



March 4, 2021

ENGROSSED
SENATE BILL No. 137

DIGEST OF SB 137 (Updated March 4, 2021 12:03 pm - DI 119)

Citations Affected: IC 31-26; noncode.

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: (1) the board; and (2) the board of directors of a subsidiary corporation formed by the board; must post meeting minutes to the Internet not later than 10 days after the minutes are approved. 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.

**Zay, Crane, Ford Jon, Ford J.D.,
Garten**

(HOUSE SPONSOR — DEVON)

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

January 11, 2021, reported favorably — Do Pass.

January 14, 2021, read second time, ordered engrossed. Engrossed.

January 25, 2021, read third time, passed. Yeas 49, nays 0.

HOUSE ACTION

February 23, 2021, read first time and referred to Committee on Family, Children and Human Affairs.

March 4, 2021, amended, reported — Do Pass.

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March 4, 2021

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.

ENGROSSED SENATE BILL No. 137

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.

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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) The board shall post the minutes of a meeting on the board's**
 14 **Internet web site not later than ten (10) days after the minutes are**
 15 **approved by the board.**

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

- 20 (1) The day the term of the member whom the individual is
 21 appointed to succeed expires.
 22 (2) The day the individual is appointed.

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

26 (c) The appointing authority may reappoint a member for a new
 27 term.

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

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

34 (b) The fund consists of the following:

- 35 (1) Appropriations made by the general assembly.
 36 (2) Interest as provided in subsection (e).
 37 (3) Fees from kids first trust license plates issued under
 38 IC 9-18-30 (before its expiration) or IC 9-18.5-14.
 39 (4) Money donated to the fund, **including donations from a**
 40 **nonprofit subsidiary corporation established under section 17**
 41 **of this chapter.**
 42 (5) Money transferred to the fund from other funds.



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



- 1 concerning:
- 2 (A) the use of money received; and
- 3 (B) the balances in any accounts or funds established by
- 4 the subsidiary corporation;
- 5 (3) may donate money received to the Indiana kids first trust
- 6 fund; and
- 7 (4) may deposit money received in an account or fund that is:
- 8 (A) administered by the subsidiary corporation; and
- 9 (B) not part of the state treasury.
- 10 (d) The board of directors of a subsidiary corporation
- 11 established under this section shall post the minutes of a meeting
- 12 on the subsidiary corporation's Internet web site not later than ten
- 13 (10) days after the minutes are approved by the board of directors.
- 14 (e) Employees of the Indiana kids first trust fund board shall
- 15 provide administrative support for a subsidiary corporation
- 16 established under this section. Employees of the board directly
- 17 involved in the subsidiary corporation may engage in fundraising
- 18 activities on behalf of the subsidiary corporation.
- 19 (f) The state board of accounts shall annually audit a subsidiary
- 20 corporation established under this section.
- 21 SECTION 6. [EFFECTIVE JULY 1, 2021] (a) The definitions in
- 22 IC 31-26-4 apply throughout this SECTION.
- 23 (b) As used in this SECTION, "appointed board member"
- 24 means a member of the board appointed under:
- 25 (1) IC 31-26-4-6(1);
- 26 (2) IC 31-26-4-6(2); or
- 27 (3) IC 31-26-4-6(4).
- 28 (c) Notwithstanding IC 31-26-4-9, as amended by this act, the
- 29 term of an appointed board member serving on the board on July
- 30 1, 2021, expires July 1 of the second year after the date of the
- 31 member's appointment.
- 32 (d) Notwithstanding IC 31-26-4-9, as amended by this act, when
- 33 the term of an appointed board member expires under subsection
- 34 (c), the term of the member appointed to fill the appointed board
- 35 member's vacancy is as follows:
- 36 (1) The term of one (1) member appointed under
- 37 IC 31-26-4-6(1) is one (1) year.
- 38 (2) The term of one (1) member appointed under
- 39 IC 31-26-4-6(1) is four (4) years.
- 40 (3) The term of one (1) member appointed under
- 41 IC 31-26-4-6(2) is two (2) years.
- 42 (4) The term of one (1) member appointed under



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



COMMITTEE REPORT

Madam President: The Senate Committee on Family and Children Services, to which was referred Senate Bill No. 137, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill DO PASS.

(Reference is to SB 137 as introduced.)

GROOMS, Chairperson

Committee Vote: Yeas 8, Nays 0

COMMITTEE REPORT

Mr. Speaker: Your Committee on Family, Children and Human Affairs, to which was referred Senate Bill 137, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 2, delete lines 13 through 18, begin a new paragraph and insert:

"(d) The board shall post the minutes of a meeting on the board's Internet web site not later than ten (10) days after the minutes are approved by the board."

Page 4, delete lines 13 through 16, begin a new paragraph and insert:

"(d) The board of directors of a subsidiary corporation established under this section shall post the minutes of a meeting on the subsidiary corporation's Internet web site not later than ten (10) days after the minutes are approved by the board of directors."

and when so amended that said bill do pass.

(Reference is to SB 137 as printed January 12, 2021.)

DEVON

Committee Vote: yeas 11, nays 0.

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