

SENATE BILL No. 4

DIGEST OF INTRODUCED BILL

Citations Affected: IC 2-5-52.5; IC 4-12-1; IC 4-22; IC 12-15-44.5-7; IC 13-14-9-4; IC 25-1-5.3.

Synopsis: Fiscal and administrative matters. Requires the legislative services agency (LSA) to prepare a report on administrative rules oversight during the 2024 interim. Requires the budget agency to biennially prepare a list of dedicated funds that have not been used in the previous two state fiscal years. Makes technical corrections to various statutes concerning rulemaking. Requires agencies to submit a copy of the notice of the first public comment period and regulatory analysis to the small business ombudsman. Provides that the legislative notice required for rule readoptions must be submitted not later than January 1 of the year preceding the year in which the rule expires. Provides that the publisher assigns a document control number when the agency submits the legislative notice during rule readoption instead of when the agency submits the notice of proposed readoption. Provides that an agency may adopt interim rules to implement a reduction, a full or partial waiver, or an elimination of a fee, fine, or civil penalty included in an administrative rule. Requires the budget agency to transfer money in the phase out trust fund on or before June 30, 2024, to the Medicaid contingency and reserve account. Specifies certain deadlines within the statutes governing an agency's failure to
(Continued next page)

Effective: Upon passage; July 1, 2024.

**Garten, Mishler, Holdman,
Charbonneau, Brown L, Raatz,
Freeman, Busch, Baldwin, Glick,
Gaskill, Walker K, Koch, Crane**

January 16, 2024, read first time and referred to Committee on Appropriations.



Digest Continued

enact required licensure rules. Requires the LSA to: (1) develop new templates for creating funds and drafting appropriations; and (2) submit the templates to the code revision commission before October 1, 2024. Requires the code revision commission to consider whether to recommend that the legislative council approve a revised drafting manual. Provides that if the legislative council approves a revised drafting manual, the LSA is required to prepare legislation for introduction in 2026 to conform the Indiana Code to the revised drafting manual's instructions for creating funds and drafting appropriations.



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.

SENATE BILL No. 4



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 2-5-52.5 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE
3 UPON PASSAGE]:

4 **Chapter 52.5. Report on Administrative Rules Oversight**
5 **Sec. 1. As used in this chapter, "committee" refers to the**
6 **administrative rules oversight committee established under**
7 **IC 2-5-18 (before its repeal by P.L.53-2014, SEC. 13).**

8 **Sec. 2. Before October 1, 2024, the legislative services agency**
9 **shall prepare a report on administrative rules oversight containing**
10 **the following information:**

- 11 (1) **A history of the committee, including information on the:**
 - 12 (A) **number of years that the committee existed;**
 - 13 (B) **number of meetings held by the committee;**
 - 14 (C) **official actions taken by the committee; and**
 - 15 (D) **documented reasons, if any, for the general assembly's**



- 1 **decision to repeal the committee in 2014.**
- 2 **(2) Information on the experience of other states served by**
- 3 **part-time legislatures that have committees on administrative**
- 4 **rules oversight. The report must include the following:**
- 5 **(A) An identification of the best practices of the**
- 6 **committees from other states.**
- 7 **(B) An estimate of the staff level necessary to implement a**
- 8 **new administrative rules oversight committee adhering to**
- 9 **the best practices identified under clause (A).**
- 10 **(C) An estimate of the amount of additional**
- 11 **appropriations, if any, that would be required to support**
- 12 **an administrative rules oversight committee in Indiana.**
- 13 **Sec. 3. The legislative services agency shall submit the report**
- 14 **required by section 2 of this chapter to:**
- 15 **(1) the legislative council; and**
- 16 **(2) the government reform task force established by**
- 17 **IC 2-5-53-5;**
- 18 **in an electronic format under IC 5-14-6.**
- 19 **Sec. 4. This chapter expires January 1, 2025.**
- 20 SECTION 2. IC 4-12-1-15.5 IS AMENDED TO READ AS
- 21 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 15.5. (a) The
- 22 Medicaid contingency and reserve account is established within the
- 23 state general fund for the purpose of providing money for timely
- 24 payment of Medicaid claims, obligations, and liabilities. Money in the
- 25 account must be used to pay Medicaid claims, obligations, and
- 26 liabilities. The account shall be administered by the budget agency.
- 27 (b) Expenses of administering the account shall be paid from money
- 28 in the account. The account consists of the following:
- 29 (1) Appropriations to the account.
- 30 (2) Other Medicaid appropriations transferred to the account with
- 31 the approval of the governor and the budget agency.
- 32 **(3) Money transferred to the account from the phase out trust**
- 33 **fund established by IC 12-15-44.5-7.**
- 34 (c) The treasurer of state shall invest the money in the account not
- 35 currently needed to meet the obligations of the account in the same
- 36 manner as other public money may be invested.
- 37 (d) Money in the account at the end of a state fiscal year does not
- 38 revert.
- 39 SECTION 3. IC 4-12-1-22 IS ADDED TO THE INDIANA CODE
- 40 AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE
- 41 UPON PASSAGE]: **Sec. 22. (a) Except as provided in subsection (b),**
- 42 **"dedicated fund", as used in this section, means a fund established**



1 separate from the state general fund for:

- 2 (1) the use of a particular state agency;
 3 (2) the deposit of a particular state revenue source; or
 4 (3) the purposes of a particular state purpose or a particular
 5 state program.

6 (b) The term does not include any of the following:

- 7 (1) A fund established for the purpose of administering a
 8 federal program or a fund established for the deposit of
 9 money received from the federal government.
 10 (2) The public deposit insurance fund maintained by the
 11 board for depositories under IC 5-13.
 12 (3) A trust fund.
 13 (4) A fund that is subject to a statutorily required minimum
 14 balance.

15 (c) Before October 1 of each even-numbered year, the budget
 16 agency shall prepare a list of dedicated funds from which no
 17 expenditures were made in the previous two (2) state fiscal years.
 18 The list must include the following information for each dedicated
 19 fund:

- 20 (1) The name of the fund.
 21 (2) The legal fund balance on June 30 of the previous state
 22 fiscal year.
 23 (3) Citation of the statute or other authority for establishing
 24 the fund.

25 (d) Before October 1 of each even-numbered year, the budget
 26 agency shall:

- 27 (1) make any appropriate recommendations concerning the
 28 listed dedicated funds; and
 29 (2) submit the list prepared under subsection (c) and any
 30 recommendations made under subdivision (1) in an electronic
 31 format under IC 5-14-6 to the legislative council and to the
 32 budget committee.

33 (e) If the list required by this section is not submitted by
 34 October 1 of an even-numbered year, the budget committee may
 35 request that the budget agency appear at a public meeting
 36 concerning the list.

37 (f) Notwithstanding any other law, any remaining balance in a
 38 dedicated fund identified on the list submitted under subsection (d)
 39 reverts to the state general fund at the end of the state fiscal year
 40 in which the list is submitted.

41 SECTION 4. IC 4-22-2-15, AS AMENDED BY P.L.249-2023,
 42 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE



1 JULY 1, 2024]: Sec. 15. Any rulemaking action that this chapter allows
 2 or requires an agency to perform, other than final adoption of a rule
 3 under section 29, 37.1, or 37.2 of this chapter or IC 13-14-9, may be
 4 performed by the individual or group of individuals with the statutory
 5 authority to adopt rules for the agency, a member of the agency's staff,
 6 or another agent of the agency. Final adoption of a rule under section
 7 29, 37.1, or 37.2 of this chapter or IC 13-14-9, including re adoption of
 8 a rule that is subject to sections ~~24~~ **23** through 36 or to section 37.1 of
 9 this chapter and recalled for further consideration under section 40 of
 10 this chapter, may be performed only by the individual or group of
 11 individuals with the statutory authority to adopt rules for the agency.

12 SECTION 5. IC 4-22-2-28, AS AMENDED BY THE TECHNICAL
 13 CORRECTIONS BILL OF THE 2024 GENERAL ASSEMBLY IS
 14 AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2024]:
 15 Sec. 28. (a) ~~The following definitions apply throughout~~ **As used in** this
 16 section,

17 (†) "ombudsman" refers to the small business ombudsman
 18 designated under IC 5-28-17-6.

19 (2) ~~"Total estimated economic impact" means the direct annual~~
 20 ~~economic impact of a rule on all regulated persons after the rule~~
 21 ~~is fully implemented under subsection (g):~~

22 (b) The ombudsman:

23 (1) shall review a proposed rule that imposes requirements or
 24 costs on small businesses (as defined in IC 4-22-2.1-4); and

25 (2) may review a proposed rule that imposes requirements or
 26 costs on businesses other than small businesses (as defined in
 27 IC 4-22-2.1-4).

28 After conducting a review under subdivision (1) or (2), the ombudsman
 29 may suggest alternatives to reduce any regulatory burden that the
 30 proposed rule imposes on small businesses or other businesses. The
 31 agency that intends to adopt the proposed rule shall respond in writing
 32 to the ombudsman concerning the ombudsman's comments or
 33 suggested alternatives before adopting the proposed rule under section
 34 29 of this chapter.

35 SECTION 6. IC 4-22-2-31, AS AMENDED BY P.L.249-2023,
 36 SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 37 JULY 1, 2024]: Sec. 31. After an agency has complied with section 29
 38 of this chapter, or adopted the rule in conformity with IC 13-14-9, as
 39 applicable, the agency shall submit its rule to the attorney general for
 40 approval. The agency shall submit the following to the attorney
 41 general:

42 (1) The rule in the form required by section 20 of this chapter.



1 (2) The documents required by section 21 of this chapter.

2 (3) Written **or an electronic mail** authorization to proceed issued
3 by the publisher under sections 23 and 24 of this chapter or
4 IC 13-14-9-4, IC 13-14-9-5, or IC 13-14-9-14, as applicable.

5 (4) Any other documents specified by the attorney general.

6 The attorney general may require the agency to submit any supporting
7 documentation that the attorney general considers necessary for the
8 attorney general's review under section 32 of this chapter. The agency
9 may submit any additional supporting documentation the agency
10 considers necessary.

11 SECTION 7. IC 4-22-2-37.1, AS AMENDED BY P.L.249-2023,
12 SECTION 33, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
13 JULY 1, 2024]: Sec. 37.1. (a) The following do not apply to a rule
14 adopted under this section:

15 (1) Sections 23 through 27 of this chapter or IC 13-14-9 (as
16 applicable).

17 (2) Sections 28 through 36 of this chapter.

18 The amendments to this section made in the 2023 regular session of the
19 general assembly apply to provisional rules that are accepted for filing
20 by the publisher of the Indiana Register after June 30, 2023, regardless
21 of whether the adopting agency initiated official action to adopt the rule
22 by the name of emergency rule or provisional rule before July 1, 2023.
23 An action taken before July 1, 2023, in conformity with this section (as
24 effective after June 30, 2023) is validated to the same extent as if the
25 action was taken after June 30, 2023.

26 (b) An agency may adopt a rule on a subject for which the agency
27 has rulemaking authority using the procedures in this section if the
28 governor finds that the agency proposing to adopt the rule has
29 demonstrated to the satisfaction of the governor that use of provisional
30 rulemaking procedures under this section is necessary to avoid:

31 (1) an imminent and a substantial peril to public health, safety, or
32 welfare;

33 (2) an imminent and a material loss of federal funds for an agency
34 program;

35 (3) an imminent and a material deficit;

36 (4) an imminent and a substantial violation of a state or federal
37 law or the terms of a federal agreement or program;

38 (5) injury to the business or interests of the people or any public
39 utility of Indiana as determined under IC 8-1-2-113;

40 (6) an imminent and a substantial peril to:

41 (A) wildlife; or

42 (B) domestic animal;



1 health, safety, or welfare; or

2 (7) the spread of invasive species, pests, or diseases affecting
3 plants.

4 To obtain a determination from the governor, an agency must submit
5 to the governor the text of the proposed provisional rule, a statement
6 justifying the need for provisional rulemaking procedures, and any
7 additional information required by the governor in the form and in the
8 manner required by the governor. The governor may not approve
9 provisional rulemaking for any part of a proposed provisional rule that
10 adds or amends language to increase or expand application of a fee,
11 fine, or civil penalty or a schedule of fees, fines, or civil penalties
12 before submitting the proposal to the budget committee for review. A
13 notice of determination by the governor shall include findings that
14 explain the basis for the determination. The notice of determination
15 shall be provided to the agency in an electronic format. Approval of a
16 request shall be treated as a determination that the rule meets the
17 criteria in this subsection.

18 (c) After the governor approves provisional rulemaking procedures
19 for a rule but before the agency adopts the provisional rule, the agency
20 shall obtain a document control number from the publisher. The
21 publisher shall determine the documents and the format of the
22 documents that must be submitted to the publisher to obtain a
23 document control number. The agency must submit at least the
24 following:

25 (1) The full text of the proposed provisional rule in the form
26 required by section 20 of this chapter.

27 (2) A statement justifying the need for provisional rulemaking.

28 (3) The approval of the governor to use provisional rulemaking
29 procedures required by law.

30 (4) The documents required by section 21 of this chapter.

31 An agency may not adopt a proposed provisional rule until after the
32 publisher notifies the agency that the publisher has complied with
33 subsection (d). At least ten (10) regular business days must elapse after
34 the publisher has complied with subsection (d) before the department
35 of natural resources, the natural resources commission, the department
36 of environmental management, or a board that has rulemaking authority
37 under IC 13 adopts a provisional rule.

38 (d) Upon receipt of documents described in subsection (c), the
39 publisher shall distribute the full text of the proposed provisional rule
40 to legislators and legislative committees in the manner and the form
41 specified by the legislative council or the personnel subcommittee of
42 the legislative council acting for the legislative council. After



1 distribution has occurred, the publisher shall notify the agency of the
2 date that distribution under this subsection has occurred.

3 (e) After the document control number has been assigned and the
4 agency adopts the provisional rule, the agency shall submit the
5 following to the publisher for filing:

6 (1) The text of the adopted provisional rule. The agency shall
7 submit the provisional rule in the form required by section 20 of
8 this chapter.

9 (2) A signature page that indicates that the agency has adopted the
10 provisional rule in conformity with all procedures required by
11 law.

12 (3) If the provisional rule adds or amends language to increase or
13 expand application of a fee, fine, or civil penalty or a schedule of
14 fees, fines, or civil penalties, the agenda of the budget committee
15 meeting at which the rule was scheduled for review.

16 (4) The documents required by section 21 of this chapter.

17 The publisher shall determine the format of the provisional rule and
18 other documents to be submitted under this subsection. The substantive
19 text of the adopted provisional rule must be substantially similar to the
20 text of the proposed provisional rule submitted to the governor. A
21 provisional rule may suspend but not repeal a rule approved by the
22 governor under section 34 of this chapter.

23 (f) Subject to subsections (c) and (e) and section 39 of this chapter,
24 the publisher shall:

25 (1) accept the provisional rule for filing;

26 (2) electronically record the date and time that the provisional
27 rule is accepted; and

28 (3) publish the text of the adopted provisional rule and the
29 governor's approval in the Indiana Register.

30 (g) A provisional rule adopted by an agency under this section takes
31 effect on the latest of the following dates:

32 (1) The effective date of the statute delegating authority to the
33 agency to adopt the provisional rule.

34 (2) The date and time that the provisional rule is accepted for
35 filing under subsection (f).

36 (3) The effective date stated by the adopting agency in the
37 provisional rule.

38 (4) The date of compliance with every requirement established by
39 law as a prerequisite to the adoption or effectiveness of the
40 provisional rule.

41 (5) The statutory effective date for a provisional rule set forth in
42 law.



1 (h) An agency may amend a provisional rule with another
 2 provisional rule by following the procedures in this section for the
 3 amended provisional rule. However, unless otherwise provided by
 4 IC 4-22-2.3, a provisional rule and all amendments of a provisional rule
 5 by another provisional rule expire not later than one hundred eighty
 6 (180) days after the initial provisional rule is accepted for filing under
 7 subsection (f). **Unless otherwise provided by IC 4-22-2.3-2**, the
 8 subject of the provisional rule, including all amendments to the
 9 provisional rule, may not be subsequently extended under this section
 10 or section 37.2 of this chapter. If the governor determines that the
 11 circumstance that is the basis for using the procedures under this
 12 section ceases to exist, the governor may terminate the provisional rule
 13 before the lapse of one hundred eighty (180) days. The termination is
 14 effective when filed with the publisher. The publisher shall publish the
 15 termination notice in the Indiana Register.

16 (i) Subject to subsection (j), the attorney general or the governor
 17 may file an objection to a provisional rule that is adopted under this
 18 section not later than forty-five (45) days after the date that a
 19 provisional rule or amendment to a provisional rule is accepted for
 20 filing under subsection (f). The objection must cite the document
 21 control number for the affected provisional rule and state the basis for
 22 the objection. When filed with the publisher, the objection has the
 23 effect of invalidating the provisional rule or amendment to a
 24 provisional rule. The publisher shall publish the objection in the
 25 Indiana Register.

26 (j) The attorney general may file a written objection to a provisional
 27 rule under subsection (i) only if the attorney general determines that the
 28 provisional rule has been adopted:

- 29 (1) without statutory authority; or
- 30 (2) without complying with this section.

31 A notice of objection to a provisional rule by the attorney general must
 32 include findings that explain the basis for the determination. The notice
 33 of objection shall be provided to the agency in an electronic format.

34 SECTION 8. IC 4-22-2-38, AS AMENDED BY P.L.249-2023,
 35 SECTION 35, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 36 JULY 1, 2024]: Sec. 38. (a) This section applies to a rulemaking action
 37 resulting in any of the following rules:

- 38 (1) A rule that brings another rule into conformity with section 20
 39 of this chapter.
- 40 (2) A rule that amends another rule to replace an inaccurate
 41 reference to a statute, rule, regulation, other text, governmental
 42 entity, or location with an accurate reference, when the inaccuracy



1 is the result of the rearrangement of a federal or state statute, rule,
2 or regulation under a different citation number, a federal or state
3 transfer of functions from one (1) governmental entity to another,
4 a change in the name of a federal or state governmental entity, or
5 a change in the address of an entity.

6 (3) A rule correcting any other typographical, clerical, or spelling
7 error in another rule.

8 (b) Sections ~~24~~ 23 through 37.2 of this chapter do not apply to rules
9 described in subsection (a).

10 (c) Notwithstanding any other statute, an agency may adopt a rule
11 described by subsection (a) without complying with any statutory
12 notice, hearing, adoption, or approval requirement. In addition, the
13 governor may adopt a rule described in subsection (a) for an agency
14 without the agency's consent or action.

15 (d) A rule described in subsection (a) shall be submitted to the
16 publisher for the assignment of a document control number. The
17 agency (or the governor, for the agency) shall submit the rule in the
18 form required by section 20 of this chapter and with the documents
19 required by section 21 of this chapter. The publisher shall determine
20 the number of copies of the rule and other documents to be submitted
21 under this subsection.

22 (e) After a document control number is assigned, the agency (or the
23 governor, for the agency) shall submit the rule to the publisher for
24 filing. The agency (or the governor, for the agency) shall submit the
25 rule in the form required by section 20 of this chapter and with the
26 documents required by section 21 of this chapter. The publisher shall
27 determine the format of the rule and other documents to be submitted
28 under this subsection.

29 (f) Subject to section 39 of this chapter, the publisher shall:

30 (1) accept the rule for filing; and

31 (2) electronically record the date and time that it is accepted.

32 (g) Subject to subsection (h), a rule described in subsection (a) takes
33 effect on the latest of the following dates:

34 (1) The date that the rule being corrected by a rule adopted under
35 this section becomes effective.

36 (2) The date that is forty-five (45) days from the date and time
37 that the rule adopted under this section is accepted for filing
38 under subsection (f).

39 (h) The governor or the attorney general may file an objection to a
40 rule that is adopted under this section before the date that is forty-five
41 (45) days from the date and time that the rule is accepted for filing
42 under subsection (f). When filed with the publisher, the objection has



1 the effect of invalidating the rule.
 2 SECTION 9. IC 4-22-2.1-5, AS AMENDED BY P.L.249-2023,
 3 SECTION 40, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 4 JULY 1, 2024]: Sec. 5. (a) If an agency intends to adopt a rule under
 5 IC 4-22-2 that will impose requirements or costs on small businesses,
 6 the agency shall prepare a statement that describes the annual
 7 economic impact of a rule on all small businesses after the rule is fully
 8 implemented. The statement required by this section must include the
 9 following:
 10 (1) An estimate of the number of small businesses, classified by
 11 industry sector, that will be subject to the proposed rule.
 12 (2) An estimate of the average annual reporting, record keeping,
 13 and other administrative costs that small businesses will incur to
 14 comply with the proposed rule.
 15 (3) An estimate of the total annual economic impact that
 16 compliance with the proposed rule will have on all small
 17 businesses subject to the rule.
 18 (4) A statement justifying any requirement or cost that is:
 19 (A) imposed on small businesses by the rule; and
 20 (B) not expressly required by:
 21 (i) the statute authorizing the agency to adopt the rule; or
 22 (ii) any other state or federal law.
 23 The statement required by this subdivision must include a
 24 reference to any data, studies, or analyses relied upon by the
 25 agency in determining that the imposition of the requirement or
 26 cost is necessary.
 27 (5) A regulatory flexibility analysis that considers any less
 28 intrusive or less costly alternative methods of achieving the
 29 purpose of the proposed rule. The analysis under this subdivision
 30 must consider the following methods of minimizing the economic
 31 impact of the proposed rule on small businesses:
 32 (A) The establishment of less stringent compliance or
 33 reporting requirements for small businesses.
 34 (B) The establishment of less stringent schedules or deadlines
 35 for compliance or reporting requirements for small businesses.
 36 (C) The consolidation or simplification of compliance or
 37 reporting requirements for small businesses.
 38 (D) The establishment of performance standards for small
 39 businesses instead of design or operational standards imposed
 40 on other regulated entities by the rule.
 41 (E) The exemption of small businesses from part or all of the
 42 requirements or costs imposed by the rule.



1 If the agency has made a preliminary determination not to
2 implement one (1) or more of the alternative methods considered,
3 the agency shall include a statement explaining the agency's
4 reasons for the determination, including a reference to any data,
5 studies, or analyses relied upon by the agency in making the
6 determination.

7 **(b) The agency shall submit a copy of the notice of the first**
8 **public comment period and regulatory analysis published under**
9 **IC 4-22-2-23 to the small business ombudsman not later than the**
10 **publication of the notice of the first public comment period.**

11 SECTION 10. IC 4-22-2.1-6, AS AMENDED BY P.L.249-2023,
12 SECTION 41, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
13 JULY 1, 2024]: Sec. 6. (a) Not later than seven (7) days before the date
14 of the public hearing set forth in the agency's notice under
15 ~~IC 4-22-2-24~~, **IC 4-22-2-23**, the small business ombudsman shall do
16 the following:

17 (1) Review the proposed rule **contained within the notice of the**
18 **first public comment period** and economic impact statement
19 **contained within the regulatory analysis** submitted to the small
20 business ombudsman by the agency under section 5 of this
21 chapter.

22 (2) Submit written comments to the agency on the proposed rule
23 and the economic impact statement prepared by the agency under
24 section 5 of this chapter. The small business ombudsman's
25 comments may:

26 (A) recommend that the agency implement one (1) or more of
27 the regulatory alternatives considered by the agency under
28 section 5 of this chapter;

29 (B) suggest regulatory alternatives not considered by the
30 agency under section 5 of this chapter;

31 (C) recommend any other changes to the proposed rule that
32 would minimize the economic impact of the proposed rule on
33 small businesses; or

34 (D) recommend that the agency abandon or delay the
35 rulemaking action until:

36 (i) more data on the impact of the proposed rule on small
37 businesses can be gathered and evaluated; or

38 (ii) less intrusive or less costly alternative methods of
39 achieving the purpose of the proposed rule can be effectively
40 implemented with respect to small businesses.

41 (b) Upon receipt of the small business ombudsman's written
42 comments under subsection (a), the agency shall make the comments



- 1 available:
- 2 (1) for public inspection and copying at the offices of the agency
- 3 under IC 5-14-3;
- 4 (2) electronically through the electronic gateway administered
- 5 under IC 4-13.1-2-2(a)(6) by the office of technology; and
- 6 (3) for distribution at the public hearing required by IC 4-22-2-26.
- 7 (c) Before finally adopting a rule under IC 4-22-2-29, and in the
- 8 same manner that the agency considers public comments under
- 9 IC 4-22-2-27, the agency must fully consider the comments submitted
- 10 by the small business ombudsman under subsection (a). After
- 11 considering the comments under this subsection, the agency may:
- 12 (1) adopt any version of the rule permitted under IC 4-22-2-29; or
- 13 (2) abandon or delay the rulemaking action as recommended by
- 14 the small business ombudsman under subsection (a)(2)(D), if
- 15 applicable.
- 16 SECTION 11. IC 4-22-2.3-6, AS ADDED BY P.L.249-2023,
- 17 SECTION 43, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 18 JULY 1, 2024]: Sec. 6. The following apply to the department of
- 19 financial institutions:
- 20 (1) The department of financial institutions shall adopt rules
- 21 under the interim rule procedures in IC 4-22-2-37.2 announcing:
- 22 (A) sixty (60) days before January 1 of each odd-numbered
- 23 year in which dollar amounts under IC 24-4.5 (Uniform
- 24 Consumer Credit Code) are to change, the changes in dollar
- 25 amounts required by IC 24-4.5-1-106(2);
- 26 (B) promptly after the changes occur, changes in the Index
- 27 required by IC 24-4.5-1-106(3), including, when applicable,
- 28 the numerical equivalent of the Reference Base Index under a
- 29 revised Reference Base Index and the designation or title of
- 30 any index superseding the Index;
- 31 (C) the adjustments required under IC 24-9-2-8 concerning
- 32 high cost home loans; and
- 33 (D) the adjustments required under IC 34-55-10-2 (bankruptcy
- 34 exemptions; limitations) or IC 34-55-10-2.5.
- 35 A rule described in this subdivision expires not later than January
- 36 of the next odd-numbered year after the department of financial
- 37 institutions is required to issue the rule.
- 38 (2) The department of financial institutions may adopt a rule
- 39 under the interim rule procedures in IC 4-22-2-37.2 for a rule
- 40 permitted under IC 24-4.4-1-101 (licensing system for creditors
- 41 and mortgage loan originators) or IC 24-4.5 (Uniform Consumer
- 42 Credit Code) if the department of financial institutions declares



1 an emergency. A rule described in this subdivision expires not
2 later than two (2) years after the rule is effective.

3 (3) The department of financial institutions may adopt a rule
4 described in IC 34-55-10-2 (bankruptcy exemptions; limitations)
5 or IC 34-55-10-2.5 in conformity with the procedures in
6 IC 4-22-2-23 through IC 4-22-2-36 or the interim rule procedures
7 in IC 4-22-2-37.2. A rule described in this subdivision adopted
8 under IC 4-22-2-37.2 expires not later than two (2) years after the
9 rule is accepted for filing by the publisher of the Indiana Register.

10 A rule described in this section may be continued in another interim
11 rule only if the governor determines under ~~section~~ IC 4-22-2-37.2(c)
12 that the policy options available to the agency are so limited that use of
13 the additional notice, comment, and review procedures in IC 4-22-2-23
14 through IC 4-22-2-36 would provide no benefit to persons regulated or
15 otherwise affected by the rule.

16 SECTION 12. IC 4-22-2.3-10 IS ADDED TO THE INDIANA
17 CODE AS A NEW SECTION TO READ AS FOLLOWS
18 [EFFECTIVE JULY 1, 2024]: **Sec. 10. (a) An agency may adopt**
19 **interim rules under IC 4-22-2-37.2 to implement a reduction, a full**
20 **or partial waiver, or an elimination of a fee, fine, or civil penalty**
21 **included in a rule adopted under IC 4-22-2.**

22 **(b) An interim rule authorized under this section expires not**
23 **later than January 1 of the fifth year after the year in which the**
24 **rule is accepted for filing by the publisher of the Indiana Register.**

25 **(c) A rule described in this section may be continued:**

26 **(1) if the agency readopts the rule:**

27 **(A) without changes in conformity with the procedures in**
28 **IC 4-22-2.6-3 through IC 4-22-2.6-9; or**

29 **(B) with or without changes in conformity with the**
30 **procedures in IC 4-22-2-23 through IC 4-22-2-36; or**

31 **(2) in another interim rule only if the governor determines**
32 **under IC 4-22-2-37.2(c) that the policy options available to the**
33 **agency are so limited that the use of the additional notice,**
34 **comment, and review procedures in IC 4-22-2-23 through**
35 **IC 4-22-2-36 would provide no benefit to persons regulated or**
36 **otherwise affected by the rule.**

37 SECTION 13. IC 4-22-2.6-1, AS ADDED BY P.L.249-2023,
38 SECTION 45, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
39 JULY 1, 2024]: **Sec. 1. (a) Except as provided in this section and**
40 **section 10 of this chapter, a rule adopted under IC 4-22-2-23 through**
41 **IC 4-22-2-36 expires January 1 of the fifth year after the year in which**
42 **the rule takes effect, unless the rule expires or is repealed on an earlier**



1 date. Except for an amendment made under IC 4-22-2-38, the
 2 expiration date of a rule under this section is extended each time that
 3 a rule:

- 4 (1) amending **under IC 4-22-2-23 through IC 4-22-2-36;**
 5 (2) **continuing under IC 4-22-2.3-10;** or
 6 (3) readopting;

7 an unexpired rule takes effect. The rule, as amended or readopted,
 8 expires on January 1 of the fifth year after the year in which the
 9 amendment or readoption takes effect.

10 (b) If the latest version of a rule became effective:

- 11 (1) in calendar year 2017, the rule expires not later than January
 12 1, 2024;
 13 (2) in calendar year 2018, the rule expires not later than January
 14 1, 2025;
 15 (3) in calendar year 2019, the rule expires not later than January
 16 1, 2026; or
 17 (4) in calendar year 2020, the rule expires not later than January
 18 1, 2027.

19 (c) If the latest version of a rule became effective before January 1,
 20 2017, and:

- 21 (1) the rule was adopted by an agency established under IC 13,
 22 the rule expires not later than January 1, 2025;
 23 (2) the rule was adopted by an agency established under IC 16,
 24 the rule expires not later than January 1, 2026; or
 25 (3) the rule was adopted by an agency not described in
 26 subdivision (1) or (2), the rule expires not later than January 1,
 27 2027.

28 (d) A readoption rulemaking action under IC 4-22-2.5 (before its
 29 repeal) or IC 13-14-9.5 (before its repeal) that became effective before
 30 July 1, 2023, is validated to the same extent as if the rulemaking action
 31 had been conducted under the procedures in this chapter.

32 (e) The determination of whether an administrative rule expires
 33 under this chapter shall be applied at the level of an Indiana
 34 Administrative Code section.

35 SECTION 14. IC 4-22-2.6-3, AS ADDED BY P.L.249-2023,
 36 SECTION 45, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 37 JULY 1, 2024]: Sec. 3. (a) Except as provided in subsection (b), if an
 38 agency intends to readopt a rule, the agency shall, not later than
 39 January 1 of the ~~fourth~~ **year after preceding** the year in which the rule
 40 ~~takes effect,~~ **expires under this chapter,** provide an initial notice of
 41 the intended readoption in an electronic format designated by the
 42 publisher to legislators and legislative committees in the manner and



1 on the schedule specified by the legislative council or the personnel
2 subcommittee of the legislative council acting for the legislative
3 council.

4 (b) An agency is not required to provide the initial notice under
5 subsection (a) for a rule described in section 1(b)(1) of this chapter.

6 **(c) After receiving the material as required by this section, the
7 publisher shall assign a document control number.**

8 SECTION 15. IC 4-22-2.6-5, AS ADDED BY P.L.249-2023,
9 SECTION 45, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
10 JULY 1, 2024]: Sec. 5. (a) If an agency elects to readopt a rule under
11 this chapter, the agency shall submit a notice of proposed readoption
12 to the publisher not later than the first regular business day in
13 September of the year preceding the year in which the rule expires
14 under this chapter for publication in the Indiana Register. A separate
15 notice must be published for each board or other person or entity with
16 rulemaking authority.

17 (b) The notice must include the following:

18 (1) A general description of the subject matter of all rules
19 proposed to be readopted.

20 (2) A listing of rules that are proposed to be readopted, listed by
21 their titles and subtitles only.

22 (3) A written public comment period of thirty (30) days and
23 instructions on how to submit written comments to the agency.

24 (4) A request for comments on whether specific rules should be
25 reviewed through the regular rulemaking process under
26 IC 4-22-2-23 through IC 4-22-2-36 (as modified by IC 13-14-9,
27 when applicable).

28 (5) A summary of the agency's findings under section 4 of this
29 chapter.

30 (6) Any other information required by the publisher.

31 (c) The agency shall submit the material in the form required by
32 IC 4-22-2-20. The agency need not resubmit the documents required by
33 IC 4-22-2-21 if the publisher received a copy of the documents when
34 the rule was previously adopted or amended. The publisher shall
35 review the material submitted under this section and determine the date
36 that the publisher intends to include the material in the Indiana
37 Register. After:

38 (1) establishing the intended publication date; and

39 (2) receiving the material as required by this section;

40 the publisher shall ~~assign a document control number~~; provide an
41 electronic mail authorization to proceed to the agency and publish the
42 material on the intended publication date.



1 SECTION 16. IC 12-15-44.5-7, AS ADDED BY P.L.213-2015,
 2 SECTION 136, IS AMENDED TO READ AS FOLLOWS
 3 [EFFECTIVE UPON PASSAGE]: Sec. 7. (a) The phase out trust fund
 4 is established for the purpose of holding the money needed during a
 5 phase out period of the plan. Funds deposited under this section shall
 6 be used only:

7 (1) to fund the state share of the expenses described in
 8 IC 16-21-10-13.3(b)(1)(A) through IC 16-21-10-13.3(b)(1)(F)
 9 incurred during a phase out period of the plan;

10 (2) after funds from the healthy Indiana trust fund (IC
 11 12-15-44.2-17) are exhausted; and

12 (3) to refund hospitals in the manner described in subsection (h).

13 The fund is separate from the state general fund.

14 (b) The fund shall be administered by the office.

15 (c) The expenses of administering the fund shall be paid from
 16 money in the fund.

17 (d) The trust fund must consist of:

18 (1) the funds described in section 6 of this chapter; and

19 (2) any interest accrued under this section.

20 (e) The treasurer of state shall invest the money in the fund not
 21 currently needed to meet the obligations of the fund in the same
 22 manner as other public money may be invested. Interest that accrues
 23 from these investments shall be deposited in the fund.

24 (f) Money in the fund does not revert to the state general fund at the
 25 end of any fiscal year. **However, the budget agency shall transfer all**
 26 **money in the trust fund to the Medicaid contingency and reserve**
 27 **account established by IC 4-12-1-15.5 on or before June 30, 2024.**

28 (g) The fund is considered a trust fund for purposes of IC 4-9.1-1-7.
 29 Money may not be transferred, assigned, or otherwise removed from
 30 the fund by the state board of finance, the budget agency, or any other
 31 state agency unless specifically authorized under this chapter.

32 (h) At the end of the phase out period, any remaining funds and
 33 accrued interest shall be distributed to the hospitals on a pro rata basis
 34 based on the fees authorized by IC 16-21-10 that were paid by each
 35 hospital for the state fiscal year that ended immediately before the
 36 beginning of the phase out period.

37 SECTION 17. IC 13-14-9-4, AS AMENDED BY P.L.249-2023,
 38 SECTION 53, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 39 JULY 1, 2024]: Sec. 4. (a) In addition to the requirements of
 40 IC 4-22-2-23 and (if applicable) IC 4-22-2-24, the notice of public
 41 comment **period** submitted by the department to the publisher must do
 42 the following:



- 1 (1) Contain a summary of the response of the department to
 2 written comments submitted under section 3 of this chapter, if
 3 applicable.
 4 (2) Request the submission of comments, including suggestions
 5 of specific amendments to the language contained in the proposed
 6 rule.
 7 (3) Identify each element of the proposed rule that imposes a
 8 restriction or requirement on persons to whom the proposed rule
 9 applies that:
 10 (A) is more stringent than a restriction or requirement imposed
 11 under federal law; or
 12 (B) applies in a subject area in which federal law does not
 13 impose a restriction or requirement.
 14 (4) With respect to each element identified under subdivision (3),
 15 identify:
 16 (A) the environmental circumstance or hazard that dictates the
 17 imposition of the proposed restriction or requirement to
 18 protect human health and the environment;
 19 (B) examples in which federal law is inadequate to provide the
 20 protection referred to in clause (A); and
 21 (C) the:
 22 (i) estimated fiscal impact; and
 23 (ii) expected benefits;
 24 based on the extent to which the proposed rule is more
 25 stringent than the restrictions or requirements of federal law,
 26 or on the creation of restrictions or requirements in a subject
 27 area in which federal law does not impose restrictions or
 28 requirements.
 29 (5) For any element of the proposed rule that imposes a restriction
 30 or requirement that is more stringent than a restriction or
 31 requirement imposed under federal law or that applies in a subject
 32 area in which federal law does not impose restrictions or
 33 requirements, describe the availability for public inspection of all
 34 materials relied upon by the department in the development of the
 35 proposed rule, including, if applicable:
 36 (A) health criteria;
 37 (B) analytical methods;
 38 (C) treatment technology;
 39 (D) economic impact data;
 40 (E) environmental assessment data;
 41 (F) analyses of methods to effectively implement the proposed
 42 rule; and



- 1 (G) other background data.
- 2 (b) If the notice provided by the department concerning a proposed
3 rule identifies an element of the proposed rule that imposes a restriction
4 or requirement more stringent than a restriction or requirement
5 imposed under federal law, the proposed rule shall not become
6 effective under this chapter until the adjournment sine die of the
7 regular session of the general assembly that begins after the department
8 provides the notice.
- 9 (c) Subsection (b) does not prohibit or restrict the commissioner, the
10 department, or the board from:
- 11 (1) adopting provisional rules under IC 4-22-2-37.1;
12 (2) taking emergency action under IC 13-14-10; or
13 (3) temporarily:
14 (A) altering ordinary operating policies or procedures; or
15 (B) implementing new policies or procedures;
16 in response to an emergency situation.
- 17 SECTION 18. IC 25-1-5.3-1, AS ADDED BY P.L.249-2023,
18 SECTION 80, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
19 JULY 1, 2024]: Sec. 1. The following definitions apply throughout this
20 chapter:
- 21 (1) "Agency" has the meaning set forth in IC 25-1-5-2.
22 (2) "Applicant" has the meaning set forth in IC 25-1-5-11.
23 (3) "Board" has the meaning set forth in IC 25-1-5-2.
24 (4) "Compliant", with respect to a licensure rule, means a
25 licensure rule that the agency or a board has adopted.
26 (5) "Enactment date" means the date on which a statute **that**
27 requires rulemaking for a licensure rule ~~to become~~ **becomes**
28 effective or otherwise requires rulemaking to commence.
29 (6) "Executive director" refers to the individual described in
30 IC 25-1-5-5.
31 (7) "Licensee" has the meaning set forth in IC 25-1-5-11.
32 (8) "Licensure rule" means a rule that:
33 (A) relates to the issuance of a license, certificate, registration,
34 or permit, or a requirement or prerequisite for obtaining a
35 license, or keeping a license in good standing; and
36 (B) is required by statute with an enactment date after January
37 1, 2023, to be adopted by the agency or a board.
38 (9) "Material detriment" means:
39 (A) an inability to obtain a license, certification, permit, or
40 other credential from the agency or a board;
41 (B) an inability to:
42 (i) practice;



- 1 (ii) perform a procedure; or
- 2 (iii) engage in a particular professional activity in Indiana or
- 3 another jurisdiction; or
- 4 (C) any other substantial burden to professional or business
- 5 interests.

6 (10) "Noncompliant", with respect to a licensure rule, means a
 7 licensure rule that the agency or a board has not adopted as a
 8 **permanent rule under the procedures in IC 4-22-2-23 through**
 9 **IC 4-22-2-36 or** an interim rule under IC 4-22-2-37.2 ~~within on~~
 10 **or before the later of the following:**

- 11 (A) Six (6) months ~~of from~~ the enactment date.
- 12 (B) **The date provided in a statute that requires**
- 13 **rulemaking for a licensure rule to become effective.**

14 SECTION 19. IC 25-1-5.3-2, AS ADDED BY P.L.249-2023,
 15 SECTION 80, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 16 JULY 1, 2024]: Sec. 2. (a) If a licensee or applicant believes that the
 17 agency or a board has failed to adopt a licensure rule within six (6)
 18 months of the enactment date **or by the date provided in a statute**
 19 **that requires rulemaking for a licensure rule to become effective,**
 20 **whichever is later,** an applicant or licensee who has suffered a
 21 material detriment as a result of a noncompliant licensure rule may
 22 seek damages from the agency or board by bringing an action in a court
 23 of competent jurisdiction.

24 (b) A court shall not certify a class in any matter seeking damages
 25 under this section.

26 (c) In a matter seeking damages under this section, a court may
 27 order the following:

- 28 (1) An injunction requiring adoption of a compliant interim
- 29 licensure rule not earlier than six (6) months from the date of the
- 30 order.
- 31 (2) Damages equal to the amount of the material detriment caused
- 32 by the noncompliant licensure rule, including prospective
- 33 damages through the date established under subdivision (1).
- 34 (3) Court costs and attorney's fees.

35 (d) IC 34-13-3 applies to an action brought under this section.

36 SECTION 20. [EFFECTIVE UPON PASSAGE] (a) **As used in this**
 37 **SECTION, "drafting manual" refers to the Drafting Manual for**
 38 **the Indiana General Assembly, as approved by the legislative**
 39 **council from time to time.**

40 (b) **During the 2024 interim and in consultation with the budget**
 41 **agency and the state comptroller, the legislative services agency**
 42 **shall develop new templates for creating funds and drafting**



1 appropriations. The legislative services agency shall submit the
2 templates developed under this SECTION to the code revision
3 commission before October 1, 2024. The code revision commission
4 shall consider whether to recommend that the legislative council
5 approve a revised drafting manual containing the new templates
6 for creating funds and drafting appropriations.

7 (c) This SECTION expires January 1, 2026.

8 SECTION 21. [EFFECTIVE UPON PASSAGE] (a) As used in this
9 SECTION, "drafting manual" refers to the Drafting Manual for
10 the Indiana General Assembly, as approved by the legislative
11 council from time to time.

12 (b) If the legislative council approves a revised drafting manual
13 containing the templates developed under SECTION 20 of this act,
14 the legislative services agency shall prepare legislation for
15 introduction in 2026 to conform the Indiana Code to the revised
16 drafting manual's instructions for creating funds and drafting
17 appropriations.

18 (c) The budget agency shall provide a suggested list of statutes
19 for amendment to the legislative services agency before September
20 1, 2025.

21 (d) This SECTION expires June 30, 2026.

22 SECTION 22. An emergency is declared for this act.

