

IC 28-11-2

Chapter 2. Organization of Department

IC 28-11-2-1

Director; appointment; oath of office; term of office; salary; duties; expenses

Sec. 1. (a) The governor shall appoint a qualified individual to be the director of the department. The appointment must be without regard to political beliefs or affiliations.

(b) The director shall take an oath of office before assuming office.

(c) The term of the director is four (4) years. However, the director serves at the pleasure of the governor during the term.

(d) The governor may reappoint the director.

(e) The governor shall fix the director's salary.

(f) The director:

(1) is the chief executive and administrative officer of the department; and

(2) has general supervision of the work of the department and each of the divisions and employees of the department; subject to the orders and under the direction of the members.

(g) The director is entitled to receive actual and necessary travel and other expenses incurred in the performance of the director's duties.

As added by P.L.33-1991, SEC.56.

IC 28-11-2-2

Organization of department; divisions

Sec. 2. (a) The director, with the approval of the members, shall organize the department.

(b) The department must consist of at least the following divisions:

(1) The division of banks and trust companies.

(2) The division of consumer credit.

(3) The division of credit unions.

As added by P.L.33-1991, SEC.56. Amended by P.L.90-2008, SEC.68.

IC 28-11-2-3

Employees; salaries and benefits; contractors to assist with examinations; contracts not subject to approval

Sec. 3. (a) The director, on behalf of the department, shall employ qualified individuals as assistants, deputies, supervisors, and other necessary employees. Individuals employed by the director are not subject to job classifications or compensation schedules established under IC 4-15. The technical or professional qualification of an applicant shall be determined by examination, by professional rating, or as the director determines. Salaries and benefits for employees of the department shall be:

(1) established by the members, upon recommendation of the

director; and

(2) paid from the financial institutions fund established by section 9 of this chapter.

In making a recommendation under subdivision (1), the director may recommend salaries and benefits substantially equivalent to those paid by the Federal Deposit Insurance Corporation or other federal agencies that supervise financial institutions.

(b) The director may enter into contracts, including contracts for the services of a qualified independent contractor to assist the department in the examination process under this article. Notwithstanding IC 4-13-2-14.1, contracts executed under this section are not subject to the approval of:

(1) the director of the budget agency; or

(2) the commissioner of the Indiana department of administration.

As added by P.L.33-1991, SEC.56. Amended by P.L.141-2005, SEC.20; P.L.213-2007, SEC.96; P.L.217-2007, SEC.94.

IC 28-11-2-4

Performance bonds and crime policies

Sec. 4. (a) The department may require that the members, the director, or specified classes of employees of the department be covered by bonds for faithful performance of their respective duties. A requirement for purchase of faithful performance bonds may be satisfied by the purchase of a blanket bond or a crime insurance policy endorsed to include faithful performance. The cost of a bond or crime insurance policy purchased under this section shall be paid from the fund.

(b) The commissioner of insurance shall prescribe the form of the bonds or crime policies required by this section.

As added by P.L.33-1991, SEC.56. Amended by P.L.49-1995, SEC.11.

IC 28-11-2-5

Repealed

(Repealed by P.L.100-2012, SEC.67.)

IC 28-11-2-6

Conflicts of interest; adoption of policies

Sec. 6. (a) The department shall adopt policies defining conflicts of interest by the members, the director, and the employees of the department.

(b) The policies adopted under subsection (a) must include means by which conflicts of interest can be avoided.

As added by P.L.33-1991, SEC.56.

IC 28-11-2-6.1

Ethics rules and requirements; adopting additional rules

Sec. 6.1. (a) The members, the director, and the employees of the department are:

- (1) under the jurisdiction of, and subject to the rules adopted by, the state ethics commission; and
- (2) subject to all other ethics rules and requirements that apply to the executive branch of state government.

(b) The department may adopt additional ethics rules and requirements that:

- (1) apply to the members, the director, and the employees of the department;
- (2) are not less stringent than the rules adopted by the state ethics commission; and
- (3) are consistent with state law.

As added by P.L.213-2007, SEC.97; P.L.217-2007, SEC.95.

IC 28-11-2-6.2

Public meetings; transcribing and preserving damaged records

Sec. 6.2. Except as otherwise provided by law, the department is subject to the following:

- (1) IC 5-14-1.5.
- (2) IC 5-15-3.

As added by P.L.213-2007, SEC.98; P.L.217-2007, SEC.96.

IC 28-11-2-7

Liability for official acts

Sec. 7. The members, director, and employees of the department are not liable in an individual capacity except to the state for an act done or omitted in connection with the performance of their respective duties.

As added by P.L.33-1991, SEC.56.

IC 28-11-2-8

Powers of inquiry; administration of oaths; requiring production of books and records; refusal of person to comply with order or subpoena

Sec. 8. (a) A member, the director, or an employee of the department authorized by the director may do the following:

- (1) Administer oaths and require information for any purpose under this title from any of the persons to which this title applies.
- (2) Require the production of books, accounts, papers, records, documents, and other evidence for any purpose under this title.

(b) If a person refuses to comply with an order or a subpoena or refuses to appear and testify to any matter regarding which the person may be interrogated, the department may petition an appropriate court for enforcement of the department's order or subpoena.

As added by P.L.33-1991, SEC.56.

IC 28-11-2-9

Financial institutions fund

Sec. 9. (a) The financial institutions fund is established.

(b) The treasurer of state shall invest the money in the fund not

currently needed to meet the obligations of the fund in the same manner as other public funds may be invested. Interest that accrues from these investments shall be deposited in the state general fund.

(c) All revenue accruing to the department shall be paid into the fund.

(d) All expenses incurred and all compensation paid by the department shall be paid out of the fund in the same manner as other state expenses and compensation are paid.

(e) Money in the fund at the end of a fiscal year does not revert to the state general fund.

(f) All civil penalties assessed by the department shall be paid into the fund.

(g) If the department is required to defend the constitutionality of any of the statutes or rules the department administers, the costs and expenses incurred in connection with the defense may not:

(1) be paid from the fund; or

(2) be assessed in any way to the department's budget.

As added by P.L.33-1991, SEC.56. Amended by P.L.89-2011, SEC.69.