer licenses, including additional licensing requirements for a manufacturer that engages in the direct sale to consumers of new motor vehicles of the manufacturer.**

**(b) This SECTION expires November 1, 2016.**

(Reference is to HB 1254 as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 12, nays 1.

SOLIDAY, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Roads and Transportation, to which was referred House Bill 1259, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 2, line 1, after "housing" insert **", heavy duty vocational vehicles (as defined in 49 CFR 523.8),"**.

Page 2, line 5, after "housing" insert **", heavy duty vocational vehicles (as defined in 49 CFR 523.8),"**.

Page 2, line 7, delete "It" and insert **"Unless otherwise agreed, it"**.

Page 2, line 19, after "(100)" insert **"customer paid"**.

Page 2, line 20, after "of" insert **"customer paid"**.

Page 2, line 23, after "(100)" insert **"customer paid"**.

Page 2, line 24, after "of" insert **"customer paid"**.

Page 2, line 25, after "upon" insert **"customer paid"**.

Page 4, line 1, after "." insert **"This subsection does not prohibit a manufacturer or distributor from increasing the wholesale price of a vehicle or part in the ordinary course of business."**

(Reference is to HB 1259 as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 10, nays 0.

SOLIDAY, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Elections and Apportionment, to which was referred House Bill 1288, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

(Reference is to HB 1288 as introduced.)

Committee Vote: Yeas 10, Nays 1.

SMITH M, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Environmental Affairs, to which was referred House Bill 1299, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, delete lines 13 through 15, begin a new line block indented and insert:

**"(5) The applicant, or an affiliate of the applicant, was previously a party to a voluntary remediation agreement involving the same or substantially the same release or threatened release of a hazardous substance or petroleum described in the application, and the participation of the applicant or affiliate under that previous agreement was terminated for one (1) or more of the reasons allowed under this chapter."**

Page 2, delete lines 1 through 3.

Page 2, line 19, after "applicant" delete ",".

Page 2, line 19, delete "to".

Page 2, line 20, delete "participate,".

Page 2, line 20, delete "department for approval:" and insert **"department:"**.

Page 2, line 23, delete "(b)," and insert **"(b) or (c), as applicable,"**.

Page 2, line 31, delete "(c);" and insert **"(d);"**.

Page 2, line 33, delete "(d)." and insert **"(e)."**

Page 2, line 36, delete "or a".

Page 2, delete line 37.

Page 2, line 38, delete "investigation".

Page 3, between lines 10 and 11, begin a new paragraph and insert:

**"(c) Documentation for a completed voluntary remediation investigation must include:**

**(1) information on work done to determine the nature and extend of the actual or threatened release, including vapor intrusion, if applicable;**

**(2) information to demonstrate that the investigation was done in accordance with guidelines established by the department; and**

**(3) information on quality assurance for the results of the investigation, including sampling and analysis."**

Page 3, line 11, delete "(c)" and insert **"(d)"**.

Page 3, line 30, delete "(d)" and insert **"(e)"**.

Page 5, line 15, delete "remediation project:" and insert **"investigation:"**.

Page 5, line 21, delete "fully" and insert **"adequately"**.

Page 5, line 24, delete "plan:" and insert **"plan"**.

Page 5, line 25, delete "(A)".

Page 5, line 26, delete "signed; or" and insert **"signed."**

Page 5, run in lines 24 through 25.

Page 5, delete lines 27 through 28.

Page 5, line 32, delete "project:" and insert **"project"**.

Page 5, line 33, delete "(A)".

Page 5, run in lines 32 through 33.

Page 5, line 34, delete "fully" and insert **"adequately"**.

Page 5, line 37, delete "plan; or" and insert **"plan."**

Page 5, delete lines 38 through 39.

Page 5, after line 42, begin a new line block indented and insert:

**"(12) The deadlines described in subdivisions (9) and (10) may be extended by mutual agreement of the parties. The department shall grant an extension to a deadline described in subdivision (9) or (10) if the applicant demonstrates the need for an extension due to circumstances beyond the control of the applicant."**

Page 7, line 37, delete "safety based on guidelines established by the department." and insert **"safety."**

Page 7, line 39, after "safety" insert ".".

Page 7, line 39, strike "based on guidelines".

Page 7, strike line 40.

Page 12, line 17, delete "take appropriate and timely action to" and insert **"make reasonable progress to meet deadlines set forth in the work plan approval notification given under section 13 of this chapter."**

Page 12, delete lines 18 through 19.

(Reference is to HB 1299 as introduced.)  
and when so amended that said bill do pass.

Committee Vote: yeas 10, nays 0.

WOLKINS, Chair

Report adopted.

#### COMMITTEE REPORT

Mr. Speaker: Your Committee on Environmental Affairs, to which was referred House Bill 1300, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 10, line 11, after "permit" insert ";".

Page 10, line 12, delete "subject to IC 13-15-4-1(a)(2)(B)."

Page 10, delete line 13.

(Reference is to HB 1300 as introduced.)  
and when so amended that said bill do pass.

Committee Vote: yeas 12, nays 0.

WOLKINS, Chair

Report adopted.

#### COMMITTEE REPORT

Mr. Speaker: Your Committee on Courts and Criminal Code, to which was referred House Bill 1316, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 3, line 4, after "A" insert **"statewide"**.

Page 4, line 12, after "a" insert **"statewide"**.

Page 8, line 10, after "the" insert **"statewide"**.

Page 8, line 11, after "the" insert **"statewide"**.

Page 8, delete lines 13 through 42, begin a new paragraph and insert:

**"SECTION 6. IC 35-31.5-2-185, AS AMENDED BY P.L.238-2015, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 185. (a) "Law enforcement officer" means:**

(1) a police officer (including a correctional police officer), sheriff, constable, marshal, prosecuting attorney, special prosecuting attorney, special deputy prosecuting attorney, the securities commissioner, or the inspector general;

(2) a **reserve officer or** deputy of any of those persons;

(3) an investigator for a prosecuting attorney or for the inspector general;

(4) a conservation officer;

(5) an enforcement officer of the alcohol and tobacco commission;

(6) an enforcement officer of the securities division of the office of the secretary of state; or

(7) a gaming agent employed under IC 4-33-4.5 or a gaming control officer employed by the gaming control division under IC 4-33-20.

(b) "Law enforcement officer", for purposes of IC 35-42-2-1, includes an alcoholic beverage enforcement officer, as set forth in IC 35-42-2-1.

(c) "Law enforcement officer", for purposes of IC 35-45-15, includes a federal enforcement officer, as set forth in IC 35-45-15-3.

(d) "Law enforcement officer", for purposes of IC 35-44.1-3-1 and IC 35-44.1-3-2, includes a school resource officer (as defined in IC 20-26-18.2-1) and a school corporation police officer appointed under IC 20-26-16."

Page 9, delete lines 1 through 34.

Renumber all SECTIONS consecutively.

(Reference is to HB 1316 as introduced.)  
and when so amended that said bill do pass.

Committee Vote: yeas 11, nays 0.

WASHBURN, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Financial Institutions, to which was referred House Bill 1340, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Delete the title and insert the following:  
A BILL FOR AN ACT concerning trade regulation.

Delete everything after the enacting clause and insert the following:

**SECTION 1. [EFFECTIVE JULY 1, 2016] (a) As used in this SECTION, "legislative council" refers to the legislative council established by IC 2-5-1.1-1.**

**(b) As used in this SECTION, "study committee" means an interim study committee established by IC 2-5-1.3-4.**

**(c) The legislative council is urged to assign to an appropriate study committee during the 2016 legislative interim the topic of granting lenders that are licensed to make small loans under the Indiana Uniform Consumer Credit Code the authority to make long term small installment loans.**

**(d) If the topic described in subsection (c) is assigned to a study committee, the study committee may consider, as part of its study, the following:**

**(1) Appropriate loan amounts, finance charges, and other terms and conditions with respect to long term small installment loans.**

**(2) Appropriate regulatory requirements and prohibitions with respect to long term small installment loans and lenders authorized to make such loans.**

**(3) Other matters concerning long term small installment loans that:**

**(A) are set forth in the introduced version of HB 1340-2016; or**

**(B) the study committee considers appropriate.**

**(e) If the topic described in subsection (c) is assigned to a study committee, the study committee may, in conducting its study, consult with:**

**(1) the department of financial institutions or other appropriate state agencies;**

**(2) lenders that are licensed to make small loans under the Indiana Uniform Consumer Credit Code;**

**(3) consumers and consumer advocates;**

**(4) regulators in other states; and**

**(5) other interested parties or consultants the study committee considers appropriate;**

**subject to the study committee's budget and to the rules and policies of the legislative council.**

**(f) If the topic described in subsection (c) is assigned to a study committee, the study committee shall issue a final report to the legislative council containing the study committee's findings and recommendations, including any recommended legislation concerning the topic described in subsection (c) or the considerations set forth in subsection (d), in an electronic format under IC 5-14-6 not later than November 1, 2016.**

**(g) This SECTION expires December 31, 2016.**

(Reference is to HB 1340 as introduced.)  
and when so amended that said bill do pass.

Committee Vote: yeas 9, nays 0.

HEATON, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Courts and Criminal Code, to which was referred House Bill 1369, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as

follows:

Delete everything after the enacting clause and insert the following:

**SECTION 1. IC 2-5-36-9, AS AMENDED BY P.L.156-2014, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) The commission shall do the following:**

**(1) Study and evaluate the following:**

**(A) Access to services for vulnerable youth.**

**(B) Availability of services for vulnerable youth.**

**(C) Duplication of services for vulnerable youth.**

**(D) Funding of services available for vulnerable youth.**

**(E) Barriers to service for vulnerable youth.**

**(F) Communication and cooperation by agencies concerning vulnerable youth.**

**(G) Implementation of programs or laws concerning vulnerable youth.**

**(H) The consolidation of existing entities that serve vulnerable youth.**

**(I) Data from state agencies relevant to evaluating progress, targeting efforts, and demonstrating outcomes.**

**(J) Crimes of sexual violence against children.**

**(K) The impact of social networking web sites, cellular telephones and wireless communications devices, digital media, and new technology on crimes against children.**

**(2) Review and make recommendations concerning pending legislation.**

**(3) Promote information sharing concerning vulnerable youth across the state.**

**(4) Promote best practices, policies, and programs.**

**(5) Cooperate with:**

**(A) other child focused commissions;**

**(B) the judicial branch of government;**

**(C) the executive branch of government;**

**(D) stakeholders; and**

**(E) members of the community.**

**(6) Submit a report not later than July 1 of each year regarding the commission's work during the previous year. The report shall be submitted to the legislative council, the governor, and the chief justice of Indiana. The report to the legislative council must be in an electronic format under IC 5-14-6.**

**(b) Not later than November 1, 2016, the commission shall:**

**(1) study and evaluate innovative juvenile justice programs, including juvenile community corrections; and**

**(2) consult with the justice reinvestment advisory council under IC 33-38-9.5 concerning how funds should be distributed for innovative juvenile justice programs and juvenile community corrections.**

**The commission shall submit a report, not later than December 1, 2016, regarding the commission's work required under this subsection. The report shall be submitted to the legislative council, the governor, and the chief justice of Indiana. The report to the legislative council must be in an electronic format under IC 5-14-6. This subsection expires January 1, 2018.**

**SECTION 2. IC 33-38-9.5-2, AS ADDED BY P.L.179-2015, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) The justice reinvestment advisory council is established. The advisory council consists of the following members:**

**(1) The executive director of the Indiana public defender council or the executive director's designee.**

**(2) The executive director of the Indiana prosecuting attorneys council or the executive director's designee.**

**(3) The director of the division of mental health and**

addiction or the director's designee.

(4) The president of the Indiana Sheriffs' Association or the president's designee.

(5) The commissioner of the Indiana department of correction or the commissioner's designee.

(6) The executive director of the Indiana judicial center or the executive director's designee.

(7) The executive director of the Indiana criminal justice institute or the executive director's designee.

(8) The president of the Indiana Association of Community Corrections Act Counties or the president's designee.

(9) The president of the Probation Officers Professional Association of Indiana or the president's designee.

(b) The executive director of the Indiana judicial center shall serve as chairperson of the advisory council.

(c) The purpose of the advisory council is to conduct a state level review and evaluation of:

(1) local corrections programs, including community corrections, county jails, and probation services; and

(2) the processes used by the department of correction and the division of mental health and addiction in awarding grants.

(d) The advisory council may make a recommendation to the department of correction, community corrections advisory boards, and the division of mental health and addiction concerning the award of grants.

(e) The Indiana judicial center shall staff the advisory council.

(f) The expenses of the advisory council shall be paid by the Indiana judicial center from funds appropriated to the Indiana judicial center for the administrative costs of the justice reinvestment advisory council.

(g) A member of the advisory council is not entitled to the minimum salary per diem provided by IC 4-10-11-2.1(b). The member is, however, entitled to reimbursement for traveling expenses as provided under IC 4-13-1-4 and other expenses actually incurred in connection with the member's duties as provided in the state policies and procedures established by the Indiana department of administration and approved by the budget agency.

(h) The affirmative votes of a majority of the voting members appointed to the advisory council are required for the advisory council to take action on any measure.

(i) The advisory council shall meet as necessary to:

(1) work with the department of correction and the division of mental health and addiction to establish the grant criteria and grant reporting requirements described in subsection (k);

(2) review grant applications;

(3) make recommendations and provide feedback to the department of correction and the division of mental health and addiction concerning grants to be awarded;

(4) review grants awarded by the department of correction and the division of mental health and addiction; and

(5) suggest areas and programs in which the award of future grants might be beneficial.

(j) The advisory council shall issue an annual report, before October 1 of each year, to the:

(1) legislative council;

(2) chief justice; and

(3) governor.

The report to the legislative council must be in an electronic format under IC 5-14-6.

(k) The report described in subsection (j) must include the following:

(1) The recidivism rate of persons participating in the program or treatment plan, including the recidivism rate (when available):

(A) while participating in the program or treatment

plan;

(B) within six (6) months of completing the program or treatment plan;

(C) within one (1) year of completing the program or treatment plan;

(D) within two (2) years of completing the program or treatment plan; and

(E) within three (3) years of completing the program or treatment plan.

(2) The overall success and failure rate of a program and treatment plan and the measures used to determine the overall success and failure rate.

(3) The number of persons who complete or fail to complete a program or treatment plan, and, for persons who do not complete the plan, the reason that the person did not complete the plan, if available.

(4) The number of persons participating in the program or treatment plan and the duration of their participation.

(5) The number and percentage of persons able to obtain employment after participating in the plan, the type of employment obtained, the length of time required to obtain employment, and, when available, the number of persons still employed after six (6) months and after one (1) year.

(6) Other information relevant to the operation of the program or treatment plan.

**(I) Not later than November 1, 2016, the advisory council shall consult with the commission on improving the status of children in Indiana under IC 2-5-36 concerning how funds should be distributed for innovative juvenile justice programs and juvenile community corrections. This subsection expires January 1, 2018.**

SECTION 3. An emergency is declared for this act.

(Reference is to HB 1369 as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 11, nays 0.

WASHBURN, Chair

Report adopted.

#### COMMITTEE REPORT

Mr. Speaker: Your Committee on Public Health, to which was referred House Bill 1374, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

(Reference is to HB 1374 as introduced.)

Committee Vote: Yeas 11, Nays 0.

KIRCHHOFER, Chair

Report adopted.

#### COMMITTEE REPORT

Mr. Speaker: Your Committee on Family, Children and Human Affairs, to which was referred House Bill 1380, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

(Reference is to HB 1380 as introduced.)

Committee Vote: Yeas 10, Nays 0.

FRIZZELL, Chair

Report adopted.

#### COMMITTEE REPORT

Mr. Speaker: Your Committee on Family, Children and Human Affairs, to which was referred House Bill 1407, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Delete the title and insert the following:

A BILL FOR AN ACT to amend the Indiana Code concerning human services.

Delete everything after the enacting clause and insert the following:

SECTION 1. IC 12-7-2-0.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: **Sec. 0.5. "ABLE account", for purposes of IC 12-11-14, has the meaning set forth in IC 12-11-14-1.**

SECTION 2. IC 12-7-2-18.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: **Sec. 18.5. "Authority", for purposes of IC 12-11-14, has the meaning set forth in IC 12-11-14-2.**

SECTION 3. IC 12-7-2-22, AS AMENDED BY P.L.145-2014, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: **Sec. 22. "Board" means the following:**

(1) For purposes of IC 12-10-10, IC 12-10-10.5, and IC 12-10-11, the community and home options to institutional care for the elderly and disabled board established by IC 12-10-11-1.

**(2) For purposes of IC 12-11-14, the meaning set forth in IC 12-11-14-3.**

~~(3)~~ **(3)** For purposes of IC 12-12-7-5, the meaning set forth in IC 12-12-7-5(a).

~~(4)~~ **(4)** For purposes of IC 12-15-35, the meaning set forth in IC 12-15-35-2.

SECTION 4. IC 12-7-2-58.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: **Sec. 58.5. "Designated beneficiary", for purposes of IC 12-11-14, has the meaning set forth in IC 12-11-14-4.**

SECTION 5. IC 12-7-2-76, AS AMENDED BY P.L.145-2014, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: **Sec. 76. (a) "Eligible individual", for purposes of:**

(1) IC 12-10-10, has the meaning set forth in IC 12-10-10-4; **and**

(2) IC 12-10-10.5, has the meaning set forth in IC 12-10-10.5-3; **and**

**(3) IC 12-11-14, has the meaning set forth in IC 12-11-14-5.**

**(b) "Eligible individual" has the meaning set forth in IC 12-14-18-1.5 for purposes of the following:**

(1) IC 12-10-6.

(2) IC 12-14-2.

(3) IC 12-14-18.

(4) IC 12-14-19.

(5) IC 12-15-2.

(6) IC 12-15-3.

(7) IC 12-16-3.5.

(8) IC 12-20-5.5.

SECTION 6. IC 12-7-2-154.4 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: **Sec. 154.4. "Qualified ABLÉ program", for purposes of IC 12-11-14, has the meaning set forth in IC 12-11-14-6.**

SECTION 7. IC 12-7-2-154.6 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: **Sec. 154.6. "Qualified disability expense", for purposes of IC 12-11-14, has the meaning set forth in IC 12-11-14-7.**

SECTION 8. IC 12-11-14 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]:

**Chapter 14. Achieving a Better Life Experience (ABLE) Program**

**Sec. 1. As used in this chapter, "ABLE account" refers to**

**an achieving a better life experience (ABLE) account established by an eligible individual that:**

**(1) is maintained under a qualified ABLÉ program; and**

**(2) meets the requirements of Section 529A of the Internal Revenue Code.**

**Sec. 2. As used in this chapter, "authority" refers to the achieving a better life experience (ABLE) authority established by section 8 of this chapter.**

**Sec. 3. As used in this chapter, "board" refers to the ABLÉ board of the authority established by section 9 of this chapter.**

**Sec. 4. As used in this chapter, "designated beneficiary" means an eligible individual who has established an ABLÉ account and is the owner of the account.**

**Sec. 5. As used in this chapter, "eligible individual" means an individual who during a taxable year:**

**(1) is entitled to benefits based on blindness or disability under Title II or Title XVI of the federal Social Security Act and the blindness or disability occurred before the individual became twenty-six (26) years of age; or**

**(2) has a disability certification that has been filed as set forth in Section 529A of the Internal Revenue Code.**

**Sec. 6. As used in this chapter, "qualified ABLÉ program" refers to the achieving a better life experience (ABLE) program established under this chapter under which a person may make contributions for a taxable year for the benefit of an eligible individual to an ABLÉ account to meet the qualified disability expenses of the designated beneficiary in compliance with Section 529A of the Internal Revenue Code.**

**Sec. 7. As used in this chapter, "qualified disability expense" means any expenses related to the eligible individual's blindness or disability that is made for the benefit of an eligible individual who is the designated beneficiary, including the following expenses:**

**(1) Education.**

**(2) Housing.**

**(3) Transportation.**

**(4) Employment training and support.**

**(5) Assistive technology and personal support services.**

**(6) Health.**

**(7) Prevention and wellness.**

**(8) Management and administration.**

**(9) Legal fees.**

**(10) Oversight and monitoring.**

**(11) Funeral and burial.**

**(12) Other expenses approved by the federal government for a qualified ABLÉ program.**

**Sec. 8. (a) The achieving a better life experience (ABLE) authority is created. The authority is a body corporate and politic.**

**(b) The authority:**

**(1) is not an agency of the state; and**

**(2) is an instrumentality of the state performing essential governmental functions.**

**(c) The authority shall establish a qualified ABLÉ program.**

**(d) Because the management and operation of a qualified ABLÉ program and all funds and ABLÉ accounts established under this chapter constitute the performance of an essential public function, the following are exempt from taxation by the state and by any political subdivision of the state:**

**(1) The authority's management and operations.**

**(2) The authority's property and assets.**

**(3) All property and assets held by or for the authority except individual ABLÉ accounts.**

**(4) The investment income and earnings (whether**



interest, gains, or dividends) on:

- (A) the authority's property and assets; and
- (B) all property and assets held by or for the authority;

including all funds and accounts established under this article except individual ABLE accounts.

(e) The authority may:

- (1) contract for the purchase of supplies, goods, or services; and
- (2) acquire and dispose of any real or personal property without regard to IC 4-13 and IC 5-22.

(f) The authority may contract with public or private entities or persons for the provision of all or any part of the services the board considers necessary for the management and operation of the authority, including the qualified ABLE program and all funds and accounts of the authority.

(g) The authority is a public agency for purposes of IC 5-14-1.5 and IC 5-14-3. The board is a governing body for purposes of IC 5-14-1.5.

(h) The:

- (1) data;
- (2) information; and
- (3) records, including:
  - (A) medical records; and
  - (B) records containing personally identifying information;

relating to a designated beneficiary and a contributor to an ABLE account are confidential under IC 5-14-3 and may not be disclosed by the authority unless required by federal or state law or ordered by a court.

Sec. 9. (a) The ABLE board of the authority is established. The board consists of the following:

(1) The following three (3) ex officio members:

- (A) The treasurer of state.
- (B) The secretary of family and social services.
- (C) The budget director.

(2) Four (4) appointed members, each of whom:

- (A) is appointed by the governor; and
- (B) either:
  - (i) has knowledge, skill, and experience in academic, business, financial, disability, or health fields; or
  - (ii) is an eligible individual or a family member of an eligible individual.

(b) During an appointed member's term of service on the board, the appointed member of the board may not be an official or employee of the state.

(c) Not more than three (3) of the appointed members of the board may belong to the same political party.

(d) An appointed member serves a four (4) year term. An appointed member shall hold over after the expiration of the member's term until the member's successor is appointed and qualified.

(e) The governor may reappoint an appointed member of the board.

(f) A vacancy shall be filled for the balance of an unexpired term in the same manner as the original appointment.

(g) The treasurer of state shall serve as chairperson of the board. The board shall annually elect one (1) of its ex officio members as vice chairperson, and may elect any other officer that the board desires. The board shall meet at the call of the chairperson and as provided in the bylaws of the authority. Meetings of the board may be held anywhere in Indiana.

(h) The governor may remove an appointed member for misfeasance, malfeasance, willful neglect of duty, or other cause after notice and a public hearing, unless the member expressly waives the notice and hearing in writing.

(i) An appointed member of the board is not entitled to the minimum salary per diem provided by IC 4-10-11-2.1(b).

Each appointed member is, however, entitled to reimbursement for traveling expenses and other expenses actually incurred in connection with the member's duties.

(j) An ex officio member of the board is entitled to reimbursement for traveling expenses and other expenses actually incurred in connection with the member's duties.

(k) An ex officio member of the board may designate a person to serve as an ex officio member of the board in the absence of the ex officio member.

(l) Five (5) members of the board are a quorum for:

- (1) the transaction of business at a meeting of the board; or
- (2) the exercise of a power or function of the authority.

(m) The affirmative vote of a majority of all the members of the board who are present is necessary for the authority to take action. A vacancy in the membership of the board does not impair the right of a quorum to exercise all the rights and perform all the duties of the authority. An action taken by the board under this article may be authorized by:

- (1) resolution at any regular or special meeting; or
- (2) unanimous consent of all the members who have not abstained.

A resolution takes effect immediately upon adoption and need not be published or posted.

Sec. 10. (a) The board may:

- (1) employ a manager, who is not a member of the board; and
- (2) delegate necessary and appropriate functions and authority to the manager.

(b) The board has the powers necessary and appropriate to carry out and effectuate the purposes of this chapter, including the following:

(1) To develop and implement a qualified ABLE program for Indiana through:

- (A) rules adopted under IC 4-22-2 or emergency rules adopted in the manner provided under IC 4-22-2-37.1; or
- (B) rules, guidelines, procedures, or policies established by the board.

(2) To conform the qualified ABLE program to meet the requirements of Section 529A of the Internal Revenue Code and all applicable federal laws and regulations.

(3) To retain professional services, including the following:

- (A) Advisers and managers, including investment advisers.
- (B) Custodians and other fiduciaries.
- (C) Accountants and auditors.
- (D) Consultants or other experts.
- (E) Actuarial services providers.
- (F) Attorneys.

(4) To establish minimum ABLE account deposit amounts (both initial and periodic).

(5) To employ persons, if the board chooses, and as may be necessary, and to fix the terms of employment.

(6) To recommend legislation to the governor and the general assembly.

(7) To apply for designation as a tax exempt entity under the Internal Revenue Code.

(8) To sue and be sued.

(9) To provide or facilitate provision of benefits and incentives for the benefit of qualified beneficiaries.

(10) To conform the qualified ABLE program to federal tax advantages or incentives, to the extent consistent with the purposes and objectives of this chapter.

(11) To charge, impose, and collect administrative fees and service charges in connection with any agreement, contract, or transaction under a qualified ABLE program.

- (12) To have perpetual succession.
- (13) To establish policies and procedures to govern distributions from ABLE accounts that are not:
- (A) made on account of the death or disability of an account beneficiary; or
  - (B) rollovers.
- (14) To establish penalties for withdrawals of money from ABLE accounts that are not used exclusively for a qualified disability expense of an account beneficiary unless a circumstance described in subdivision (13) applies.
- (15) To establish policies and procedures regarding the transfer of individual ABLE accounts and the designation of substitute account beneficiaries.
- (16) To establish policies and procedures for withdrawal of money from ABLE accounts for, or in reimbursement of, a qualified disability expense.
- (17) To enter into agreements with ABLE account owners, account beneficiaries, and contributors, with the agreements naming:
- (A) the account owner; and
  - (B) the account beneficiary.
- (18) To establish ABLE accounts for account beneficiaries. However, the authority shall establish a separate ABLE account for each account beneficiary.
- (19) To enter into agreements with financial institutions relating to ABLE accounts as well as deposits, withdrawals, penalties, allocation of benefits or incentives, and transfers of accounts, account owners, and account beneficiaries.
- (20) To develop marketing plans and promotional material.
- (21) To enter into agreements with other states to allow either:
- (A) Indiana residents to participate in a plan operated by a contracting state with a qualified ABLE program; or
  - (B) residents of contracting states to participate in the Indiana ABLE program.

**Sec. 11. (a) The authority shall do the following:**

- (1) Provide the board and each member, officer, employee, consultant, counsel, and agent of the authority or the board a defense in a suit arising out of the performance of duties for or on behalf of the authority or the board, if the board determines that the duties were provided in good faith.
  - (2) Hold a person described in subdivision (1) or the board harmless from any liability, cost, or damage in connection with an action arising out of the performance of duties for or on behalf of the authority or the board, including the payment of any legal fees, except where the liability, cost, or damage is predicated on, or arises out of, bad faith of the person or the board, or is based on the person's or board's malfeasance in the performance of duties.
- (b) The authority shall prepare an annual report for the qualified ABLE program and transmit the annual report to the governor and in an electronic format under IC 5-14-6 to the general assembly. The authority shall make available, upon request, a copy of the annual report to qualified beneficiaries, account owners, and the public.

**Sec. 12. (a) The authority may accept monetary gifts, bequests, donations, and devise:**

- (1) as trustees for the maintenance, use, or benefit of the authority, the qualified ABLE program, or the endowment fund; or
  - (2) to be administered for other public or charitable purposes for the benefit or use of ABLE account owners or ABLE account beneficiaries.
- (b) The authority may receive, accept, hold, administer, and use any monetary gift, bequest, donation, or devise in

accordance with the terms, conditions, obligations, liabilities, and burdens imposed on the gift, bequest, donation, or devise if, in the judgment of the board, the action is in the best interest of the authority, the qualified ABLE program, the endowment fund, ABLE account owners, ABLE account contributors, or ABLE account beneficiaries, as applicable.

**Sec. 13. A person designated by resolution of the authority:**

- (1) shall keep a record of the proceedings of the authority;
- (2) shall be custodian of:
  - (A) all books, documents, and papers filed with the authority; and
  - (B) the minutes book or journal of the authority; and
- (3) may copy all minutes and other records and documents of the authority and may certify that the copies are true copies.

A person who deals with the authority may rely upon the certification under subdivision (3).

**Sec. 14. Before the adoption and implementation of a qualified ABLE program:**

- (1) the chairperson;
- (2) the vice chairperson;
- (3) the manager; and
- (4) any officer elected by the authority or member of the authority authorized by resolution to handle funds or sign checks;

shall execute a surety bond in the penal sum of one hundred thousand dollars (\$100,000). The surety bond must be conditioned upon the faithful performance of the duties of the office of the principal and must be executed by a surety company authorized to transact business in Indiana. The authority shall pay the cost of the bonds.

**Sec. 15. Notwithstanding any other law, it is not a conflict of interest or violation of any other law for a person to serve as a member of the authority. However, a member shall disclose a conflict of interest relating to actions of the authority as required and in a manner provided by IC 35-44.1-1-4.**

**Sec. 16. The following are established:**

- (1) The general operating fund.
- (2) The endowment fund.
- (3) The trust fund and, in the trust fund, the following:
  - (A) The administrative account.
  - (B) The program account.

**Sec. 17. The authority shall establish and implement investment policies in accordance with IC 5-13 for the following:**

- (1) Money in the general operating fund.
- (2) Money in the administrative account.
- (3) Any other money of the authority other than money in:
  - (A) the endowment fund; and
  - (B) the program account.

**Sec. 18. The board shall establish and implement investment policies for money in:**

- (1) the endowment fund; and
- (2) the program account;

for investment in the manner provided by IC 30-4-3-3.

**Sec. 19. The trust fund and other property of the authority must be preserved, invested, and expended only under this article and may not be used for any other purpose. The trust fund shall be held in trust for account owners and account beneficiaries.**

**Sec. 20. Criteria for management of assets in the trust fund, including investment of assets, must provide for both asset protection and income growth while providing for the actuarial soundness of the trust fund.**

**Sec. 21. (a) General operating, administrative, and capital**

expenses of the authority may be paid from amounts appropriated for those purposes by the general assembly. Appropriations must be deposited in either the administrative account or the general operating fund, as the board determines to be appropriate.

(b) Money in the administrative account shall be used first to pay the general operating, administrative, and capital expenses of the authority. Before money in the program account may be used for these expenses, the authority must exhaust all other funds available to the authority, including money in the endowment fund and the administrative account.

Sec. 22. (a) The funds, accounts, management, and operations of the authority are subject to annual audit by an independent public accounting firm retained by the board.

(b) The authority shall promptly transmit copies of each annual audit to the governor and in an electronic format under IC 5-14-6 to the general assembly. Upon request, the authority shall make available copies of the audit to qualified beneficiaries, account owners, and the public.

Sec. 23. (a) All ABLÉ accounts and all earnings or interest on ABLÉ accounts are exempt from taxation in Indiana to the extent that those accounts, earnings, and interest are exempt from federal taxation under the Internal Revenue Code, subject to any penalties that are established for a qualified ABLÉ program under this chapter.

(b) Money deposited in an ABLÉ account by the account owner or a contributor and investment returns on an account are the property of the account owner.

(c) Funds held in an ABLÉ account that may be established under this chapter may not be used by an account owner or account beneficiary as security for a loan.

(d) Funds held in an ABLÉ account are exempt from creditors and:

- (1) are not liable to attachment, levy, garnishment, or other process; or
- (2) may not be seized, taken, appropriated, or applied by any legal or equitable process or operation of law to pay any debt or liability of any contributor or beneficiary.

However, the state of residency of the designated beneficiary of an ABLÉ account is a creditor to the account in the event of the death of the designated beneficiary.

(e) Funds held in an ABLÉ account may not be included in determining income eligibility of the designated beneficiary for state and local assistance programs.

(Reference is to HB 1407 as introduced.)  
and when so amended that said bill do pass.

Committee Vote: yeas 10, nays 0.

FRIZZELL, Chair

Report adopted.

## RESOLUTIONS ON FIRST READING

### House Concurrent Resolution 17

Representatives Errington, Shackelford, Negele, Clere, Lawson, Harris and Hale introduced House Concurrent Resolution 17:

A CONCURRENT RESOLUTION urging the recognition of January as Cervical Cancer Awareness Month.

*Whereas, Nearly 13,000 women are diagnosed with cervical cancer each year in the United States, and more than 4,000 die as a result;*

*Whereas, In Indiana approximately 250 women are diagnosed each year, and every three days a woman dies of cervical cancer, including 85 Indiana women annually;*

*Whereas, From 2002 to 2011, African-American women had*

*a 22 percent higher cervical cancer incidence rate and a 50 percent higher mortality rate than Caucasian women;*

*Whereas, Hispanic women have the highest cervical cancer incidence rate in the nation;*

*Whereas, Cervical cancer is almost 100 percent preventable;*

*Whereas, Many women are unaware of cervical cancer and the steps that can be taken to prevent this disease;*

*Whereas, Mortality from cervical cancer is associated with being diagnosed at a later stage, which often stems from poor access to preventive services and a lack of understanding about following up or care after an abnormal finding;*

*Whereas, HPV (human papillomavirus) is a very common infection and is a major cause of cervical cancer;*

*Whereas, Approximately 79 million Americans currently have HPV, but many do not know they are infected;*

*Whereas, We honor Ms. Melissa Beeson, a cervical cancer survivor, for her efforts in bringing continued attention to this preventable disease; and*

*Whereas, Awareness of cervical cancer, its risk factors, and the importance of access to preventive measures, including regular Pap tests and the HPV vaccination, are critical to perpetuating the continual decrease of the incidence of cervical cancer in women: Therefore,*

*Be it resolved by the House of Representatives  
of the General Assembly of the State of Indiana,  
the Senate concurring:*

SECTION 1. That the Indiana General Assembly urges the recognition of January as Cervical Cancer Awareness Month in the hope that this recognition will encourage prompt access to preventive services and high-quality medical care and treatment in order to overcome existing barriers to care for all women.

The resolution was read a first time and adopted by voice vote. The Clerk was directed to inform the Senate of the passage of the resolution. Senate sponsor: Senator Breaux.

### Senate Concurrent Resolution 19

The Speaker handed down Senate Concurrent Resolution 19, sponsored by Representative Kirchhofer:

A CONCURRENT RESOLUTION recognizing the tremendous success of the Healthy Indiana Plan (HIP) since its initial enactment and commemorating the one year anniversary of the approval of the HIP 2.0 waiver.

*Whereas, The Indiana General Assembly successfully passed the Healthy Indiana Plan (HIP) in 2007 with bipartisan support and the leadership of Senator Patricia Miller, Representative Tim Brown, and Representative Charlie Brown, making Indiana the first state in the nation to apply the consumer-driven model to a Medicaid population;*

*Whereas, The initial HIP program demonstrated remarkable success, serving low-income Hoosiers for seven years through the promotion of healthy lifestyles and the appropriate utilization of healthcare services, increasing preventative care and decreasing inappropriate use of hospital emergency departments;*

*Whereas, Then in 2010, the Indiana General Assembly followed its original enactment with Senate Enrolled Act 461, calling for HIP to be the coverage vehicle for the newly eligible Medicaid expansion population under the Patient Protection and Affordable Care Act;*

*Whereas, One year ago, the federal government approved a landmark waiver, HIP 2.0, to provide quality healthcare to thousands of uninsured Hoosiers and to offer low-income*

*Hoosiers an option to receive assistance in purchasing private-market insurance through their employers;*

*Whereas, Since the waiver's approval, Indiana has enrolled 355,000 Hoosiers in the program, providing them access to affordable healthcare service;*

*Whereas, HIP 2.0 ended traditional Medicaid for all non-disabled Hoosiers between the ages of 19 and 64, replacing it with Indiana's successful consumer-driven HIP model for all low-income populations; and*

*Whereas, HIP 2.0 has brought together government, healthcare providers, and doctors for the betterment of Hoosiers all across the state: Therefore,*

*Be it resolved by the Senate  
of the General Assembly of the State of Indiana,  
the House of Representatives concurring:*

SECTION 1. That the Indiana General Assembly recognizes the tremendous success of the Healthy Indiana Plan since its initial enactment and commemorates the one year anniversary of the approval of the HIP 2.0 waiver.

SECTION 2. The Secretary of the Senate is hereby directed to transmit copies of this resolution to Senator Patricia Miller, Representative Tim Brown, Representative Charlie Brown, and the Secretary of FSSA, John J. Wernert, M.D.

The resolution was read a first time and adopted by voice vote. The Clerk was directed to inform the Senate of the passage of the resolution.

## HOUSE BILLS ON SECOND READING

Pursuant to House Rule 143.1, the following bills which had no amendments filed, were read a second time by title and ordered engrossed: House Bills 1017, 1034, 1164, 1173, 1179, 1218, 1222, 1231, 1246, 1273, 1313, 1331, 1336, 1353, 1359, 1360 and 1373.

## ENGROSSED HOUSE BILLS ON THIRD READING

### Engrossed House Bill 1024

Representative Torr called down Engrossed House Bill 1024 for third reading:

A BILL FOR AN ACT to amend the Indiana Code concerning insurance.

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 72: yeas 73, nays 20. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Clerk was directed to inform the Senate of the passage of the bill. Senate sponsor: Senator Holdman.

### Engrossed House Bill 1088

Representative Bacon called down Engrossed House Bill 1088 for third reading:

A BILL FOR AN ACT to amend the Indiana Code concerning health.

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 73: yeas 94, nays 0. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Clerk was directed to inform the Senate of the passage of the bill. Senate sponsors: Senators Becker and Pat Miller.

### Engrossed House Bill 1136

Representative Lehman called down Engrossed House Bill 1136 for third reading:

A BILL FOR AN ACT to amend the Indiana Code concerning insurance.

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 74: yeas 95, nays 0. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Clerk was directed to inform the Senate of the passage of the bill. Senate sponsor: Senator Holdman.

### Engrossed House Bill 1312

Pursuant to House Rule 146.3, the author of Engrossed House Bill 1312, Representative Gutwein, granted consent to the coauthor, Representative Price, to call the bill down for third reading. Representative Price called down Engrossed House Bill 1312 for third reading:

A BILL FOR AN ACT to amend the Indiana Code concerning veterans.

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 75: yeas 95, nays 0. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Clerk was directed to inform the Senate of the passage of the bill. Senate sponsor: Senator Boots.

## REPORTS FROM COMMITTEES

### COMMITTEE REPORT

Mr. Speaker: Your Committee on Public Health, to which was referred House Bill 1156, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 2, line 39, delete "two hundred seventy" and insert "ninety".

Page 2, line 40, delete "(270)" and insert "(90)".

Page 3, delete lines 6 through 17.

Renumber all SECTIONS consecutively.

(Reference is to HB 1156 as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 10, nays 0.

KIRCHHOFER, Chair

Report adopted.

### COMMITTEE REPORT

Mr. Speaker: Your Committee on Public Health, to which was referred House Bill 1157, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, delete lines 7 through 8.

Page 1, line 9, delete "(2)" and insert "(1)".

Page 2, line 1, delete "(3)" and insert "(2)".

Page 2, line 3, delete "(2)" and insert "(1)".

Page 2, line 4, delete "(4)" and insert "(3)".

Page 2, line 6, delete "(2)" and insert "(1)".

(Reference is to HB 1157 as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 13, nays 0.

KIRCHHOFER, Chair

Report adopted.

## COMMITTEE REPORT

Mr. Speaker: Your Committee on Education, to which was referred House Bill 1209, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, line 3, delete "(a) This section applies to a student who is seeking".

Page 1, delete lines 4 through 10, begin a new paragraph and insert:

**"(a) Beginning with the 2017-2018 school year, a student who successfully completes Spanish language courses that include the elements set forth in subsection (b) is eligible to receive a functional and practicable workplace Spanish designation on the student's transcript for each course described in subsection (b)."**

Page 1, line 11, delete "(c)" and insert "(b)".

Page 2, line 1, delete "(d)" and insert "(c)".

Page 2, line 3, delete "(c)" and insert "(b)".

Page 2, line 3, delete "described in subsection (a)".

Page 2, line 4, delete "basic workplace Spanish proficiency endorsement" and insert **"functional and practicable workplace Spanish designation"**.

Page 2, line 5, delete "diploma." and insert **"transcript."**

(Reference is to HB 1209 as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 7, nays 0.

BEHNING, Chair

Report adopted.

## COMMITTEE REPORT

Mr. Speaker: Your Committee on Agriculture and Rural Development, to which was referred House Bill 1228, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, delete lines 1 through 17.

Page 2, delete lines 1 through 34.

Page 2, line 37, reset in roman "(a) Notwithstanding any other law,".

Page 2, line 37, delete "The" and insert "the".

Page 2, line 39, reset in roman "secured any necessary permissions, waivers, or other".

Page 2, reset in roman lines 40 through 42.

Page 3, reset in roman lines 1 through 14.

Page 3, line 15, reset in roman "(60) days after the governor receives the affidavit."

Page 3, line 15, delete "adopted", begin a new paragraph and insert:

**"(e) The state seed commissioner may adopt"**.

Page 3, after line 16, begin a new paragraph and insert:

**"SECTION 2. IC 21-45-7 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]:**

**Chapter 7. Research on Cannabidiol for Treatment of Epilepsy**

**Sec. 1. As used in this chapter, "cannabidiol oil" means an extract from a hemp plant in an oral suspension or oil that:**

**(1) is composed of not more than three-tenths percent (0.3%) total tetrahydrocannabinol (THC) by weight;**

**(2) is composed of at least fifteen (15) times more cannabidiol than total tetrahydrocannabinol (THC) by weight; and**

**(3) contains no other controlled substance.**

**Sec. 2. As used in this chapter, "intractable epilepsy" means a seizure disorder that has been diagnosed by a physician in a patient who has not responded to other seizure disorder treatment options.**

**Sec. 3. The state encourages the Indiana University**

**School of Medicine and other state educational institutions that perform medical research to:**

**(1) conduct physician led research; and**

**(2) conduct clinical studies or trials;**

**concerning the safety and efficacy of using cannabidiol oil in the treatment of intractable epilepsy.**

**SECTION 3. IC 34-30-2-151.9 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 151.9. IC 35-48-4-18 (Concerning the recommendation, dispensing, possession, or administration of cannabidiol oil in the treatment of intractable epilepsy).**

**SECTION 4. IC 35-48-4-18 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 18. (a) As used in this section, "cannabidiol oil" means an extract from a hemp plant in an oral suspension or oil that:**

**(1) is composed of not more than three-tenths percent (0.3%) total tetrahydrocannabinol (THC) by weight;**

**(2) is composed of at least fifteen (15) times more cannabidiol than total tetrahydrocannabinol (THC) by weight; and**

**(3) contains no other controlled substance.**

**(b) Notwithstanding any other law, an individual who possesses or uses cannabidiol oil is not subject to the penalties for the possession or use of the cannabidiol oil if the following conditions are met:**

**(1) The individual:**

**(A) has an intractable seizure disorder; or**

**(B) is the parent, legal guardian, health care representative, or custodian of a minor who has an intractable seizure disorder; and**

**possesses and uses the cannabidiol oil only to treat the intractable seizure disorder.**

**(2) The individual with an intractable seizure disorder has received a written recommendation for the use of cannabidiol oil from a physician who is licensed to practice medicine or osteopathic medicine in Indiana or by the board or licensing agency of another state.**

**(3) The cannabidiol oil is in a container with a capacity of thirty-two (32) fluid ounces or less that is labeled by the manufacturer indicating:**

**(A) the total tetrahydrocannabinol (THC) by weight;**

**(B) the ratio of total cannabidiol to total tetrahydrocannabinol (THC) and that the ratio is in compliance with this section; and**

**(C) any other ingredients or substances in the cannabidiol oil.**

**(4) A laboratory unaffiliated with the producer of the cannabidiol oil has verified:**

**(A) the tetrahydrocannabinol (THC) and cannabidiol oil by weight; and**

**(B) any other ingredients or substances in the cannabidiol oil.**

**(c) A physician who issues a written recommendation under subsection (b)(2) is immune from civil, criminal, and administrative liability for the recommendation, dispensing, possession, or administration of cannabidiol oil in the treatment of a patient with intractable epilepsy."**

Renumber all SECTIONS consecutively.

(Reference is to HB 1228 as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 8, nays 0.

LEHE, Chair

Report adopted.

## COMMITTEE REPORT

Mr. Speaker: Your Committee on Public Policy, to which was referred House Bill 1247, has had the same under

consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Delete everything after the enacting clause and insert the following:

SECTION 1. IC 7.1-3-17.8 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]:

**Chapter 17.8. State Park Liquor Permits**

**Sec. 1. (a) The department of natural resources may apply for a three-way permit for one (1) or more state parks. A three-way permit for a state park may be a single permit, even though more than one (1) area within the state park constitutes the licensed premises of the permit.**

**(b) A permit issued under this section is not subject to:**

- (1) IC 7.1-3-9-10;**
- (2) IC 7.1-3-21-1;**
- (3) 905 IAC 1-27-1; and**
- (4) 905 IAC 1-27-4.**

**(c) Separate areas within a state park are not subject to IC 7.1-5-5-7.**

**(d) Upon application, the commission shall issue a permit to the department of natural resources for a state park without:**

- (1) publication of notice or investigation before a local board; and**
- (2) regard to the quota provisions of IC 7.1-3-22.**

SECTION 2. IC 7.1-4-4.1-9, AS AMENDED BY P.L.224-2005, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 9. (a) This section applies to the following biennial permits:

- (1) Beer retailer's permit.
- (2) Liquor retailer's permit.
- (3) Wine retailer's permit.
- (4) One-way permit.
- (5) Two-way permit.
- (6) Three-way permit.
- (7) Airplane beer permit.
- (8) Airplane liquor permit.
- (9) Airplane wine permit.
- (10) Boat beer permit.
- (11) Boat liquor permit.
- (12) Boat wine permit.
- (13) Dining car beer permit.
- (14) Dining car liquor permit.
- (15) Dining car wine permit.
- (16) Hotel seasonal permit.

(b) The commission shall charge a single fee for the issuance of any combination of retailer's permits issued for the same location or conveyance.

(c) **Except as provided in subsection (d),** an annual permit fee in the following amount is imposed on a retailer:

- (1) Five hundred dollars (\$500), if the retailer serves only beer or only wine.
- (2) Seven hundred fifty dollars (\$750), if the retailer serves both beer and wine but no liquor.
- (3) One thousand dollars (\$1,000), if the retailer serves beer, wine, and liquor.

**(d) An annual permit fee for a three-way permit issued to a state park under IC 7.1-3-17.8-1 is two hundred fifty dollars (\$250).**

(Reference is to HB 1247 as introduced.) and when so amended that said bill do pass.

Committee Vote: yeas 12, nays 0.

DERMODY, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Public Health, to which

was referred House Bill 1263, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, line 16, delete "and" and insert "or".

Page 2, line 9, delete "(a)".

Page 2, line 15, delete "." and insert ", **including through the use of electronic communications or information technology.**".

Page 2, delete lines 26 through 27, begin a new line block indented and insert:

**"(4) The prescription is not for an abortion inducing drug (as defined in IC 16-18-2-1.6)."**

(Reference is to HB 1263 as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 8, nays 5.

KIRCHHOFER, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Agriculture and Rural Development, to which was referred House Bill 1267, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, delete lines 1 through 17, begin a new paragraph and insert:

**"SECTION 1. IC 16-18-2-143.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 143.5. "Game animal" means an animal, the product of which is food, that is not:**

- (1) regulated under IC 15-17-5;**
- (2) except for aquatic birds and mammals, an aquatic animal, including fish, crustaceans, mollusks, alligators, frogs, aquatic turtles, jellyfish, sea cucumbers, and sea urchins;**
- (3) the roe from any aquatic animal described in subdivision (2); or**
- (4) possessed or raised in violation of a state or federal law."**

Page 2, delete lines 1 through 20.

Page 2, line 23, after "31." insert "(a)".

Page 2, line 24, after "serve" insert **"a meat product (as defined in IC 15-17-2-54),"**.

Page 2, line 24, delete "that has been slaughtered or processed by an" and insert **"(as defined in IC 15-17-2-87), or game animal intended for use as human food, unless an antemortem and postmortem inspection of slaughter and processing has occurred by an authorized state inspection program."**

**(b) The department may adopt rules that specify the inspection, registration, handling, and processing requirements of food intended for use as human food that are:**

- (1) based on and conform with the principles, practices, and generally recognized standards that protect public health; and**
- (2) not administered by another authorized state program."**

Page 2, delete line 25.

Re-number all SECTIONS consecutively.

(Reference is to HB 1267 as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 6, nays 3.

LEHE, Chair

Report adopted.

## COMMITTEE REPORT

Mr. Speaker: Your Committee on Public Policy, to which was referred House Bill 1274, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

(Reference is to HB 1274 as introduced.)

Committee Vote: Yeas 11, Nays 1.

DERMODY, Chair

Report adopted.

## COMMITTEE REPORT

Mr. Speaker: Your Committee on Public Policy, to which was referred House Bill 1337, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Replace the effective dates in SECTIONS 1 through 7 with "[EFFECTIVE JULY 1, 2016]".

Replace the effective date in SECTION 9 with "[EFFECTIVE JULY 1, 2016]".

Replace the effective dates in SECTIONS 11 through 17 with "[EFFECTIVE JULY 1, 2016]".

Page 2, line 19, delete "," and insert ";".

Page 2, line 19, delete "including the".

Page 2, delete line 20.

Page 2, delete lines 34 through 42, begin a new paragraph and insert:

"SECTION 5. IC 16-21-11-6, AS ADDED BY P.L.127-2014, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) If the parent or parents choose a **means of location** of final disposition other than the **means location** of final disposition that is usual and customary for the health care facility, the parent or parents are responsible for the costs related to the final disposition of the fetus **at the chosen location**.

(b) **If the parent or parents choose a means of final disposition that provides for the interment of a miscarried fetus who has a gestational age of at least twenty (20) weeks of age; A health care facility having possession of a miscarried fetus shall provide for the final disposition of the miscarried fetus. The requirements under IC 16-37-3 apply to the final disposition of the miscarried fetus, which must be cremated or interred. However, any information submitted under this section that may be used to identify the parent or parents is confidential and must be redacted from any public records maintained under IC 16-37-3.**

(c) **Notwithstanding any other law, the parent or parents whose miscarried fetus has a gestational age of less than twenty (20) weeks of age may choose a means of final disposition that provides for the cremation or the interment of the miscarried fetus. If the parent or parents choose the cremation or interment of the miscarried fetus; The local health officer shall provide the person in charge of interment with a permit for the disposition of the body. A certificate of stillbirth is not required to be issued for a final disposition under this subsection: of a miscarried fetus having a gestational age of less than twenty (20) weeks.**

(d) IC 23-14-31-26, IC 23-14-55-2, IC 25-15-9-18, and IC 29-2-19-17 concerning the authorization of disposition of human remains apply to this section."

Page 3, delete lines 1 through 18.

Page 5, line 20, delete "," and insert ".".

Page 5, line 20, delete "including the right to take possession of the remains".

Page 5, delete line 21.

Page 7, delete lines 36 through 42.

Delete page 8.

Page 9, delete lines 1 through 32.

Page 10, delete lines 34 through 41, begin a new paragraph

and insert:

"SECTION 11. IC 16-34-3-3, AS ADDED BY P.L.113-2015, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. If the pregnant woman chooses a **means location** for final disposition that is not required by law or by rule of other than the **location of final disposition that is usual and customary** for an abortion clinic or a health care facility, the pregnant woman is responsible for the costs related to the final disposition of the aborted fetus **at the chosen location**."

Page 11, line 7, after "." insert "**However, any information submitted under this section that may be used to identify the pregnant woman is confidential and must be redacted from any public records maintained under IC 16-37-3.**"

Page 12, delete lines 33 through 37, begin a new paragraph and insert:

"(b) **Within ten (10) business days after a miscarriage occurs or an abortion is performed, a person or facility described in subsection (a) shall:**

(1) **conduct the final disposition of a miscarried fetus or an aborted fetus in the manner required by IC 16-21-11-6 or IC 16-34-3-4; or**

(2) **ensure that the miscarried fetus or aborted fetus is preserved until final disposition under IC 16-21-11-6 or IC 16-34-3-4 occurs.**"

Page 12, delete line 42.

Renumber all SECTIONS consecutively.

(Reference is to HB 1337 as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 9, nays 4.

DERMODY, Chair

Report adopted.

## COMMITTEE REPORT

Mr. Speaker: Your Committee on Public Health, to which was referred House Bill 1347, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 2, line 5, delete "IC 21-15-5-14(b)." and insert "**IC 12-15-5-14(b).**"

Page 2, line 7, delete "IC 21-15-5-15(a)." and insert "**IC 12-15-5-15(a).**"

Page 2, line 30, delete "submitted" and insert "**provided**".

Page 2, between lines 38 and 39, begin a new line block indented and insert:

"(6) **Prescription drug services.**"

Page 2, line 41, delete "services." and insert "**or substance abuse treatment services, if the supervision is in the advanced practice nurse's scope of practice, education, and training.**"

Page 3, line 19, delete "in" and insert "**as**".

Page 3, line 20, delete "internship program" and insert "**intern or practicum student**".

Page 3, line 21, delete "and is interning at the community mental health center".

Page 3, between lines 24 and 25, begin a new paragraph and insert:

"(c) **Medicaid claims for eligible Medicaid services provided under this section must:**

(1) **be submitted by the supervising practitioner; and**  
(2) **include both the supervisor's and intern or practicum student's time.**

**Only one (1) Medicaid claim may be submitted per episode of care.**

(d) **A community mental health center that allows intern and practicum students to provide services under this section shall have a policy and procedure for the intern and practicum students to receive supervision and a method for**

**documenting the supervision provided."**

Page 3, line 34, after "counselor" insert **"licensed under IC 25-23.6 for an eligible Medicaid behavioral health or addictions service that is within the counselor's scope of practice if the clinical addiction counselor is under the clinical supervision of a physician or health service provider in psychology."**

Page 3, delete lines 35 through 40.

Page 6, line 32, delete "1, 2017," and insert **"30, 2016,"**

Page 6, line 37, delete "2017." and insert **"2016."**

(Reference is to HB 1347 as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 12, nays 0.

KIRCHHOFER, Chair

Report adopted.

**COMMITTEE REPORT**

Mr. Speaker: Your Committee on Education, to which was referred House Bill 1382, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

(Reference is to HB 1382 as introduced.)

Committee Vote: Yeas 8, Nays 0.

BEHNING, Chair

Report adopted.

**COMMITTEE REPORT**

Mr. Speaker: Your Committee on Public Policy, to which was referred House Bill 1386, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, between lines 7 and 8, begin a new paragraph and insert:

"SECTION 2. IC 7.1-3-2-7, AS AMENDED BY P.L.144-2015, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 7. The holder of a brewer's permit or an out-of-state brewer holding either a primary source of supply permit or an out-of-state brewer's permit may do the following:

- (1) Manufacture beer.
- (2) Place beer in containers or bottles.
- (3) Transport beer.
- (4) Sell and deliver beer to a person holding a beer wholesaler's permit issued under IC 7.1-3-3.
- (5) If the brewer manufactures, at all of the brewer's breweries located in Indiana, an aggregate of not more than ninety thousand (90,000) barrels of beer in a calendar year for sale or distribution within Indiana, the permit holder may do the following:
  - (A) Sell and deliver a total of not more than thirty thousand (30,000) barrels of beer in a calendar year to a person holding a retailer or a dealer permit under this title. The total number of barrels of beer that the permit holder may sell and deliver under this clause in a calendar year may not exceed thirty thousand (30,000) barrels of beer.
  - (B) Be the proprietor of a restaurant.
  - (C) Hold a beer retailer's permit, a wine retailer's permit, or a liquor retailer's permit for a restaurant established under clause (B).
  - (D) Transfer beer directly from the brewery to the restaurant by means of:
    - (i) bulk containers; or
    - (ii) a continuous flow system.
  - (E) Install a window between the brewery and an adjacent restaurant that allows the public and the permittee to view both premises.

- (F) Install a doorway or other opening between the brewery and an adjacent restaurant that provides the public and the permittee with access to both premises.
- (G) Sell the brewery's beer by the glass for consumption on the premises. Brewers permitted to sell beer by the glass under this clause must make food available for consumption on the premises. A brewer may comply with the requirements of this clause by doing any of the following:
  - (i) Allowing a vehicle of transportation that is a food establishment (as defined in IC 16-18-2-137) to serve food near the brewer's licensed premises.
  - (ii) Placing menus in the brewer's premises of restaurants that will deliver food to the brewery.
  - (iii) Providing food prepared at the brewery.
- (H) Sell and deliver beer to a consumer at the permit premises of the brewer or at the residence of the consumer. The delivery to a consumer may be made only in a quantity at any one (1) time of not more than one-half (1/2) barrel, but the beer may be contained in bottles or other permissible containers.
- (I) Sell the brewery's beer as authorized by this section for carryout on Sunday in a quantity at any one (1) time of not more than five hundred seventy-six (576) ounces. A brewer's beer may be sold under this clause at any address for which the brewer holds a brewer's permit issued under this chapter if the address is located within the same city boundaries in which the beer was manufactured.
- (J) With the approval of the commission, participate:
  - (i) individually; or
  - (ii) with other permit holders under this chapter, **including the holder of an artisan distiller's permit and the holder of a farm winery permit;** in a trade show or an exposition at which products of each permit holder participant are displayed, promoted, and sold. The commission may not grant to a holder of a permit under this chapter approval under this clause to participate in a trade show or exposition for more than forty-five (45) days in a calendar year.
- (K) Store or condition beer in a secure building that is:
  - (i) separate from the brewery; and
  - (ii) owned or leased by the permit holder.
 A brewer may not sell or transfer beer directly to a permittee or consumer from a building described in this clause.
- (6) If the brewer's brewery manufactures more than ninety thousand (90,000) barrels of beer in a calendar year for sale or distribution within Indiana, the permit holder may own a portion of the corporate stock of another brewery that:
  - (A) is located in the same county as the brewer's brewery;
  - (B) manufactures less than ninety thousand (90,000) barrels of beer in a calendar year; and
  - (C) is the proprietor of a restaurant that operates under subdivision (5).
- (7) Provide complimentary samples of beer that are:
  - (A) produced by the brewer; and
  - (B) offered to consumers for consumption on the brewer's premises.
- (8) Own a portion of the corporate stock of a sports corporation that:
  - (A) manages a minor league baseball stadium located in the same county as the brewer's brewery; and
  - (B) holds a beer retailer's permit, a wine retailer's permit, or a liquor retailer's permit for a restaurant located in that stadium.
- (9) For beer described in IC 7.1-1-2-3(a)(4):
  - (A) may allow transportation to and consumption of the



beer on the licensed premises; and

(B) may not sell, offer to sell, or allow sale of the beer on the licensed premises.

SECTION 3. IC 7.1-3-5-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 3. (a) The holder of a beer dealer's permit shall be entitled to purchase beer for sale under the permit only from a permittee entitled to sell to a beer dealer under this title.

(b) A beer dealer shall be entitled to possess beer and sell it at retail to a customer in permissible containers only.

(c) A beer dealer may not sell beer by the drink nor for consumption on the licensed premises nor shall a beer dealer allow it to be consumed on the licensed premises.

(d) Except as provided in subsection (e), a beer dealer shall be entitled to sell beer to a customer and deliver it in permissible containers to the customer on the licensed premises, or to the customer's residence or office. A beer dealer shall not be entitled to sell and deliver beer on the street or at the curb outside the licensed premises; nor shall a beer dealer be entitled to sell beer at a place other than the licensed premises. A beer dealer shall not be entitled to sell beer and deliver beer for carry-out, or for delivery to a customer's residence or office, in a quantity that exceeds eight hundred sixty-four (864) ounces in a single transaction. However, notwithstanding IC 7.1-5-10-11, a beer dealer who is licensed pursuant to IC 7.1-3-10-4 shall be entitled to sell and deliver warm or cold beer for carry-out, or for delivery to a customer's residence, office, or a designated location in barrels or other commercial containers that do not exceed two thousand sixteen (2,016) ounces per container. This delivery may only be performed by the permit holder or an employee who holds an employee permit. The permit holder shall maintain a written record of each delivery for at least one (1) year that shows the customer's name, location of delivery, and quantity sold.

(e) Unless a beer dealer is a grocery store or drug store, a beer dealer may not sell or deliver alcoholic beverages or any other item through a window in the licensed premises to a patron who is outside the licensed premises. A beer dealer that is a grocery store or drug store may sell any item except alcoholic beverages through a window in the licensed premises to a patron who is outside the licensed premises."

Page 5, between lines 26 and 27, begin a new paragraph and insert:

**"(e) Any person who sells or furnishes liquor under a temporary liquor permit issued under this section:**

**(1) shall have an employee permit under IC 7.1-3-18-9 that authorizes the person to perform bartending duties;**

**(2) shall have completed any alcohol server program or alcohol server training program refresher courses required under IC 7.1-3-1.5; and**

**(3) may not have any violations under this title."**

Page 6, between lines 16 and 17, begin a new paragraph and insert:

"SECTION 15. IC 7.1-3-12-5, AS AMENDED BY P.L.186-2011, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 5. (a) The holder of a farm winery permit:

(1) is entitled to manufacture wine and to bottle wine produced by the permit holder's farm winery;

(2) is entitled to serve complimentary samples of the winery's wine on the licensed premises or an outside area that is contiguous to the licensed premises as approved by the commission if each employee who serves wine on the licensed premises:

(A) holds an employee permit under IC 7.1-3-18-9; and

(B) completes a server training program approved by the commission;

(3) is entitled to sell the winery's wine on the licensed premises to consumers either by the glass, or by the bottle,

or both;

(4) is entitled to sell the winery's wine to consumers by the bottle at a farmers' market that is operated on a nonprofit basis;

(5) is entitled to sell wine by the bottle or by the case to a person who is the holder of a permit to sell wine at wholesale;

(6) is exempt from the provisions of IC 7.1-3-14;

(7) is entitled to advertise the name and address of any retailer or dealer who sells wine produced by the permit holder's winery;

(8) for wine described in IC 7.1-1-2-3(a)(4):

(A) may allow transportation to and consumption of the wine on the licensed premises; and

(B) may not sell, offer to sell, or allow the sale of the wine on the licensed premises;

(9) is entitled to purchase and sell bulk wine as set forth in this chapter;

(10) is entitled to sell wine as authorized by this section for carryout on Sunday; and

(11) is entitled to sell and ship the farm winery's wine to a person located in another state in accordance with the laws of the other state.

(b) With the approval of the commission, a holder of a permit under this chapter may conduct business at not more than three (3) additional locations that are separate from the winery. At the additional locations, the holder of a permit may conduct any business that is authorized at the first location, except for the manufacturing or bottling of wine.

(c) With the approval of the commission, a holder of a permit under this chapter may, individually or with other permit holders under this chapter, **including the holder of:**

**(1) an artisan distiller's permit; and**

**(2) a brewer's permit who manufactures not more than ninety thousand (90,000) barrels of beer in a calendar year for sale or distribution within Indiana;**

participate in a trade show or an exposition at which products of each permit holder participant are displayed, promoted, and sold. The commission may not grant approval under this subsection to a holder of a permit under this chapter for more than forty-five (45) days in a calendar year."

Page 10, line 29, delete "chapter;" and insert **"chapter, including the holder of a:**

**(1) farm winery permit; and**

**(2) brewer's permit who manufactures not more than ninety thousand (90,000) barrels of beer in a calendar year for sale or distribution within Indiana."**

Page 12, line 4, delete "hard cider" and insert **"a product from a farm winery"**.

Page 12, line 6, delete "an entity that manufactures".

Page 12, line 7, delete "hard cider under" and insert **"a farm winery with"**.

Page 13, delete lines 19 through 42.

Page 14, delete lines 1 through 3.

Re-number all SECTIONS consecutively.

(Reference is to HB 1386 as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 12, nays 0.

DERMODY, Chair

Report adopted.

#### COMMITTEE REPORT

Mr. Speaker: Your Committee on Public Health, to which was referred House Bill 1390, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Delete everything after the enacting clause and insert the following:

SECTION 1. IC 25-26-13-4, AS AMENDED BY P.L.182-2009(ss), SECTION 371, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 4. (a) The board may:

- (1) ~~promulgate~~ **adopt** rules and regulations under IC 4-22-2 for implementing and enforcing this chapter;
- (2) establish requirements and tests to determine the moral, physical, intellectual, educational, scientific, technical, and professional qualifications for applicants for pharmacists' licenses;
- (3) refuse to issue, deny, suspend, or revoke a license or permit or place on probation or fine any licensee or permittee under this chapter;
- (4) regulate the sale of drugs and devices in the state of Indiana;
- (5) impound, embargo, confiscate, or otherwise prevent from disposition any drugs, medicines, chemicals, poisons, or devices which by inspection are deemed unfit for use or would be dangerous to the health and welfare of the citizens of the state of Indiana; the board shall follow those embargo procedures found in IC 16-42-1-18 through IC 16-42-1-31, and persons may not refuse to permit or otherwise prevent members of the board or their representatives from entering such places and making such inspections;
- (6) prescribe minimum standards with respect to physical characteristics of pharmacies, as may be necessary to the maintenance of professional surroundings and to the protection of the safety and welfare of the public;
- (7) subject to IC 25-1-7, investigate complaints, subpoena witnesses, schedule and conduct hearings on behalf of the public interest on any matter under the jurisdiction of the board;
- (8) prescribe the time, place, method, manner, scope, and subjects of licensing examinations which shall be given at least twice annually; and
- (9) perform such other duties and functions and exercise such other powers as may be necessary to implement and enforce this chapter.

(b) The board shall adopt rules under IC 4-22-2 for the following:

- (1) Establishing standards for the competent practice of pharmacy.
- (2) Establishing the standards for a pharmacist to counsel individuals regarding the proper use of drugs.
- (3) Establishing standards and procedures before January 1, 2006, to ensure that a pharmacist:

(A) has entered into a contract that accepts the return of expired drugs with; or

(B) is subject to a policy that accepts the return of expired drugs of;

a wholesaler, manufacturer, or agent of a wholesaler or manufacturer concerning the return by the pharmacist to the wholesaler, the manufacturer, or the agent of expired legend drugs or controlled drugs. In determining the standards and procedures, the board may not interfere with negotiated terms related to cost, expenses, or reimbursement charges contained in contracts between parties, but may consider what is a reasonable quantity of a drug to be purchased by a pharmacy. The standards and procedures do not apply to vaccines that prevent influenza, medicine used for the treatment of malignant hyperthermia, and other drugs determined by the board to not be subject to a return policy. An agent of a wholesaler or manufacturer must be appointed in writing and have policies, personnel, and facilities to handle properly returns of expired legend drugs and controlled substances.

(c) The board may grant or deny a temporary variance to a rule it has adopted if:

- (1) the board has adopted rules which set forth the

procedures and standards governing the grant or denial of a temporary variance; and

(2) the board sets forth in writing the reasons for a grant or denial of a temporary variance.

(d) The board shall adopt rules and procedures, in consultation with the medical licensing board, concerning the electronic transmission of prescriptions. The rules adopted under this subsection must address the following:

(1) Privacy protection for the practitioner and the practitioner's patient.

(2) Security of the electronic transmission.

(3) A process for approving electronic data intermediaries for the electronic transmission of prescriptions.

(4) Use of a practitioner's United States Drug Enforcement Agency registration number.

(5) Protection of the practitioner from identity theft or fraudulent use of the practitioner's prescribing authority.

(e) The governor may direct the board to develop:

(1) a prescription drug program that includes the establishment of criteria to eliminate or significantly reduce prescription fraud; and

(2) a standard format for an official tamper resistant prescription drug form for prescriptions (as defined in IC 16-42-19-7(1)).

The board may adopt rules under IC 4-22-2 necessary to implement this subsection.

(f) The standard format for a prescription drug form described in subsection (e)(2) must include the following:

(1) A counterfeit protection bar code with human readable representation of the data in the bar code.

(2) A thermochromic mark on the front and the back of the prescription that:

(A) is at least one-fourth (1/4) of one (1) inch in height and width; and

(B) changes from blue to clear when exposed to heat.

(g) The board may contract with a supplier to implement and manage the prescription drug program described in subsection (e). The supplier must:

(1) have been audited by a third party auditor using the SAS 70 audit or an equivalent audit for at least the three

(3) previous years; and

(2) be audited by a third party auditor using the SAS 70 audit or an equivalent audit throughout the duration of the contract;

in order to be considered to implement and manage the program.

(h) **The board shall adopt rules under IC 4-22-2 or emergency rules in the manner provided under IC 4-22-2-37.1, that take effect on January 1, 2017, concerning:**

**(1) professional determinations made under IC 35-48-4-14.7(d); and**

**(2) the determination of a relationship on record with the pharmacy under IC 35-48-4-14.7.**

**(i) The board shall:**

**(1) review professional determinations made by a pharmacist; and**

**(2) take appropriate disciplinary action against a pharmacist who violates a rule adopted under subsection (h) concerning a professional determination made;**

**under IC 35-48-4-14.7 concerning the sale of ephedrine and pseudoephedrine.**

SECTION 2. IC 34-30-2-152.3, AS AMENDED BY P.L.193-2013, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 152.3. **(a)**

~~IC 35-48-4-14.7~~ **IC 35-48-4-14.7(d) and IC 35-48-4-14.7(k)** (Concerning a pharmacy or NPLEx retailer who discloses information concerning the sale of a product containing ephedrine or pseudoephedrine).

**(b) IC 35-48-4-14.7(d)(3) (Concerning a pharmacist's professional judgment not to sell ephedrine or pseudoephedrine to an individual).**

SECTION 3. IC 35-48-4-14.3 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: **Sec. 14.3. (a) The board may adopt:**

**(1) a rule under IC 4-22-2; or**

**(2) an emergency rule in the manner provided under IC 4-22-2-37.1;**

**to declare that a product is an extraction resistant or a conversion resistant form of ephedrine or pseudoephedrine.**

**(b) The board, in consultation with the state police, shall find that a product is an extraction resistant or a conversion resistant form of ephedrine or pseudoephedrine if the board determines that the product does not pose a significant risk of being used in the manufacture of methamphetamine.**

SECTION 4. IC 35-48-4-14.7, AS AMENDED BY P.L.193-2013, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: **Sec. 14.7. (a) This section does not apply to the following:**

**(1) Ephedrine or pseudoephedrine dispensed pursuant to a prescription. Nothing in this section prohibits a person who is denied the sale of a nonprescription product containing pseudoephedrine or ephedrine from obtaining pseudoephedrine or ephedrine pursuant to a prescription.**

**(2) The sale of a drug containing ephedrine or pseudoephedrine to a licensed health care provider, pharmacist, retail distributor, wholesaler, manufacturer, or an agent of any of these persons if the sale occurs in the regular course of lawful business activities. However, a retail distributor, wholesaler, or manufacturer is required to report a suspicious order to the state police department in accordance with subsection (g).**

**(3) The sale of a drug containing ephedrine or pseudoephedrine by a person who does not sell exclusively to walk-in customers for the personal use of the walk-in customers. However, if the person described in this subdivision is a retail distributor, wholesaler, or manufacturer, the person is required to report a suspicious order to the state police department in accordance with subsection (g).**

**(b) The following definitions apply throughout this section:**

**(1) "Constant video monitoring" means the surveillance by an automated camera that:**

**(A) records at least one (1) photograph or digital image every ten (10) seconds;**

**(B) retains a photograph or digital image for at least seventy-two (72) hours;**

**(C) has sufficient resolution and magnification to permit the identification of a person in the area under surveillance; and**

**(D) stores a recorded photograph or digital image at a location that is immediately accessible to a law enforcement officer.**

**(2) "Convenience package" means a package that contains a drug having as an active ingredient not more than sixty (60) milligrams of ephedrine or pseudoephedrine, or both.**

**(3) "Ephedrine" means pure or adulterated ephedrine.**

**(4) "Pharmacy or NPLEx retailer" means:**

**(A) a pharmacy, as defined in IC 25-26-13-2;**

**(B) a retailer containing a pharmacy, as defined in IC 25-26-13-2; or**

**(C) a retailer that electronically submits the required information to the National Precursor Log Exchange (NPLEx) administered by the National Association of Drug Diversion Investigators (NADDI).**

**(5) "Pseudoephedrine" means pure or adulterated pseudoephedrine.**

**(6) "Retailer" means a grocery store, general merchandise store, or other similar establishment. The term does not include a pharmacy or NPLEx retailer.**

**(7) "Suspicious order" means a sale or transfer of a drug containing ephedrine or pseudoephedrine if the sale or transfer:**

**(A) is a sale or transfer that the retail distributor, wholesaler, or manufacturer is required to report to the United States Drug Enforcement Administration;**

**(B) appears suspicious to the retail distributor, wholesaler, or manufacturer in light of the recommendations contained in Appendix A of the report to the United States attorney general by the suspicious orders task force under the federal Comprehensive Methamphetamine Control Act of 1996; or**

**(C) is for cash or a money order in a total amount of at least two hundred dollars (\$200).**

**(8) "Unusual theft" means the theft or unexplained disappearance from a particular pharmacy or NPLEx retailer of drugs containing ten (10) grams or more of ephedrine, pseudoephedrine, or both in a twenty-four (24) hour period.**

**(c) A drug containing ephedrine or pseudoephedrine may be sold only by a pharmacy or NPLEx retailer. Except as provided in subsection (f), a retailer may not sell a drug containing ephedrine or pseudoephedrine:**

**(d) A pharmacy or NPLEx retailer may sell a drug that contains the active ingredient of ephedrine, pseudoephedrine, or both only if the pharmacy or NPLEx retailer complies with the following conditions:**

**(1) The pharmacy or NPLEx retailer does not sell the drug to a person less than eighteen (18) years of age.**

**(2) The pharmacy or NPLEx retailer does not sell drugs containing more than:**

**(A) three and six-tenths (3.6) grams of ephedrine or pseudoephedrine, or both, to one (1) individual on one (1) day;**

**(B) seven and two-tenths (7.2) grams of ephedrine or pseudoephedrine, or both, to one (1) individual in a thirty (30) day period; or**

**(C) sixty-one and two-tenths (61.2) grams of ephedrine or pseudoephedrine, or both, to one (1) individual in a three hundred sixty-five (365) day period.**

**(3) Beginning July 1, 2016, before the sale occurs, the pharmacist shall make a professional determination as to whether there is a legitimate medical or pharmaceutical need for ephedrine or pseudoephedrine before selling ephedrine or pseudoephedrine to an individual. The pharmacist's professional determination must comply with the rules adopted under IC 25-26-13-4 and may include the following:**

**(A) Prior medication filling history of the individual.**

**(B) Consulting with the individual.**

**(C) Other tools that provide professional reassurance to the pharmacist that a legitimate medical or pharmaceutical need for ephedrine or pseudoephedrine exists.**

**A pharmacist who in good faith does not sell ephedrine or pseudoephedrine to an individual under this subdivision is immune from civil liability unless the refusal to sell constitutes gross negligence or intentional, wanton, or willful misconduct.**

**(3) (4) The pharmacy or NPLEx retailer requires:**

**(A) the purchaser to produce a valid government issued photo identification card showing the date of birth of the person;**

**(B) the purchaser to sign a written or electronic log**

attesting to the validity of the information; and  
 (C) the clerk who is conducting the transaction to initial or electronically record the clerk's identification on the log.

Records from the completion of a log must be retained for at least two (2) years. A law enforcement officer has the right to inspect and copy a log or the records from the completion of a log in accordance with state and federal law. A pharmacy or NPLeX retailer may not sell or release a log or the records from the completion of a log for a commercial purpose. The Indiana criminal justice institute may obtain information concerning a log or the records from the completion of a log from a law enforcement officer if the information may not be used to identify a specific individual and is used only for statistical purposes. A pharmacy or NPLeX retailer that in good faith releases information maintained under this subsection is immune from civil liability unless the release constitutes gross negligence or intentional, wanton, or willful misconduct.

~~(4)~~ **(5)** The pharmacy or NPLeX retailer maintains a record of information for each sale of a nonprescription product containing pseudoephedrine or ephedrine. Required information includes:

- (A) the name and address of each purchaser;
- (B) the type of identification presented;
- (C) the governmental entity that issued the identification;
- (D) the identification number; and
- (E) the ephedrine or pseudoephedrine product purchased, including the number of grams the product contains and the date and time of the transaction.

~~(5)~~ **Beginning January 1, 2012;** ~~(6)~~ **(6)** A pharmacy or NPLeX retailer shall, except as provided in subdivision ~~(6)~~; **(7)**, before completing a sale of an over-the-counter product containing pseudoephedrine or ephedrine, electronically submit the required information to the National Precursor Log Exchange (NPLeX) administered by the National Association of Drug Diversion Investigators (NADDI), if the NPLeX system is available to pharmacies or NPLeX retailers in the state without a charge for accessing the system. The pharmacy or NPLeX retailer may not complete the sale if the system generates a stop sale alert.

~~(6)~~ **(7)** If a pharmacy or NPLeX retailer selling an over-the-counter product containing ephedrine or pseudoephedrine experiences mechanical or electronic failure of the electronic sales tracking system and is unable to comply with the electronic sales tracking requirement, the pharmacy or NPLeX retailer shall maintain a written log or an alternative electronic recordkeeping mechanism until the pharmacy or NPLeX retailer is able to comply with the electronic sales tracking requirement.

~~(7)~~ **(8)** The pharmacy or NPLeX retailer stores the drug behind a counter in an area inaccessible to a customer or in a locked display case that makes the drug unavailable to a customer without the assistance of an employee.

**(9) Beginning July 1, 2016, except as provided in subsection (f), the purchaser has a relationship on record with the pharmacy, as determined by the board under IC 25-26-13-4.**

- (e) A person may not purchase drugs containing more than:
  - (1) three and six-tenths (3.6) grams of ephedrine or pseudoephedrine, or both, on one (1) day;
  - (2) seven and two-tenths (7.2) grams of ephedrine or pseudoephedrine, or both, in a thirty (30) day period;
  - (3) sixty-one and two-tenths (61.2) grams of ephedrine or pseudoephedrine, or both, in a three hundred sixty-five (365) day period.

These limits apply to the total amount of base ephedrine and

pseudoephedrine contained in the products and not to the overall weight of the products.

~~(f)~~ **This subsection only applies to convenience packages. A retailer may sell convenience packages under this section without complying with the conditions listed in subsection (d):**

- ~~(1)~~ **after June 30, 2013; and**
- ~~(2)~~ **before January 1, 2014.**

**A retailer may not sell drugs containing more than sixty (60) milligrams of ephedrine or pseudoephedrine, or both in any one (1) transaction. A retailer who sells convenience packages must secure the convenience packages behind the counter in an area inaccessible to a customer or in a locked display case that makes the drug unavailable to a customer without the assistance of an employee. A retailer may not sell a drug containing ephedrine or pseudoephedrine after December 31, 2013.**

**(f) Beginning July 1, 2016, if a purchaser does not have a relationship on record with the pharmacy, as determined by rules adopted by the board under IC 25-26-13-4, or the pharmacist has made a professional determination that there is not a legitimate medical or pharmaceutical need for ephedrine or pseudoephedrine under subsection (d), the purchaser may, at the pharmacist's discretion, purchase only the following:**

- (1) A product that has been determined under section 14.3 of this chapter to be an extraction resistant or a conversion resistant form of ephedrine or pseudoephedrine.**
- (2) A product that contains not more than:**
  - (A) a total of seven hundred twenty (720) milligrams of ephedrine or pseudoephedrine per package; and**
  - (B) thirty (30) milligrams of ephedrine or pseudoephedrine per tablet.**

**The pharmacist may not sell more than one (1) package of ephedrine or pseudoephedrine to a purchaser under this subdivision per day.**

**However, if the pharmacist believes that the ephedrine or pseudoephedrine purchase will be used to manufacture methamphetamine, the pharmacist may refuse to sell ephedrine or pseudoephedrine to the purchaser.**

(g) A retail distributor, wholesaler, or manufacturer shall report a suspicious order to the state police department in writing.

(h) Not later than three (3) days after the discovery of an unusual theft at a particular retail store, the pharmacy or NPLeX retailer shall report the unusual theft to the state police department in writing. If three (3) unusual thefts occur in a thirty (30) day period at a particular pharmacy or NPLeX retailer, the pharmacy or NPLeX retailer shall, for at least one hundred eighty (180) days after the date of the last unusual theft, locate all drugs containing ephedrine or pseudoephedrine at that particular pharmacy or NPLeX retailer behind a counter in an area inaccessible to a customer or in a locked display case that makes the drug unavailable to customers without the assistance of an employee.

(i) A unit (as defined in IC 36-1-2-23) may not adopt an ordinance after February 1, 2005, that is more stringent than this section.

(j) A person who knowingly or intentionally violates this section commits a Class C misdemeanor. However, the offense is a Class A misdemeanor if the person has a prior unrelated conviction under this section.

(k) A pharmacy or NPLeX retailer that uses the electronic sales tracking system in accordance with this section is immune from civil liability for any act or omission committed in carrying out the duties required by this section, unless the act or omission was due to negligence, recklessness, or deliberate or wanton misconduct. A pharmacy or NPLeX retailer is immune from liability to a third party unless the pharmacy or NPLeX retailer has violated a provision of this section and the third party brings an action based on the pharmacy's or NPLeX retailer's violation

of this section.

- (1) The following requirements apply to the NPLEx:
  - (1) Information contained in the NPLEx may be shared only with law enforcement officials.
  - (2) A law enforcement official may access Indiana transaction information maintained in the NPLEx for investigative purposes.
  - (3) NADDI may not modify sales transaction data that is shared with law enforcement officials.
  - (4) At least one (1) time per week, NADDI shall forward Indiana data contained in the NPLEx, including data concerning a transaction that could not be completed due to the issuance of a stop sale alert, to the state police department.

SECTION 6. IC 35-48-7-2.7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: **Sec. 2.7. As used in this chapter, "controlled substance" has the meaning set forth in IC 35-48-1-9 and includes pure or adulterated ephedrine or pseudoephedrine.**

(Reference is to HB 1390 as introduced.)  
and when so amended that said bill do pass.  
Committee Vote: yeas 12, nays 1.

KIRCHHOFER, Chair

Report adopted.

The House recessed until the fall of the gavel.

## RECESS

The House reconvened at 12:26 p.m. with the Speaker in the Chair.

## REPORTS FROM COMMITTEES

### COMMITTEE REPORT

Mr. Speaker: A minority of your Committee on Ways and Means, which met on January 28, 2016, to consider House Bill 1001, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Delete the title and insert the following:

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

Delete everything after the enacting clause and insert the following:

SECTION 1. IC 4-13.6-5-4, AS AMENDED BY P.L.252-2015, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: **Sec. 4. (a) If the estimated cost of a public works project is less than ~~three one~~ hundred ~~fifty~~ thousand dollars (~~\$300,000~~), (\$150,000), the division may perform the public work without awarding a public works contract under section 2 of this chapter. In performing the public work, the division may authorize use of equipment owned, rented, or leased by the state, may authorize purchase of materials in the manner provided by law, and may authorize performance of the public work using employees of the state.**

(b) The workforce of a state agency may perform a public work described in subsection (a) only if:

- (1) the workforce, through demonstrated skills, training, or expertise, is capable of performing the public work; and
- (2) for a public works project under subsection (a) whose cost is estimated to be more than one hundred thousand dollars (\$100,000), the agency:

(A) publishes a notice under IC 5-3-1 that:

- (i) describes the public work that the agency intends to perform with its own workforce; and
- (ii) sets forth the projected cost of each component of the public work as described in subsection (a);

and

(B) determines at a public meeting that it is in the public interest to perform the public work with the agency's own workforce.

A public works project performed by an agency's own workforce must be inspected and accepted as complete in the same manner as a public works project performed under a contract awarded after receiving bids.

(c) If a public works project involves a structure, an improvement, or a facility under the control of an agency, the agency may not artificially divide the project to bring any part of the project under this section.

(d) If a public works project involves a structure, improvement, or facility under the control of the department of natural resources, the department of natural resources may purchase materials for the project in the manner provided by law and without a contract being awarded, and may use its employees to perform the labor and supervision, if:

- (1) the department of natural resources uses equipment owned or leased by it; and
- (2) the division of engineering of the department of natural resources estimates the cost of the public works project will be less than ~~three one~~ hundred ~~fifty~~ thousand dollars (~~\$300,000~~); (**\$150,000**).

(e) If a public works project involves a structure, improvement, or facility under the control of the department of correction, the department of correction may purchase materials for the project in the manner provided by law and use inmates in the custody of the department of correction to perform the labor and use its own employees for supervisory purposes, without awarding a contract, if:

- (1) the department of correction uses equipment owned or leased by it; and
- (2) the estimated cost of the public works project using employee or inmate labor is less than the greater of:
  - (A) fifty thousand dollars (\$50,000); or
  - (B) the project cost limitation set by IC 4-13-2-11.1.

All public works projects covered by this subsection must comply with the remaining provisions of this article, and all plans and specifications for the public works project must be approved by a licensed architect or engineer.

SECTION 2. IC 4-13.6-5-13 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: **Sec. 13. (a) As used in this section, "Indiana business" refers to any of the following:**

- (1) A business whose principal place of business is located in Indiana.
- (2) A business that pays a majority of its payroll (in dollar volume) to residents of Indiana.
- (3) A business that employs residents of Indiana as a majority of its employees.
- (4) A business that makes significant capital investments in Indiana as determined by the department.
- (5) A business that has a substantial positive economic impact on Indiana as determined by the department.

(b) There is a ten percent (10%) price preference for an Indiana business that:

- (1) submits a bid for the performance of the work on a public works project; and
- (2) claims the preference under subsection (e).

(c) Notwithstanding any statute that requires the award of a contract to the lowest responsive and responsible bidder or the lowest responsive and responsible quoter, but subject to subsection (d), a contract shall be awarded to the lowest responsive and responsible Indiana business that claims the preference provided by this section.

(d) Notwithstanding subsection (c), a contract shall be awarded to the lowest responsive and responsible bidder or quoter, regardless of the preference provided in this section,

if the lowest responsive and responsible bidder or quoter is an Indiana business.

(e) A business that wants to claim a preference provided under this section must do all the following:

(1) State in the business's bid that the business claims the preference provided by this section.

(2) Provide the following information to the department:

(A) The location of the business's principal place of business. If the business claims the preference as an Indiana business described in subsection (a)(1), a statement explaining the reasons the business considers the location named as the business's principal place of business.

(B) The amount of the business's total payroll and the amount of the business's payroll paid to residents of Indiana.

(C) The number of the business's employees and the number of the business's employees who are residents of Indiana.

(D) If the business claims the preference as an Indiana business described in subsection (a)(4), a description of the capital investments made in Indiana and a statement of the amount of those capital investments.

(E) If the business claims the preference as an Indiana business described in subsection (a)(5), a description of the substantial positive economic impact the business has on Indiana.

SECTION 3. IC 4-13.6-6-2.8 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 2.8. (a) As used in this section, "resident of Indiana" means a person who is at least eighteen (18) years of age and is one (1) of the following:

(1) A person who has registered a motor vehicle in Indiana.

(2) A person who is registered to vote in Indiana.

(3) A person who has a child enrolled in an elementary or a secondary school located in Indiana.

(4) A person who derives more than one-half (1/2) of the person's gross income (as defined in Section 61 of the Internal Revenue Code) from sources in Indiana, according to the provisions applicable to determining the source of adjusted gross income under IC 6-3-2-2. However, a person who would otherwise be considered a resident of Indiana under this subdivision is not a resident of Indiana if a preponderance of the evidence concerning the factors set forth in subdivisions (1) through (3) proves that the person is not a resident of Indiana.

(5) A person who:

(A) works from an office in Indiana;

(B) is on a payroll from a business located in Indiana;

(C) possesses a telephone with a telephone number that has an Indiana area code; or

(D) has a permanent place of doing business in Indiana;

for at least thirteen (13) months before entering into a contract or subcontract under this chapter.

(b) A contract for a public works project may not be awarded to a contractor who does not:

(1) employ residents of Indiana as at least ninety percent (90%) of the employees who work on the contract; and

(2) enter into subcontracts only with subcontractors who employ residents of Indiana as at least ninety percent (90%) of the employees who work on the subcontract.

(c) Before August 15, 2017, and before August 15 of each

year thereafter, the division shall file with the legislative council a report for the preceding year stating:

(1) for each contractor awarded a contract under this chapter; and

(2) for each subcontractor with which a contractor referred to in subdivision (1) enters into a contract in connection with a contract awarded under this chapter;

the percentage of the employees of the contractor or subcontractor who work on the contract and are residents of Indiana. The report to the legislative council must be in an electronic format under IC 5-14-6.

(d) A contract awarded under this chapter for a public works project is terminated if the division determines that the contractor has failed to:

(1) employ residents of Indiana as at least ninety percent (90%) of the employees who work on the contract; and

(2) enter into subcontracts only with subcontractors who employ residents of Indiana as at least ninety percent (90%) of the employees who work on the subcontract.

(e) A contractor or subcontractor who fails to employ residents of Indiana as at least ninety percent (90%) of the employees who work on the contract or subcontract for a public works project commits a Class B infraction for each nonresident of Indiana employed that exceeds the number of nonresident employees permitted by this section.

(f) If:

(1) a contract or subcontract subject to this section is funded in whole or in part with federal funds; and

(2) imposing the requirements of this section would cause the state to lose the federal funds for the contract, as determined by the federal agency providing the funds;

subsections (a) through (e) do not apply.

(g) If an agency of the federal government makes a determination under subsection (f) that causes a contract to be exempted from the requirements of subsections (a) through (e), this section is meant to express the view of the general assembly that expanding employment opportunities for Indiana residents remains a vital part of the state's economy.

(h) A contract exempted from the requirements of subsections (a) through (e) may not reference the employment of Indiana residents. The division may not consider the number of employment opportunities for Indiana residents when doing any of the following with respect to a project subject to a contract that is exempted from the requirements of subsections (a) through (e):

(1) Issuing a request for proposals.

(2) Issuing a bulletin inviting bids for the contract.

(3) Prequalifying a contractor for the contract.

(4) Evaluating a bid for the contract.

(i) This section does not apply to contracts entered into to perform work:

(1) resulting from an emergency; or

(2) performed by an artisan or by someone in a specialty area with limited persons able to perform the work.

SECTION 4. IC 5-16-1-1.5, AS AMENDED BY P.L.252-2015, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 1.5. (a) The governing board of any state educational institution, acting on behalf of said institution, may purchase materials in the manner provided by law and perform any work by means of its own employees and owned or leased equipment in the construction, rehabilitation, extension, maintenance or repair of any building, structure, improvement, or facility, of said institutions, without awarding a contract therefor, whenever the cost of such work shall be estimated to be less than ~~three~~ **one hundred fifty**

thousand dollars (~~\$300,000~~): **(\$150,000)**.

(b) The workforce of a state educational institution may perform a public work described in subsection (a) only if:

- (1) the workforce, through demonstrated skills, training, or expertise, is capable of performing the public work; and
- (2) for a public work project under subsection (a) whose cost is estimated to be more than one hundred thousand dollars (\$100,000), the state educational institution:

(A) publishes a notice under IC 5-3-1 that:

- (i) describes the public work that the state educational institution intends to perform with its own workforce; and
- (ii) sets forth the projected cost of each component of the public work as described in subsection (a); and

(B) determines at a public meeting that it is in the public interest to perform the public work with the state educational institution's own workforce.

A public work project performed by a state educational institution's own workforce must be inspected and accepted as complete in the same manner as a public work project performed under a contract awarded after receiving bids.

(c) If a public work project involves a structure, an improvement, or a facility under the control of a state educational institution, the state educational institution may not artificially divide the project to bring any part of the project under this section.

SECTION 5. IC 5-16-1-7.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: **Sec. 7.5. (a) As used in this section, "resident of Indiana" means a person who is at least eighteen (18) years of age and is one (1) of the following:**

- (1) A person who has registered a motor vehicle in Indiana.
- (2) A person who is registered to vote in Indiana.
- (3) A person who has a child enrolled in an elementary or a secondary school located in Indiana.
- (4) A person who derives more than one-half (1/2) of the person's gross income (as defined in Section 61 of the Internal Revenue Code) from sources in Indiana, according to the provisions applicable to determining the source of adjusted gross income under IC 6-3-2-2. However, a person who would otherwise be considered a resident of Indiana under this subdivision is not a resident of Indiana if a preponderance of the evidence concerning the factors set forth in subdivisions (1) through (3) proves that the person is not a resident of Indiana.

(5) A person who:

- (A) works from an office in Indiana;
- (B) is on a payroll from a business located in Indiana;
- (C) possesses a telephone with a telephone number that has an Indiana area code; or
- (D) has a permanent place of doing business in Indiana;

for at least thirteen (13) months before entering into a contract or subcontract under this chapter.

(b) A contract for a public works project under this chapter may not be awarded to a contractor who does not:

- (1) employ residents of Indiana as at least ninety percent (90%) of the employees who work on the contract; and
- (2) enter into subcontracts only with subcontractors who employ residents of Indiana as at least ninety percent (90%) of the employees who work on the subcontract.

(c) Before August 15, 2017, and before August 15 each year thereafter, any state agency entering into contracts under this chapter shall file with the legislative council a

report stating:

- (1) for each contractor awarded a contract under this chapter; and
- (2) for each subcontractor with which a contractor referred to in subdivision (1) enters into a contract in connection with a contract awarded under this chapter;

the percentage of the employees of the contractor or subcontractor who work on the contract and are residents of Indiana. The report to the legislative council must be in an electronic format under IC 5-14-6.

(d) A contract awarded under this chapter for a public works project is terminated if the state or commission determines that the contractor has failed to:

- (1) employ residents of Indiana as at least ninety percent (90%) of the employees who work on the contract; and
- (2) enter into subcontracts only with subcontractors who employ residents of Indiana as at least ninety percent (90%) of the employees who work on the subcontract.

(e) A contractor or subcontractor who fails to employ residents of Indiana as at least ninety percent (90%) of the employees who work on the contract or subcontract commits a Class B infraction for each nonresident of Indiana employed that exceeds the number of nonresident employees permitted by this section.

(f) If:

- (1) a contract or subcontract subject to this section is funded in whole or in part with federal funds; and
- (2) imposing the requirements of this section would cause the state to lose the federal funds for the contract, as determined by the federal agency providing the funds;

subsections (a) through (e) do not apply.

(g) If an agency of the federal government makes a determination under subsection (f) that causes a contract to be exempted from the requirements of subsections (a) through (e), this section is meant to express the view of the general assembly that expanding employment opportunities for Indiana residents remains a vital part of the state's economy.

(h) A contract exempted from the requirements of subsections (a) through (e) may not reference the employment of Indiana residents. The state or a commission may not consider the number of employment opportunities for Indiana residents when doing any of the following with respect to a project subject to a contract that is exempted from the requirements of subsections (a) through (e):

- (1) Issuing a request for proposals.
- (2) Issuing a bulletin inviting bids for the contract.
- (3) Prequalifying a contractor for the contract.
- (4) Evaluating a bid for the contract.

(i) This section does not apply to contracts entered into to perform work:

- (1) resulting from an emergency; or
- (2) performed by an artisan or by someone in a specialty area with limited persons able to perform the work.

SECTION 6. IC 5-16-1-10 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: **Sec. 10. (a) As used in this section, "Indiana business" refers to any of the following:**

- (1) A business whose principal place of business is located in Indiana.
- (2) A business that pays a majority of its payroll (in dollar volume) to residents of Indiana.
- (3) A business that employs residents of Indiana as a majority of its employees.
- (4) A business that makes significant capital investments in Indiana as determined by the Indiana



department of administration.

(5) A business that has a substantial positive economic impact on Indiana as determined by the Indiana department of administration.

(b) There is a ten percent (10%) price preference for an Indiana business that:

(1) submits a bid for the performance of the work on a public works project; and

(2) claims the preference under subsection (e).

(c) Notwithstanding any statute that requires the award of a contract to the lowest responsive and responsible bidder or the lowest responsive and responsible quoter, but subject to subsection (d), a contract shall be awarded to the lowest responsive and responsible Indiana business that claims the preference provided by this section.

(d) Notwithstanding subsection (c), a contract shall be awarded to the lowest responsive and responsible bidder or quoter, regardless of the preference provided in this section, if the lowest responsive and responsible bidder or quoter is an Indiana business.

(e) A business that wants to claim a preference provided under this section must do all the following:

(1) State in the business's bid that the business claims the preference provided by this section.

(2) Provide the following information to the awarding officer, commission, or agent and the department of administration:

(A) The location of the business's principal place of business. If the business claims the preference as an Indiana business described in subsection (a)(1), a statement explaining the reasons the business considers the location named as the business's principal place of business.

(B) The amount of the business's total payroll and the amount of the business's payroll paid to residents of Indiana.

(C) The number of the business's employees and the number of the business's employees who are residents of Indiana.

(D) If the business claims the preference as an Indiana business described in subsection (a)(4), a description of the capital investments made in Indiana and a statement of the amount of those capital investments.

(E) If the business claims the preference as an Indiana business described in subsection (a)(5), a description of the substantial positive economic impact the business has on Indiana.

SECTION 7. IC 5-16-7.2-1, AS ADDED BY P.L.252-2015, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 1. (a) This chapter applies to a public works contract awarded by a public agency after June 30, 2015, and before July 1, 2016.

(b) This chapter does not apply to contracts awarded by the Indiana department of transportation when IC 8-23-9 applies.

SECTION 8. IC 6-2.5-3.5-20, AS ADDED BY P.L.227-2013, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 20. (a) Each refiner or terminal operator and each qualified distributor that is required to remit gasoline use tax under this chapter shall remit the tax due to the department semimonthly, through the department's online tax filing system, according to the following schedule:

(1) On or before the tenth day of each month for gasoline sold after the fifteenth day and before the end of the preceding month.

(2) On or before the twenty-fifth day of each month for gasoline sold after the end of the preceding month and before the sixteenth day of the month in which the gasoline was sold.

(b) Before the end of each month, each refiner or terminal

operator and each qualified distributor shall file an electronic report covering the taxes owed and the gallons of gasoline sold or shipped during the preceding month. The report must include the following:

(1) The number of gallons of gasoline sold or shipped during the preceding month, identifying each purchaser or receiver as required by the department.

(2) The amount of tax paid by each purchaser or recipient.

(3) Any other information reasonably required by the department, including statistics to meet federal requirements.

(c) The gasoline use tax collected under this chapter shall be deposited in the same manner as state gross retail and use taxes are required to be deposited under ~~IC 6-2.5-10-1~~: **motor vehicle highway account (IC 8-14-1-1).**

SECTION 9. IC 6-2.5-7-5, AS AMENDED BY P.L.2-2014, SECTION 29, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 5. (a) Each retail merchant who dispenses special fuel from a metered pump shall, in the manner prescribed in IC 6-2.5-6, report to the department the following information:

(1) The total number of gallons of special fuel sold from a metered pump during the period covered by the report.

(2) The total amount of money received from the sale of special fuel during the period covered by the report.

(3) That portion of the amount described in subdivision (2) that represents state and federal taxes imposed under this article, IC 6-6-2.5, or Section 4041 or Section 4081 of the Internal Revenue Code.

(b) Concurrently with filing the report, the retail merchant shall remit the state gross retail tax in an amount which equals six and fifty-four hundredths percent (6.54%) of the gross receipts, including state gross retail taxes but excluding Indiana and federal special fuel taxes, received by the retail merchant from the sale of the special fuel that is covered by the report and on which the retail merchant was required to collect state gross retail tax. The retail merchant shall remit that amount regardless of the amount of state gross retail tax which the merchant has actually collected under this chapter. However, the retail merchant is entitled to deduct and retain the amounts prescribed in subsection (c), IC 6-2.5-6-10, and IC 6-2.5-6-11. **The state gross retail tax the retail merchant remits under this chapter shall be deposited in the motor vehicle highway account (IC 8-14-1-1).**

(c) A retail merchant is entitled to deduct from the amount of state gross retail tax required to be remitted under subsection (b) an amount equal to:

(1) the sum of the prepayment amounts made during the period covered by the retail merchant's report; minus

(2) the sum of prepayment amounts collected by the retail merchant, in the merchant's capacity as a qualified distributor, during the period covered by the retail merchant's report.

For purposes of this section, a prepayment of the gross retail tax is presumed to occur on the date on which it is invoiced.

SECTION 10. IC 6-2.5-10-1, AS AMENDED BY P.L.205-2013, SECTION 78, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 1. (a) The department shall account for all state gross retail and use taxes that it collects.

(b) The department shall deposit those collections **that are not specified for deposit in the motor vehicle highway account under IC 6-2.5-3.5-20 and IC 6-2.5-7-5** in the following manner:

(1) Ninety-eight and eight hundred forty-eight thousandths percent (98.848%) of the collections shall be paid into the state general fund.

(2) One percent (1%) of the collections shall be deposited in the motor vehicle highway account established under IC 8-14-1.



(3) Twenty-nine thousandths of one percent (0.029%) of the collections shall be deposited into the industrial rail service fund established under IC 8-3-1.7-2.

(4) One hundred twenty-three thousandths of one percent (0.123%) of the collections shall be deposited into the commuter rail service fund established under IC 8-3-1.5-20.5.

SECTION 11. IC 8-10-1-7.7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 7.7. (a) As used in this section, "resident of Indiana" means a person who is at least eighteen (18) years of age and is one (1) of the following:

(1) A person who has registered a motor vehicle in Indiana.

(2) A person who is registered to vote in Indiana.

(3) A person who has a child enrolled in an elementary or a secondary school located in Indiana.

(4) A person who derives more than one-half (1/2) of the person's gross income (as defined in Section 61 of the Internal Revenue Code) from sources in Indiana, according to the provisions applicable to determining the source of adjusted gross income under IC 6-3-2-2. However, a person who would otherwise be considered a resident of Indiana under this subdivision is not a resident of Indiana if a preponderance of the evidence concerning the factors set forth in subdivisions (1) through (3) proves that the person is not a resident of Indiana.

(5) A person who:

(A) works from an office in Indiana;

(B) is on a payroll from a business located in Indiana;

(C) possesses a telephone with a telephone number that has an Indiana area code; or

(D) has a permanent place of doing business in Indiana;

for at least thirteen (13) months before entering into a contract or subcontract under this chapter.

(b) A contract for a public works project under this chapter may not be awarded to a contractor who does not:

(1) employ residents of Indiana as at least ninety percent (90%) of the employees of the contractor who work on the contract; and

(2) enter into subcontracts only with subcontractors who employ residents of Indiana as at least ninety percent (90%) of the employees who work on the subcontract.

(c) Before August 15, 2017, and before August 15 each year thereafter, the commission shall file with the legislative council a report stating:

(1) for each contractor awarded a contract under this chapter; and

(2) for each subcontractor with which a contractor referred to in subdivision (1) enters into a contract in connection with a contract awarded under this chapter;

the percentage of the employees of the contractor or subcontractor who work on the contract and are residents of Indiana. The report to the legislative council must be in an electronic format under IC 5-14-6.

(d) A contract awarded under this chapter for a public works project is terminated if the commission determines that the contractor has failed to:

(1) employ residents of Indiana as at least ninety percent (90%) of the employees who work on the contract; and

(2) enter into subcontracts only with subcontractors who employ residents of Indiana as at least ninety percent (90%) of the employees who work on the subcontract.

(e) A contractor or subcontractor who fails to employ

residents of Indiana as at least ninety percent (90%) of the employees who work on the contract or subcontract commits a Class B infraction for each nonresident of Indiana employed that exceeds the number of nonresident employees permitted by this section.

(f) If:

(1) a contract or subcontract subject to this section is funded in whole or in part with federal funds; and

(2) imposing the requirements of this section would cause the state to lose the federal funds for the contract, as determined by the federal agency providing the funds;

subsections (a) through (e) do not apply.

(g) If an agency of the federal government makes a determination under subsection (f) that causes a contract to be exempted from the requirements of subsections (a) through (e), this section is meant to express the view of the general assembly that expanding employment opportunities for Indiana residents remains a vital part of the state's economy.

(h) A contract exempted from the requirements of subsections (a) through (e) may not reference the employment of Indiana residents. The commission may not consider the number of employment opportunities for Indiana residents when doing any of the following with respect to a project subject to a contract that is exempted from the requirements of subsections (a) through (e):

(1) Issuing a request for proposals.

(2) Issuing a bulletin inviting bids for the contract.

(3) Prequalifying a contractor for the contract.

(4) Evaluating a bid for the contract.

(i) This section does not apply to contracts entered into to perform work:

(1) resulting from an emergency; or

(2) performed by an artisan or by someone in a specialty area with limited persons able to perform the work.

SECTION 12. IC 8-10-1-7.9 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 7.9. (a) As used in this section, "Indiana business" refers to any of the following:

(1) A business whose principal place of business is located in Indiana.

(2) A business that pays a majority of its payroll (in dollar volume) to residents of Indiana.

(3) A business that employs residents of Indiana as a majority of its employees.

(4) A business that makes significant capital investments in Indiana as determined by the Indiana department of administration.

(5) A business that has a substantial positive economic impact on Indiana as determined by the Indiana department of administration.

(b) There is a ten percent (10%) price preference for an Indiana business that:

(1) submits a bid for the performance of the work on a public works project; and

(2) claims the preference under subsection (e).

(c) Notwithstanding any statute that requires the award of a contract to the lowest responsive and responsible bidder or the lowest responsive and responsible quoter, but subject to subsection (d), a contract shall be awarded to the lowest responsive and responsible Indiana business that claims the preference provided by this section.

(d) Notwithstanding subsection (c), a contract shall be awarded to the lowest responsive and responsible bidder or quoter, regardless of the preference provided in this section, if the lowest responsive and responsible bidder or quoter is an Indiana business.

(e) A business that wants to claim a preference provided under this section must do all the following:

**(1) State in the business's bid that the business claims the preference provided by this section.**

**(2) Provide the following information to the commission and the department of administration:**

**(A) The location of the business's principal place of business. If the business claims the preference as an Indiana business described in subsection (a)(1), a statement explaining the reasons the business considers the location named as the business's principal place of business.**

**(B) The amount of the business's total payroll and the amount of the business's payroll paid to residents of Indiana.**

**(C) The number of the business's employees and the number of the business's employees who are residents of Indiana.**

**(D) If the business claims the preference as an Indiana business described in subsection (a)(4), a description of the capital investments made in Indiana and a statement of the amount of those capital investments.**

**(E) If the business claims the preference as an Indiana business described in subsection (a)(5), a description of the substantial positive economic impact the business has on Indiana.**

SECTION 13. IC 8-14-1-1, AS AMENDED BY P.L.216-2014, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 1. As used in this chapter:

(1) "Motor vehicle highway account" means the account of the general fund of the state known as the "motor vehicle highway account" to which is credited collections from motor vehicle registration fees, licenses, driver's and chauffeur's license fees, gasoline taxes, auto transfer fees, certificate of title fees, weight taxes or excise taxes and all other similar special taxes, duties or excises of all kinds on motor vehicles, trailers, motor vehicle fuel, or motor vehicle owners or operators. The account also includes amounts distributed to the fund under IC 9-29 and the money deposited in the account under IC 6-2.5-3.5-20 and IC 6-2.5-7-5.

(2) The term "department" refers to the Indiana department of transportation.

(3) The term "highways" includes roadway, rights of way, bridges, drainage structures, signs, guard rails, protective structures in connection with highways, drains, culverts, and bridges and the substructure and superstructure of bridges and approaches thereto and streets and alleys of cities or towns.

(4) The term "construction" means the planning, supervising, inspecting, actual building, draining, and all expenses incidental to the construction of a highway.

(5) The term "reconstruction" means a widening or a rebuilding of the highway or any portion thereof.

(6) The term "maintenance" when used in reference to cities, towns, and counties as applied to that part of the highway other than bridges, means the constant making of needed repairs, to preserve a smooth surfaced highway, adequately drained, marked and guarded by protective structures for public safety and, as to bridges, means the constant making of needed repairs to preserve a smooth surfaced highway thereon and the safety and preservation of the bridge and its approaches, together with the substructure and superstructure thereof; and such term also means and includes the acquisition and use, in any manner, of all needed equipment, fuel, materials, and supplies essential and incident thereto.

(7) The term "vehicle registration" means the number of vehicles subject to registration under IC 9-18 which are registered thereunder, and, when used with respect to the

state, shall mean the number of vehicles registered in the state and, when used in respect to a county, city, or town, shall mean the number of vehicles registered by owners resident in the county, city, or town.

SECTION 14. IC 8-23-9-4.6 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 4.6. (a) As used in this section, "resident of Indiana" means a person who is at least eighteen (18) years of age and is one (1) of the following:

(1) A person who has registered a motor vehicle in Indiana.

(2) A person who is registered to vote in Indiana.

(3) A person who has a child enrolled in an elementary or a secondary school located in Indiana.

(4) A person who derives more than one-half (1/2) of the person's gross income (as defined in Section 61 of the Internal Revenue Code) from sources in Indiana, according to the provisions applicable to determining the source of adjusted gross income under IC 6-3-2-2. However, a person who would otherwise be considered a resident of Indiana under this subdivision is not a resident of Indiana if a preponderance of the evidence concerning the factors set forth in subdivisions (1) through (3) proves that the person is not a resident of Indiana.

(5) A person who:

(A) works from an office in Indiana;

(B) is on a payroll from a business located in Indiana;

(C) possesses a telephone with a telephone number that has an Indiana area code; or

(D) has a permanent place of doing business in Indiana;

for at least thirteen (13) months before entering into a contract or subcontract under this chapter.

(b) A contract for a public works project under this chapter may not be awarded to a contractor who does not:

(1) employ residents of Indiana as at least ninety percent (90%) of the employees of the contractor who work on the contract; and

(2) enter into subcontracts only with subcontractors who employ residents of Indiana as at least ninety percent (90%) of the employees working on the subcontract.

(c) Before August 15, 2017, and before August 15 each year thereafter, the department shall file with the legislative council a report stating:

(1) for each contractor awarded a contract under this chapter; and

(2) for each subcontractor with which a contractor referred to in subdivision (1) enters into a contract in connection with a contract awarded under this chapter;

the percentage of the employees of the contractor or subcontractor who work on the contract and are residents of Indiana. The report to the legislative council must be in an electronic format under IC 5-14-6.

(d) A contract awarded under this chapter for a public works project is terminated if the department determines that the contractor has failed to:

(1) employ residents of Indiana as at least ninety percent (90%) of the employees who work on the contract; and

(2) enter into subcontracts only with subcontractors who employ residents of Indiana as at least ninety percent (90%) of the employees who work on the subcontract.

(e) A contractor or subcontractor who fails to employ residents of Indiana as at least ninety percent (90%) of the employees who work on the contract or subcontract commits a Class B infraction for each nonresident of

Indiana employed that exceeds the number of nonresident employees permitted by this section.

(f) If:

- (1) a contract or subcontract subject to this section is funded in whole or in part with federal funds; and
- (2) imposing the requirements of this section would cause the state to lose the federal funds for the contract, as determined by the federal agency providing the funds;

subsections (a) through (e) do not apply.

(g) If an agency of the federal government makes a determination under subsection (f) that causes a contract to be exempted from the requirements of subsections (a) through (e), this section is meant to express the view of the general assembly that expanding employment opportunities for Indiana residents remains a vital part of the state's economy.

(h) A contract exempted from the requirements of subsections (a) through (e) may not reference the employment of Indiana residents. The department may not consider the number of employment opportunities for Indiana residents when doing any of the following with respect to a project subject to a contract that is exempted from the requirements of subsections (a) through (e):

- (1) Issuing a request for proposals.
- (2) Issuing a bulletin inviting bids for the contract.
- (3) Prequalifying a contractor for the contract.
- (4) Evaluating a bid for the contract.

(i) This section does not apply to contracts entered into to perform work:

- (1) resulting from an emergency; or
- (2) performed by an artisan or by someone in a specialty area with limited persons able to perform the work.

SECTION 15. IC 8-23-9-23.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 23.5. (a) As used in this section, "Indiana business" refers to any of the following:

- (1) A business whose principal place of business is located in Indiana.
- (2) A business that pays a majority of its payroll (in dollar volume) to residents of Indiana.
- (3) A business that employs residents of Indiana as a majority of its employees.
- (4) A business that makes significant capital investments in Indiana as determined by the Indiana department of administration.
- (5) A business that has a substantial positive economic impact on Indiana as determined by the Indiana department of administration.

(b) Except as prohibited by federal law, there is a ten percent (10%) price preference for an Indiana business that:

- (1) submits a bid for the performance of the work on a highway project; and
- (2) claims the preference under subsection (e).

(c) Notwithstanding any statute that requires the award of a contract to the lowest responsive and responsible bidder or the lowest responsive and responsible quoter, but subject to subsection (d) and any federal statute or regulation to the contrary, a contract shall be awarded to the lowest responsive and responsible Indiana business that claims the preference provided by this section.

(d) Notwithstanding subsection (c), a contract shall be awarded to the lowest responsive and responsible bidder or quoter, regardless of the preference provided in this section, if the lowest responsive and responsible bidder or quoter is an Indiana business.

(e) A business that wants to claim a preference provided under this section must do all the following:

(1) State in the business's bid that the business claims the preference provided by this section.

(2) Provide the following information to the department and the Indiana department of administration:

(A) The location of the business's principal place of business. If the business claims the preference as an Indiana business described in subsection (a)(1), a statement explaining the reasons the business considers the location named as the business's principal place of business.

(B) The amount of the business's total payroll and the amount of the business's payroll paid to residents of Indiana.

(C) The number of the business's employees and the number of the business's employees who are residents of Indiana.

(D) If the business claims the preference as an Indiana business described in subsection (a)(4), a description of the capital investments made in Indiana and a statement of the amount of those capital investments.

(E) If the business claims the preference as an Indiana business described in subsection (a)(5), a description of the substantial positive economic impact the business has on Indiana.

SECTION 16. IC 36-1-12-3, AS AMENDED BY P.L.213-2015, SECTION 263, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 3. (a) The board may purchase or lease materials in the manner provided in IC 5-22 and perform any public work, by means of its own workforce, without awarding a contract whenever the cost of that public work project is estimated to be less than ~~two one hundred fifty thousand dollars (\$250,000)~~ **(\$150,000)**. Before a board may perform any work under this section by means of its own workforce, the political subdivision or agency must have a group of employees on its staff who are capable of performing the construction, maintenance, and repair applicable to that work. For purposes of this subsection, the cost of a public work project includes:

- (1) the actual cost of materials, labor, equipment, and rental;
- (2) a reasonable rate for use of trucks and heavy equipment owned; and
- (3) all other expenses incidental to the performance of the project.

(b) This subsection applies only to a municipality or a county. The workforce of a municipality or county may perform a public work described in subsection (a) only if:

- (1) the workforce, through demonstrated skills, training, or expertise, is capable of performing the public work; and
- (2) for a public work project under subsection (a) whose cost is estimated to be more than one hundred thousand dollars (\$100,000), the board:

(A) publishes a notice under IC 5-3-1 that:

- (i) describes the public work that the board intends to perform with its own workforce; and
- (ii) sets forth the projected cost of each component of the public work as described in subsection (a); and

(B) determines at a public meeting that it is in the public interest to perform the public work with the board's own workforce.

A public work project performed by a board's own workforce must be inspected and accepted as complete in the same manner as a public work project performed under a contract awarded after receiving bids.

(c) When the project involves the rental of equipment with an operator furnished by the owner, or the installation or application of materials by the supplier of the materials, the

project is considered to be a public work project and subject to this chapter. However, an annual contract may be awarded for equipment rental and materials to be installed or applied during a calendar or fiscal year if the proposed project or projects are described in the bid specifications.

(d) A board of aviation commissioners or an airport authority board may purchase or lease materials in the manner provided in IC 5-22 and perform any public work by means of its own workforce and owned or leased equipment, in the construction, maintenance, and repair of any airport roadway, runway, taxiway, or aircraft parking apron whenever the cost of that public work project is estimated to be less than one hundred thousand dollars (\$100,000).

(e) Municipal and county hospitals must comply with this chapter for all contracts for public work that are financed in whole or in part with cumulative building fund revenue, as provided in section 1(c) of this chapter. However, if the cost of the public work is estimated to be less than fifty thousand dollars (\$50,000), as reflected in the board minutes, the hospital board may have the public work done without receiving bids, by purchasing the materials and performing the work by means of its own workforce and owned or leased equipment.

(f) If a public works project involves a structure, an improvement, or a facility under the control of a department (as defined in IC 4-3-19-2(2)), the department may not artificially divide the project to bring any part of the project under this section.

SECTION 17. IC 36-1-12-5.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: **Sec. 5.5. (a) As used in this section, "resident of Indiana" means a person who is at least eighteen (18) years of age and is one (1) of the following:**

(1) A person who has registered a motor vehicle in Indiana.

(2) A person who is registered to vote in Indiana.

(3) A person who has a child enrolled in an elementary or a secondary school located in Indiana.

(4) A person who derives more than one-half (1/2) of the person's gross income (as defined in Section 61 of the Internal Revenue Code) from sources in Indiana, according to the provisions applicable to determining the source of adjusted gross income under IC 6-3-2-2. However, a person who would otherwise be considered a resident of Indiana under this subdivision is not a resident of Indiana if a preponderance of the evidence concerning the factors set forth in subdivisions (1) through (3) proves that the person is not a resident of Indiana.

(5) A person who:

(A) works from an office in Indiana;

(B) is on a payroll from a business located in Indiana;

(C) possesses a telephone with a telephone number that has an Indiana area code; or

(D) has a permanent place of doing business in Indiana;

for at least thirteen (13) months before entering into a contract or subcontract under this chapter.

(b) A contract for a public works project under this chapter may not be awarded to a contractor who does not:

(1) employ residents of Indiana as at least ninety percent (90%) of the employees of the contractor who work on the contract; and

(2) enter into subcontracts only with subcontractors who employ residents of Indiana as at least ninety percent (90%) of the employees working on the subcontract.

(c) A contract awarded under this chapter for a public works project is terminated if the unit determines that the

contractor has failed to:

(1) employ residents of Indiana as at least ninety percent (90%) of the employees who work on the contract; and

(2) enter into subcontracts only with subcontractors who employ residents of Indiana as at least ninety percent (90%) of the employees who work on the subcontract.

(d) A contractor or subcontractor who fails to employ residents of Indiana as at least ninety percent (90%) of the employees who work on the contract or subcontract commits a Class B infraction for each nonresident of Indiana employed that exceeds the number of nonresident employees permitted by this section.

(e) If:

(1) a contract or subcontract subject to this section is funded in whole or in part with federal funds; and

(2) imposing the requirements of this section would cause the state to lose the federal funds for the contract, as determined by the federal agency providing the funds;

subsections (a) through (d) do not apply.

(f) If an agency of the federal government makes a determination under subsection (e) that causes a contract to be exempted from the requirements of subsections (a) through (d), this section is meant to express the view of the general assembly that expanding employment opportunities for Indiana residents remains a vital part of the state's economy.

(g) A contract exempted from the requirements of subsections (a) through (d) may not reference the employment of Indiana residents. A unit may not consider the number of employment opportunities for Indiana residents when doing any of the following with respect to a project subject to a contract that is exempted from the requirements of subsections (a) through (d):

(1) Issuing a request for proposals.

(2) Issuing a bulletin inviting bids for the contract.

(3) Prequalifying a contractor for the contract.

(4) Evaluating a bid for the contract.

(h) This section does not apply to contracts entered into to perform work:

(1) resulting from an emergency; or

(2) performed by an artisan or by someone in a specialty area with limited persons able to perform the work.

SECTION 18. [EFFECTIVE JULY 1, 2016] (a) IC 6-2.5-3.5-20 and IC 6-2.5-7-5, as amended by this act, apply to sales and use taxes collected after June 30, 2016.

(b) Before August 1, 2016, the treasurer of state shall transfer to the motor vehicle highway account (IC 8-14-1-1) an amount equal to:

(1) the use taxes collected on gasoline; and

(2) the state gross retail taxes collected on special fuel; for the six (6) month period beginning January 1, 2016, and ending June 30, 2016.

(c) This SECTION expires January 1, 2019.

Renumber all SECTIONS consecutively.

(Reference is to HB 1001 as printed January 22, 2016.) and when so amended that said bill do pass.

PORTER

#### HOUSE MOTION

Mr. Speaker: Pursuant to House Rule 47, I request to be excused from voting on the minority report on House Bill 1001. Pursuant to House Rule 46, the reason for the request is the following:

"I have a conflict of interest in that the legislative matter could be expected to have a unique, direct and substantial effect on the income of my child's corporation."

RIECKEN

Motion prevailed.

Upon request of Representatives Pelath and Porter, the Speaker ordered the roll of the House to be called. Roll Call 76: yeas 29, nays 67.

Report failed.

The question then was on the majority report.

#### COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1001, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 5, between lines 7 and 8, begin a new paragraph and insert:

"SECTION 7. IC 6-3-2-1, AS AMENDED BY P.L.80-2014, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 1. (a) Each taxable year, a tax at the following rate of adjusted gross income is imposed upon the adjusted gross income of every resident person, and on that part of the adjusted gross income derived from sources within Indiana of every nonresident person:

- (1) For taxable years beginning before January 1, 2015, three and four-tenths percent (3.4%).
- (2) For taxable years beginning after December 31, 2014, and before January 1, 2017, three and three-tenths percent (3.3%).
- (3) For taxable years beginning after ~~December 31, 2016,~~ **in calendar year 2017 or 2018, three and twenty-three hundredths percent (3.23%).**
- (4) **For taxable years beginning in calendar year 2019 or 2020, three and nineteen hundredths percent (3.19%).**
- (5) **For taxable years beginning in calendar year 2021 or 2022, three and fifteen hundredths percent (3.15%).**
- (6) **For taxable years beginning in calendar year 2023 or 2024, three and one-tenth percent (3.1%).**
- (7) **For taxable years beginning after calendar year 2024, three and six hundredths percent (3.06%).**

(b) Except as provided in section 1.5 of this chapter, each taxable year, a tax at the following rate of adjusted gross income is imposed on that part of the adjusted gross income derived from sources within Indiana of every corporation:

- (1) Before July 1, 2012, eight and five-tenths percent (8.5%).
- (2) After June 30, 2012, and before July 1, 2013, eight percent (8.0%).
- (3) After June 30, 2013, and before July 1, 2014, seven and five-tenths percent (7.5%).
- (4) After June 30, 2014, and before July 1, 2015, seven percent (7.0%).
- (5) After June 30, 2015, and before July 1, 2016, six and five-tenths percent (6.5%).
- (6) After June 30, 2016, and before July 1, 2017, six and twenty-five hundredths percent (6.25%).
- (7) After June 30, 2017, and before July 1, 2018, six percent (6.0%).
- (8) After June 30, 2018, and before July 1, 2019, five and seventy-five hundredths percent (5.75%).
- (9) After June 30, 2019, and before July 1, 2020, five and five-tenths percent (5.5%).
- (10) After June 30, 2020, and before July 1, 2021, five and twenty-five hundredths percent (5.25%).
- (11) After June 30, 2021, four and nine-tenths percent (4.9%).

(c) If for any taxable year a taxpayer is subject to different tax rates under subsection (b), the taxpayer's tax rate for that

taxable year is the rate determined in the last STEP of the following STEPS:

STEP ONE: Multiply the number of months in the taxpayer's taxable year that precede the month the rate changed by the rate in effect before the rate change.

STEP TWO: Multiply the number of months in the taxpayer's taxable year that follow the month before the rate changed by the rate in effect after the rate change.

STEP THREE: Divide the sum of the amounts determined under STEPS ONE and TWO by twelve (12).

However, the rate determined under this subsection shall be rounded to the nearest one-hundredth of one percent (0.01%).

SECTION 8. IC 6-3.5-4-1, AS AMENDED BY P.L.205-2013, SECTION 85, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1 2016]: Sec. 1. ~~As used in~~ **The following definitions apply throughout** this chapter:

- (1) "Adopting entity" means either the county council or the county income tax council established by IC 6-3.5-6-2 for the county, whichever adopts an ordinance to impose a surtax first.
- (2) "Branch office" means a branch office of the bureau of motor vehicles.
- (3) "County council" includes the city-county council of a county that contains a consolidated city of the first class.
- (4) "Motor vehicle" means a vehicle which is subject to the annual license excise tax imposed under IC 6-6-5.
- (5) "Net annual license excise tax" means the tax due under IC 6-6-5 after the application of the adjustments and credits provided by that chapter.
- (6) "Surtax" means the annual license excise surtax imposed by an adopting entity under this chapter.
- (7) **"Transportation asset management plan" has the meaning set forth in IC 8-23-30-1."**

Page 6, between lines 12 and 13, begin a new paragraph and insert:

"SECTION 9. IC 6-3.5-5-1, AS AMENDED BY P.L.205-2013, SECTION 92, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 1. ~~As used in~~ **The following definitions apply throughout** this chapter:

- (1) "Adopting entity" means either the county council or the county income tax council established by IC 6-3.5-6-2 for the county, whichever adopts an ordinance to impose a wheel tax first.
- (2) "Branch office" means a branch office of the bureau of motor vehicles.
- (3) "Bus" has the meaning set forth in IC 9-13-2-17(a).
- (4) "Commercial motor vehicle" has the meaning set forth in IC 6-6-5.5-1(c).
- (5) "County council" includes the city-county council of a county that contains a consolidated city of the first class.
- (6) "In-state miles" has the meaning set forth in IC 6-6-5.5-1(i).
- (7) "Political subdivision" has the meaning set forth in IC 34-6-2-110.
- (8) "Recreational vehicle" has the meaning set forth in IC 9-13-2-150.
- (9) "Semitrailer" has the meaning set forth in IC 9-13-2-164(a).
- (10) "State agency" has the meaning set forth in IC 34-6-2-141.
- (11) "Tractor" has the meaning set forth in IC 9-13-2-180.
- (12) "Trailer" has the meaning set forth in IC 9-13-2-184(a).
- (13) **"Transportation asset management plan" has the meaning set forth in IC 8-23-30-1.**
- (14) "Truck" has the meaning set forth in IC 9-13-2-188(a).
- (15) "Wheel tax" means the tax imposed under this chapter."

Page 7, between lines 17 and 18, begin a new line block

indented and insert:

**"(8) "Transportation asset management plan" has the meaning set forth in IC 8-23-30-1."**

Page 10, between lines 41 and 42, begin a new line block indented and insert:

**"(14) "Transportation asset management plan" has the meaning set forth in IC 8-23-30-1."**

Page 10, line 42, delete "(14)" and insert "(15)".

Page 11, line 1, delete "(15)" and insert "(16)".

Page 26, delete lines 16 through 25, begin a new paragraph and insert:

"SECTION 22. IC 6-7-1-0.4, AS ADDED BY P.L.220-2011, SECTION 161, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 0.4. (a) Notwithstanding section 14 of this chapter, revenue stamps paid for before July 1, 2007, and in the possession of a distributor may be used after June 30, 2007, only if the full amount of the tax imposed by section 12 of this chapter, as effective after June 30, 2007, and as amended by P.L.218-2007, is remitted to the department under the procedures prescribed by the department.

**(b) Notwithstanding section 14 of this chapter, revenue stamps paid for before July 1, 2016, and in the possession of a distributor may be used after June 30, 2016, only if the full amount of the tax imposed by section 12 of this chapter, as effective after June 30, 2016, and as amended by HEA 1001-2016, is remitted to the department under the procedures prescribed by the department."**

Page 27, line 20, delete "JULY 1, 2016:]" and insert "AUGUST 1, 2016:]".

Page 31, between lines 30 and 31, begin a new line block indented and insert:

**"(4) "Transportation asset management plan" includes planning for drainage systems and rights-of-way that affect transportation assets."**

Renumber all SECTIONS consecutively.

(Reference is to HB 1001 as printed January 22, 2016.) and when so amended that said bill do pass.

Committee Vote: yeas 14, nays 7.

BROWN T, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1004, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

(Reference is to HB1004 as printed January 26, 2016.)

Committee Vote: Yeas 13, Nays 9.

BROWN T, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1395, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

(Reference is to HB1395 as printed January 26, 2016.)

Committee Vote: Yeas 14, Nays 8.

BROWN T, Chair

Report adopted.

HOUSE BILLS ON SECOND READING

House Bill 1005

Representative DeVon called down House Bill 1005 for second reading. The bill was read a second time by title.

HOUSE MOTION  
(Amendment 1005-2)

Mr. Speaker: I move that House Bill 1005 be amended to read as follows:

Page 2, line 15, after "teachers" insert **"with the assistance and participation of the teachers' exclusive representative"**. (Reference is to HB 1005 as printed January 26, 2016.)

AUSTIN

Upon request of Representatives Pelath and Porter, the Speaker ordered the roll of the House to be called. Roll Call 77: yeas 34, nays 61. Motion failed.

HOUSE MOTION  
(Amendment 1005-3)

Mr. Speaker: I move that House Bill 1005 be amended to read as follows:

Page 2, line 6, after "pay" insert **"and any other matter associated with salary, wages, and wage-related benefits"**.

Page 2, line 7, delete "may not" and insert **"must"**.

Page 5, between lines 17 and 18, begin a new paragraph and insert:

**"Sec. 5. Elements included in the TAP program that relate to compensation issues must be collectively bargained under IC 20-29."**

(Reference is to HB 1005 as printed January 26, 2016.)

V. SMITH

Upon request of Representatives Pelath and Porter, the Speaker ordered the roll of the House to be called. Roll Call 78: yeas 30, nays 65. Motion failed. The bill was ordered engrossed.

House Bill 1046

Representative Beumer called down House Bill 1046 for second reading. The bill was read a second time by title.

HOUSE MOTION  
(Amendment 1046-1)

Mr. Speaker: I move that House Bill 1046 be amended to read as follows:

Page 1, between lines 14 and 15, begin a new paragraph and insert:

**"SECTION 2. IC 6-3-2-26 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 26. (a) This section applies only to taxable years beginning after December 31 of the year in which section 1 of this chapter is amended in such a way as to decrease the corporate income tax rate as set forth in section 1(b) of this chapter, in effect January 1, 2016, for any period ending before July 1, 2021.**

**(b) Each taxable year, an individual filing a single return is entitled to a deduction of five hundred dollars (\$500) from adjusted gross income to offset the individual's payment of the state gross retail and use taxes during the taxable year if the individual's adjusted gross income for the taxable year, calculated without regard for this section, does not exceed twenty thousand dollars (\$20,000).**

**(c) Each taxable year, a married couple filing a joint return is entitled to a deduction of five hundred dollars (\$500) from adjusted gross income to offset the married couple's payment of the state gross retail and use taxes during the taxable year if the married couple's adjusted gross income for the taxable year, calculated without regard for this section, does not exceed twenty-five thousand dollars (\$25,000).**

**(d) A taxpayer is not required to substantiate the taxpayer's expenditures of the state gross retail and use taxes for any taxable year to which this section applies in order to qualify for the deduction provided by this section."**

Renumber all SECTIONS consecutively.

(Reference is to HB 1046 as printed January 26, 2016.)

PORTER

Representative Torr rose to a point of order, citing Rule 80, stating that the motion was not germane to the bill. The Speaker ruled the point was well taken and the motion was out of order.

HOUSE MOTION  
(Amendment 1046-3)

Mr. Speaker: I move that House Bill 1046 be amended to read as follows:

Page 1, between lines 14 and 15, begin a new paragraph and insert:

"SECTION 2. IC 6-2.5-5-48 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: **Sec. 48. Sales of tangible personal property are exempt from the state gross retail tax if the property is used for feminine hygiene.**"

Renumber all SECTIONS consecutively.

(Reference is to HB 1046 as printed January 26, 2016.)

HALE

Upon request of Representatives Pelath and Porter, the Speaker ordered the roll of the House to be called. Roll Call 79: yeas 28, nays 67. Motion failed.

HOUSE MOTION  
(Amendment 1046-4)

Mr. Speaker: I move that House Bill 1046 be amended to read as follows:

Page 1, between lines 14 and 15, begin a new paragraph and insert:

"(d) **The sales tax exemption under this section shall not apply to transactions that occur after June 30, 2018.**

(e) **After June 30, 2018, and before August 1, 2018, the department of state revenue shall prepare and submit a report to the legislative council in an electronic format under IC 5-14-6. The report must include the following:**

(1) **A statement of the net fiscal impact to the state as a result of the sales tax exemption under this section for the period beginning July 1, 2016, and ending June 30, 2018.**

(2) **A statement that the total loss in state revenue (if any) as a result of the sales tax exemption under this section for the period beginning July 1, 2016, and ending June 30, 2018, is either less than or equal to five hundred thousand dollars (\$500,000) or is more than five hundred thousand dollars (\$500,000), as the case may be, as determined by the department of state revenue.**

(f) **If the total loss in state revenue as a result of the sales tax exemption for precious metals bullion or currency for the period beginning July 1, 2016, and ending June 30, 2018, is more than five hundred thousand dollars (\$500,000), then the legislative services agency shall prepare a bill for introduction in the next session of the general assembly that would enact a law to allow a sales tax exemption for precious metals bullion or currency similar to sales tax exemption under this section."**

(Reference is to HB 1046 as printed January 26, 2016.)

PORTER

Upon request of Representatives Pelath and Lawson, the Speaker ordered the roll of the House to be called. Roll Call 80: yeas 28, nays 67. Motion failed.

HOUSE MOTION  
(Amendment 1046-5)

Mr. Speaker: I move that House Bill 1046 be amended to read as follows:

Page 1, between lines 14 and 15, begin a new paragraph and insert:

"SECTION 2. IC 6-2.5-5-51 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: **Sec. 51. Sales of baby diapers and products worn by children and adults to manage**

**incontinence are exempt from the state gross retail tax."**

Renumber all SECTIONS consecutively.

(Reference is to HB 1046 as printed January 26, 2016.)

HALE

Upon request of Representatives Porter and GiaQuinta, the Speaker ordered the roll of the House to be called. Roll Call 81: yeas 33, nays 62. Motion failed. The bill was ordered engrossed.

House Bill 1219

Representative Clere called down House Bill 1219 for second reading. The bill was read a second time by title.

HOUSE MOTION  
(Amendment 1219-1)

Mr. Speaker: I move that House Bill 1219 be amended to read as follows:

Page 1, line 6, delete "A" and insert "**Notwithstanding IC 20-32-4-1, IC 20-32-4-4(5), and IC 20-32-4-5(b)(2)(E), a**"

Page 1, line 8, delete "." and insert "**unless otherwise required as part of the student's individualized education program under IC 20-35.**"

(Reference is to HB 1219 as printed January 26, 2016.)

CLERE

Motion prevailed. The bill was ordered engrossed.

House Bill 1232

Representative Clere called down House Bill 1232 for second reading. The bill was read a second time by title.

HOUSE MOTION  
(Amendment 1232-1)

Mr. Speaker: I move that House Bill 1232 be amended to read as follows:

Page 1, after line 5, begin a new paragraph and insert:

"SECTION 2. IC 25-1-1.1-4, AS AMENDED BY P.L.3-2014, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 4. (a) This section applies to an individual who is applying for, or will be applying for, an initial license or an initial certificate under one (1) of the occupations or professions described in IC 25-0.5-1.

(b) **The following definitions apply throughout this section:**

(1) **"Expanded criminal history check" has the meaning set forth in IC 20-26-2-1.5.**

(2) **As used in this chapter, "national "National criminal history background check" means the criminal history record system maintained by the Federal Bureau of Investigation based on fingerprint identification or any other method of positive identification.**

(c) An individual applying for an initial license or initial certificate specified in subsection (a) shall submit to:

(1) **an expanded criminal history check; or**

(2) **a national criminal history background check at the cost of the individual.**

**The Indiana professional licensing agency shall make the determination whether an individual shall submit to an expanded criminal history check or a national criminal history background check under this section.**

(d) The:

(1) **state police department; or**

(2) **consumer reporting agency regulated under 15 U.S.C. 1681 et seq.;**

shall release the results of **an expanded criminal history check or a national criminal history background check** conducted under this section to the Indiana professional licensing agency.

(e) A board, a commission, or a committee may conduct a random audit and require an individual seeking a renewal of a license or a certificate specified in subsection (a) to submit to **an expanded criminal history check or a national criminal history background check** at the cost of the individual."



(Reference is to HB 1232 as printed January 26, 2016.)  
THOMPSON

Motion prevailed. The bill was ordered engrossed.

**House Bill 1330**

Representative Behning called down House Bill 1330 for second reading. The bill was read a second time by title.

HOUSE MOTION  
(Amendment 1330-1)

Mr. Speaker: I move that House Bill 1330 be amended to read as follows:

Page 7, between lines 10 and 11, begin a new paragraph and insert:

"SECTION 15. IC 20-29-6-3, AS AMENDED BY P.L.48-2011, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 3. (a) It is unlawful for a school employer to enter into any agreement that would place the employer in a position of deficit financing due to a reduction in the employer's actual general fund revenue or an increase in the employer's expenditures when the expenditures exceed the employer's current year actual general fund revenue.

(b) A contract that provides for deficit financing is void to that extent, and an individual teacher's contract executed under the contract is void to that extent.

**(c) A school employer is not considered to be in a position of deficit financing if the school employer has an amount equal to more than eight percent (8%) of the school employer's annual budget in the school employer's combined general fund cash and rainy day fund balances.**

SECTION 16. IC 20-29-6-4, AS AMENDED BY P.L.213-2015, SECTION 186, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 4. (a) A school employer shall bargain collectively with the exclusive representative on the following:

- (1) Salary.
- (2) Wages.
- (3) Salary and wage related fringe benefits, including accident, sickness, health, dental, vision, life, disability, retirement benefits, and paid time off as permitted to be bargained under IC 20-28-9-11.
- (4) School calendar.**
- (5) Hours.**
- (6) Working conditions.**

(b) Salary and wages include the amounts of pay increases available to employees under the compensation plan adopted under IC 20-28-9-1.5, but do not include the teacher evaluation procedures and criteria, any components of the teacher evaluation plan, rubric, or tool, or any performance stipend or addition to base salary based on a performance stipend to an individual teacher under IC 20-43-10-3.

SECTION 17. IC 20-29-6-4.5, AS AMENDED BY P.L.213-2015, SECTION 187, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 4.5. (a) For a contract entered into after June 30, 2011, a school employer may not bargain collectively with the exclusive representative on the following:

- ~~(1) The school calendar.~~
- ~~(2) (1) Teacher dismissal procedures and criteria.~~
- ~~(3) (2) Restructuring options available to a school employer under federal or state statutes, regulations, or rules because of the failure of the school corporation or a school to meet federal or state accountability standards.~~
- ~~(4) (3) The ability of a school employer to contract, partner, or operate jointly with an educational entity that provides postsecondary credits to students of the school employer or dual credits from the school employer and the educational entity.~~
- ~~(5) (4) Any subject not expressly listed in section 4 of this~~

chapter.

(b) For a contract entered into after January 1, 2015, for a school year beginning after June 30, 2015, a school employer may not bargain collectively with the exclusive representative for the following:

- (1) A matter described in subsection (a).
- (2) A matter that another statute specifies is not subject to collective bargaining, including IC 20-28-9-1.5 and IC 20-43-10-3.

(c) A subject set forth in subsection (a) or (b) that may not be bargained collectively may not be included in an agreement entered into under this article.

SECTION 18. IC 20-29-6-7, AS AMENDED BY P.L.213-2015, SECTION 189, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 7. A school employer shall discuss with the exclusive representative of certificated employees the following items:

- (1) Curriculum development and revision.
- (2) Selection of curricular materials.
- (3) Teaching methods.
- (4) Hiring, evaluation, promotion, demotion, transfer, assignment, and retention of certificated employees.
- (5) Student discipline.
- (6) Expulsion or supervision of students.
- (7) Pupil/teacher ratio.
- (8) Class size or budget appropriations.
- (9) Safety issues for students and employees in the workplace, except those items required to be kept confidential by state or federal law.

~~(10) Hours.~~

~~(11) (10) Funding for a plan for a remediation program for any subset of students enrolled in kindergarten through grade 12.~~

~~(12) (11) The following nonbargainable items under IC 20-43-10-3:~~

- (A) Performance grants.
- (B) Individual performance stipends to teachers.
- (C) Additions to base salary based on performance stipends.

~~(13) (12) The pre-evaluation planning session required under IC 20-28-11.5-4.~~

~~(14) (13) The superintendent's report to the governing body concerning staff performance evaluations required under IC 20-28-11.5-9.~~

SECTION 19. IC 20-29-8-7, AS AMENDED BY P.L.219-2015, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 7. (a) When a factfinder is requested or required under IC 20-29-6, the board shall appoint a factfinder from the staff or panel established under section 6 of this chapter.

(b) The factfinder shall make an investigation and hold hearings as the factfinder considers necessary in connection with a dispute.

(c) The factfinder:

- (1) may restrict the factfinder's findings to those issues that the factfinder determines significant;
- (2) must restrict the findings to the items listed in IC 20-29-6-4; and
- (3) may not impose terms beyond those proposed by the parties in their last, best offers.

(d) The factfinder may use evidence furnished to the factfinder by:

- (1) the parties;
- (2) the board;
- (3) the board's staff; or
- (4) any other state agency.

(e) The factfinder shall conduct the factfinding hearing in public in a room or facility owned by the county or local unit of government located in the county in which the school employer is located, or if the school employer is located in more than one



(1) county, in the county in which the greatest number of students who attend the school employer's schools reside. The public hearing may begin not earlier than ~~October~~ **November 1** in the first year of the state budget biennium and must be concluded by ~~December 31~~ **January 31** of the same **immediately following** year.

(f) The factfinding process may not exceed thirty (30) days from beginning to end, and not more than two (2) of those days may be used for public testimony, which may be taken at the discretion of the factfinder. During the public hearing, each party shall present fully its last, best offer, including the fiscal rationale for the offer. Only general operating funds and those funds certified by the department of education and the department of local government finance may be considered as a source of the funding for items, unless the school funding formula allows other funds to be used for certain items.

(g) The factfinder shall make a recommendation as to the settlement of the disputes over which the factfinder has jurisdiction.

(h) The factfinder shall:

- (1) make the investigation, hearing, and findings as expeditiously as the circumstances permit; and
- (2) deliver the findings to the parties and to the board.

(i) The board, after receiving the findings and recommendations, may make additional findings and recommendations to the parties based on information in:

- (1) the report; or
- (2) the board's own possession.

The board may not make any recommendations to the parties related to any items not specifically identified in IC 20-29-6-4.

(j) At any time within five (5) days after the findings and recommendations are delivered to the board, the board may make the findings and recommendations of the factfinder and the board's additional findings and recommendations, if any, available to the public through news media and other means the board considers effective.

(k) The board shall make the findings and recommendations described in subsection (j) available to the public not later than ten (10) days after the findings and recommendations are delivered to the board."

Renumber all SECTIONS consecutively.

(Reference is to HB 1330 as printed January 26, 2016.)

AUSTIN

Upon request of Representatives Pelath and Lawson, the Speaker ordered the roll of the House to be called. Roll Call 82: yeas 28, nays 65. Motion failed. The bill was ordered engrossed.

Representatives Pryor and M. Smith, who had been present, are now excused.

### House Bill 1370

Representative McNamara called down House Bill 1370 for second reading. The bill was read a second time by title.

#### HOUSE MOTION (Amendment 1370-4)

Mr. Speaker: I move that House Bill 1370 be amended to read as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 20-28-9-1.5 IS REPEALED [EFFECTIVE JULY 1, 2016]. Sec. 1-5: (a) This subsection governs salary increases for a teacher employed by a school corporation. Compensation attributable to additional degrees or graduate credits earned before the effective date of a local compensation plan created under this chapter before July 1, 2015, shall continue for school years beginning after June 30, 2015. Compensation attributable to additional degrees for which a teacher has started course work before July 1, 2011, and completed course work before September 2, 2014, shall also

continue for school years beginning after June 30, 2015. For school years beginning after June 30, 2015, a school corporation may provide a supplemental payment to a teacher in excess of the salary specified in the school corporation's compensation plan if the teacher has earned a master's degree from an accredited postsecondary educational institution in a content area directly related to the subject matter of:

- (1) a dual credit course; or
- (2) another course;

taught by the teacher. In addition, a supplemental payment may be made to an elementary school teacher who earns a master's degree in math or reading and literacy. A supplement provided under this subsection is not subject to collective bargaining, but a discussion of the supplement must be held. Such a supplement is in addition to any increase permitted under subsection (b).

(b) Increases or increments in a local salary range must be based upon a combination of the following factors:

- (1) A combination of the following factors taken together may account for not more than thirty-three percent (33%) of the calculation used to determine a teacher's increase or increment:
  - (A) The number of years of a teacher's experience.
  - (B) The attainment of either:
    - (i) additional content area degrees beyond the requirements for employment; or
    - (ii) additional content area degrees and credit hours beyond the requirements for employment, if required under an agreement bargained under IC 20-29-

- (2) The results of an evaluation conducted under IC 20-28-11.5.

- (3) The assignment of instructional leadership roles, including the responsibility for conducting evaluations under IC 20-28-11.5.

- (4) The academic needs of students in the school corporation.

(c) A teacher rated ineffective or improvement necessary under IC 20-28-11.5 may not receive any raise or increment for the following year if the teacher's employment contract is continued. The amount that would otherwise have been allocated for the salary increase of teachers rated ineffective or improvement necessary shall be allocated for compensation of all teachers rated effective and highly effective based on the criteria in subsection (b).

(d) A teacher who does not receive a raise or increment under subsection (c) may file a request with the superintendent or superintendent's designee not later than five (5) days after receiving notice that the teacher received a rating of ineffective. The teacher is entitled to a private conference with the superintendent or superintendent's designee.

(e) The department shall publish a model compensation plan with a model salary range that a school corporation may adopt. Before July 1, 2015, the department may modify the model compensation plan, as needed, to comply with subsection (f).

(f) Each school corporation shall submit its local compensation plan to the department. For a school year beginning after June 30, 2015, a local compensation plan must specify the range for teacher salaries. The department shall publish the local compensation plans on the department's Internet web site.

(g) The department shall report any noncompliance with this section to the state board.

(h) The state board shall take appropriate action to ensure compliance with this section.

(i) This chapter may not be construed to require or allow a school corporation to decrease the salary of any teacher below the salary the teacher was earning on or before July 1, 2015, if that decrease would be made solely to conform to the new compensation plan.

(j) After June 30, 2011, all rights, duties, or obligations established under IC 20-28-9-1 before its repeal are considered

rights, duties, or obligations under this section:

SECTION 2. IC 20-28-9-1.7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: **Sec. 1.7. A teacher's minimum salary for service during a nine (9) month school term is computed as follows:**

**(1) For a teacher who has completed four (4) years or one hundred forty-four (144) weeks of professional education, five thousand two hundred dollars (\$5,200), plus:**

**(A) an additional increment of one hundred fifty dollars (\$150) after each of the first ten (10) years of experience; and**

**(B) an additional increment of two hundred fifty dollars (\$250) after each of the following years of experience:**

**(i) The fifteenth.**

**(ii) The twentieth.**

**(2) For a teacher who has completed five (5) years or one hundred eighty (180) weeks of professional education, five thousand five hundred dollars (\$5,500), plus:**

**(A) an additional increment of one hundred fifty dollars (\$150) after each of the first eighteen (18) years of experience; and**

**(B) an additional increment of three hundred dollars (\$300) after each of the following years of experience:**

**(i) The nineteenth.**

**(ii) The twentieth.**

**(iii) The twenty-second.**

**(iv) The twenty-fourth.**

**(v) The twenty-sixth.**

**(vi) The thirtieth.**

**(3) For a teacher who has completed less than four (4) years of professional education, four thousand seven hundred dollars (\$4,700), plus an additional increment of one hundred twenty dollars (\$120) after each of the first ten (10) years of experience."**

Renumber all SECTIONS consecutively.

(Reference is to HB 1370 as printed January 26, 2016.)

DELANEY

Representative Torr rose to a point of order, citing Rule 80, stating that the motion was not germane to the bill. The Speaker ruled the point was well taken and the motion was out of order.

APPEAL OF THE RULING OF THE CHAIR

Mr. Speaker: We appeal the ruling of the Chair that Representative DeLaney's amendment House Bill 1370-4 violates House Rule 80. The amendment addresses and is assuredly germane to the bill's subject matter of education

DELANEY  
PIERCE

The Speaker yielded the gavel to the Speaker Pro Tempore, Representative Friend.

The question was, Shall the ruling of the Chair be sustained? Roll Call 83: yeas 65, nays 28. The ruling of the Chair was sustained.

The Speaker Pro Tempore yielded the gavel to the Speaker

HOUSE MOTION  
(Amendment 1370-5)

Mr. Speaker: I move that House Bill 1370 be amended to read as follows:

Page 1, line 4, delete "Dual Credit".

Page 1, delete lines 5 through 8.

Page 1, line 9, delete "3." and insert "1."

Page 1, line 10, delete "However, the term only includes high school".

Page 1, delete lines 11 through 15.

Page 1, line 16, delete "4." and insert "2."

Page 1, line 17, delete "to ensure that teachers who currently teach high" and insert ".".

Page 2, delete lines 1 through 4.

Page 2, line 5, delete "Department of Education."

Page 2, line 8, delete "dual credit course" and insert "teacher education".

Page 2, line 8, delete "The plan shall be submitted to".

Page 2, delete lines 9 through 11.

Page 2, line 12, delete "5." and insert "3."

(Reference is to HB 1370 as printed January 26, 2016.)

DELANEY

Upon request of Representatives Pelath and Porter, the Speaker ordered the roll of the House to be called. Roll Call 84: yeas 26, nays 65. Motion failed.

HOUSE MOTION  
(Amendment 1370-2)

Mr. Speaker: I move that House Bill 1370 be amended to read as follows:

Page 2, line 9, delete "dual credit advisory board established by the".

(Reference is to HB 1370 as printed January 26, 2016.)

MCNAMARA

Motion prevailed. The bill was ordered engrossed.

Representative Culver, who had been present, is now excused.

House Bill 1394

Representative Behning called down House Bill 1394 for second reading. The bill was read a second time by title.

HOUSE MOTION  
(Amendment 1394-1)

Mr. Speaker: I move that House Bill 1394 be amended to read as follows:

Page 3, between lines 2 and 3, begin a new paragraph and insert:

**"SECTION 2. IC 20-25.7-4-6.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: **Sec. 6.5. (a) In a state fiscal year, a school corporation may collect from an innovation network school with which the school corporation enters, renews, or amends an agreement under this chapter after June 30, 2016, an administrative fee or any other fees for overhead costs equal to not more than three percent (3%) of the total amount the school corporation distributes to the innovation network school during the state fiscal year for basic tuition support (as defined in IC 20-43-1-8).****

**(b) A school corporation's administrative fee or other fees for overhead costs may not include any costs incurred in delivering goods or services contracted for by an innovation network team as described in section 6(b) of this chapter. The school corporation shall use its funding provided under this section exclusively for the purpose of fulfilling the school corporation's obligations.**

**(c) A school corporation shall provide an innovation network school with the same or equivalent goods and services that the school corporation provides to schools in the school corporation that are not innovation network schools. A school corporation may not charge for any costs incurred in delivering goods or services to an innovation network school that the school corporation does not charge to a school that is not an innovation network school for the same or equivalent goods or services."**

Renumber all SECTIONS consecutively.

(Reference is to HB 1394 as printed January 26, 2016.)

DELANEY

Upon request of Representatives Pelath and Porter, the Speaker ordered the roll of the House to be called. Roll Call 85: yeas 27, nays 63. Motion failed.

HOUSE MOTION  
(Amendment 1394-7)

Mr. Speaker: I move that House Bill 1394 be amended to read as follows:

Page 2, between lines 16 and 17, begin a new line block indented and insert:

**"(6) A statement that the innovation network school will annually report to the department the salary of each administrator and board member of the school, in addition to the terms of each teacher, vendor, and supplier contract."**

Page 3, between lines 22 and 23, begin a new line block indented and insert:

**"(4) A statement that the innovation network charter school will annually report to the department the salary of each administrator and board member of the charter school, in addition to the terms of each teacher, vendor, and supplier contracts."**

(Reference is to HB 1394 as printed January 26, 2016.)

DELANEY

Upon request of Representatives Pelath and Lawson, the Speaker ordered the roll of the House to be called. Roll Call 86: yeas 29, nays 61. Motion failed.

Representative Wesco, who had been present, is now excused.

HOUSE MOTION  
(Amendment 1394-4)

Mr. Speaker: I move that House Bill 1394 be amended to read as follows:

Page 5, line 11, after "superintendent" insert **"or the assistant superintendent, whoever attended the conference,"**.

(Reference is to HB 1394 as printed January 26, 2016.)

AUSTIN

Upon request of Representatives Mahan and Truitt, the Speaker ordered the roll of the House to be called. Roll Call 87: yeas 88, nays 0. Motion prevailed.

HOUSE MOTION  
(Amendment 1394-2)

Mr. Speaker: I move that House Bill 1394 be amended to read as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 20-24-3-4.5, AS ADDED BY P.L.221-2015, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 4.5. (a) In reviewing and evaluating charter applications, an authorizer shall employ procedures, practices, and criteria consistent with nationally recognized principles and standards for quality charter authorizing. The application review process must include thorough evaluation of each written charter application and an in-person interview with the applicant group.

(b) **An authorizer shall make the decision to accept or reject a charter application in a public meeting, at which:**

- (1) oral and written testimony must be taken; and
- (2) any internal reports concerning the application, including a summary of any executive sessions concerning the application, must be disclosed;

**before a vote to approve or reject the application may be taken.**

SECTION 2. IC 20-24-3-10, AS AMENDED BY P.L.280-2013, SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 10. (a) An authorizer must notify the department of the following:

- (1) Receipt of a proposal.

(2) Acceptance of a proposal.

(3) Rejection of a proposal, including the reasons for the rejection.

(4) The length of time for which a charter is granted.

(5) **Goals the charter school is expected to complete:**

**(A) before the school opens for students; and**

**(B) by the end of the first year of operation.**

~~(5)~~ (6) School goals, educational program design, and an education management organization operating a school, if applicable.

~~(6)~~ (7) The name and address of the education management organization, and the name of the chief operating officer of the education management organization, if applicable.

(b) The department shall ~~annually~~ **semiannually** do the following

(1) Compile the information received under subsection (a) into a report.

(2) Submit the report in an electronic format under IC 5-14-6 to the legislative council.

**(3) Post the report on the department's Internet web site."**

Renumber all SECTIONS consecutively.

(Reference is to HB 1394 as printed January 26, 2016.)

PIERCE

Motion withdrawn.

HOUSE MOTION  
(Amendment 1394-6)

Mr. Speaker: I move that House Bill 1394 be amended to read as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

**"SECTION 1. IC 20-24-3-4.3 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 4.3. At the time an organizer submits to an authorizer a proposal to establish a charter school, the organizer shall submit to the school corporation in which the charter school would be located an analysis of how the new charter school would potentially affect enrollment for all other public schools located within the geographic boundaries of the school corporation.**

SECTION 2. IC 20-24-14 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]:

**Chapter 14. Charter School Market Assessment**

**Sec. 1. (a) The department shall conduct a market assessment concerning the following:**

**(1) Whether there is a need for additional charter schools based on the:**

**(A) demographics of Indiana; and**

**(B) projected enrollment in any additional charter schools.**

**(2) Whether there should be a moratorium on establishing additional charter schools until studies indicate that additional charter schools are viable and needed.**

**(3) Whether there should be a moratorium on establishing additional charter schools until studies indicate that existing charter schools achieve positive results.**

**(b) In conducting the market assessment under subsection (a), the department shall provide notice of and conduct public meetings to receive input on the topics described in subsection (a).**

**(c) Before January 1, 2017, the department shall prepare and submit a report to the legislative council in an electronic format under IC 5-14-6 of the department's findings and any recommendations by the department concerning the**

**market assessment conducted by the department under subsection (a).****Sec. 2. This chapter expires July 1, 2017."**

Renumber all SECTIONS consecutively.

(Reference is to HB 1394 as printed January 26, 2016.)

ERRINGTON

Upon request of Representatives Pelath and Porter, the Speaker ordered the roll of the House to be called. Roll Call 88: yeas 27, nays 64. Motion failed.

HOUSE MOTION  
(Amendment 1394-3)

Mr. Speaker: I move that House Bill 1394 be amended to read as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 20-24-3-4, AS AMENDED BY P.L.221-2015, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 4. (a) An organizer may submit to the authorizer a proposal to establish a charter school.

(b) A proposal must contain at least the following information:

- (1) Identification of the organizer.
- (2) A description of the organizer's organizational structure and governance plan.
- (3) The following information for the proposed charter school:
  - (A) Name.
  - (B) Purposes.
  - (C) Governance structure.
  - (D) Management structure.
  - (E) Educational mission goals.
  - (F) Curriculum and instructional methods.
  - (G) Methods of pupil assessment.
  - (H) Admission policy and criteria, subject to IC 20-24-5.
  - (I) School calendar.
  - (J) Age or grade range of students to be enrolled.
  - (K) A description of staff responsibilities.
  - (L) A description of the physical plant.
  - (M) Budget and financial plans.
  - (N) Personnel plan, including methods for selection, retention, and compensation of employees.
  - (O) Transportation plan.
  - (P) Discipline program, **subject to IC 20-24-5.5.**
  - (Q) Plan for compliance with any applicable desegregation order.
  - (R) The date when the charter school is expected to:
    - (i) begin school operations; and
    - (ii) have students attending the charter school.
  - (S) The arrangement for providing teachers and other staff with health insurance, retirement benefits, liability insurance, and other benefits.
  - (T) Any other applications submitted to an authorizer in the previous five (5) years.
- (4) The manner in which the authorizer must conduct an annual audit of the program operations of the charter school.

(c) In the case of a charter school proposal from an applicant that currently operates one (1) or more charter schools in any state or nation, the request for proposals shall additionally require the applicant to provide evidence of past performance and current capacity for growth.

(d) If the proposal described in subsection (a) concerns an existing charter school overseen by a different authorizer than the authorizer to which the organizer is submitting the proposal, the proposal must include written acknowledgement of the proposal from the current authorizer. Additionally, the authorizer receiving the proposal shall consult with the current

authorizer before granting approval of the proposal.

(e) This section does not waive, limit, or modify the provisions of:

(1) IC 20-29 in a charter school where the teachers have chosen to organize under IC 20-29; or

(2) an existing collective bargaining agreement for noncertificated employees (as defined in IC 20-29-2-11).

SECTION 2. IC 20-24-5-5, AS AMENDED BY P.L.221-2015, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 5. (a) Except as provided in subsections (b), (c), (d), ~~and~~ (e), **and (f)**, a charter school must enroll any eligible student who submits a timely application for enrollment.

(b) This subsection applies if the number of applications for a program, class, grade level, or building exceeds the capacity of the program, class, grade level, or building. If a charter school receives a greater number of applications than there are spaces for students, each timely applicant must be given an equal chance of admission. The organizer must determine which of the applicants will be admitted to the charter school or the program, class, grade level, or building by random drawing in a public meeting, **with each timely applicant limited to one (1) entry in the drawing.**

(c) A charter school may limit new admissions to the charter school to:

(1) ensure that a student who attends the charter school during a school year may continue to attend the charter school in subsequent years;

(2) ensure that a student who attends a charter school during a school year may continue to attend a different charter school held by the same organizer in subsequent years;

(3) allow the siblings of a student who attends a charter school or a charter school held by the same organizer to attend the same charter school the student is attending; and

(4) allow preschool students who attend a Level 3 or Level 4 Paths to QUALITY program (as defined in IC 12-17.2-3.8-1) preschool to attend kindergarten at a charter school if the charter school and the preschool provider have entered into an agreement to share services or facilities.

(d) This subsection applies to an existing school that converts to a charter school under IC 20-24-11. During the school year in which the existing school converts to a charter school, the charter school may limit admission to:

(1) those students who were enrolled in the charter school on the date of the conversion; and

(2) siblings of students described in subdivision (1).

(e) A charter school may give enrollment preference to children of the charter school's founders, governing body members, and charter school employees, as long as the enrollment preference under this subsection is not given to more than ten percent (10%) of the charter school's total population.

**(f) A charter school may not suspend or expel a charter school student or otherwise request a charter school student to transfer to another school on the basis of the following:**

**(1) Disability.**

**(2) Race.**

**(3) Color.**

**(4) Gender.**

**(5) National origin.**

**(6) Religion.**

**(7) Ancestry.**

**A charter school student may be expelled or suspended only in a manner consistent with discipline rules established under IC 20-24-5.5.**

SECTION 3. IC 20-24-5.5 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]:

**Chapter 5.5. Student Discipline**

**Sec. 1. A charter school shall:**

(1) establish written discipline rules, which must include a graduated system of discipline and may include:

(A) appropriate dress codes; and

(B) if applicable, an agreement for court assisted resolution of school suspension and expulsion cases; for the charter school; and

(2) publicize the discipline rules within the charter school where the discipline rules apply, which may include:

(A) making a copy of the discipline rules available to students or parents, guardians, or custodians of students; or

(B) delivering a copy of the discipline rules to students or parents, guardians, or custodians of students.

The publicity requirement is satisfied if the charter school makes a good faith effort to disseminate the text or substance of the discipline rules to students or parents, guardians, or custodians of students generally."

Renumber all SECTIONS consecutively.

(Reference is to HB 1394 as printed January 26, 2016.)

V. SMITH

Upon request of Representatives Mahan and Truitt, the Speaker ordered the roll of the House to be called. Roll Call 89: yeas 90, nays 0. Motion prevailed.

HOUSE MOTION  
(Amendment 1394-5)

Mr. Speaker: I move that House Bill 1394 be amended to read as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 20-24-9-8 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: **Sec. 8. Not later than October 1 of each year, a charter school shall report both the following to the department:**

(1) The number of teachers who are:

(A) employed by the charter school; and

(B) licensed under Indiana law.

(2) The number of teachers who are:

(A) employed by the charter school; and

(B) not licensed under Indiana law."

Page 6, between lines 9 and 10, begin a new paragraph and insert:

"SECTION 7. IC 20-51-4-12 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: **Sec. 12. Not later than October 1 of each year, an eligible school that receives funds under this chapter shall report both the following to the department:**

(1) The number of teachers who are:

(A) employed by the eligible school; and

(B) licensed under Indiana law.

(2) The number of teachers who are:

(A) employed by the eligible school; and

(B) not licensed under Indiana law."

Renumber all SECTIONS consecutively.

(Reference is to HB 1394 as printed January 26, 2016.)

V. SMITH

Upon request of Representatives Pelath and Porter, the Speaker ordered the roll of the House to be called. Roll Call 90: yeas 27, nays 63. Motion failed. The bill was ordered engrossed.

**OTHER BUSINESS ON THE SPEAKER'S TABLE****Referrals to Ways and Means**

The Speaker announced, pursuant to House Rule 127, that

House Bills 1077, 1168, 1316, 1380 and 1407 had been referred to the Committee on Ways and Means.

HOUSE MOTION

Mr. Speaker: I move that Representative Wesco be added as coauthor of House Bill 1005.

DEVON

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representatives Truitt, Miller and Porter be added as coauthors of House Bill 1068.

CULVER

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representatives Washburne, McNamara and Lawson be added as coauthors of House Bill 1069.

ZENT

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative VanNatter be added as coauthor of House Bill 1082.

WOLKINS

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Thompson be added as coauthor of House Bill 1096.

CHERRY

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Forestal be added as coauthor of House Bill 1130.

WESCO

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Lawson be added as coauthor of House Bill 1157.

FRIZZELL

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative DeVon be added as coauthor of House Bill 1179.

HARRIS

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representatives Bosma and Macer be added as coauthors of House Bill 1183.

FRIZZELL

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Thompson be added as coauthor of House Bill 1215.

CHERRY

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Schaibley be added as coauthor of House Bill 1219.

CLERE

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representatives C. Brown and Summers be added as coauthors of House Bill 1247.

EBERHART

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representatives Summers, Lucas and Dermody be added as coauthors of House Bill 1274.

CLERE

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Cook be added as coauthor of House Bill 1323.

WRIGHT

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Moed be added as coauthor of House Bill 1330.

BEHNING

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative DeLaney be added as coauthor of House Bill 1331.

M. SMITH

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Austin be added as coauthor of House Bill 1382.

SMALTZ

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Moed be added as coauthor of House Bill 1394.

BEHNING

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Moed be added as coauthor of House Bill 1395.

BEHNING

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Olthoff be added as coauthor of House Concurrent Resolution 8.

THOMPSON

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representatives Austin and Schaibley be added as coauthors of House Concurrent Resolution 17.

ERRINGTON

Motion prevailed.

MESSAGE FROM THE SENATE

Mr. Speaker: I am directed by the Senate to inform the House that the Senate has passed Engrossed Senate Bills 3, 13, 17, 26, 90, 96, 131, 159, 165, 189, 233, 251, 259, 297, 301, 306, 350, 362 and 400 and the same are herewith transmitted to the House for further action.

JENNIFER L. MERTZ  
Principal Secretary of the Senate

MESSAGE FROM THE SENATE

Mr. Speaker: I am directed by the Senate to inform the House that the Senate has passed Senate Concurrent Resolution 12 and the same is herewith transmitted to the House for further action.

JENNIFER L. MERTZ  
Principal Secretary of the Senate

MESSAGE FROM THE SENATE

Mr. Speaker: I am directed by the Senate to inform the House that the Senate has passed House Concurrent Resolution 13 and the same is herewith returned to the House.

JENNIFER L. MERTZ  
Principal Secretary of the Senate

On the motion of Representative Frizzell, the House adjourned at 2:42 p.m., this twenty-eighth day of January, 2016, until Monday, February 1, 2016, at 1:30 p.m.

BRIAN C. BOSMA  
Speaker of the House of Representatives

M. CAROLINE SPOTTS  
Principal Clerk of the House of Representatives