

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301  
Indianapolis, IN 46204  
(317) 233-0696  
<http://www.in.gov/legislative>

**FISCAL IMPACT STATEMENT**

**LS 6224**

**BILL NUMBER:** SB 47

**NOTE PREPARED:** Mar 23, 2006

**BILL AMENDED:** Mar 14, 2006

**SUBJECT:** Criminal Checks and Religious Organizations.

**FIRST AUTHOR:** Sen. Hershman

**FIRST SPONSOR:** Rep. McClain

**BILL STATUS:** Enrolled

**FUNDS AFFECTED:**  **GENERAL**  
**DEDICATED**  
**FEDERAL**

**IMPACT:** State

**Summary of Legislation:** This bill exempts a tax-exempt church or religious organization from the fee for conducting a criminal background check on a prospective or current employee or a prospective or current volunteer who works in a nonprofit program or ministry (including a child care ministry).

**Effective Date:** July 1, 2006.

**Explanation of State Expenditures:** This bill exempts several organizations and programs from the fee for conducting criminal background checks, such as the following.

This bill would add a church or religious society to the list of entities that receive fee exemptions from the Indiana State Police (ISP) for limited criminal history background checks if: (1) the church or religious society is a religious organization exempt from federal income taxation under Section 501 of the Internal Revenue Code; (2) the request is made as part of a background investigation of a prospective or current employee or a prospective or current adult volunteer; and (3) the employee or volunteer works in a nonprofit program or ministry of the church or religious society, including a registered child care ministry. The number of churches or religious societies meeting the requirements of this bill that would apply for limited criminal history background checks for current and prospective employees and volunteers is unknown.

The state would experience a reduction in revenue under the requirements of this bill. However, any reduction is likely to be small. Ultimately, any reduction is dependent on the number of fee exemptions granted. Money received for fees for limited criminal history background checks is deposited into the state General Fund.

Partial exemptions are currently available for organizations registered with the Indiana Department of Revenue as an Indiana registered 501 charitable nonprofit group that works with children. To be eligible for a partial exemption, the group must subscribe to AccessIndiana. The number of churches or religious organizations already eligible for partial exemptions is unknown.

*Background Information:*

*Fee Exemptions:* Various fee exemptions exist. Exempt entities include nonprofit organizations that have been in existence for at least ten years and that (1) have a primary purpose of providing a one-on-one relationship between a child and an adult volunteer and the request is made as part of a background investigation of the prospective adult volunteer for the organization, (2) is a licensed home health agency; (3) is a community mental retardation or other developmental disabilities center, (4) is a licensed supervised group living facility; (5) is an area agency on aging; (6) is a community action agency; (7) is an owner or operator of a hospice program; or (8) is a community mental health center. Other exempt agencies include the Department of Child Services, county Offices of Family and Children, school corporations, special education cooperatives, nonpublic schools, state agencies, and the Indiana Professional Licensing Agency.

*Fees:* The non-AccessIndiana subscriber fee is approximately \$16 per limited criminal history check. AccessIndiana subscribers are charged \$15 per search, and government agencies and partially exempt entities are charged \$7. There is a \$50 annual AccessIndiana subscriber fee. A limited criminal history check is also available through the mail for \$7.

The Indiana State Police reports the estimated annual average collection for limited criminal history background checks as \$1.2 M.

In CY 2004, ISP completed 432,241 limited criminal history background checks.

**Explanation of State Revenues:** See *Explanation of State Expenditures*.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Indiana State Police.

**Local Agencies Affected:**

**Information Sources:** Steve Hillman, Indiana State Police, 232-5899; *Indiana State Police 2004 Annual Report*; Becky Pryor, Creative Approaches.

**Fiscal Analyst:** Sarah Brooks, 317-232-9559.