

Adopted	Rejected
---------	----------

COMMITTEE REPORT

YES:	12
NO:	0

MR. SPEAKER:

*Your Committee on Insurance, Corporations and Small Business, to which was referred Senate Bill 489, 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:*

- 1 Page 1, between the enacting clause and line 1, begin a new
- 2 paragraph and insert:
- 3 "SECTION 1. IC 6-8.1-7-1, AS AMENDED BY P.L.177-1999,
- 4 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 5 JULY 1, 2001]: Sec. 1. (a) This subsection does not apply to the
- 6 disclosure of information concerning a conviction on a tax evasion
- 7 charge. Unless in accordance with a judicial order or as otherwise
- 8 provided in this chapter, the department, its employees, former
- 9 employees, counsel, agents, or any other person may not divulge the
- 10 amount of tax paid by any taxpayer, terms of a settlement agreement
- 11 executed between a taxpayer and the department, investigation records,
- 12 investigation reports, or any other information disclosed by the reports
- 13 filed under the provisions of the law relating to any of the listed taxes,
- 14 including required information derived from a federal return, except to:
- 15 (1) members and employees of the department;
- 16 (2) the governor;

1 (3) the attorney general or any other legal representative of the
2 state in any action in respect to the amount of tax due under the
3 provisions of the law relating to any of the listed taxes; or

4 (4) any authorized officers of the United States;

5 when it is agreed that the information is to be confidential and to be
6 used solely for official purposes.

7 (b) The information described in subsection (a) may be revealed
8 upon the receipt of a certified request of any designated officer of the
9 state tax department of any other state, district, territory, or possession
10 of the United States when:

11 (1) the state, district, territory, or possession permits the exchange
12 of like information with the taxing officials of the state; and

13 (2) it is agreed that the information is to be confidential and to be
14 used solely for tax collection purposes.

15 (c) The information described in subsection (a) relating to a person
16 on public welfare or a person who has made application for public
17 welfare may be revealed to the director of the division of family and
18 children, and to any county director of family and children located in
19 Indiana, upon receipt of a written request from either director for the
20 information. The information shall be treated as confidential by the
21 directors. In addition, the information described in subsection (a)
22 relating to a person who has been designated as an absent parent by the
23 state Title IV-D agency shall be made available to the state Title IV-D
24 agency upon request. The information shall be subject to the
25 information safeguarding provisions of the state and federal Title IV-D
26 programs.

27 (d) The name, address, Social Security number, and place of
28 employment relating to any individual who is delinquent in paying
29 educational loans owed to an institution of higher education may be
30 revealed to that institution if it provides proof to the department that the
31 individual is delinquent in paying for educational loans. This
32 information shall be provided free of charge to approved institutions of
33 higher learning (as defined by IC 20-12-21-3(2)). The department shall
34 establish fees that all other institutions must pay to the department to
35 obtain information under this subsection. However, these fees may not
36 exceed the department's administrative costs in providing the
37 information to the institution.

38 (e) The information described in subsection (a) relating to reports

1 submitted under IC 6-6-1.1-502 concerning the number of gallons of
2 gasoline sold by a distributor, and IC 6-6-2.5 concerning the number of
3 gallons of special fuel sold by a supplier and the number of gallons of
4 special fuel exported by a licensed exporter or imported by a licensed
5 transporter may be released by the commissioner upon receipt of a
6 written request for the information.

7 (f) The information described in subsection (a) may be revealed
8 upon the receipt of a written request from the administrative head of a
9 state agency of Indiana when:

10 (1) the state agency shows an official need for the information;
11 and

12 (2) the administrative head of the state agency agrees that any
13 information released will be kept confidential and will be used
14 solely for official purposes.

15 (g) The name and address of retail merchants, including township,
16 as specified in IC 6-2.5-8-1(h) may be released solely for tax collection
17 purposes to township assessors.

18 (h) The department shall notify the appropriate innkeepers' tax
19 board, bureau, or commission that a taxpayer is delinquent in remitting
20 innkeepers' taxes under IC 6-9.

21 (i) All information relating to the delinquency or evasion of the
22 motor vehicle excise tax shall be disclosed to the bureau of motor
23 vehicles in Indiana and may be disclosed to another state, if the
24 information is disclosed for the purpose of the enforcement and
25 collection of the taxes imposed by IC 6-6-5.

26 (j) All information relating to the delinquency or evasion of
27 commercial vehicle excise taxes payable to the bureau of motor
28 vehicles in Indiana must be disclosed to the bureau and may be
29 disclosed to another state, if the information is disclosed for the
30 purpose of the enforcement and collection of the taxes imposed by
31 IC 6-6-5.5.

32 (k) All information relating to the delinquency or evasion of
33 commercial vehicle excise taxes payable under the International
34 Registration Plan may be disclosed to another state, if the information
35 is disclosed for the purpose of the enforcement and collection of the
36 taxes imposed by IC 6-6-5.5.

37 (l) This section does not apply to:

38 (1) the beer excise tax (IC 7.1-4-2);

- 1 (2) the liquor excise tax (IC 7.1-4-3);
- 2 (3) the wine excise tax (IC 7.1-4-4);
- 3 (4) the hard cider excise tax (IC 7.1-4-4.5);
- 4 (5) the malt excise tax (IC 7.1-4-5);
- 5 (6) the motor vehicle excise tax (IC 6-6-5);
- 6 (7) the commercial vehicle excise tax (IC 6-6-5.5); and
- 7 (8) the fees under IC 13-23.

8 (m) The name and business address of retail merchants within each
 9 county that sell tobacco products may be released to the division of
 10 mental health and the alcoholic beverage commission solely for the
 11 purpose of the list prepared under IC 6-2.5-6-14.

12 **(n) The information described in subsection (a) shall be revealed**
 13 **upon the receipt of a written request from the commissioner of the**
 14 **department of workforce development appointed under**
 15 **IC 22-4.1-3-1, or the commissioner's designee, when:**

- 16 (1) the department of workforce development shows an
- 17 official need for the information; and
- 18 (2) the commissioner of the department of workforce
- 19 development agrees that the information will be kept
- 20 confidential and will be used only for official purposes."

21 Page 5, line 27, strike "corporate".

22 Page 6, between lines 29 and 30, begin a new paragraph and insert:

23 "SECTION 6. IC 23-1-40-4.1 IS ADDED TO THE INDIANA
 24 CODE AS A NEW SECTION TO READ AS FOLLOWS
 25 [EFFECTIVE JULY 1, 2001]: **Sec. 4.1. (a) A parent corporation that,**
 26 **indirectly through ownership of one (1) or more other**
 27 **corporations, owns one hundred percent (100%) of the outstanding**
 28 **shares of each class of a subsidiary corporation may merge the**
 29 **parent corporation and the subsidiary corporation to create a**
 30 **holding corporation (which, before the effective date of the merger,**
 31 **is a subsidiary of the parent) for the parent corporation without**
 32 **approval of the shareholders of the parent corporation or the**
 33 **subsidiary corporation if:**

- 34 (1) as a result of the merger, the parent corporation or the
- 35 successor of the parent corporation becomes or remains a
- 36 direct or an indirect wholly owned subsidiary of the holding
- 37 corporation;
- 38 (2) each shareholder of the parent corporation whose shares

1 were outstanding immediately before the effective date of the
2 merger will hold the same proportionate number of shares of
3 the holding company, relative to the number of shares held by
4 all shareholders, immediately after the effective date,
5 including identical:

6 (A) designations;

7 (B) preferences;

8 (C) limitations; and

9 (D) relative rights;

10 (3) the articles of incorporation of the holding corporation
11 immediately after the effective date of the merger are
12 identical to the articles of incorporation of the parent
13 corporation that are in effect immediately before the effective
14 date of the merger, except amendments to the articles of
15 incorporation of the holding corporation described in
16 IC 23-1-38-2;

17 (4) the directors of the parent corporation immediately before
18 the effective date of the merger become the directors of the
19 holding corporation immediately after the effective date of the
20 merger; and

21 (5) the shareholders of the parent corporation do not
22 recognize a gain or a loss for federal income tax purposes in
23 connection with the merger, as determined by the board of
24 directors of the parent corporation.

25 (b) The board of directors of a parent corporation that merges
26 with a subsidiary corporation under subsection (a) shall adopt a
27 plan of merger that sets forth:

28 (1) the names of the parent corporation, the subsidiary
29 corporation, and the holding corporation; and

30 (2) the manner and basis of converting the shares of the
31 parent corporation into shares of the holding corporation of
32 which the parent will be a subsidiary after the effective date
33 of the merger.

34 (c) The following apply to a merger under subsection (a):

35 (1) To the extent that the restrictions of IC 23-1-42 apply to
36 the parent corporation and shareholders of the parent
37 corporation on the effective date of the merger, the same
38 restrictions apply to the holding corporation and shareholders

- 1 **of the holding corporation immediately after the effective date**
2 **of the merger, as if the holding corporation were the parent**
3 **corporation.**
- 4 **(2) Any control shares (as defined in IC 23-1-42-1) of the**
5 **parent corporation on the effective date of the merger become**
6 **control shares of the holding corporation immediately after**
7 **the effective date of the merger.**
- 8 **(3) To the extent that restrictions under IC 23-1-43 apply to**
9 **the parent corporation and shareholders of the parent**
10 **corporation on the effective date of the merger, the same**
11 **restrictions apply to the holding corporation and shareholders**
12 **of the holding corporation after the effective date of the**
13 **merger, as if the holding corporation were the parent**
14 **corporation.**
- 15 **(4) All shares of the holding corporation that are acquired in**
16 **the merger are, for purposes of IC 23-1-43, considered to have**
17 **been acquired at the time the shares of stock of the parent**
18 **corporation from which the shares were converted in the**
19 **merger were acquired.**
- 20 **(5) A shareholder who was not an interested shareholder (as**
21 **defined in IC 23-1-43-10) of the parent corporation**
22 **immediately before the effective date of the merger does not**
23 **become an interested shareholder of the holding corporation**
24 **solely because of the merger.**
- 25 **(6) At the election of the board of directors of the parent**
26 **corporation, after the effective date of the merger the shares**
27 **of each class of stock of the holding corporation into which**
28 **shares of the parent corporation are converted in the merger**
29 **will be represented by the certificates that represented shares**
30 **of the parent corporation."**
- 31 Page 13, between lines 25 and 26, begin a new paragraph and insert:
32 **"(c) The department of financial institutions shall review each**
33 **filing forwarded to the department of financial institutions under**
34 **section 2 of this chapter and provide notice of the results of the**
35 **review to the secretary of state.**
- 36 **Sec. 3. (a) If the department of financial institutions determines**
37 **that a business entity has violated IC 28-1-20-4, the department of**
38 **financial institutions shall notify the secretary of state of the**

1 violation.

2 (b) The secretary of state shall commence a proceeding under
3 this section to administratively dissolve a business entity if:

- 4 (1) the name of the business entity contains the word "bank";
5 and
6 (2) the department of financial institutions determines that
7 the business entity violates IC 28-1-20-4.

8 (c) If the secretary of state commences an administrative
9 dissolution under subsection (b), the secretary of state shall serve
10 the business entity with written notice of the determination under
11 subsection (b)(2). The secretary of state shall, at the same time
12 notice is sent to the business entity, provide a copy of the notice to
13 the department of financial institutions.

14 (d) If a business entity that receives a notice under subsection (c)
15 does not:

- 16 (1) correct the grounds for dissolution; or
17 (2) demonstrate to the reasonable satisfaction of the
18 department of financial institutions that the grounds for
19 dissolution do not exist;

20 at any time after sixty (60) days after service of the notice is
21 perfected, the department of financial institutions shall notify the
22 secretary of state in writing of the continuing violation. After
23 receiving the written notice from the department of financial
24 institutions, the secretary of state shall administratively dissolve
25 the business entity by signing a certificate of dissolution that recites
26 the grounds for dissolution and the effective date of the dissolution.
27 The secretary of state shall file the original certificate of dissolution
28 and serve a copy of the certificate of dissolution on the business
29 entity.

30 (e) A business entity administratively dissolved under this
31 section may carry on only those activities necessary to wind up and
32 liquidate the business entity's affairs.

33 Sec. 4. (a) The business entity may appeal the administrative
34 dissolution to the circuit court or superior court of the county:

- 35 (1) where the business entity's principal office is located; or
36 (2) if the principal office is not located in Indiana, where the
37 business entity's registered office is located;

38 not later than thirty (30) days after service of the notice of denial

1 is perfected.

2 (b) The court may do the following:

3 (1) Order the secretary of state to reinstate the dissolved
4 business entity.

5 (2) Take other action the court considers appropriate.

6 (c) The court's final decision may be appealed as in other civil
7 proceedings.

8 Sec. 5. Dissolution under this section is in addition to any
9 penalties imposed upon the business entity by IC 28-1-20-4(j).

10 SECTION 16. IC 23-15-9 IS ADDED TO THE INDIANA CODE
11 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
12 JULY 1, 2001]:

13 Chapter 9. Miscellaneous

14 Sec. 1. The secretary of state shall, upon request from the
15 department of workforce development, provide to the department
16 of workforce development a list of:

- 17 (1) corporations;
- 18 (2) nonprofit corporations;
- 19 (3) limited partnerships; and
- 20 (4) limited liability companies;

21 that have been administratively, judicially, or voluntarily dissolved
22 under IC 23."

23 Renumber all SECTIONS consecutively.

(Reference is to SB 489 as printed February 16, 2001.)

and when so amended that said bill do pass.

Representative Crooks