



January 27, 2012

SENATE BILL No. 62

DIGEST OF SB 62 (Updated January 25, 2012 1:58 pm - DI 113)

Citations Affected: Noncode.

Synopsis: Securities and flexible purpose corporations. 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: July 1, 2012.

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January 4, 2012, read first time and referred to Committee on Rules and Legislative Procedure.

January 17, 2012, amended; reassigned to Committee on Commerce and Economic Development.

January 26, 2012, amended, reported favorably — Do Pass.

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SB 62—LS 6134/DI 13+



January 27, 2012

Second Regular Session 117th General Assembly (2012)

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 2011 Regular Session of the General Assembly.

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SENATE BILL No. 62

A BILL FOR AN ACT concerning the general assembly.

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

1 SECTION 1. [EFFECTIVE JULY 1, 2012] (a) The legislative
2 council shall assign the following topics for study to an interim
3 committee of the general assembly in 2012:

4 (1) The advisability of creating an exemption to Indiana's
5 securities laws for issues of securities that do not exceed
6 approximately one million dollars (\$1,000,000) in aggregate
7 annually and, if so, what additional statutory provisions
8 would be necessary or advisable to facilitate this proposed
9 exemption.

10 (2) The advisability of providing for a type of profit-seeking
11 business association, sometimes referred to as a flexible
12 purpose corporation, that would allow the business entity's
13 management to pursue in addition an objective other than
14 maximization of profits for its shareholders, partners, or
15 members without incurring liability for violation of the
16 management's fiduciary duty and, if so, what statutory
17 provisions would be necessary or advisable to facilitate this

SB 62—LS 6134/DI 13+



- 1 **proposed form of business association.**
- 2 **(b) The legislative council may create separate study committees**
- 3 **to examine any of the topics described in subsection (a).**
- 4 **(c) This SECTION expires December 31, 2012.**

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COMMITTEE REPORT

Madam President: The Senate Committee on Rules and Legislative Procedure, to which was referred Senate Bill No. 62, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Delete the title and insert the following:

A BILL FOR AN ACT to amend the Indiana Code concerning business and other associations.

Delete everything after the enacting clause and insert the following:

(SEE TEXT OF BILL)

and when so amended that said bill be reassigned to the Senate Committee on Commerce and Economic Development.

(Reference is to SB 62 as introduced.)

LONG, Chairperson

 COMMITTEE REPORT

Madam President: The Senate Committee on Commerce and Economic Development, to which was referred Senate Bill No. 62, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Delete the title and insert the following:

A BILL FOR AN ACT concerning the general assembly.

Page 1, delete lines 1 through 17, begin a new paragraph and insert:

"SECTION 1. [EFFECTIVE JULY 1, 2012] **(a) The legislative council shall assign the following topics for study to an interim committee of the general assembly in 2012:**

(1) The advisability of creating an exemption to Indiana's securities laws for issues of securities that do not exceed approximately one million dollars (\$1,000,000) in aggregate annually and, if so, what additional statutory provisions would be necessary or advisable to facilitate this proposed exemption.

(2) The advisability of providing for a type of profit-seeking

SB 62—LS 6134/DI 13+



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business association, sometimes referred to as a flexible purpose corporation, that would allow the business entity's management to pursue in addition an objective other than maximization of profits for its shareholders, partners, or members without incurring liability for violation of the management's fiduciary duty and, if so, what statutory provisions would be necessary or advisable to facilitate this proposed form of business association.

(b) The legislative council may create separate study committees to examine any of the topics described in subsection (a).

(c) This SECTION expires December 31, 2012."

Delete pages 2 through 12.

and when so amended that said bill do pass.

(Reference is to SB 62 as printed January 18, 2012.)

YOUNG R MICHAEL, Chairperson

Committee Vote: Yeas 7, Nays 0.

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