

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

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**FISCAL IMPACT STATEMENT**

**LS 6134**

**BILL NUMBER: SB 62**

**NOTE PREPARED: Jan 27, 2012**

**BILL AMENDED: Jan 26, 2012**

**SUBJECT:** Interim Study of Securities and Flexible Purpose Corporations.

**FIRST AUTHOR:** Sen. Delph

**FIRST SPONSOR:**

**BILL STATUS:** CR Adopted - 1<sup>st</sup> House

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

**IMPACT:** State

**Summary of Legislation:** (Amended) This bill provides that the Legislative Council shall assign the following topics to an interim study committee in 2012: (1) The advisability of creating an exemption from Indiana's securities laws for annual issues of securities whose aggregate value is less than approximately \$1,000,000. (2) The advisability of providing for a form of business association, sometimes known as a flexible purpose corporation, which would allow the management of a profit seeking business to pursue an objective other than profit maximization without incurring liability for violation of the management's fiduciary duty.

**Effective Date:** July 1, 2012.

**Explanation of State Expenditures:** (Revised) This bill provides that the Legislative Council shall assign the following topics to an interim study committee in 2012 or create a separate study committee to study the following topics:

(1) The advisability of creating an exemption from Indiana's securities laws for annual issues of securities whose aggregate value is less than approximately \$1,000,000; and

(2) The advisability of providing for a form of business association, sometimes known as a flexible purpose corporation, which would allow the management of a profit seeking business to pursue an objective other than profit maximization without incurring liability for violation of the management's fiduciary duty.

Interim study committees operate on budgets established by the Legislative Council based on committee size. Legislative Council resolutions in the past have established budgets for interim study committees in the amount of \$9,500 per interim for committees with fewer than 16 members and \$16,500 for committees with 16 members or more.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** General Assembly.

**Local Agencies Affected:**

**Information Sources:**

**Fiscal Analyst:** Diana Agidi, 317-232-9867.