

## **INDIANA BUSINESS LAW SURVEY COMMISSION**

Monday September 30th, 2024  
Annual In-Person Meeting

### **MINUTES**

Meeting called to order by Chairman Becker at 1:34 pm EST.

Members in attendance in person: Alan Becker, Janet Monroe, Frank Sullivan, William Barrett, Stuart Gutwein, Dr. Matt Will, Josh Hollingsworth, Keaton Miller, & Joe Montel

Others Present: Secretary Diego Morales, Jerry Bonnet, Scott Willis, Kegan Prentice, Beth Swindle, Sarah Lehman & Zach Grosser

Approval of Minutes

- Minutes from April 17<sup>th</sup>, 2024 were approved.

The meeting was held at Government Center South in Wabash conference room 4 & 5. There were no members of the public present.

### **Update from the Secretary's Office**

Opening Comments -**Secretary Morales**

- Committed to BLSC and has attended all meetings since taking office.
- Elections Division focused on registering eligible voters and upgrading county systems to ensure security.
- Office focused on constituents and innovative efficient new ways to serve them.
- Auto Dealers Services Division – consumer-based report on vehicles. Reports are free.
- Securities Division – online applications to support financial literacy. Protecting Hoosier investors.
- Business Services Division – finalizing platform to better connect with constituents, consumers, etc.
- Promoting Indiana in multiple countries to do business with our Hoosier state.
- IT systems across divisions are being modernized.
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Updates from the Secretary's team

- FinCEN BOI initiative. (Scott)- Call with FinCEN 26<sup>th</sup>. Provided stats: 4 million registered in US, 73,000 in Indiana (approx. 12% of target) and deadlines for filing are end of the year. Willful disregard of requirement is the enforcement focus. They are seeking terrorists and money laundering.
- Legislative Discussion 2025 (Kegan)- Fees for Articles of Inc will come back. Questions around purpose of Business Entity Reports and the fees. Looking to rescind the 5-year reinstatement statute. International business reg. will be a big topic.
- HB 1165 "In My Community" Right to Start idea. (Jerry)- New Innovative tool will be sponsored by SOS to build community connections and display what areas have to offer. Businesses can register as well as counties and regional areas to showcase and promote collaborations around the state. Doing business with IN.gov education to understand how to contract with state and fed government. Connect with financial resources, minority owned, etc.
- Lots of communication with media and outreach on elections, but the office will be transitioning to other divisions for 2025.

- Progress on Safe Harbor HEA-1623 (Scott)- Submitted documentation and received comments back. Alan asking if legislative changes are necessary. Scott high level mentioning POA issue.
- General discussion from various contributors on need to inform on updating certain statutes around entity reinstatements, Business Entity Reports and connectivity issues to principal decision makers of businesses. Will look at possibly making this a task force activity to inform the Commission and allow it to make recommendations to the Legislature.

### **Old Business/Current Projects**

- Vacancies – Mike Deem resigned on 9-25-24. With that we have a total of 5 openings. Alan asked that the list be recirculated and all members to review so the Commission could suggest potential new members before the end of the year. Scott to recirculate the list.
- Update on Comments to LLC Act (Frank)- Josh put a research associate on some on this. Frank hasn't had time to evaluate that research. He feels they're about 60% done. There were major amendments to the statute in 1999, and the group is hung-up on language around the effects of these changes. This is a useful project that should be finalized by the end of the year. There is pending litigation about the construction of this statute (whether you can have an oral LLC operating agreement). This is an interesting case requesting a jury trial.
- Update to HUB & META approved by Uniform Law Commission in Summer 2024 (Frank). If we adopt the changes it will be mostly a ministerial cleanup to Hub and Meta. If we have a legislative package, we should probably include them to have business and commercial statutes to reflect best practices. There are also basic changes in terminology.

### **New Business**

- Indiana Code 6-8.1-10-9.5 - Sales tax clearance process for M & A transactions.(Josh). This is a 2023 tax statute regarding a buyer in an acquisition taking sole liability of Indiana taxes. The issue is that the Department of Revenue is requiring an executed purchase agreement to begin the tax clearance process. This is problematic in practice due to the prevalence of sign and close deals and other quick timing needed to close deals with a large potential unknown of tax liability. The Commission should propose a better process or language after review. Alan suggests we talk to people (especially the Department of Revenue) about their goals for this statute.
- Planning for future projects Alan led the discussion on future projects for the 2025 session and beyond. Kegan mentioned that early December 2024 is the deadline for submission. Potential topics ranged from:
  1. Updates to the IBCL to incorporate the 5+ years of changes in the Model Business Corporations Act. This could inform on why Indiana still requires certain things.
  2. Adding comments to Hub Meta?
  3. Comments around Entity Reinstatements, Necessity of Business Entity Reports, and rule changes for increased connectivity to principal officers and creating friction for fraudulent actors.
- General discussion from various members ensued about having time to take on and properly set up these larger topics, which was a concern. Should we wait on them for the

2026 session or try to get some of them done in 2025? It was brought up to study other model states like Delaware and some felt breaking it into parts might work but others thought it best to tackle it as a whole. Alan said possibly it's best to wait and maybe do some preliminary work in smaller task forces once we have some new members to assist.

- Scott asked the Commission if it could help inform small business by creating templates or checklists that would help them navigate basic filings better. Alan mentioned he may be able to reach out to the Indiana State Bar Association for help along this line.
- William Barrett – The Governor appointment him to the AI Taskforce. He welcomes suggestions and feedback from the Commission to take back to his next meeting. Discussion ensued that this is a complex issue from being careful not to limit its use that would limit our ability to compete while managing risks with private data and AI tools.
- Officer elections - Alan Becker & Janet Monroe were both nominated and agreed to stay on as Chair and Vice Chair of the commission. Frank Sullivan nominated Keaton Miller to be Secretary, and he accepted. There were no other nominations for any positions. All positions were voted on by the members with all for and none opposed. Officers elected were, therefore, Chair Alan Becker, Vice Chair Janet Monroe, & Secretary Keaton Miller.

#### **Public Comments**

- Took opportunity for public comment. There was no public comment.

#### **Next Meeting: TBD – Mid November**

- Alan – requesting that everyone do their research on the 5-year reinstatement limitation to discuss at the next meeting. Scott to provide information on what other states have in place.

#### **Adjournment**

- Meeting was adjourned at 2:53 PM.