

# SENATE BILL No. 137

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 31-26-4.

**Synopsis:** Kids first trust fund board. Allows the Indiana kids first trust fund board (board) to create a nonprofit subsidiary corporation to solicit and accept private funding, gifts, donations, bequests, devises, and contributions. Provides that the members of the board serve terms of four years (rather than two years under current law) and provides for the terms of the appointed members of the board to be staggered. Provides that a majority of the appointed members of the board constitutes a quorum for purposes of board meetings. Provides that an affirmative vote of the majority of the board members participating in a board meeting is required for the board to take action at the meeting. Provides that at least two meetings of the board each year must be conducted with at least a quorum of the members of the board. Provides that not later than 10 days after a meeting of the board, the board shall post a draft of the minutes of the meeting on the board's Internet web site. Requires the board to study the topic of establishing a nonprofit subsidiary corporation and provide a report to the general assembly with the board's findings.

**Effective:** July 1, 2021.

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January 5, 2021, read first time and referred to Committee on Family and Children Services.

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First Regular Session of the 122nd General Assembly (2021)

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 2020 Regular Session of the General Assembly.

## SENATE BILL No. 137

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A BILL FOR AN ACT to amend the Indiana Code concerning family law and juvenile law.

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

1 SECTION 1. IC 31-26-4-5, AS ADDED BY P.L.145-2006,  
2 SECTION 272, IS AMENDED TO READ AS FOLLOWS  
3 [EFFECTIVE JULY 1, 2021]: Sec. 5. (a) The Indiana kids first trust  
4 fund board is established.

5 (b) The purpose of the board is to determine whether proposed  
6 projects under this chapter should be approved and to perform other  
7 duties given to the board by this chapter. The board shall approve  
8 projects and recommend to the department that the projects receive  
9 funds under sections 12 and 14 of this chapter.

10 (c) The board shall, before January 1 of each year, prepare a budget  
11 for expenditures from the fund for the following state fiscal year. The  
12 budget must contain priorities for expenditures from the fund to  
13 accomplish the projects that have been approved under this chapter.  
14 The budget shall be submitted to the department and the budget  
15 committee.

16 (d) The board may employ staff necessary to carry out the duties of  
17 the board.



1           **(e) The board may establish a nonprofit subsidiary corporation**  
 2 **under section 17 of this chapter.**

3           SECTION 2. IC 31-26-4-8, AS ADDED BY P.L.145-2006,  
 4 SECTION 272, IS AMENDED TO READ AS FOLLOWS  
 5 [EFFECTIVE JULY 1, 2021]: Sec. 8. (a) The board shall meet at least  
 6 quarterly and at the call of the chair.

7           (b) ~~Six (6) voting~~ **A majority of the appointed** members of the  
 8 board ~~constitute~~ **constitutes** a quorum. The board may take action only  
 9 in the presence of a quorum.

10           (c) The affirmative vote of a majority of the members of the board  
 11 **participating in a board meeting** is necessary for the board to take  
 12 any action **at the meeting.**

13           **(d) At least two (2) meetings of the board each year must be**  
 14 **conducted with at least a quorum of the members of the board**  
 15 **participating.**

16           **(e) Not later than ten (10) days after a meeting of the board, the**  
 17 **board shall post a draft of the minutes of the meeting on the**  
 18 **board's Internet web site.**

19           SECTION 3. IC 31-26-4-9, AS ADDED BY P.L.145-2006,  
 20 SECTION 272, IS AMENDED TO READ AS FOLLOWS  
 21 [EFFECTIVE JULY 1, 2021]: Sec. 9. (a) The term of a board member  
 22 begins on the later of the following:

23           (1) The day the term of the member whom the individual is  
 24 appointed to succeed expires.

25           (2) The day the individual is appointed.

26           (b) The term of a member expires July 1 of the ~~second~~ **fourth** year  
 27 after the member is appointed. However, a member serves at the  
 28 pleasure of the appointing authority.

29           (c) The appointing authority may reappoint a member for a new  
 30 term.

31           (d) The appointing authority shall appoint an individual to fill a  
 32 vacancy among the members.

33           SECTION 4. IC 31-26-4-12, AS AMENDED BY P.L.198-2016,  
 34 SECTION 660, IS AMENDED TO READ AS FOLLOWS  
 35 [EFFECTIVE JULY 1, 2021]: Sec. 12. (a) The Indiana kids first trust  
 36 fund is established to carry out the purposes of this chapter.

37           (b) The fund consists of the following:

38           (1) Appropriations made by the general assembly.

39           (2) Interest as provided in subsection (e).

40           (3) Fees from kids first trust license plates issued under  
 41 IC 9-18-30 (before its expiration) or IC 9-18.5-14.

42           (4) Money donated to the fund, **including donations from a**



- 1           **nonprofit subsidiary corporation established under section 17**  
 2           **of this chapter.**  
 3           (5) Money transferred to the fund from other funds.  
 4           (c) The treasurer of state shall administer the fund.  
 5           (d) The expenses of administering the fund and this chapter shall be  
 6           paid from the fund.  
 7           (e) The treasurer of state shall invest the money in the fund not  
 8           currently needed to meet the obligations of the fund in the same  
 9           manner as other public trust funds are invested. Interest that accrues  
 10          from these investments shall be deposited in the fund.  
 11          (f) An appropriation made by the general assembly to the fund shall  
 12          be allotted and allocated at the beginning of the fiscal period for which  
 13          the appropriation was made.  
 14          (g) Money in the fund at the end of a state fiscal year does not revert  
 15          to the state general fund or any other fund.  
 16          (h) Subject to this chapter, there is annually appropriated to the  
 17          department all money in the fund for the purposes of this chapter.  
 18          However, the department may not request the allotment of money from  
 19          the appropriation for a project that has not been approved and  
 20          recommended by the board.  
 21          SECTION 5. IC 31-26-4-17 IS ADDED TO THE INDIANA CODE  
 22          AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
 23          1, 2021]: **Sec. 17. (a) The board may establish a nonprofit**  
 24          **subsidiary corporation that is exempt from federal income taxation**  
 25          **under Section 501(c)(3) of the Internal Revenue Code to solicit and**  
 26          **accept private funding, gifts, donations, bequests, devises, and**  
 27          **contributions.**  
 28          **(b) The board shall study the topic of establishing a nonprofit**  
 29          **subsidiary corporation described in subsection (a). Not later than**  
 30          **December 31, 2021, the board shall submit a report to the general**  
 31          **assembly in an electronic format under IC 5-14-6 addressing the**  
 32          **board's findings and determinations under this subsection. If the**  
 33          **board determines to establish a nonprofit subsidiary corporation**  
 34          **as described in subsection (a), the report must also include an**  
 35          **implementation plan and estimated budget for the establishment**  
 36          **of the nonprofit subsidiary corporation.**  
 37          **(c) A subsidiary corporation established under this section is**  
 38          **governed by a board of directors comprised of members appointed**  
 39          **by the Indiana kids first trust fund board. Employees of the**  
 40          **Indiana kids first trust fund board may serve on the board of**  
 41          **directors of the subsidiary corporation. A subsidiary corporation**  
 42          **established under this section:**



1 (1) shall use money received under subsection (a) to carry out,  
2 in any manner, the purposes and programs of the board;

3 (2) shall report to the budget committee each year  
4 concerning:

5 (A) the use of money received; and

6 (B) the balances in any accounts or funds established by  
7 the subsidiary corporation;

8 (3) may donate money received to the Indiana kids first trust  
9 fund; and

10 (4) may deposit money received in an account or fund that is:

11 (A) administered by the subsidiary corporation; and

12 (B) not part of the state treasury.

13 (d) Not later than ten (10) days after a meeting of the board of  
14 directors of the subsidiary corporation established under this  
15 section, the subsidiary corporation shall post a draft of the minutes  
16 of the meeting on the subsidiary corporation's Internet web site.

17 (e) Employees of the Indiana kids first trust fund board shall  
18 provide administrative support for a subsidiary corporation  
19 established under this section. Employees of the board directly  
20 involved in the subsidiary corporation may engage in fundraising  
21 activities on behalf of the subsidiary corporation.

22 (f) The state board of accounts shall annually audit a subsidiary  
23 corporation established under this section.

24 SECTION 6. [EFFECTIVE JULY 1, 2021] (a) The definitions in  
25 IC 31-26-4 apply throughout this SECTION.

26 (b) As used in this SECTION, "appointed board member"  
27 means a member of the board appointed under:

28 (1) IC 31-26-4-6(1);

29 (2) IC 31-26-4-6(2); or

30 (3) IC 31-26-4-6(4).

31 (c) Notwithstanding IC 31-26-4-9, as amended by this act, the  
32 term of an appointed board member serving on the board on July  
33 1, 2021, expires July 1 of the second year after the date of the  
34 member's appointment.

35 (d) Notwithstanding IC 31-26-4-9, as amended by this act, when  
36 the term of an appointed board member expires under subsection  
37 (c), the term of the member appointed to fill the appointed board  
38 member's vacancy is as follows:

39 (1) The term of one (1) member appointed under  
40 IC 31-26-4-6(1) is one (1) year.

41 (2) The term of one (1) member appointed under  
42 IC 31-26-4-6(1) is four (4) years.



- 1           **(3) The term of one (1) member appointed under**
- 2           **IC 31-26-4-6(2) is two (2) years.**
- 3           **(4) The term of one (1) member appointed under**
- 4           **IC 31-26-4-6(2) is three (3) years.**
- 5           **(5) The term of one (1) member appointed under**
- 6           **IC 31-26-4-6(4) is one (1) year.**
- 7           **(6) The term of one (1) member appointed under**
- 8           **IC 31-26-4-6(4) is two (2) years.**
- 9           **(7) The term of one (1) member appointed under**
- 10          **IC 31-26-4-6(4) is three (3) years.**
- 11          **(8) The term of one (1) member appointed under**
- 12          **IC 31-26-4-6(4) is four (4) years.**
- 13          **(e) This SECTION expires December 31, 2025.**

