HOUSE BILL No. 1003

DIGEST OF INTRODUCED BILL

Citations Affected: IC 4-15-10.5; IC 4-21.5; IC 4-22-2-19.6; IC 13-14-8-11; IC 13-15; IC 13-17; IC 13-18; IC 13-19-3-2; IC 13-20; IC 13-23-9-4; IC 13-24-1-4; IC 13-25-4-20; IC 13-30-3; IC 14-10-2-2.5; IC 14-34-2-2.

Synopsis: Administrative law. Makes the office of administrative law proceedings the ultimate authority in any administrative proceeding under its jurisdiction. Provides certain exceptions. Specifies when a state agency may be required to pay reasonable attorney's fees for judicial review proceedings. Outlines procedures for the ultimate authority regarding nonfinal orders and procedures to file objections to final orders. Provides that the court shall decide all questions of law, including any interpretation of a federal or state constitutional provision, state statute, or agency rule, without deference to any previous interpretation made by the state agency. Requires the state agency to transmit the agency record to the court for judicial review. Eliminates the office of environmental adjudication and transfers proceedings to the office of administrative law proceedings. Makes conforming changes.

Effective: July 1, 2024.

Steuerwald, Jeter, Meltzer, DeLaney

January 8, 2024, read first time and referred to Committee on Judiciary.



Second Regular Session of the 123rd General Assembly (2024)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in this style type, and deletions will appear in this style type.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or *this style type* reconciles conflicts between statutes enacted by the 2023 Regular Session of the General Assembly.

HOUSE BILL No. 1003

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

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

1	SECTION 1. IC 4-15-10.5-2, AS ADDED BY P.L.205-2019,
2	SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3	JULY 1, 2024]: Sec. 2. This chapter does not apply to:
4	(1) the department of workforce development;
5	(2) the unemployment insurance review board of the department
6	of workforce development;
7	(3) the worker's compensation board of Indiana;
8	(4) the Indiana utility regulatory commission;
9	(5) the department of state revenue;
10	(6) the department of local government finance;
11	(7) the Indiana board of tax review;
12	(8) the natural resources commission;
13	(9) the office of environmental adjudication;
14	(10) (9) the Indiana education employment relations board;
15	(11) (10) the state employees appeals commission; or
16	(12) (11) before July 1, 2022, any other agency or category of
17	proceeding determined by the governor to be exempt from this



1	chapter for good cause.
2	SECTION 2. IC 4-15-10.5-12, AS ADDED BY P.L.205-2019,
3	SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
4	JULY 1, 2024]: Sec. 12. (a) Beginning July 1, 2020, and Except as
5	provided in sections 1 and 2 of this chapter, the office has jurisdiction
6	over all administrative proceedings concerning agency administrative
7	actions under:
8	(1) IC 4-21.5; or
9	(2) any other statute that requires or allows the office to take
10	action.
11	(b) Notwithstanding anything in this chapter or any other statute to
12	the contrary:
13	(1) the office shall not be considered the ultimate authority in any
14	administrative proceeding; and
15	(2) a decision by the office in an administrative proceeding is not
16	a final agency action;
17	unless expressly designated by the agency. This subsection may not be
18	construed as preventing the reseission of an agency's delegation.
19	(b) Except as provided in subsection (c), the office is the ultimate
20	authority in any administrative proceeding under its jurisdiction.
21	Judicial review under IC 4-21.5 shall be taken directly from a final
22	decision of the office.
23	(c) The office is not the ultimate authority if:
24	(1) a particular agency or agency action is exempted under
25	Indiana law; or
26	(2) an agency is required by federal mandate, as a condition
27	of federal funding, to conduct or render a final order in an
28	adjudication.
29	SECTION 3. IC 4-21.5-1-3 IS AMENDED TO READ AS
30	FOLLOWS [EFFECTIVE JULY 1, 2024]: Sec. 3. "Agency" means any
31	officer, board, commission, department division, bureau, or committee
32	of state government that is responsible for any stage of a proceeding
33	under this article. Except as provided in IC 4-21.5-7, The term does not
34	include the judicial department of state government, the legislative
35	department of state government, or a political subdivision.
36	SECTION 4. IC 4-21.5-1-15 IS AMENDED TO READ AS
37	FOLLOWS [EFFECTIVE JULY 1, 2024]: Sec. 15. Subject to
38	IC 4-15-10.5-12, "ultimate authority" means:
39	(1) for an administrative proceeding under the office of
40	administrative law proceedings, the office of administrative
41	law proceedings; or
42	(2) for any other purpose, an individual or panel of individuals



1	in whom the final authority of an agency is vested by law or
2	executive order.
3	SECTION 5. IC 4-21.5-3-9, AS AMENDED BY P.L.13-2021,
4	SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
5	JULY 1, 2024]: Sec. 9. (a) Except to the extent that a statute other than
6	this article limits an agency's discretion to select an administrative law
7	judge, the ultimate authority for an agency may:
8	(1) act as an administrative law judge;
9	(2) designate one (1) or more members of the ultimate authority
10	(if the ultimate authority is a panel of individuals) to act as an
11	administrative law judge; or
12	(3) before July 1, 2020, designate one (1) or more:
13	(A) attorneys licensed to practice law in Indiana; or
14	(B) persons who served as administrative law judges for a state
15	agency before January 1, 2014;
16	to act as an administrative law judge. After June 30, 2020, the
17	ultimate authority for an agency may request assignment of an
18	administrative law judge by the office of administrative law
19	proceedings.
20	A person designated under subdivision (3) is not required to be an
21	employee of the agency. A designation under subdivision (2) or (3)
22	may be made in advance of the commencement of any particular
23	proceeding for a generally described class of proceedings or may be
24	made for a particular proceeding. A general designation may provide
25	procedures for the assignment of designated individuals to particular
26	proceedings.
27	(b) An agency A person may not knowingly assign an individual to
28	serve alone or with others as an administrative law judge who is subject
29	to disqualification under this chapter.
30	(c) If the administrative law judge assigned to the proceeding
31	believes that the judge's impartiality might reasonably be questioned,
32	or believes that the judge's personal bias, prejudice, or knowledge of a
33	disputed evidentiary fact might influence the decision, the
34	administrative law judge shall:
35	(1) withdraw as the administrative law judge; or
36	(2) inform the parties of the potential basis for disqualification,
37	place a brief statement of this basis on the record of the
38	proceeding, and allow the parties an opportunity to petition for
39	disqualification under subsection (d).
40	(d) Any party to a proceeding may petition for the disqualification
41	of an administrative law judge upon discovering facts establishing
42	grounds for disqualification under this chapter. The administrative law



judge assigned to the proceeding shall determine whether to grant the	ne
petition, stating facts and reasons for the determination.	

- (e) If the administrative law judge ruling on the disqualification issue is not the ultimate authority, for the agency, the party petitioning for disqualification may petition the ultimate authority, or, if the administrative law judge is employed or contracted with the office of administrative law proceedings, the director of the office of administrative law proceedings, in writing for review of the ruling within ten (10) days after notice of the ruling is served. The ultimate authority shall:
 - (1) conduct proceedings described by section 28 of this chapter; or
 - (2) request that the director of the office of administrative law proceedings conduct proceedings described by section 28 of this chapter;

to review the petition and affirm, modify, or dissolve the ruling within thirty (30) days after the petition is filed. A determination by the ultimate authority or the director of the office of administrative law proceedings under this subsection is a final order subject to judicial review under IC 4-21.5-5.

- (f) If a substitute is required for an administrative law judge who is disqualified or becomes unavailable for any other reason, the substitute must be appointed in accordance with subsection (a).
- (g) Any action taken by a duly appointed substitute for a disqualified or unavailable administrative law judge is as effective as if taken by the latter.
- (h) If there is a reasonable likelihood that the ultimate authority will be called upon to:
 - (1) review; or
 - (2) issue a final order with respect to;

a matter pending before or adjudicated by an administrative law judge, the provisions of section 11 of this chapter that apply to an administrative law judge or to a person communicating with an administrative law judge apply to a member of the ultimate authority and to a person communicating with a member of the ultimate authority.

SECTION 6. IC 4-21.5-3-10, AS AMENDED BY THE TECHNICAL CORRECTIONS BILL OF THE 2024 GENERAL ASSEMBLY, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2024]: Sec. 10. (a) An administrative law judge is subject to disqualification for:

(1) bias, prejudice, or interest in the outcome of a proceeding;



l	(2) failure to dispose of the subject of a proceeding in an orderly
2	and reasonably prompt manner after a written request by a party;
3	(3) unless waived or extended with the written consent of all
4	parties or for good cause shown, failure to issue an order not later
5	than ninety (90) days after the latest of:
6	(A) the filing of a motion to dismiss or a motion for summary
7	judgment under section 23 of this chapter that is filed after
8	June 30, 2011;
9	(B) the conclusion of a hearing that begins after June 30, 2011;
10	or
11	(C) the completion of any schedule set for briefing or for
12	submittal of proposed findings of fact and conclusions of law
13	for a disposition under clauses (A) or (B); or
14	(4) any cause for which a judge of a court may be disqualified.
15	Before July 1, 2020, nothing in this subsection prohibits an individual
16	who is an employee of an agency from serving as an administrative law
17	judge.
18	(b) This subsection does not apply to a proceeding concerning a
19	regulated occupation (as defined in IC 25-1-7-1), except for a
20	proceeding concerning a water well driller (as described in IC 25-39-3)
21	or an out of state mobile health care entity regulated by the Indiana
22	department of health. An individual who is disqualified under
23	subsection (a)(2) or (a)(3) shall provide the parties a list of at least
24	three (3) special administrative law judges who meet the requirements
25	of:
26	(1) IC 4-21.5-7-6, if the case is pending in the office of
27	environmental adjudication;
28	(2) (1) IC 14-10-2-2, if the case is pending before the division of
29	hearings of the natural resources commission; or
30	(3) (2) subject to subsection (d), any other statute or rule
31	governing qualification to serve an agency other than those
32	described in subdivision (1) or (2).
33	Subject to subsection (c), the parties may agree to the selection of one
34	(1) individual from the list.
35	(c) If the parties do not agree to the selection of an individual as
36	provided in subsection (b) not later than ten (10) days after the parties
37	are provided a list of judges under subsection (b), a special
38	administrative law judge who meets the requirements of subsection (b)
39	shall be selected under the procedure set forth in Trial Rule 79(D).
40	79(E), or 79(F).
41	(d) This subsection applies after June 30, 2020, to an agency whose
42	proceedings are subject to the jurisdiction of the office of



administrative law proceedings. If an administrative law judge is disqualified under this section, the director of the office of administrative law proceedings shall assign another administrative law judge.

SECTION 7. IC 4-21.5-3-27 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2024]: Sec. 27. (a) If the administrative law judge is the ultimate authority for the agency, the ultimate authority's order disposing of a proceeding is a final order. If the administrative law judge is not the ultimate authority, the administrative law judge's order disposing of the proceeding becomes a final order when affirmed under section 29 of this chapter. Regardless of whether the order is final, it must comply with this section.

- (b) This subsection applies only to an order not subject to subsection (c). The order must include, separately stated, findings of fact for all aspects of the order, including the remedy prescribed and, if applicable, the action taken on a petition for stay of effectiveness. Findings of ultimate fact must be accompanied by a concise statement of the underlying basic facts of record to support the findings. The order must also include a statement of the available procedures and time limit for seeking administrative review of the order (if administrative review is available) and the procedures and time limits for seeking judicial review of the order under IC 4-21.5-5.
- (c) This subsection applies only to an order of the ultimate authority entered under IC 13, IC 14, or IC 25. The order must include separately stated findings of fact and, if a final order, conclusions of law for all aspects of the order, including the remedy prescribed and, if applicable, the action taken on a petition for stay of effectiveness. Findings of ultimate fact must be accompanied by a concise statement of the underlying basic facts of record to support the findings. Conclusions of law must consider prior final orders (other than negotiated orders) of the ultimate authority under the same or similar circumstances if those prior final orders are raised on the record in writing by a party and must state the reasons for deviations from those prior orders. The order must also include a statement of the available procedures and time limit for seeking administrative review of the order (if administrative review is available) and the procedures and time limits for seeking judicial review of the order under IC 4-21.5-5.
- (d) Findings must be based exclusively upon the evidence of record in the proceeding and on matters officially noticed in that proceeding. Findings must be based upon the kind of evidence that is substantial and reliable. The administrative law judge's experience, technical competence, and specialized knowledge may be used in evaluating



1	evidence.
2	(e) A substitute administrative law judge may issue the order under
3	this section upon the record that was generated by a previous
4	administrative law judge.
5	(f) The administrative law judge may allow the parties a designated
6	amount of time after conclusion of the hearing for the submission of
7	proposed findings.
8	(g) An order under this section shall be issued in writing within
9	ninety (90) days after conclusion of the hearing or after submission of
10	proposed findings in accordance with subsection (f), unless this period
11	is waived or extended with the written consent of all parties or for good
12	cause shown.
13	(h) The administrative law judge shall have copies of the order
14	under this section delivered to each party and to the ultimate authority
15	for the agency (if it is not rendered by the ultimate authority).
16	SECTION 8. IC 4-21.5-3-27.5, AS AMENDED BY P.L.249-2023,
17	SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
18	JULY 1, 2024]: Sec. 27.5. (a) In a proceeding under this chapter
19	concerning an agency action, the administrative law judge shall order
20	the agency to pay the reasonable attorney's fees incurred in the
21	proceeding by the prevailing party challenging the agency action if:
22	(1) the party challenging the agency action proves, by a
23	preponderance of the evidence, that:
24	(A) the agency's action was frivolous; or groundless; or
25	(B) the agency pursued the action in bad faith;
26	(2) the agency action was based on an invalid unsupported by a
27	rule or a statute, as provided in IC 4-22-2-44; or
28	(3) the agency has failed to demonstrate that the agency acted
29	within its legal authority.
30	(b) Except as provided in subsection (c), in a judicial review
31	proceeding, the court shall order the agency to pay the other
32	party's reasonable attorney's fees if:
33	(1) the party prevailed before an administrative law judge;
34	(2) the agency initiated the proceeding for judicial review;
35	and
36	(3) the party prevailed in the judicial review proceeding.
37	(c) In a judicial review proceeding, the court may not award
38	attorney's fees against an agency under this section if:
39	(1) the agency's only involvement in the case resulted from the
40	agency's role as an arbiter of the legal rights, duties,
41	immunities, privileges, or other legal interests of two (2) or
42	more parties; or



1	(2) the position of the agency as a party became unjustified as
2	a result of an intervening change in applicable law.
3	SECTION 9. IC 4-21.5-3-29 IS AMENDED TO READ AS
4	FOLLOWS [EFFECTIVE JULY 1, 2024]: Sec. 29. (a) This section
5	does not apply if the administrative law judge issuing an order under
6	section 27 of this chapter is the ultimate authority for the agency.
7	(b) After an administrative law judge issues an a nonfinal order
8	under section 27 of this chapter, the ultimate authority or its designee
9	shall issue: a final order:
10	(1) a final order affirming the administrative law judge's
11	order;
12	(2) a final order modifying the administrative law judge's
13	order; or
14	(3) dissolving; the administrative law judge's order. The ultimate
15	authority or its designee may remand an order remanding the
16	matter, with or without instructions, to an administrative law
17	judge for further proceedings.
18	(c) In the absence of an objection or notice under subsection (d) or
19	(e), the ultimate authority or its designee shall affirm the order. the
20	order is final and the agency issuing the nonfinal order shall issue
21	a notice of final order within thirty (30) days after the deadline to
22	file a notice under subsection (e).
23	(d) To preserve an objection to an order of an administrative law
24	judge for judicial review, a party must not be in default under this
25	chapter and must object to the order in a writing that:
26	(1) identifies the basis of the objection with reasonable
27	particularity; and
28	(2) is filed with the ultimate authority responsible for reviewing
29	the order.
30	The written objection must be served on all parties and the agency
31	issuing the nonfinal order within fifteen (15) days (or any longer
32	period set by statute) after the order is served on the petitioner.
33	(e) Without an objection under subsection (d), the ultimate authority
34	or its designee may serve written notice of its intent to review any issue
35	related to the order. The notice shall be served on all parties, the
36	agency issuing the nonfinal order, and all other persons described by
37	section 5(d) of this chapter within sixty (60) days after the nonfinal
38	order is served on the parties. The notice of intent to review must
39	identify the issues that the ultimate authority or its designee intends to
40	review.
41	(f) A final order disposing of a proceeding or an order remanding an
42	order to an administrative law judge for further proceedings shall be



1	issued within sixty (60) days after the latter of:
2	(1) the date that the order was issued under section 27 of this
3	chapter;
4	(2) the receipt of briefs; or
5	(3) the close of oral argument;
6	unless the period is waived or extended with the written consent of al
7	parties or for good cause shown.
8	(g) After remand of an order under this section to an administrative
9	law judge, the judge's order is also subject to review under this section
10	SECTION 10. IC 4-21.5-3-31 IS AMENDED TO READ AS
11	FOLLOWS [EFFECTIVE JULY 1, 2024]: Sec. 31. (a) An agency
12	ultimate authority has jurisdiction to modify a final order under this
13	section before the earlier of the following:
14	(1) Thirty (30) days after the agency has served the final order
15	under section 27, 29, or 30 of this chapter.
16	(2) Another agency assumes jurisdiction over the final order
17	under section 30 of this chapter.
18	(3) A court assumes jurisdiction over the final order under
19	IC 4-21.5-5.
20	(b) A party may petition the ultimate authority for an agency for a
21	stay of effectiveness of a final order. The ultimate authority or its
22	designee may, before or after the order becomes effective, stay the fina
23	order in whole or in part.
24	(c) A party may petition the ultimate authority for an agency for a
25	rehearing of a final order. The ultimate authority or its designee may
26	grant a petition for rehearing only if the petitioning party demonstrates
27	that:
28	(1) the party is not in default under this chapter;
29	(2) newly discovered material evidence exists; and
30	(3) the evidence could not, by due diligence, have beer
31	discovered and produced at the hearing in the proceeding.
32	The rehearing may be limited to the issues directly affected by the
33	newly discovered evidence. If the rehearing is conducted by a persor
34	other than the ultimate authority, section 29 of this chapter applies to
35	review of the order resulting from the rehearing.
36	(d) Clerical mistakes and other errors resulting from oversight or
37	omission in a final order or other part of the record of a proceeding may
38	be corrected by an ultimate authority or its designee on the motion of
39	any party or on the motion of the ultimate authority or its designee.
10	(e) An action of a petitioning party or an agency under this section
1 1	neither tolls the period in which a party may object to a second agency
12.	under section 30 of this chanter nor tolls the period in which a party



1	may petition for judicial review under IC 4-21.5-5. However, if a
2	rehearing is granted under subsection (c), these periods are tolled and
3	a new period begins on the date that a new final order is served.
4	SECTION 11. IC 4-21.5-5-11 IS AMENDED TO READ AS
5	FOLLOWS [EFFECTIVE JULY 1, 2024]: Sec. 11. (a) Judicial review
6	of disputed issues of fact must be confined to the agency record for the
7	agency action supplemented by additional evidence taken under section
8	12 of this chapter. The court may not try the cause de novo or substitute
9	its judgment for that of the agency.
10	(b) The court shall decide all questions of law, including any
11	interpretation of a federal or state constitutional provision, state
12	statute, or agency rule, without deference to any previous
13	interpretation made by the agency.
14	SECTION 12. IC 4-21.5-5-13 IS AMENDED TO READ AS
15	FOLLOWS [EFFECTIVE JULY 1, 2024]: Sec. 13. (a) Within Not
16	later than thirty (30) days:
17	(1) after the filing of the petition, if the petitioner is the agency;
18	or
19	(2) after service of the petition, if the petitioner is not the
20	agency;
21	or within further time allowed by the court or by other law, the
22	petitioner agency shall transmit to the court the original or a certified
23	copy of the agency record for judicial review of the agency action.
24	(b) consisting The record consists of:
25	(1) any agency documents expressing the agency action;
26	(2) other documents identified by the agency as having been
27	considered by it before its action and used as a basis for its action;
28	and
29	(3) any other material described in this article as the agency
30	record for the type of agency action at issue, subject to this
31	section.
32	(b) (c) An extension of time in which to file the record shall be
33	granted by the court for good cause shown. Inability to obtain the
34	record from the responsible agency within the time permitted by this
35	section is good cause. If the petitioner is the agency, failure to file the
36	record within the time permitted by this subsection, including any
37	extension period ordered by the court, is cause for dismissal of the
38	petition for review by the court, on its own motion, or on petition of any
39	party of record to the proceeding.
40	(c) (d) Upon a written request by the petitioner, the agency taking
41	the action being reviewed shall prepare the agency record for the
42	petitioner. If part of the record has been preserved without a transcript,



1	the agency shall prepare a transcript for inclusion in the record
2	transmitted to the court, except for portions that the parties to the
3	judicial review proceeding stipulate to omit in accordance with
4	subsection (e). (f).
5	(d) (e) Notwithstanding IC 5-14-3-8, the agency shall charge the
6	petitioner with the reasonable cost of preparing any necessary copies
7	and transcripts for transmittal to the court, unless a person files with the
8	court, under oath and in writing, the statement described by
9	IC 33-37-3-2.
10	(e) (f) By stipulation of all parties to the review proceedings, the
11	record may be shortened, summarized, or organized.
12	(f) (g) The court may tax the cost of preparing transcripts and copies
13	for the record:
14	(1) against a party to the judicial review proceeding who
15	unreasonably refuses to stipulate to shorten, summarize, or
16	organize the record; or
17	(2) in accordance with the rules governing civil actions in the
18	courts or other law.
19	(g) (h) Additions to the record concerning evidence received under
20	section 12 of this chapter must be made as ordered by the court. The
21	court may require or permit subsequent corrections or additions to the
22	record.
23	SECTION 13. IC 4-21.5-7 IS REPEALED [EFFECTIVE JULY 1,
24	2024]. (Environmental Adjudication).
25	SECTION 14. IC 4-22-2-19.6, AS ADDED BY P.L.249-2023,
26	SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
27	JULY 1, 2024]: Sec. 19.6. (a) A rule adopted under this article or
28	IC 13-14-9 that includes a fee, fine, or civil penalty must comply with
29	this section. Subsections (b), (c), and (d) do not apply to a rule that
30	must be adopted in a certain form to comply with federal law.
31	(b) For each fee, fine, or civil penalty imposed by an agency that is
32	not set as a specific amount in a state law, a rule must describe the
33	circumstances for which the agency will assess a fee, fine, or civil
34	penalty and set forth the amount of the fee, fine, or civil penalty:
35	(1) as a specific dollar amount;
36	(2) under a formula by which a specific dollar amount can be
37	reasonably calculated by persons regulated or otherwise affected
38	by the rule; or
39	(3) as a range of potential dollar amounts, stating the factors that
40	the agency will utilize to set a specific dollar amount in an
41	individual case with sufficient certainty that a review of an agency
42	



action under IC 4-21.5 or comparable process can evaluate

1	whether the amount was reasonable.
2	A rule concerning fines or civil penalties does not prohibit an agency
3	to enter into a settlement agreement with a person against whom a fine
4	or civil penalty is being assessed to determine the fine or civil penalty
5	to be paid for a violation.
6	(c) The amount of a fee must be reasonably based on the amount
7	necessary to carry out the purposes for which the fee is imposed.
8	(d) An agency setting a fine or civil penalty shall consider the
9	following:
10	(1) Whether the violation has a major or minor impact on the
11	health, safety, or welfare of a person, the health or safety of
12	animals or natural resources, or other facts set forth in the
13	agency's rule.
14	(2) The number of previous violations committed by the offender
15	of laws, rules, or programs administered by the agency.
16	(3) The need for deterrence of future violations.
17	(4) Whether the conduct, if proved beyond a reasonable doubt,
18	would constitute a criminal offense, and the level of penalty set by
19	law for the criminal offense.
20	(e) An agency is not liable for a fee, fine, or civil penalty that is not
21	in conformity with this section if:
22	(1) the fee, fine, or civil penalty was included in a rule that
23	became effective before January 1, 2023, and that otherwise
24	complies with subsection (b);
25	(2) the fee, fine, or civil penalty was:
26	(A) set by an agency before January 1, 2023;
27	(B) reviewed by the budget committee:
28	(i) in the case of the department of environmental
29	management, the boards listed in IC 13-14-9-1, the office of
30	environmental adjudication, the natural resources
31	commission, the department of natural resources, the
32	Indiana gaming commission, and the Indiana horse racing
33	commission, before December 31, 2023; and
34	(ii) in the case of an agency not described in item (i), before
35	July 1, 2024; and
36	(C) included in a rule that complies with this section and
37	becomes effective before:
38	(i) in the case of the department of environmental
39	management, the boards listed in IC 13-14-9-1, the office of
40	environmental adjudication, the natural resources
41	commission, the department of natural resources, the



2024

Indiana gaming commission, and the Indiana horse racing

1	commission, December 31, 2024; and
2	(ii) in the case of an agency not described in item (i), July 1,
3	2025; or
4	(3) the agency withdraws or otherwise ceases to enforce or apply
5	the fee, fine, or civil penalty before:
6	(A) in the case of the department of environmental
7	management, the boards listed in IC 13-14-9-1, the office of
8	environmental adjudication, the natural resources commission,
9	the department of natural resources, the Indiana gaming
10	commission, and the Indiana horse racing commission,
11	December 31, 2023; and
12	(B) in the case of an agency not described in clause (A), July
13	1, 2024.
14	Readoption without changes under IC 4-22-2.6 of a nonconforming fee,
15	fine, or civil penalty that meets the requirements of subdivision (1) or
16	(2) does not invalidate the nonconforming fee, fine, or civil penalty.
17	(f) Beginning January 1, 2024, an agency shall post on its website
18	a schedule of fines and civil penalties that apply to violations of laws,
19	rules, and requirements of federal programs administered by the
20	agency.
21	SECTION 15. IC 13-14-8-11 IS AMENDED TO READ AS
22	FOLLOWS [EFFECTIVE JULY 1, 2024]: Sec. 11. (a) A person
23	affected by a decision of the commissioner under sections 8 and 9 of
24	this chapter may, within fifteen (15) days after receipt of notice of the
25	decision, appeal the decision to the office of environmental
26	adjudication. administrative law proceedings. All proceedings under
27	this section to appeal the commissioner's decision are governed by
28	IC 4-21.5.
29	(b) The commissioner's decision to grant a variance does not take
30	effect until available administrative remedies are exhausted.
31	SECTION 16. IC 13-15-6-1 IS AMENDED TO READ AS
32	FOLLOWS [EFFECTIVE JULY 1, 2024]: Sec. 1. (a) Not later than
33	fifteen (15) days after being served the notice provided by the
34	commissioner under IC 13-15-5-3:
35	(1) the permit applicant; or
36	(2) any other person aggrieved by the commissioner's action;
37	may appeal the commissioner's action to the office of environmental
38	adjudication administrative law proceedings and request that an
39	environmental administrative law judge hold an adjudicatory hearing
40	concerning the action under IC 4-21.5-3 and $\frac{1}{100}$ 4-21.5-7. IC 4-15-10.5.
41	(b) Notwithstanding subsection (a) and IC 4-21.5-3-7(a)(3), a person

may file an appeal of the commissioner's action in issuing an initial



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permit under the operating permit program under 42 U.S.C. 7661 through 7661f not later than thirty (30) days after the date the person received the notice provided under IC 13-15-5-3, for a permit issued after April 30, 1999.

SECTION 17. IC 13-15-6-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2024]: Sec. 3. (a) Not later than thirty (30) days after being served a request for an adjudicatory hearing, an environmental administrative law judge under IC 4-21.5-7 IC 4-15-10.5 shall, if the environmental administrative law judge determines that:

- (1) the request was properly submitted; and
- (2) the request establishes a jurisdictional basis for a hearing; assign the matter for a hearing.
- (b) Upon assigning the matter for a hearing, an environmental administrative law judge may stay the force and effect of the following:
 - (1) A contested permit provision.
 - (2) A permit term or condition the environmental administrative law judge considers inseverable from a contested permit provision.
- (c) After a final hearing under this section, a final order of an environmental administrative law judge on a permit application is subject to review under IC 4-21.5-5.

SECTION 18. IC 13-15-7-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2024]: Sec. 3. A person aggrieved by the revocation or modification of a permit may appeal the revocation or modification to the office of environmental adjudication administrative law proceedings for an administrative review under IC 4-21.5-3. Pending the decision resulting from the hearing under IC 4-21.5-3 concerning the permit revocation or modification, the permit remains in force. However, the commissioner may seek injunctive relief with regard to the activity described in the permit while the decision resulting from the hearing is pending.

SECTION 19. IC 13-17-3-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2024]: Sec. 7. (a) The commissioner may enter into agreed orders as provided in IC 13-30-3-6.

(b) An environmental administrative law judge under IC 4-21.5-7 IC 4-15-10.5 shall review orders and determinations of the commissioner.

SECTION 20. IC 13-17-6-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2024]: Sec. 10. (a) If the



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1	commissioner finds that an asbestos project is not being performed in
2	accordance with air pollution control laws or rules adopted under air
3	pollution control laws, the commissioner may enjoin further work on
4	the asbestos project without prior notice or hearing by delivering a
5	notice to:
6	(1) the asbestos contractor engaged in the asbestos project; or
7	(2) the agent or representative of the asbestos contractor.
8	(b) A notice issued under this section must:
9	(1) specifically enumerate the violations of law that are occurring
10	on the asbestos project; and
11	(2) prohibit further work on the asbestos project until the
12	violations enumerated under subdivision (1) cease and the notice
13	is rescinded by the commissioner.

- (c) Not later than ten (10) days after receiving written notification from a contractor that violations enumerated in a notice issued under this section have been corrected, the commissioner shall issue a determination whether or not to rescind the notice.
- (d) An asbestos contractor or any other person aggrieved or adversely affected by the issuance of a notice under subsection (a) may obtain a review of the commissioner's action under IC 4-21.5 and IC 4-21.5-7. IC 4-15-10.5.
- SECTION 21. IC 13-18-3-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2024]: Sec. 4. (a) The commissioner may enter into agreed orders as provided in IC 13-30-3-6.
- (b) An environmental administrative law judge under IC 4-21.5-7 IC 4-15-10.5 shall review orders and determinations of the commissioner.

SECTION 22. IC 13-18-11-8, AS AMENDED BY P.L.159-2011, SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2024]: Sec. 8. (a) The commissioner may suspend or revoke the certificate of an operator issued under this chapter, following a hearing under IC 13-15-7-3 and IC 4-21.5, if any of the following conditions are found:

- (1) The operator has practiced fraud or deception in any state or other jurisdiction.
- (2) Reasonable care, judgment, or the application of the operator's knowledge or ability was not used in the performance of the operator's duties.
- (3) The operator is incompetent or unable to properly perform the operator's duties.
- (4) A certificate of the operator issued:



1	(A) under this chapter; or
2	(B) by any other state or jurisdiction for a purpose comparable
3	to the purpose for which a certificate is issued under this
4	chapter;
5	has been revoked.
6	(5) The operator has been convicted of a crime related to a
7	certificate of the operator issued:
8	(A) under this chapter; or
9	(B) by any other state or jurisdiction for a purpose comparable
10	to the purpose for which a certificate is issued under this
11	chapter.
12	(b) A hearing and further proceedings shall be conducted in
13	accordance with IC 4-21.5-7. IC 4-15-10.5.
14	SECTION 23. IC 13-19-3-2 IS AMENDED TO READ AS
15	FOLLOWS [EFFECTIVE JULY 1, 2024]: Sec. 2. (a) The
16	commissioner may enter into agreed orders as provided in
17	IC 13-30-3-6.
18	(b) An environmental administrative law judge under IC 4-21.5-7
19	IC 4-15-10.5 shall review orders and determinations of the
20	commissioner.
21	SECTION 24. IC 13-20-13-5.5, AS AMENDED BY P.L.263-2013,
22	SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
23	JULY 1, 2024]: Sec. 5.5. (a) A certificate of registration issued by the
24	department under this chapter may be revoked or modified by the
25	commissioner, or by a designated staff member of the department, after
26	notification in writing is sent in accordance with IC 13-14-2-1 to the
27	holder of the certificate for:
28	(1) failure to disclose all relevant facts;
29	(2) making a misrepresentation in obtaining the registration; or
30	(3) failure to correct, within the time established by the
31	department:
32	(A) a violation of a condition of the registration; or
33	(B) a violation of this chapter or a rule adopted by the board
34	under section 11 of this chapter.
35	(b) A person aggrieved by the revocation or modification of a
36	certificate of registration may appeal the revocation or modification to
37	the office of environmental adjudication administrative law
38	-
39	proceedings under IC 4-21.5-7. IC 4-15-10.5. Pending the decision
39 40	resulting from a hearing under IC 4-21.5-3 concerning the revocation
	or modification, the registration remains in force. However, subsequent
41	to revocation or modification, the commissioner may seek injunctive
42	relief concerning the activity described in the registration.



SECTION 25. IC 13-20-14-5.6, AS AMENDED BY P.L.263-2013,
SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
JULY 1, 2024]: Sec. 5.6. (a) A certificate of registration issued by the
department under this chapter may be revoked or modified by the
commissioner, or by a designated staff member of the department, after
notification in writing is sent in accordance with IC 13-14-2-1 to the
holder of the certificate, for:
(1) failure to disclose all relevant facts;
(2) making a misrepresentation in obtaining the registration; or
(2) failure to compact within the time established by the

- (3) failure to correct, within the time established by the department, a violation of:
 - (A) a condition of the registration;
 - (B) this chapter; or

- (C) a rule adopted by the board under section 6 of this chapter.
- (b) A person aggrieved by the revocation or modification of a certificate of registration may appeal the revocation or modification to the office of environmental adjudication administrative law proceedings under IC 4-21.5-7. IC 4-15-10.5. Pending the decision resulting from a hearing under IC 4-21.5-3 concerning the revocation or modification, the registration remains in force. However, subsequent to revocation or modification, the commissioner may seek injunctive relief concerning the activity described in the registration.

SECTION 26. IC 13-23-9-4, AS AMENDED BY P.L.96-2016, SECTION 37, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2024]: Sec. 4. If the administrator denies an ELTF claim under this chapter, the claimant may appeal the denial under IC 4-21.5 to the office of environmental adjudication administrative law proceedings under IC 4-21.5-7. IC 4-15-10.5.

SECTION 27. IC 13-24-1-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2024]: Sec. 4. (a) Except where an owner or operator can prove that a release from a petroleum facility was caused by:

- (1) an act of God;
- (2) an act of war;
- (3) negligence on the part of a local government, the state government, or the federal government;
- (4) except as provided in subsection (b), an act or omission of a responsible person; or
- (5) a combination of the causes set forth in subdivisions (1) through (4);

the owner or operator is liable to the state for the reasonable costs of any response or remedial action taken under section 2 of this chapter



involving the petroleum facility. A responsible person is liable to the
state for the reasonable costs of any response or remedial action taker
under section 2 of this chapter involving the petroleum facility.

- (b) The owner, operator, or responsible person is entitled to all rights of the state to recover from another responsible person all or a part of the costs described in subsection (a) incurred or paid to the state by the owner, operator, or responsible person in an action brought in a circuit or superior court with jurisdiction in the county in which the release occurred.
- (c) Money recovered by the state under this section in connection with a removal or remedial action undertaken with respect to a release of petroleum shall be deposited in the hazardous substances response trust fund.
- (d) The state may recover removal or remedial action costs under this section as follows:
 - (1) Commence an action under IC 13-14-2-6 or IC 13-14-2-7.
 - (2) Impose a lien under IC 13-25-4-11 on the property on which the removal or the remedial action was undertaken.
- (e) In an administrative action brought under this chapter, an environmental administrative law judge shall apportion the costs of a response or a remedial action in proportion to each party's responsibility for a release.

SECTION 28. IC 13-25-4-20 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2024]: Sec. 20. (a) Before the date on which the state intends to impose a lien on real property under section 11 of this chapter, the owner of the real property may request that a hearing be conducted under IC 4-21.5. A hearing conducted under this section and IC 4-21.5 shall be limited to determining if there is probable cause to believe that:

- (1) a removal or a remedial action was conducted on the real property under:
 - (A) this chapter; or
 - (B) IC 13-24-1; and
- (2) if the removal or the remedial action was conducted under this chapter, the owner of the real property would be subject to liability under 42 U.S.C. 9607 (Section 107 of the federal Comprehensive Environmental Response, Compensation, and Liability Act).
- (b) For the purposes of a hearing conducted under this section and IC 4-21.5, an environmental administrative law judge is the ultimate authority.
 - SECTION 29. IC 13-30-3-5 IS AMENDED TO READ AS



1	FOLLOWS [EFFECTIVE JULY 1, 2024]: Sec. 5. (a) Except as
2	otherwise provided in:
3	(1) a notice issued under section 4 of this chapter; or
4	(2) a law relating to emergency orders;
5	an order of the commissioner under this chapter takes effect twenty
6	(20) days after the alleged violator receives the notice, unless the
7	alleged violator requests under subsection (b) a review of the order
8	before the twentieth day after receiving the notice.
9	(b) To request a review of the order, the alleged violator must:
10	(1) file a written request with the office of environmental
11	adjudication administrative law proceedings under IC 4-21.5-7;
12	IC 4-15-10.5; and
13	(2) serve a copy of the request on the commissioner.
14	(c) If a review of an order is requested under this section, the office
15	of environmental adjudication administrative law proceedings
16	established under IC 4-21.5-7 IC 4-15-10.5 shall review the order
17	under IC 4-21.5.
18	SECTION 30. IC 13-30-3-6 IS AMENDED TO READ AS
19	FOLLOWS [EFFECTIVE JULY 1, 2024]: Sec. 6. If an alleged violator
20	who has requested a review of an order of the commissioner under
21	section 5 of this chapter agrees to resolve the controversy concerning
22	the order in a manner satisfactory to the commissioner before a final
23	order is issued by the office of environmental adjudication,
24	administrative law proceedings, the commissioner may approve an
25	agreed order based on the agreement.
26	SECTION 31. IC 13-30-3-7 IS AMENDED TO READ AS
27	FOLLOWS [EFFECTIVE JULY 1, 2024]: Sec. 7. A final order of an
28	environmental administrative law judge is subject to judicial review
29	under IC 4-21.5-5.
30	SECTION 32. IC 14-10-2-2.5, AS ADDED BY P.L.84-2008,
31	SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
32	JULY 1, 2024]: Sec. 2.5. (a) A person who is the party in a hearing
33	under this title or $\frac{1C}{4-21.5-7}$ IC 4-15-10.5 may move to have the:
34	(1) environmental administrative law judge appointed under
35	IC 4-21.5-7; IC 4-15-10.5; or
36	(2) administrative law judge appointed under section 2 of this
37	chapter;
38	consolidate multiple proceedings that are subject to the jurisdiction of
39	both the office of environmental adjudication administrative law
40	proceedings and the division of hearings.

(b) The environmental law judge or the An administrative law judge

shall grant the motion made under subsection (a) if the following



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1	findings are made:
2	(1) The proceedings include the following:
3	(A) Common questions of law or fact.
4	(B) At least one (1) person, other than the department or the
5	department of environmental management, who is a party to
6	all the proceedings.
7	(C) Issues of water quality, water quantity, or both.
8	(2) Consolidation may support administrative efficiency.
9	(c) If a motion to consolidate proceedings has been granted under
10	subsection (b), the hearing must be conducted by a panel that consists
11	of at least one (1) environmental law judge and one (1) two (2)
12	administrative law judges. Judges. The panel is the ultimate authority
13	for matters authorized under IC 4-21.5-7-5 and this title. Any party,
14	including the department and the department of environmental
15	management, may petition an appropriate court for judicial review of
16	a final determination of the panel.
17	(d) The office of environmental adjudication administrative law
18	proceedings and the division of hearings shall adopt joint rules to
19	implement this section.
20	SECTION 33. IC 14-34-2-2, AS AMENDED BY P.L.84-2008,
21	SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
22	JULY 1, 2024]: Sec. 2. (a) The commission shall appoint the following:
23	(1) An administrative law judge to conduct proceedings under
24	IC 4-21.5. An administrative law judge is subject to IC 14-10-2-2.
25	(2) A hearing officer to conduct proceedings under IC 4-22-2.
26	(b) An administrative law judge is the ultimate authority for the
27	department for any administrative review proceeding under this article,
28	except for the following:
29	(1) Proceedings concerning the approval or disapproval of a
30	permit application or permit renewal under IC 14-34-4-13.
31	(2) Proceedings for suspension or revocation of a permit under
32	IC 14-34-15-7.
33	(3) Proceedings consolidated with the office of environmental
34	adjudication administrative law proceedings under
35	IC 14-10-2-2.5.
36	(c) An order made by an administrative law judge granting or
37	denying temporary relief from a decision of the director is a final order
38	of the department.
39	(d) Judicial review of a final order made by an administrative law
40	judge under subsection (b) or (c) or under IC 13-4.1-2-1(c) or
41	IC 13-4.1-2-1(d) (before their repeal) may be taken under IC 4-21.5-5.
42	SECTION 34. [EFFECTIVE JULY 1, 2024] (a) As used in this



SECTION, "office" means the office of environmental adjudication
established under IC 4-21.5-7.
(b) As used in this SECTION, "office of administrative law
proceedings" means the office of administrative law proceedings

established under IC 4-15-10.5.

- (c) On July 1, 2024, all agreements and liabilities of the office are transferred to the office of administrative law proceedings, as the successor agency.
- (d) On July 1, 2024, all records and property of the office, including appropriations and other funds under the control or supervision of the office, are transferred to the office of administrative law proceedings, as the successor agency.
- (e) After July 1, 2024, any amounts owed to the office before July 1, 2024, are considered to be owed to the office of administrative law proceedings, as the successor agency.
- (f) After July 1, 2024, a reference to the office in a statute, rule, or other document is considered a reference to the office of administrative law proceedings, as the successor agency.
- (g) After July 1, 2024, a reference to an environmental law judge is considered a reference to an administrative law judge under IC 4-15-10.5.
- (h) All powers, duties, agreements, and liabilities of the office with respect to bonds issued by the office in connection with any trust agreement or indenture securing those bonds are transferred to the office of administrative law proceedings, as the successor agency.
- (i) The director and employees of the office on June 30, 2024, become employees of the office of administrative law proceedings on July 1, 2024, without change in compensation, seniority, or benefits, and are entitled to have their service under the office included for purposes of computing any applicable employment and retirement benefits.
- (j) After July 1, 2024, all pending proceedings of the office are transferred to the office of administrative law proceedings.
 - (k) This SECTION expires July 1, 2025.

