

Second Regular Session of the 121st General Assembly (2020)

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 2019 Regular Session of the General Assembly.

HOUSE ENROLLED ACT No. 1049

AN ACT to amend the Indiana Code concerning business and other associations.

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

SECTION 1. IC 23-2-2.5-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2020]: Sec. 3. Sections 9 through ~~25~~ **24** of this chapter do not apply to the offer or sale of a franchise if the franchisor either sells no more than one (1) franchise **in Indiana** in any twenty-four (24) month period or the franchisor:

(~~a~~) **(1)** has a net worth:

(~~1~~) **(A)** on a consolidated basis according to current financial statements certified by independent certified public accountants, of not less than five million dollars (\$5,000,000);
or

(~~2~~) **(B)** according to current financial statements certified by independent certified public accountants of not less than one million dollars (\$1,000,000) and is at least eighty percent (80%) owned by a corporation which has a net worth on a consolidated basis, according to current financial statements certified by independent certified public accountants, of not less than five million dollars (\$5,000,000);

(~~b~~) **(2)** has:

(~~1~~) **(A)** had at least twenty-five (25) franchisees conducting business at all times during the five (5) year period immediately preceding the offer or sale; or

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- (2) (B) conducted the business which is the subject of the franchise continuously for not less than five (5) years preceding the offer or sale;
- or if any corporation which owns at least eighty percent (80%) of the franchisor has had at least twenty-five (25) franchisees conducting business at all times during the five (5) year period immediately preceding the offer or sale, or such corporation has conducted the business which is the subject of the franchise continuously for not less than five (5) years preceding the offer or sale; and
- (c) (3) discloses in writing to each prospective franchisee, at least ten (10) days prior to the execution by the prospective franchisee of a binding franchise or other agreement, or at least ten (10) days prior to the receipt of any consideration, whichever first occurs, the following information:
- (1) (A) The name of the franchisor, the name under which the franchisor is doing or intends to do business, and the name of any affiliate that will engage in business transactions with franchisees.
 - (2) (B) The franchisor's principal business address and the name and address of its agent in Indiana authorized to receive service of process.
 - (3) (C) The business form of the franchisor and the jurisdiction under which it was organized.
 - (4) (D) The business experience of the franchisor, including the length of time the franchisor:
 - (i) has conducted a business of the type to be operated by the franchisee;
 - (ii) has granted franchises for that business; and
 - (iii) has granted franchises in other lines of business.
 - (5) (E) A copy of the franchise contract proposed for use or in use in Indiana.
 - (6) (F) A statement of the franchise fee charged, the proposed application of the proceeds of such fee by the franchisor, and the formula by which the amount of the fee is determined if the fee is not the same in all cases.
 - (7) (G) A statement describing any payments other than franchise fees that the franchisee is required to pay to the franchisor or affiliated persons, including royalties or payments which the franchisor or affiliated persons collect in whole or in part on behalf of a third party or parties.
 - (8) (H) A statement of the conditions under which the



franchise may be terminated, renewal refused, or repurchased.

~~(9)~~ **(I)** A statement as to whether the franchisee is required to purchase from the franchisor or affiliates or their designee services, supplies, products, fixtures, or other goods relating to the establishment or operation of the franchised business, together with a description thereof.

~~(10)~~ **(J)** A statement as to whether the franchisee is limited in the goods or services offered by ~~him~~ **the franchisee** to ~~his~~ **the franchisee's** customers.

~~(11)~~ **(K)** A statement of the terms and conditions of any financing agreements.

~~(12)~~ **(L)** A statement of any past or present practice or of any intent of the franchisor to transfer to a third party any note, contract, or other obligation of the franchisee in whole or in part.

~~(13)~~ **(M)** If any financial statement concerning estimated profits or earnings is used, the data upon which the estimate is based.

~~(14)~~ **(N)** A statement as to whether the franchisee will receive an exclusive area or territory.

SECTION 2. IC 23-2-2.5-10.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2020]: Sec. 10.5. (a) A person who wants to offer for sale a franchise in Indiana and who is not exempt under sections 3 through 5 of this chapter shall register the franchise by notification to the commissioner on a notification form prescribed by the commissioner. The notification shall include the following:

- (1) The name of the franchisor.
 - (2) The name or names under which the franchisor intends to do business.
 - (3) The franchisor's principal business address.
- (b) The following items shall be filed with the notification:
- (1) One (1) copy of the disclosure statement required under section 13 of this chapter.
 - (2) The consent to service of process required under section 24 of this chapter, unless consent has previously been filed by the person.
 - (3) The registration fee required under section 43 of this chapter.
- (c) A franchisor may register only one (1) franchise for each notification.
- (d) The registration of a franchise under this section is effective upon the commissioner's receipt of the notification. The notification is effective for one (1) year from the date of the commissioner's receipt



of the notification.

(e) **Except as provided in section 13.1 of this chapter**, during the one (1) year registration period, a person is not required to file with the commissioner any supplemental information, including any amendments to the disclosure statement, unless the commissioner, acting under the commissioner's authority to suspend or revoke a registration under section 14 of this chapter, requests the information.

SECTION 3. IC 23-2-2.5-13.1 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS** [EFFECTIVE JULY 1, 2020]: **Sec. 13.1. (a) Subject to subsection (b), a person that has a registration in effect under this chapter shall, not later than thirty (30) days after the occurrence of any material change in the information set forth in the person's disclosure statement under section 13 of this chapter, notify the commissioner of the change by filing an amended copy of the disclosure statement.**

(b) A "material change" requiring notification to the commissioner under subsection (a) includes the following:

(1) The occurrence of any of the following within any three (3) month period:

(A) The termination, closing, or failure to renew the franchise of either:

- (i) ten percent (10%) of all franchises of the franchisor, regardless of the location of the franchises; or
- (ii) ten percent (10%) of the franchisor's franchises that are located in Indiana.

(B) The purchase by the franchisor of either:

- (i) ten percent (10%) of the franchisor's existing franchises, regardless of the location of the franchises; or
- (ii) ten percent (10%) of the franchisor's existing franchises that are located in Indiana.

(2) Any:

(A) change in control, corporate name, or state of incorporation; or

(B) reorganization;

of the franchisor.

(3) Either of the following:

(A) The introduction of any new product, service, model, or line involving, directly or indirectly, an additional investment by franchisees that exceeds twenty percent (20%) of the average investment made by all franchisees immediately before the introduction of the new product,



service, model, or line.

(B) The discontinuation or modification of the marketing plan or marketing system of any product or service of the franchisor if the average total sales attributable to the product or service exceed twenty percent (20%) of the average annual gross sales of existing franchisees immediately before the discontinuation or modification of the marketing plan or marketing system.

(4) Any change in the franchise fees charged by the franchisor.

(5) Any significant change in:

(A) the obligations of a franchisee to purchase items from the franchisor or the franchisor's designated sources;

(B) the limitations or restrictions on goods or services that a franchisee may offer to a customer;

(C) the obligations to be performed by the franchisor or a franchisee; or

(D) the franchise contract or agreement, including any amendments to the franchise contract or agreement.

(6) Any other change designated as material by the commissioner by rule adopted or order issued under this chapter.

SECTION 4. IC 23-2-2.5-18, AS AMENDED BY P.L.48-2006, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2020]: Sec. 18. A registration by notification may be renewed by submitting to the commissioner a registration renewal form not later than the date the registration is due to expire. ~~If no stop order or other order under section 14 of this chapter is in effect,~~ Registration of the offer is renewed at the time the registration would have expired **unless the franchisor requests an earlier renewal date.** A renewal is effective for a period of one (1) year unless the commissioner ~~specified~~ **specifies** a shorter period.

SECTION 5. IC 23-2-2.5-43, AS AMENDED BY P.L.27-2007, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2020]: Sec. 43. (a) All fees and funds of whatever character accruing from the administration of this chapter shall be:

(1) accounted for by the secretary of state;

(2) paid into the state treasury monthly; and

(3) placed in the same account of the state general fund as established by IC 23-19-6-1(f), from which all compensation and expenses shall be paid for the administration of this chapter.

(b) The fee for filing a form for registration by notification of the



sale of franchises under section 10.5 of this chapter is five hundred dollars (\$500).

(c) The fee for filing a registration renewal form under section 18 of this chapter is two hundred fifty dollars (\$250).

(d) ~~When~~ **If** a registration notification form or registration renewal form is denied or withdrawn, the commissioner shall retain ~~one hundred fifty dollars (\$150)~~ **the amount of the fee submitted under subsection (b) or (c), as applicable.**

SECTION 6. IC 23-2-4-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2020]: Sec. 11. In lieu of establishing an escrow account under section 10 of this chapter, a provider may, with the commissioner's permission, post a letter of credit from a financial institution, negotiable securities, or a bond by a surety authorized to do business in Indiana. The letter of credit, negotiable securities, or bond must be:

- (1) approved by the commissioner as to form;
- (2) for an amount ~~not to exceed the total amount of all entrance fees received by the provider before the date the resident is permitted to occupy the living unit;~~ **that is at least equal to the maximum amount of entrance fees reasonably anticipated by the provider to otherwise be subject to the escrow requirements set forth in section 10 of this chapter;** and
- (3) executed in favor of the commissioner on behalf of individuals who may be found entitled to a refund of entrance fees.

SECTION 7. IC 23-19-1-0.2, AS ADDED BY P.L.220-2011, SECTION 384, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2020]: Sec. 0.2. (a) The predecessor act exclusively governs all actions or proceedings that are pending on June 30, 2008, or may be instituted on the basis of conduct occurring before July 1, 2008, but a civil action may not be maintained to enforce any liability under the predecessor act unless instituted within any period of limitation that applied when the cause of action accrued or within five (5) years after June 30, 2008, whichever is earlier.

(b) All effective registrations under the predecessor act and all administrative orders relating to the registrations, rules, statements of policy, ~~interpretative~~ **interpretive** opinions, declaratory rulings, no-action determinations, and conditions imposed on the registrations under the predecessor act remain in effect while they would have remained in effect if this article had not been enacted, and are considered to have been filed, issued, or imposed under this article, but are exclusively governed by the predecessor act.

(c) The predecessor act exclusively applies to an offer or sale made



within one (1) year after June 30, 2008, under an offering made in good faith before July 1, 2008, on the basis of an exemption available under the predecessor act.

SECTION 8. IC 23-19-6-5, AS AMENDED BY P.L.3-2008, SECTION 172, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2020]: Sec. 5. (a) The commissioner may:

- (1) issue forms and orders and, after notice and comment, may adopt and amend rules necessary or appropriate to carry out this article and may repeal rules, including rules and forms governing registration statements, applications, notice filings, reports, and other records;
- (2) by rule, define terms, whether or not used in this article, but those definitions may not be inconsistent with this article; and
- (3) by rule, classify securities, persons, and transactions and adopt different requirements for different classes.

(b) Under this article, a rule or form may not be adopted or amended, or an order issued or amended, unless the commissioner finds that the rule, form, order, or amendment is necessary or appropriate in the public interest or for the protection of investors and is consistent with the purposes intended by this article.

(c) Subject to Section 15(h) of the Securities Exchange Act of 1938 (15 U.S.C. 78o(h)) and Section 222 of the Investment Advisers Act of 1940 (15 U.S.C. 80b-18a), the commissioner may require that a financial statement filed under this article be prepared in accordance with generally accepted accounting principles in the United States and comply with other requirements specified by rule adopted or order issued under this article. A rule adopted or order issued under this article may establish:

- (1) subject to Section 15(h) of the Securities Exchange Act of 1934 (15 U.S.C. 78o(h)) and Section 222 of the Investment Advisers Act of 1940 (15 U.S.C. 80b-18a), the form and content of financial statements required under this article;
- (2) whether unconsolidated financial statements must be filed; and
- (3) whether required financial statements must be audited by an independent certified public accountant.

(d) The commissioner may provide ~~interpretative~~ **interpretive** opinions or issue determinations that the commissioner will not institute a proceeding or an action under this article against a specified person for engaging in a specified act, practice, or course of business if the determination is consistent with this article. The commissioner shall charge a fee of one hundred dollars (\$100) for an ~~interpretative~~



interpretive opinion or determination.

(e) A penalty under this article may not be imposed for, and liability does not arise from, conduct that is engaged in or omitted in good faith and reasonably believed to be conforming to a rule, form, or order of the commissioner under this article.

(f) A hearing in an administrative proceeding under this article must be conducted in public unless the commissioner finds a statutory basis that would allow the hearing to be closed to the public.

SECTION 9. IC 23-19-6-6, AS ADDED BY P.L.27-2007, SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2020]: Sec. 6. (a) The commissioner shall maintain, or designate a person to maintain, a register of applications for registration of securities; registration statements; notice filings; applications for registration of broker-dealers, agents, investment advisers, and investment adviser representatives; notice filings by federal covered investment advisers that are or have been effective under this article or the predecessor act; notices of claims of exemption from registration or notice filing requirements contained in a record; orders issued under this article or the predecessor act; and **interpretative interpretive** opinions or no-action determinations issued under this article.

(b) The commissioner shall make all rules, forms, **interpretative interpretive** opinions, and orders available to the public.

(c) The commissioner shall furnish a copy of a record that is a public record, or a certification that the public record does not exist, to a person that so requests. A rule adopted under this article may establish a reasonable charge for furnishing the record or certification. A copy of the record certified or a certificate by the commissioner of a record's nonexistence is prima facie evidence of a record or its nonexistence.

SECTION 10. IC 23-19-6-8, AS ADDED BY P.L.27-2007, SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2020]: Sec. 8. (a) The commissioner shall, in its discretion, cooperate, coordinate, consult, and, subject to section 7 of this chapter, share records and information with the securities regulator of another state, Canada, a Canadian province or territory, a foreign jurisdiction, the Securities and Exchange Commission, the United States Department of Justice, the Commodity Futures Trading Commission, the Federal Trade Commission, the Securities Investor Protection Corporation, a self-regulatory organization, a national or international organization of securities regulators, a federal or state banking and insurance regulator, or a governmental law enforcement agency to



effectuate greater uniformity in securities matters among the federal government, self-regulatory organizations, states, and foreign governments.

(b) In cooperating, coordinating, consulting, and sharing records and information under this section and in acting by rule, order, or waiver under this article, the commissioner shall, in its discretion, take into consideration in carrying out the public interest the following general policies:

- (1) Maximizing effectiveness of regulation for the protection of investors.
- (2) Maximizing uniformity in federal and state regulatory standards.
- (3) Minimizing burdens on the business of capital formation, without adversely affecting essentials of investor protection.

(c) The cooperation, coordination, consultation, and sharing of records and information authorized by this section includes:

- (1) establishing or employing one (1) or more designees as a central depository for registration and notice filings under this article and for records required or allowed to be maintained under this article;
- (2) developing and maintaining uniform forms;
- (3) conducting a joint examination or investigation;
- (4) holding a joint administrative hearing;
- (5) instituting and prosecuting a joint civil or administrative proceeding;
- (6) sharing and exchanging personnel;
- (7) coordinating registrations under IC 23-19-3 and IC 23-19-4-1 through IC 23-19-4-4 and exemptions under IC 23-19-2-3;
- (8) sharing and exchanging records, subject to section 7 of this chapter;
- (9) formulating rules, statements of policy, guidelines, forms, and ~~interpretative~~ **interpretive** opinions and releases;
- (10) formulating common systems and procedures;
- (11) notifying the public of proposed rules, forms, statements of policy, and guidelines;
- (12) attending conferences and other meetings among securities regulators, which may include representatives of governmental and private sector organizations involved in capital formation, considered necessary or appropriate to promote or achieve uniformity; and
- (13) developing and maintaining a uniform exemption from registration for small issuers, and taking other steps to reduce the



burden of raising investment capital by small businesses.

SECTION 11. IC 25-11-1-3, AS AMENDED BY P.L.136-2018, SECTION 141, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2020]: Sec. 3. **(a) As used in this section, "Nationwide Multistate Licensing System" refers to a multistate licensing system owned and operated by the State Regulatory Registry, LLC, or by a successor or an affiliated entity, for the licensing and registration of:**

- (1) creditors;**
- (2) mortgage loan originators;**
- (3) other financial services entities; and**
- (4) employees and agents of the persons described in subdivisions (1) through (3).**

The term includes "NMLS" and any other name or acronym that may be assigned to the system by the State Regulatory Registry, LLC, or by a successor or an affiliated entity of the State Regulatory Registry, LLC.

(a) (b) Any person desiring to conduct a collection agency shall make an application to the secretary of state upon such forms as may be prescribed by the secretary of state. Such application shall include the following:

- (1) If the applicant is an individual:
 - (A) the individual's name;
 - (B) the individual's residence address;
 - (C) the address of each location from which the individual carries out the activities of the collection agency; and
 - (D) a statement that the individual satisfies the qualifications set forth in section 4 of this chapter.
- (2) If the applicant is a partnership:
 - (A) the name of each partner;
 - (B) the business address of the partnership;
 - (C) the residence address of at least one (1) of the partners;
 - (D) the address of each location from which the partnership carries out the activities of the collection agency; and
 - (E) a statement that each partner in the partnership satisfies the qualifications set forth in section 4 of this chapter.
- (3) If the applicant is a limited liability company:
 - (A) the date and place of organization;
 - (B) the name of the limited liability company;
 - (C) the business address of the limited liability company;
 - (D) the residence address of at least one (1) of the managers or members of the limited liability company; and



(E) a statement that each of the managers and members in the limited liability company satisfies the qualifications set forth in section 4 of this chapter.

(4) If the applicant is a corporation:

(A) the date and place of incorporation;

(B) the name of the corporation;

(C) the business address of the corporation;

(D) the residence address of at least one (1) of the officers of the corporation; and

(E) a statement that each of the officers of the corporation satisfies the qualifications set forth in section 4 of this chapter.

The application shall be duly sworn to before an officer qualified to administer oaths. The application shall set forth in the application any other verified information which will assist the secretary of state in determining the qualifications of the applicant to meet the requirements of a collection agency as set forth in this chapter.

~~(b)~~ (c) Every original and renewal application of any person desiring to conduct a collection agency shall be accompanied by a fee of one hundred dollars (\$100) plus an additional fee of thirty dollars (\$30) for each branch office operated by the applicant whether as sole owner, partnership, limited liability company, or corporation.

~~(c)~~ (d) Any person desiring to secure a renewal of a collection agency license shall make a renewal application to the secretary of state not later than January 1 of the year following the year in which the person's license expires under section 5 of this chapter. The application shall be made on such forms as the secretary of state may prescribe. Such application shall contain in the application verified information that will assist the secretary of state in determining whether or not the applicant is in default, or is in violation of any of the provisions of this chapter, and whether or not the applicant has at all times complied with the requirements of this chapter in the operation of the applicant's collection agency.

~~(d)~~ (e) Each renewal application shall be accompanied by the renewal fee and an additional fee of thirty dollars (\$30) for each branch office maintained and operated by the applicant.

~~(e)~~ (f) **Every An original and application or a renewal application shall under this section must** be accompanied by the following:

(1) ~~A~~ **An electronic corporate surety bond that is:**

(A) filed by the applicant collection agency; and

(B) satisfactory to the commissioner;

in the an amount calculated to equal the sum of five thousand dollars (\$5,000) for each office the applicant operates ~~in the state~~



of Indiana. ~~All bonds shall~~ **A collection agency's bond must** run to the people of ~~the state of~~ Indiana and ~~shall must~~ be furnished by a surety company authorized to do business in ~~this state~~. ~~All bonds shall~~ **Indiana. A collection agency's bond must** be conditioned upon the faithful accounting of all money collected upon accounts entrusted to ~~such person~~ **the collection agency** and ~~shall must~~ be continuous in form and ~~shall~~ remain in full force and effect and run continuously with the license period and any renewal ~~thereof~~. ~~All bonds shall~~ **period. A collection agency's bond must** further be conditioned upon the provision that the applicant shall, ~~within not later than~~ **sixty (60) days** from the date of the collection of any claim, render an account of and pay to the client, for whom collection has been made, the proceeds of such collection less the charges for collection agreed upon by and between the applicant and the client. ~~All bonds~~ **A collection agency's bond** shall be filed ~~in the office of the secretary of state~~ and ~~shall be approved by the secretary of state before being filed~~. ~~All bonds through the NMLS. A collection agency's bond that is filed through the NMLS and approved shall be by the secretary of state is~~ for the use and benefit of all persons damaged by the wrongful conversion of any money by ~~such person~~, **the collection agency**, and any individual so injured or aggrieved may bring an action upon ~~such~~ **the** bond. The surety company may notify the secretary of state and principal of its desire to terminate its liability under any bond furnished. ~~Thirty (30) days after~~ **Upon** receipt of such notice by the secretary of state, the secretary of state shall ~~thereupon~~ require the principal to file a new bond or discontinue all operations ~~not later than the date that is thirty (30) days after the secretary of state's receipt of the notice~~. If a new bond is filed by the principal, all liability under any previous bond ~~shall thereupon cease and terminate~~. **ceases and terminates**. If a new bond ~~shall is~~ not be filed within the thirty (30) day period ~~above specified~~ **described in this subdivision**, the secretary of state shall, after expiration of the period, revoke the principal's license.

(2) Any applicant who is a nonresident of ~~the state of~~ Indiana shall also submit a statement appointing an agent or attorney resident ~~herein~~, upon whom all legal process against the applicant may be served. The statement ~~shall must~~ contain a stipulation that the applicant agrees that service of legal process upon such agent or attorney ~~shall be constitutes~~ valid service upon the applicant.

(f) (g) Subject to subsection (g), (h), the secretary of state may



designate a **the NMLS or another** multistate automated licensing system and repository, established and operated by a third party, to serve as the sole entity responsible for:

- (1) processing applications for:
 - (A) licenses under this chapter; and
 - (B) renewals of licenses under this chapter; and
- (2) performing other services that the secretary of state determines are necessary for the orderly administration of the secretary of state's licensing system under this chapter.

The secretary of state may take any action necessary to participate in a **the NMLS or another** multistate automated licensing system and repository.

~~(g)~~ **(h)** The secretary of state's authority to designate a **the NMLS or another** multistate automated licensing system and repository under subsection ~~(f)~~ **(g)** is subject to the following:

- (1) The secretary of state may not require any person that is not required to be licensed under this chapter, or any employee or agent of a person that is not required to be licensed under this chapter, to:

- (A) submit information to; or
- (B) participate in;

the **NMLS or another** multistate automated licensing system and repository.

- (2) The secretary of state may require a person required under this chapter to submit information to the **NMLS or another** multistate automated licensing system and repository to pay a processing fee considered reasonable by the secretary of state.

SECTION 12. IC 25-11-1-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2020]: Sec. 4. The following qualifications apply to all individual applicants and any individual who is an officer of any corporation or a member of any partnership, limited liability company, or firm and actively manages the collection of or solicits accounts for collection for any firm, partnership, limited liability company, or corporation which makes an application for a collection agency license:

- (1) The applicant must be a citizen of the United States, of good moral character, and not less than eighteen (18) years of age.
- (2) The applicant must not have a record as a defaulter in the payment of money collected or received for another.
- (3) The applicant must not be a former licensee under this chapter whose license has been suspended or revoked and not subsequently reinstated under this chapter.

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(4) The applicant must not have made a false statement of material fact in the application for the license.

(5) The applicant must not have been, within the ten (10) years immediately preceding the date of the application:

(A) the subject of an adjudication or a determination by:

(i) a court with jurisdiction; or

(ii) an agency or administrator that regulates debt collection, securities, commodities, banking, financial services, insurance, real estate, or the real estate appraisal industry;

in Indiana or any other jurisdiction; and

(B) found, after notice and opportunity for hearing, to have violated the debt collection, securities, commodities, banking, financial services, insurance, real estate, or real estate appraisal laws of Indiana or any other jurisdiction in a manner that substantially undermines faith in the financial responsibility, character, reputation, integrity, and general fitness of the applicant or of the owners, partners, and members of the applicant, as determined by the commissioner.

(6) The applicant must not have violated:

(A) this article or rules promulgated under this article;

(B) any similar regulatory regime of another jurisdiction; or

(C) any other law applicable to the conduct of the collection agency business;

in a manner that substantially undermines faith in the financial responsibility, character, reputation, integrity, and general fitness of the applicant or of the owners, partners, and members of the applicant, as determined by the commissioner.

An applicant to whom a license is to be issued must meet the bonding requirements of section 3(e) 3(f) of this chapter.

SECTION 13. IC 25-11-1-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2020]: Sec. 8. The secretary of state shall **issue forms and orders and** adopt and enforce such rules and regulations, not in conflict with the provisions of this chapter, as are advisable or necessary to carry out the provisions of this chapter. All money collected under the provisions of this chapter shall be deposited by the treasurer of state into the general fund of the state.



Speaker of the House of Representatives

President of the Senate

President Pro Tempore

Governor of the State of Indiana

Date: _____ Time: _____

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