

CITIES AND TOWNS BULLETIN

AND UNIFORM COMPLIANCE GUIDELINES
ISSUED BY STATE BOARD OF ACCOUNTS

June 2009

2009 LAWS AFFECTING CITIES AND TOWNS

The following is a listing of laws enacted by the General Assembly that are related to cities, towns and municipally owned utilities. This is not intended to be an expression of a legal opinion. If you have any questions regarding legal interpretation, please consult your city or town attorney. We have listed the laws in public law order sequence and the references are to the Indiana Code.

PUBLIC LAW 1 – HOUSE ENROLLED ACT 1198 – EFFECTIVE VARIOUS DATES
TECHNICAL CORRECTIONS – Makes technical corrections to various sections of the Indiana Code.

PUBLIC LAW 6 – HOUSE ENROLLED ACT 1258 – EFFECTIVE JULY 1, 2009
PARKING REGULATIONS – PERSONS ISSUED FORMER POW AND DAV PLATES
Adds IC 9-13-2-102.3 and IC 9-18-17-4 – Amends IC 9-18-18-2 – Provides that persons with former POW and DAV plates may not be charged a fine for parking in a metered space longer than the time permitted. States that such provision does not apply to spaces where parking is prohibited by ordinance during certain hours.

PUBLIC LAW 8 – HOUSE ENROLLED ACT 1331 – EFFECTIVE JULY 1, 2009
BODY ARMOR – CITY POLICE DEPARTMENT MEMBERS – Adds IC 36-8-4-4.5 – Amends IC 36-8-4-4, IC 36-9-16-2, and IC 36-9-16-3 – Requires cities to provide each active member of their police department with body armor for the torso beginning January 1, 2010. Provides that cities shall replace the body armor according to a replacement schedule recommended by the manufacturer. Provides that a city cannot require active members to maintain the body armor from money in their annual uniform allowances. Permits cities to use money in the cumulative building fund or cumulative capital improvement fund to purchase the body armor. Please note that this cumulative capital improvement fund is not same as the one funded with cigarette tax distributions. If a city included the provisions of IC 36-9-16-2 and/or IC 36-9-16-3 in its ordinance establishing a cumulative capital development (CCD) fund, then CCD funds could be used to purchase the armor.

PUBLIC LAW 16 – SENATE ENROLLED ACT 346 – EFFECTIVE JULY 1, 2009
NONCODE STATUTES – Amends several sections of the Indiana Code.
States that the expiration or the repeal of a statute has the same effect.

PUBLIC LAW 18 – SENATE ENROLLED 545 – EFFECTIVE JULY 1, 2009
FISHING AND HUNTING LICENSES – Amends IC 14-22-6-13, IC 14-22-11-8, IC 14-22-11-18, IC 14-22-12-1, and IC 14-22-13-6 – Allows persons under 18 years of age to fish without a fishing license. Permits persons under 18 to hunt on free hunting days for young hunters.

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- PUBLIC LAW 19 – SENATE ENROLLED ACT 25 – EFFECTIVE JULY 1, 2009
1977 POLICE AND FIREFIGHTERS PENSION FUND – MILITARY SERVICE CREDIT
Adds IC 36-8-8-8.3 – Allows members of the fund to purchase up to two years of credits for active duty military service.
- PUBLIC LAW 20 – HOUSE ENROLLED ACT 1089 – EFFECTIVE JULY 1, 2009
CPR AND HEIMLICH MANEUVER TRAINING – Amends IC 5-2-8-2 – Requires each city or town to provide each law enforcement officer employed by the city or town continuing education on performing cardio pulmonary resuscitation and the Heimlich maneuver.
- PUBLIC LAW 22 – HOUSE ENROLLED ACT 1116 – EFFECTIVE JULY 1, 2009
MISSING PERSONS – Amends IC 5-2-17-10 – Requires local law enforcement agencies that receive reports of missing persons to report the information to the National Crime Information Center not later than two hours after the report is received. States that such requirement applies to all missing persons.
- PUBLIC LAW 24 – HOUSE ENROLLED ACT 1204 – EFFECTIVE APRIL 20, 2009
CLEAN WATER INDIANA FUND – Amends IC 14-32-8-6 – States that money in the Clean Water Indiana Fund at the end of the State's fiscal year does not revert to the general fund or any other fund.
- PUBLIC LAW 26 – HOUSE ENROLLED ACT 1432 – EFFECTIVE APRIL 20, 2009
INCOME TAX DISTRIBUTIONS – Adds IC 6-3.5-1.1-11.5, IC 6-3.5-6-18.6 and IC 6-3.5-7-16-.5 – Requires the county auditor to make distributions of CEDIT, CAGIT, and COIT revenues it receives from the state within ten (10) working days of receipt.
- PUBLIC LAW 32 – SENATE ENROLLED ACT 188 – EFFECTIVE JULY 1, 2009
1977 POLICE AND FIREFIGHTERS' PENSION FUND – Adds IC 36-8-8-23 – Amends IC 36-8-8-12 and IC 36-8-8-13.5 – SEE PUBLIC LAW 34 for similar provisions.
- PUBLIC LAW 33 – SENATE ENROLLED ACT 533 – EFFECTIVE JULY 1, 2009
INDIANA OCCUPATIONAL SAFETY AND HEALTH ACT (IOSHA) –
Amends and adds to IC 22-8-1.1 – Makes changes to the laws dealing with penalties for IOSHA violations.
- PUBLIC LAW 34 – HOUSE ENROLLED ACT 1012 – EFFECTIVE JULY 1, 2009
1977 POLICE AND FIRE PENSION FUND – DISABILITY BENEFITS – Adds IC 36-8-8-23 – Amends IC 36-8-8-12 and IC 36-8-8-13.5 – States that members of the fund who are disabled and reach age 52 will continue to receive a disability benefit for life instead of a regular retirement benefit.

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PUBLIC LAW 45 – SENATE ENROLLED 356 – EFFECTIVE JULY 1, 2009

MILITARY FAMILY LEAVE – Adds IC 22-2-13-2.5 – Amends IC 22-2-13-5, IC 22-2-13-9 and IC 22-2-13-11 – Adds biological child, adopted child, foster child, or stepchild of persons ordered to active duty as persons eligible for military family leave. Defines siblings to include adoptive, foster or step siblings. Defines parent to mean a foster parent or stepparent.

PUBLIC LAW 46 – SENATE ENROLLED ACT 437 – EFFECTIVE JULY 1, 2009

INSURANCE COVERAGE – CHEMOTHERAPY – Adds IC 27-8-32 and IC 27-13-7-20 – Makes changes to insurance policy requirements regarding chemotherapy coverage.

PUBLIC LAW 48 – SENATE ENROLLED ACT 465 – EFFECTIVE JULY 1, 2009

INDIANA MINIMUM WAGE LAW – Amends IC 22-2-2-8 – States that every employer shall post in a conspicuous place in the area where employees are employed a single page poster providing employees notice of the following information: (1) The current Indiana minimum wage. (2) An employee's basic rights under Indiana's wage law. (3) Contact information to inform an employee how to obtain additional information from or to direct questions or complaints to the Indiana department of labor. The minimum wage raises from \$6.55 to \$7.25 per hour on July 24, 2009.

PUBLIC LAW 51 – HOUSE ENROLLED ACT 1165 – EFFECTIVE JULY 1, 2009

PUBLIC SAFETY OFFICERS' SURVIVORS' BENEFITS – Adds IC 21-14-6-2 – States that children of officers killed in the line of duty are exempt from the payment of tuition and regularly assessed fees at state educational or state supported technical schools for eight semesters while the children are under 24 years of age.

PUBLIC LAW 54 – HOUSE ENROLLED ACT 1650 – EFFECTIVE JULY 1, 2009

ROAD SALT – STATE QUANTITY PURCHASE AGREEMENTS – Adds IC 4-13-1-24 Allows cities and towns to participate in the State's quantity purchase award for salt by submitting the estimated volume of use to the Department of Administration. Each city or town submitting would be committed to purchase the minimum fill percentage submitted.

ABANDONED VEHICLES – Amends IC 9-13-2-1, IC 9-22-1-15 and IC 9-22-1-16 – Reduces the time that a vehicle left on private property is considered abandoned from 72 to 24 hours.

PUBLIC LAW 59 – SENATE ENROLLED ACT 376 – EFFECTIVE JULY 1, 2009

DISABILITY – PARKINSON'S DISEASE – Adds IC 5-10-15-5.5 – Amends IC 5-10-15-2, IC 5-10-15-8, IC 5-10-15-9 and IC 36-8-8-12.5 – Adds Parkinson's Disease to the possible line of duty disabilities for which police officers, firefighters, and emergency medical services personnel can be diagnosed to receive a disability benefit.

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PUBLIC LAW 60 – SENATE ENROLLED ACT 414 – EFFECTIVE JULY 1, 2009

CHARITY GAMING – Amends and adds to IC 4-32.2 – Permits festival workers to participate as players in any gaming activity offered at a festival except where the worker conducts or helps to conduct a pull tab, punch board, or tip board event conducted on the same calendar day. States that charity gaming patrons are not required to submit the patron's name, signature, driver's license number, or other identifying information unless the prize is \$250 or more. If it is required to report such earnings to the IRS, the winning patron shall provide the necessary information required.

PUBLIC LAW 62 – SENATE ENROLLED ACT 487 – EFFECTIVE JULY 1, 2009

UNDERGROUND PLANT PROTECTION – IUPPS – Adds IC 8-1-26-23 and IC 8-1-26-24 – Amends IC 8-1-2.6-4 and several sections of IC 8-1-26 – Requires operators of underground facilities to provide the location of their underground facilities to the Indiana Underground Plant Protection Services (IUPPS). Provides for civil penalties for providing false information on such locations. Requires underground operators to join IUPPS.

PUBLIC LAW 63 – HOUSE ENROLLED ACT 1205 – EFFECTIVE JULY 1, 2009

VOLUNTEER FIREFIGHTERS – Amends IC 36-8-12-10.5, IC 36-8-12-10.7 and IC 36-8-12-10.9 – States that a city or town may not discipline for a period of up to six months, an employee who, while a member of a volunteer fire department, is injured or absent from work because of an injury that occurs while the employee was fighting a fire or performing other emergency response activities.

PUBLIC LAW 71 – HOUSE ENROLLED ACT 1033 – EFFECTIVE JULY 1, 2009

ENERGY SAVINGS CONTRACTS – Amends IC 36-1-12-1, IC 36-1-12.5-1, IC 36-1-12.5-5, and IC 36-1-12.5-7 – Allows cities and towns to enter into guaranteed savings contracts, utility efficiency programs, and design-build contracts instead of entering into a public works contract. Extends the maximum term on such contracts to twenty (20) years.

PUBLIC LAW 75 – HOUSE ENROLLED ACT 1096 – EFFECTIVE JANUARY 1 AND MAY 6,

2009 – MORTGAGE DEDUCTIONS – Amends IC 6-1.1-5.5-5, IC 6-1.1-12-2, and IC 6-1.1-12-44 – Allows persons filing a mortgage, contract, or memorandum form with the county recorder to have such forms forwarded to the county auditor by the county recorder for approval of a mortgage deduction.

PUBLIC LAW 78 – HOUSE ENROLLED ACT 1162 – EFFECTIVE JULY 1, 2009

IDEM PERMITS – Amends IC 13-15-3-5 – Requires persons issued a permit to construct, install, operate or modify a facility or equipment to obtain approval of such construction or installation by a city or town if required by ordinance.

CLAIMS – REGIONAL WATER, SEWER, AND SOLID WASTE DISTRICTS

Adds IC 13-26-5-9 – Allows boards for regional water, sewer and solid waste districts to allow payment of claims between board meetings.

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PUBLIC LAW 87 – HOUSE ENROLLED ACT 1344 – EFFECTIVE VARIOUS DATES
PROPERTY TAXES – Amends and adds to several sections of IC 6-1.1 – Makes several changes to the laws dealing with sales disclosure forms, standard deductions and homestead credits. Requires counties to distribute revenue from monthly installment tax collections to cities and towns at normal semiannual distribution times.

PUBLIC LAW 88 – HOUSE ENROLLED ACT 1358 – EFFECTIVE JULY 1, 2009
UNSAFE BUILDINGS – Adds IC 36-7-36 – Amends IC 36-7-9-2, IC 36-7-9-5, IC 36-7-9-7, IC 36-7-9-17, IC 36-7-11.1, IC 8.1.5-3-12, IC 36-1-6-2, and IC 36-1-6-4 – Allows a court to issue a continuous enforcement order against persons entering certain nuisance or unsafe property. States that the owners of certain vacant or abandoned property can be liable for fines between \$500 and \$5,000 for failing to clean up or board up such property.

ELIGIBLE EFFICIENCY PROGRAMS – Adds IC 36-9-41-1.5 – Amends IC 8-1.5-3-12 and IC 36-9-41-1 – Provides that a city or town may borrow money from a municipality owned utility or a financial institution for an eligible efficiency project. Defines an eligible efficiency project to mean: (1) a project necessary or useful to carrying out an interlocal cooperation agreement entered into by two (2) or more political subdivisions or governmental entities under IC 36-1-7; or (2) a project necessary or useful to the consolidation of local government services.

PUBLIC LAW 89 – HOUSE ENROLLED ACT 1363 – EFFECTIVE JULY 1, 2009
CIVIL ACTION COURT FILINGS – WAIVER OF FEES – Amends IC 33-37-3-2
States that if a person brings a civil action or petition for the appointment of a guardian, a clerk of a court shall waive the payment of required fees or other court costs by the person without court approval if: (1) the person is represented by an attorney who is employed by a civil legal aid program or who is serving as a pro bono attorney; and (2) the attorney files a statement with the clerk that seeks relief from paying the required fees or other court costs and is accompanied by an approved affidavit of indigency.

PUBLIC LAW 90 – HOUSE ENROLLED ACT 1365 – EFFECTIVE JANUARY 1, 2007 AND 2008 – RETROACTIVE – TAX ASSESSMENTS – FLOODED LAND – Adds IC 6-1.1-4-11.5 – Amends IC 6-1.1-17-0.5 – Allows for retroactive reassessment of certain land that was flooded after March 1, 2008. Provides for refunds of property taxes under certain flooding conditions.

PUBLIC LAW 96 – HOUSE ENROLLED ACT 1535 – EFFECTIVE JULY 1, 2009
FARMER'S MARKETS – POINT OF SALE EBT CONNECTIONS – Adds IC 12-13-14-13 – Requires the Division of Family Resources to provide farmer's market administration and retailers with wired or wireless point of sale terminals that are connected to the EBT systems.

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PUBLIC LAW 99 – HOUSE ENROLLED ACT 1669 – EFFECTIVE JULY 1, 2009

PUBLIC WORKS/ENERGY SAVINGS – Amends IC 36-1-12 and IC 36-1-12.5 – Allows Cities and towns to enter into design – build contracts under IC 5-30 as an alternative to the public purchase law. Allows energy savings contracts to have terms of 20 years. SEE PUBLIC LAW 71 for similar provisions.

PUBLIC LAW 101 – SENATE ENROLLED ACT 16 – EFFECTIVE JULY 1, 2009 AND

JULY 1, 2010 – LEARNER'S PERMITS/DRIVER'S LICENSES – Adds IC 9-24-3-2.5, IC 9-24-11-3.3, and IC 9-24-12-0.5 – Amends several chapters and sections in IC 9-24 and IC 9-29 – Amends IC 5-2-6.5-9, IC 26-2-6-6, IC 33-39-1-8, IC 34-28-5-1, and IC 34-28-5-4 – States that a learner's permit expires two years after the date of issuance. Prohibits a child less than 15 years and 180 days from taking driver education instruction. Makes several other changes to the laws dealing with driver's licenses.

PUBLIC LAW 108 – HOUSE ENROLLED ACT 1286 – EFFECTIVE JULY 1, 2009

GAMING – Adds IC 4-32.2-5-26 – Amends several sections of IC 4-32.2-6, IC 4-32.2-9-9, IC 4-36-2, IC 4-36-4, and IC 4-36-5 – Changes several laws that govern gaming activity at local festivals.

PUBLIC LAW 110 – HOUSE ENROLLED ACT 1428 – EFFECTIVE JANUARY 1, 2010

FIREFIGHTER TRAINING – Adds IC 36-8-10.5-7.5 – Adds IC 36-8-10.5-7.5 – Requires an individual whose employment by a fire department as a full-time firefighter begins after December 31, 2009, to complete the training for Firefighter I (as described in 655 IAC 1-2.1-4) and Firefighter II (as described in 655 IAC 1-2.1-5) during the firefighter's first year of employment. The fire department that employs a firefighter shall report to the education board when the firefighter has completed the training requirements established by this subsection. (b) The education board may grant a firefighter any number of extensions of six (6) months to complete the training required under subsection (a). An extension must be required by the fire department that employs the firefighter. An extension may be requested for any reason, including the following: (1) The firefighter has been attending training in accordance with section 8 of this chapter in any of the following: (A) Hazardous materials. (B) Paramedic training. (C) Emergency medical technician training. (D) Technical training. (2) The firefighter was unable to complete the training due to economic reasons. (c) The education board shall determine whether a firefighter receives an extension.

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PUBLIC LAW 111 – HOUSE ENROLLED ACT 1468 – EFFECTIVE JULY 1, 2009

COMMERCIAL DOG BREEDERS AND BROKERS/ANIMAL CRUELTY – Adds IC 15-21 Amends IC 4-6-3-2, IC 11-13-3-4, IC 15-17-3-13, IC 25-38.1-4-8.5, IC 35-33-8-3.2, IC 35-38-2-2.3, IC 35-41-1-6.5, IC 35-46-3-0.5, IC 35-46-3-5, IC 35-46-3-7, and IC 35-46-3-12 – Requires commercial dog breeders and brokers to register with the Indiana State Board of Animal Health. States that after December 31, 2009, a city or town may not adopt an ordinance concerning regulation of commercial dog breeders that imposes more stringent or detailed requirements than the State requirements unless such ordinance is adopted before January 1, 2010. Defines a commercial dog breeder as a person who maintains more than twenty unaltered female dogs that are at least twelve months of age. Defines a commercial dog broker to mean a person with a Class B license under 9 CFR1.1 and who sells at least 500 dogs in a calendar year. Makes it a Class D Felony to kill a domestic animal without consent from the owner.

PUBLIC LAW 113 – HOUSE ENROLLED ACT 1498 – EFFECTIVE JANUARY 1, 2007

Retroactive – PERF – SURVIVOR BENEFITS – Amends IC 5-10.2-3-7.5 and IC 5-10.2-3-7.6 – Allows a surviving spouse or surviving dependent of an active member of PERF to receive a benefit after the active member has acquired ten (10) years of creditable service. Prior law required fifteen (15) years of creditable service. Requires PERF to contact surviving spouses or surviving dependents who would have been eligible for benefits after December 31, 2006.

PUBLIC LAW 115 – HOUSE ENROLLED ACT 1546 – EFFECTIVE JULY 1, 2009

PUBLIC EMPLOYEES RETIREMENT FUND (PERF) AND TEACHERS RETIREMENT FUND (TRF) – Amends IC 5-10.2-3, IC 5-10.2-4, IC 5-10.3-3-9, IC 5-10.3-5-4, IC 5-10.3-8-8, IC 5-10.4-3-14; IC 5-10.4-4-8, IC 5-10.4-4-10, IC 5-10.4-6-2; and IC 5-10.4-7-10 – Requires direct deposit of PERF and TRF benefits. States that PERF and TRF members cannot retire if on or before the date the member has an agreement with a covered employer to become reemployed in a covered position. Allows TRF vested members to withdraw their annuity savings account before retirement and receive a pension when they retire. Provides a thirteenth check for members, survivors, and beneficiaries of PERF. Removes the State Treasurer as PERF treasurer.

PUBLIC LAW 116 – HOUSE ENROLLED ACT 1578 – EFFECTIVE JULY 1, 2009

GPS MONITORING AND RESTRAINING ORDERS – Adds IC 5-2-9-1.2, IC 5-2-9-5.5, IC 5-2-9-6.5, and IC 34-6-2-148.5 – Amends several sections of IC 5-2-9, IC 34-26-5-3, IC 34-26-5-8, IC 34-26-5-9, IC 34-26-5-17, and IC 35-44-3-5 – Allows courts to require persons subject to protective orders to wear GPS tracking devices. Requires the Division of State Court Administration to maintain a registry of protective orders.

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PUBLIC LAW 120 – HOUSE ENROLLED ACT 1346 – EFFECTIVE JULY 1, 2009
ELECTIONS – VOTER REGISTRATION – Adds IC 3-5-2-31.5, IC 3-7-26.7,
IC 3-7-33-3.5, and IC 3-11-8-25.7 – Amends IC 3-6-4.2-14, IC 3-7-32-2, IC 3-11-4-4,
IC 3-11-10-24, IC 3-11-15-13.3, IC 3-11-17-6, IC 9-24-2.5-1 and IC 9-24-2.5-4 – States
that public safety officers may vote absentee by mail. Allows public safety officers to
reenter the poles and vote if called to an emergency after entering the polls. Permits
individuals to submit voter registration applications or update registration information
online.

PUBLIC LAW 136 – HOUSE ENROLLED ACT 1094 – EFFECTIVE MAY 12 AND JULY 1, 2009
PROPERTY TAX ASSESSMENTS – Amends IC 6-1.1-4-4 – States that real property is
to be valued for assessment purposes as of the assessment date. Makes other changes
to other chapters in IC 6-1.1 regarding assessment notices, appeals, and property tax
bills.

PUBLIC LAW 137 – HOUSE ENROLLED ACT 1121 – EFFECTIVE JULY 1, 2009
IDENTITY THEFT – Adds IC 4-16-13, IC 35-40-14, and IC 35-43-5-3.8 –
Amends several sections in IC 4-6, IC 24-4.9, IC 35-32, IC 35-37, IC 35-4 and IC 35-43
Creates an identity theft unit in the Attorney General's office. Requires local law
enforcement agencies to take official reports of any identity theft.

PUBLIC LAW 138 – HOUSE ENROLLED ACT 1123 – EFFECTIVE JULY 1, 2009
SCHOOL ZONES – Amends IC 9-21-5-6 – States that a city or town may establish
speed limits on a street or highway upon which a school is located if the street or
highway is under the jurisdiction of the city or town, respectively. However, a speed limit
established under this subsection is valid only if the following conditions exist: (1) The
limit is not less than: (A) twenty (20) miles per hour within an urban district; and (B) thirty
(30) miles per hour outside an urban district. (2) The limit is imposed only in the
immediate vicinity of the school. (3) Children are present. (4) The speed zone is
properly signed. After June 30, 2011, there must be (A) a sign located: (i) where the
reduced speed zone begins; or (ii) as near as practical to the point where the reduced
speed zone begins; indicating the reduced speed limit; and (B) a sign located at the end
of the reduced speed zone indicating the end of the reduced speed zone.

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PUBLIC LAW 141 – HOUSE ENROLLED ACT 1230 – EFFECTIVE JULY 1, 2009

PUBLIC NOTICE ADVERTISING RATES – Amends IC 5-3-1-1 – Provides that after December 31, 2009, a newspaper or qualified publication may, effective January 1 of any year, increase the basic charges by not more than two and three-quarters percent (2.75%) more than the basic charges that were in effect during the previous year. However, the basic charges for the first insertion of a public notice in a newspaper or qualified publication may not exceed the lowest classified advertising rate charged to advertisers by the newspaper or qualified publication for comparable use of the same amount of space for other purposes and must include all insertion discounts extended to the newspaper's other advertisers. An additional charge of fifty percent (50%) shall be allowed for publication of all public notice advertising containing rule or tabular work.

All public notice advertisements shall be set in solid type that is at least 7 point type, without any leads or other devices for increasing space.

NEWSPAPER INTERNET WEB SITES – Adds IC 5-3-1-1.5 – EFFECTIVE JULY 1, 2009 – If a newspaper maintains an Internet web site, a notice that is published in the newspaper must also be posted on the newspaper's web site. The notice must appear on the web site on the same day the notice appears in newspaper. The State Board of Accounts shall develop a standard form for notices posted on a newspaper's Internet web site. A newspaper may not charge a fee for posting a notice on the newspaper's Internet web site under this section.

PUBLICATION OF ANNUAL REPORTS – Adds IC 5-3-1-3.5 – EFFECTIVE JULY 1, 2009 – Requires each political subdivision that has: (1) an annual budget of at least three hundred thousand dollars (\$300,000); and (2) the power to levy taxes to publish annual reports of their receipts and expenditures during the preceding calendar year not later than sixty (60) days after the expiration of each calendar year.

This does not apply to a political subdivision that is required to publish an annual report under any other statute.

NOTICES PUBLISHED BY CITIES AND TOWNS – Amends IC 5-3-1-4 – Eliminates the requirement to post notices at or near city or town hall that are published by cities and towns with one or no newspaper published in the city or town. Please note that this does not apply to public notices of meetings which are to be posted in accordance with IC 5-14-1.5-5(b).

CITY ELECTED OFFICERS' SALARIES – ADVERTISING – Amends IC 36-4-7-2
Eliminates the requirement to advertise elected city officers' salaries.

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BOARD OF WORKS AND SAFETY– Amends IC 36-4-9-6 and IC 36-4-9-8 – Allows the Mayor of a third-class city to increase the number serving on the board from three (3) to five (5). States that if the executive increases the number of board members from three (3) to five (5) members or decreases the number of board members from five (5) to three (3) members, the city shall publish notice under IC 5-3-1 of the increase or decrease in members and state the total number of members appointed to the board.

PUBLIC LAW 142 – HOUSE ENROLLED ACT 1285 – EFFECTIVE JULY 1, 2009
COUNTY SLOT MACHINE WAGERING FEES – Adds IC 36-1-8-9.2 – Amends IC 36-1-14-1 – Requires slot machine revenue received by cities and towns in Madison and Shelby Counties to be placed in a separate slot machine wagering fee fund instead of the general fund. Allows such revenue to be donated to a qualifying foundation.

PUBLIC LAW 145 – HOUSE ENROLLED ACT 1323 – EFFECTIVE JULY 1, 2009
PROBATIONARY OPERATOR’S LICENSE – Adds IC 9-24-11-3.3 – Amends IC 9-24-11-3 – States that a person holding a probationary operator’s license issued after June 30, 2009, may not operate a motor vehicle alone during certain night time hours during the first 180 days after issuance of the license. Makes several other restrictions on persons with probationary license concerning passengers in their vehicles and prohibiting the use of cell phones while operating their vehicles.

PUBLIC LAW 146 – HOUSE ENROLLED ACT 1339 – EFFECTIVE JULY 1, 2009
CHILD RESTRAINT SYSTEMS – Amends IC 9-13-2-3 – Amends the laws dealing with a child under 8 years old who is not properly fastened and restrained to require a physician’s statement to exempt such children from the requirements

PUBLIC LAW 150 – HOUSE ENROLLED ACT 1483 – EFFECTIVE JULY 1, 2009
OFF-ROAD VEHICLES, FARM WAGONS, AND GOLF CARTS – Adds IC 9-13-2-69.7, IC 9-21-1-3.3, IC 9-26-6-0.5, and IC 14-8-2-116.5 – Amends IC 9-13-2-60, IC 9-13-2-94.5, IC 9-13-2-198, IC 9-17-1-1, IC 9-19-1-1, IC 9-20-9-8, IC 9-20-10-2, IC 9-21-8-45, IC 9-21-9-.05, IC 9-22-1-1, IC 9-22-5-16, IC 9-24-1-7, and IC 14-8-2-185 – Requires an ordinance governing golf carts to require the operator to have a valid driver’s license. Such ordinance could require the owner to display a slow moving vehicle sign. Places restrictions on the use of farm wagons on highways.

PUBLIC LAW 151 – HOUSE ENROLLED ACT 1554 – EFFECTIVE JULY 1, 2009
ALTERNATIVE FUEL FUELING STATION GRANT PROGRAM – Adds IC 4-4-32.2, IC 4-4-32.3, IC 5-22-5-8.5, and IC 8-1-13.1 – Amends IC 8-1-8.8-10 – Creates an Alternative Fuel Fueling Station Grant Program in which cities and towns can be awarded grants by the Indiana Office of Energy Development (IOED) of up to \$20,000 for installing fueling stations that dispense alternative fuels. Provides for grants to cities and towns that make purchases of alternative fuel vehicles.

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- PUBLIC LAW 155 – HOUSE ENROLLED ACT 1603 – EFFECTIVE JULY 1, 2009
SERVICE ANIMALS – Adds IC 16-32-3-1.5 and IC 22-9-5-9.5 – Amends IC 16-32-3-1, IC 16-32-3-3 and IC 22-9-5-20 – States that a person with a physical or mental disability maybe accompanied by a service animal in any public place. Provides that it is the policy of the State that individuals with physical and mental disorders be employed by political subdivisions. Redefines the term “guide dog” to “service animal.”
- PUBLIC LAW 163 – SENATE ENROLLED ACT 448 – EFFECTIVE JULY 1, 2009
PROPERTY TAXES – ENTERPRISE INFORMATION TECHNOLOGY EQUIPMENT
Adds IC 6-1.1-10-44 – Allows a city or town to exempt enterprise information technology equipment purchased after June 30, 2009, from personal property taxes.
- PUBLIC LAW 165 – SENATE ENROLLED ACT 536 – EFFECTIVE JULY 1, 2009
PERF – ELECTRONIC FUNDS TRANSFER OF CONTRIBUTIONS BENEFITS
Adds IC 5-10.2-2-12.5 – Amends IC 5-10.2-2-4 and IC 5-10.2-3-5 – Requires electronic submission of employer contributions after December 31, 2009 unless the employer obtains a waiver. Changes procedures to be used to establish an interest or earnings rate on annuity savings accounts.
- PUBLIC LAW 166 – HOUSE ENROLLED ACT 1014 – EFFECTIVE JULY 1, 2009
AGE DISCRIMINATION – Amends IC 22-9-2-1, IC 22-9-2-2, IC 22-9-2-3, IC 22-9-2-4, and IC 22-9-2-11 – Raises the maximum age limit where a person can file a claim for age discrimination from 70 to 75 years of age.
- PUBLIC LAW 168 – HOUSE ENROLLED ACT 1097 – EFFECTIVE MAY 13, 2009
SANITARY DISTRICTS – FINANCIAL ASSISTANCE TO PROPERTY OWNERS FOR CERTAIN REGULATING DEVICES – Adds IC 36-9-25-42– Allows a sanitary board to adopt a resolution authorizing the board to provide financial assistance, including grants, to property owners to construct or install regulating devices, improvements, or overhead plumbing or backflow prevention devices for one (1) or more of the following purposes: (1) To regulate or prevent discharge into private dwellings. (2) To prevent the pollution of streams or bodies of water. (3) To reduce or ameliorate inflow and infiltration in sewage works. (4) To remedy or prevent a menace to the public health and welfare. A resolution adopted by the board must do the following:
(1) State that provided financial assistance will accomplish one (1) or more of the purposes listed in IC 36-9-25-42(a)(1) through (a)(4). (2) State that the board anticipates that the costs associated with providing the financial assistance will be less than the financial burdens potentially incurred if the financial assistance is not provided. (3) Find that providing financial assistance is necessary to avoid or reduce additional financial burdens. (4) Establish rules and regulations concerning financial assistance. A rule or regulation must provide that: (A) a grant or other financial assistance provided by the board may not exceed eighty percent (80%); and (B) the property owner that receives the financial assistance must pay for at least twenty percent (20%); of the total anticipated cost of the project for which the financial assistance is provided.

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PUBLIC LAW 172 – HOUSE ENROLLED ACT 1278 – EFFECTIVE MAY 13 AND JULY 1, 2009
UTILITY PROPERTY – Amends IC 8-1-2-92, IC 8-1-2-93, IC 8-1.5-2-7, IC 8-1.5-2-8,
IC 8-1.5-3-8 and IC 32-24-2-6 – Eliminates the requirement that a utility obtain voter
approval of acquisition of property by condemnation. Allows a utility to recover costs of
the acquisition of property through its rates and charges.

PUBLIC LAW 174 – HOUSE ENROLLED ACT 1362 – EFFECTIVE JULY 1, 2009
VOLUNTEER FIREFIGHTERS AND EMS PERSONNEL BENEFITS – Amends
IC 34-31-2-11, IC 36-8-12-2, IC 36-8-12-6, IC 36-8-12-7, IC 36-8-12-8 and
IC 36-8-12-10 – Increases the weekly benefit for total disability for volunteer firefighters
and EMS personnel who suffer certain in the line of duty injuries for up to 2 weeks from
\$250 to \$262. Adds EMS personnel to persons who are to be covered for accidental
death, medical treatment, and burial expense by cities and towns.

PUBLIC LAW 175 – HOUSE ENROLLED ACT 1379 – EFFECTIVE JULY 1, 2009
UNEMPLOYMENT – Adds IC 2-5-30 and IC 22-4-43 – Makes several amendments to
several chapters and sections in IC 22-4 – Creates an Unemployment Insurance
Oversight Committee. Creates a Hoosier Workers First Training Program. Increases
the taxable wage base from \$7,000 to \$9,500 beginning January 1, 2010. Makes many
other changes to the State's Unemployment laws.

PUBLIC LAW 176 – HOUSE ENROLLED ACT 1514 – EFFECTIVE JULY 1, 2009
OFFICIAL BONDS – Amends IC 5-4-1-18 – Requires surety bonds required under IC 5-
4-1-18 to be annual bonds instead of for the term of office. Increases the minimum
amount of annual coverage from \$15,000 to \$30,000 for each \$1,000,000 in receipts for
all city controllers, city and town clerk-treasurers, and Barrett Law fund custodians. .
The maximum amount that could be required remains at \$300,000. Raises the minimum
amount of other persons required to file an individual bond from \$8,500 to \$15,000.

COMPUTERIZED ACCOUNTING SYSTEMS – Amends IC 5-11-1-2 – Removes the
section of law that prohibited the State Board of Accounts from requiring a municipality
to use an electronic, automated, or computerized system of accounting and reporting.

ELECTRONIC ANNUAL REPORTS – Amends IC 5-11-1-4 – Requires all entities to file
their annual (CTAR) reports electronically in a manner prescribed by the state examiner
that is compatible with the technology employed by political subdivision.

STATE BOARD OF ACCOUNTS REPORTS – Amends IC 5-11-5-1 and IC 5-11-6-1
Allows the State Examiner to provide a preliminary report of misappropriated or diverted
public funds to the Attorney General. Permits the Attorney General to institute and
prosecute civil proceedings against a delinquent officer or employee or proceed against
the officer's or employee's official bond.

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2009 LAWS AFFECTING CITIES AND TOWNS

VANDEBURGH COUNTY HOTEL TAX AND FOOD AND BEVERAGE TAX – Amends IC 6-9-2.5-7.5 – Amends and adds to IC 6-9-20 – Makes several changes to the laws governing the use of such taxes to finance a new arena. Requires the City Controller to establish a Municipal Arena Fund if the food and beverage tax is continued to finance the arena and other facilities serving the arena.

MARTINSVILLE FOOD AND BEVERAGE TAX – Amends IC 6-9-27-9.5 – Eliminates the December 31, 2015 expiration date on which the City may initiate projects funded with the tax.

ALLEN COUNTY – FORT WAYNE CAPITAL IMPROVEMENT BOARD – Amends IC 6-9-33 and IC 36-10-8-6 – Changes the name of the improvement board. Makes several changes to the permitted uses of food and beverage tax revenues.

MONROE COUNTY FOOD AND BEVERAGE TAX – Adds IC 6-9-41 – Allows Monroe County to impose a food and beverage tax after May 13, 2009.

PUBLIC WORKS LAW – Adds IC 36-1-12-4.9 – Allows public works projects that involve routine operation, routine repair, routine maintenance of existing structures, buildings or real property to be awarded using the provisions of IC 5-22 if the cost of the public work project is estimated to be less than \$150,000.

PUBLIC LAW 178 – HOUSE ENROLLED ACT 1589 – EFFECTIVE JULY 1, 2009
ELECTRONIC WASTE – Adds IC 13-20.5 – Prohibits computers, monitors, printers, televisions, and other electronic devices from disposal at a landfill after 2010.

PUBLIC LAW 181 – HOUSE ENROLLED ACT 1716 – EFFECTIVE JULY 1, 2009
LITTLE CALUMET RIVER BASIN DEVELOPMENT COMMISSION – Adds IC 14-13-2-30 and IC 14-13-2-31 – Amends IC 14-13-2-7, IC 14-13-2-10, and IC 14-13-2-17 – Reduces the number of commission members from eleven to five. States that a commission member may not be an employee or elected official of a city, town, or county government. Requires the State Board of Accounts to audit the Commission's records on an annual basis.

HOUSE ENROLLED ACT 1001 (SS) – EFFECTIVE JULY 1, 2009
COURT COSTS – Amends IC 33-37-5-21 and IC 33-37-7-8 – Requires the clerk of a city or town court to distribute semiannually to the auditor of state as the state share for deposit in the homeowner protection unit account established by IC 4-6-12-9 one hundred percent (100%) of the automated record keeping fees collected under IC 33-37-5-21 with respect to actions resulting in the accused person entering into a pretrial diversion program agreement under IC 33-39-1-8 or a deferral program agreement under IC 34-28-5-1.

**CITIES AND TOWNS BULLETIN
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HOUSE ENROLLED ACT 1001 (SS) – EFFECTIVE JULY 1, 2009 – (Continued)

GOLF CARTS – Adds IC 9-21-8-57 – States that a golf cart may not be operated on a highway except in accordance with an ordinance adopted under IC 9-21-1-3(a)(14) and IC 9-21-1-3.3(a) authorizing the operation of a golf cart on the highway. See Public Law 150 for other similar provisions.

NORTHERN INDIANA REGIONAL TRANSPORTATION DISTRICT – Adds IC 8-24 – Authorizes a referendum to create a regional transportation district in Lake, LaPorte, Porter, and St. Joseph counties. Such district would be created effective January 1, 2010 if at least two counties vote in favor of creating the district. Establishes several new boards to govern transportation services in the district.

1925 AND 1937 POLICE AND FIREFIGHTERS PENSION PLANS – ACCOUNT BALANCES – Adds IC 36-8-6-5.5 and IC 36-8-7-9.5 – Amends IC 36-8-6-5, IC 36-8-7-9, and IC 36-8-7-14 – States that balances in the 1925 and 1937 pension funds that (1) accrued from property taxes; (2) are not necessary to meet the pension, disability, and survivor benefit payment obligations of the 1925 or 1937 funds because of amendments to IC 36-8-6-5.5(c) or IC 36-8-7-9.5, may be used to pay any or all of the following: (1) The costs of health insurance or other health benefits provided to members, survivors, and beneficiaries of the 1925 and 1937 funds. (2) The municipality's employer contributions under IC 36-8-8-6. (3) The contributions paid by the municipality for a member under IC 36-8-8-8(a). The maximum amount that may be used is equal to the sum of: (1) the unencumbered balance of the 1925 and 1937 funds on December 31, 2008 plus (2) the amount of property taxes: (A) imposed for an assessment date before January 16, 2008, for the benefit of the 1925 and 1937 funds; and (B) deposited in the 1925 and 1937 funds after December 31, 2008.

CITIES WITH RIVERBOATS OR RACETRACK GAMBLING VENUES – USE OF GAMING REVENUES FOR SCHOOL BUILDINGS – Adds IC 36-4-8-15.5 – Allows a city with a riverboat or race track gambling to do any of the following: (1) Enter into one (1) or more agreements or leases with the school corporation or another public or private entity to provide for the construction or renovation of a school building that will be used by the school corporation. The agreements and leases may provide for the financing of the construction or renovation of the school building. (2) A school building constructed or renovated as provided in subdivision (1) may be donated, sold, or leased to the school corporation under the conditions determined by the school corporation and the city. (3) The city may use any revenues (including any gaming revenues) to pay for construction or renovation of the school building or to finance the construction or renovation of school building.

YOUTH SPORTS COMPLEX ADMISSIONS TAX – INDIANAPOLIS – Adds IC 6-9-42 Allows the City of Indianapolis to adopt an admission tax on admissions to the City's youth sports complex. Such tax is to be deposited in a city admissions tax fund and used for the payment of certain infrastructure and debt expenses associated with the construction of the complex.

CITIES AND TOWNS BULLETIN AND UNIFORM COMPLIANCE GUIDELINES

HOUSE ENROLLED ACT 1001 (SS) – EFFECTIVE JULY 1, 2009 – (Continued)
MARION COUNTY CAPITAL IMPROVEMENT BOARD (CIB) – Amends IC 36-10-9-9
Requires the State Board of Accounts to perform an audit of the CIB.

CITY AND TOWN BUDGETS – Amends several sections of IC 6-1.1-17 – Changes the advertisement deadlines for the first and second publication of the budget to September 2 and September 9. Requires city and town budgets to be filed with the county fiscal body at least 45 days before cities and towns fix their tax rates and tax levies and adopt their budgets. Requires a tax adjustment board to meet before November 2 each year. Reduces the 1782 notice period from 14 days to 10 days.

FIRE PROTECTION TERRITORY BUDGETS – Amends IC 6-1.1-18.5-10.5 – Provides that tax levy limits do not apply to a city or town in the first year in which the city or town becomes a participating unit. Makes other changes to the fire territory budget laws.

LOCAL GOVERNMENT TAX CONTROL BOARD – Repeals IC 6-1.1-18.5-11 – Eliminates the local government tax control board. Provides that levy appeals be taken to the Commissioner of the DLGF.

PUBLIC WORKS BORROWING – Amends IC 36-9-41-4 – Allows cities and towns to borrow money from a financial institution of not more than 2 million dollars for public works projects and repay such loans over 10 years instead of 6 years.

DEPOSITORIES

Depositories used by cities and towns must be approved as depositories for State funds.
[IC 5-13-6-1(d)]

CHANGE IN CITY STATUS

A third class city remains a third class city even though the city attains a population of 35,000 unless the city adopts an ordinance to adopt second class city status. (IC 36-4-1-1.1)

The powers, duties, functions and office of the clerk-treasurer shall remain unchanged until the expiration of the term of the clerk-treasurer, despite a change in city classification for any reason. (IC 36-4-1-8)

COPY FEES

The fee for copying documents may not exceed the greater of: (1) ten cents per page for copies that are not color copies and twenty-five cents per page for color copies; or (2) the actual cost of copying the document. Actual cost means the cost of paper and the per page cost for use of copying or facsimile equipment and does not include labor costs or overhead costs. (IC 5-14-3-8) These provisions do not apply to copies of accident reports under IC 9-29-11-1.

**CITIES AND TOWNS BULLETIN
AND UNIFORM COMPLIANCE GUIDELINES**

TOWN OFFICIAL'S DUTIES

A number of inquiries have been made as to what authority or power does a Town Council have and what powers and duties does a Town Clerk-Treasurer have. The following is a listing of some of the applicable statutes. They do not include IC 36-1-3, the Home Rule provisions.

IC 36-5-2-8	Town Clerk-Treasurer as clerk; ex-officio member for casting tie breaking vote
IC 36-5-2-9	Powers of legislative body
IC 36-5-2-10.2	Recording of adopted ordinance; presumptive evidence
IC 36-5-2-11 and IC 36-5-2-12	Bonds, issuance; purpose; payments; procedures; loans; requirements
IC 36-5-3-2	Compensation for officers and employees
IC 36-5-3-3	Formulation of budget estimate
IC 36-5-3-4	Report of budget estimates; ordinances fixing tax rate and appropriations
IC 36-5-4	Miscellaneous town fiscal and administrative provisions
IC 36-5-6	Town Clerk-Treasurer
IC 8-1.5-3	Municipally owned utilities

CITIES AND TOWNS BULLETIN AND UNIFORM COMPLIANCE GUIDELINES

MONEY MARKET MUTUAL FUNDS

Cities and towns may invest in money market mutual funds that are in the form of securities of or interest in an open end, no load, management type investment company or investment trust registered under the provisions of the Federal Investment Company Act of 1940.

Investments in money market mutual funds may not exceed fifty percent (50%) of the funds held by the officer and available for investment.

The investments shall be made through depositories designated by the State Board of Finance as depositories for state deposits under IC 5-13-9.5.

The portfolio of an investment company or investment trust must be limited to the following:

- (1) Direct obligations of the United States
- (2) Obligations issued by any of the following:
 - (A) A federal agency.
 - (B) A federal instrumentality .
 - (C) A federal government sponsored enterprise.
- (3) Repurchase agreements fully collateralized by obligation described in (1) or (2)

The form of securities of or interests in an investment company or investment trust must be rated as one (1) of the following:

- (1) AAAM, or its equivalent, by Standard and Poor's Corporation or its successor.
- (2) Aaa, or its equivalent, by Moody's Investors Service, Inc. or its successor.

The form of securities in an investment company or investment trust is considered to have a stated final maturity of one (1) day.

The State Board of Accounts may rely on transaction confirmations evidencing ownership of the form of securities of or interests in an investment company or investment trust. (IC 5-13-9-2.5)

TOWN EMPLOYEES

IC 36-5-2-13 requires the town executive to have the approval of a majority of the town council before the executive may discharge, reduce in grade under IC 36-8-3-4, or remove a town employee.

IC 36-5-7-6 requires the town legislative body to fix the number of deputy town marshals by ordinance.

**CITIES AND TOWNS BULLETIN
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PUBLIC PURCHASES CONTRACTS – RENEWAL

A contract that contains a provision for escalation of the price of the contract may be renewed if the escalation is computed using:

- (1) a commonly accepted index in the contract; or
- (2) a formula set forth in the contract.

Subject to funds being appropriated and available under IC 5-22-17-5 and with the agreement of the contractor and the purchasing agency, a contract may be renewed any number times. However, the term of the new contract may not be longer than the term of the original contract. (IC 5-22-17-4)

When the fiscal body of the governmental body makes a determination that funds are not appropriated or otherwise available to support continuation of performance of a contract, the contract is considered canceled. (IC 5-22-17-5)

MUNICIPALLY OWNED UTILITIES – SALE PROCEEDS

IC 8-1.5-2-3 states in part: “Subject to restrictions imposed by a bond ordinance, resolution, indenture, contract under IC 8-1-2.2, or similar instrument binding upon it, a municipality may sell or otherwise dispose of any of its municipally owned utilities under this chapter.

IC 8-1.5-2-4 through IC 8-1.5-2-6 set out conditions for sale of a municipally owned utility. IC 8-1.5-2-6(d) states: “The proceeds of any sale under this chapter shall be paid into the treasury of the municipality making the sale and become part of the general fund.”

**CITIES AND TOWNS BULLETIN
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COMPENSATION OF OFFICERS AND EMPLOYEES

CITY OFFICERS AND EMPLOYEES

ELECTED CITY OFFICIALS

IC 36-4-7-2 states:

“(a) As used in this section, “compensation” means the total of all money paid to an elected city officer for performing duties as a city officer, regardless of the source of funds from which the money was paid.”

“(b)The city legislative body shall, by ordinance, fix the annual compensation of all elected city officers.”

“(c) The compensation of an elected city officer may not be changed in the year for which it is fixed, nor may it be reduced below the amount fixed for the previous year.”

APPOINTIVE OFFICERS, DEPUTIES AND OTHER EMPLOYEES (Except Police Officers and Firefighters)

IC 36-4-7-3 states:

“(a) This section does not apply to compensation paid by the city to members of its police and fire departments.

(b) Subject to the approval of the city legislative body, the city executive shall fix the compensation of each appointive officer, deputy, and other employee of the city. The legislative body may reduce but may not increase any compensation fixed by the executive. Compensation must be fixed under this section not later than September 30 of each year for the ensuing budget year.

(c) Compensation fixed under this section may be increased or decreased by the executive during the budget year for which it is fixed.

(d) Notwithstanding subsection (b), the city clerk may, with the approval of legislative body, fix the salaries of deputies and employees appointed under IC 36-4-11-4”

**CITIES AND TOWNS BULLETIN
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CITY OFFICERS AND EMPLOYEES – (Continued)

ADDITIONAL COMPENSATION FROM UTILITIES OR FUNCTIONS

IC 36-4-7-4 states:

“(a) Subject to the approval of the city legislative body, the city executive may provide that the city officers and employees receive additional compensation for services that : (1) are performed for the city, (2) are not governmental in nature; and (3) are connected with the operation of a municipally owned utility or function.

(b) Subject to the approval of the executive and legislative body, the administrative agency operating the utility or function shall fix the amount of the additional compensation, which shall be paid from the revenues of the utility or function.”

In accordance with the provisions of IC 18-2-1-12 [Repealed, See IC 36-4-7-4], the award of compensation shall plainly specify both the amount and the recipient, shall establish that the services performed are other than governmental, shall be awarded by the administrative authority in charge of the utility, and shall be approved by the common council and the mayor.

It is our audit position that if the official records of the utility or function do not show the award of this additional compensation and the official records of the civil city do not show approval of the mayor and common council by ordinance or resolution as the statutes regulating the utility might provide, then there is no authority to make any payment.

POLICE OFFICERS AND FIREFIGHTERS

IC 36-8-3-3(d) states:

“The annual compensation of all members of the police and fire department and other appointees shall be fixed by ordinance of the legislative body not later than September 30 of each year of the ensuing budget year. The ordinance may grade the members of the departments and regulate their pay bank rank as well as by length of service. If the legislative body fails to adopt an ordinance fixing the compensation of members of the police or fire department, the safety board may fix their compensation, subject to change by ordinance.”

SALARY SCHEDULES

IC 36-4-7-5 states:

“Salaries of city officers and employees shall be scheduled as provided in the budget classifications prescribed by the State Board of Accounts.”

CITIES AND TOWNS BULLETIN AND UNIFORM COMPLIANCE GUIDELINES

TOWN OFFICERS AND EMPLOYEES

IC 36-5-3-2 states:

“(a) As used in this section, “compensation” means the total of all money paid to an elected town officer for performing duties a town officer, regardless of the source of the funds from which the money is paid.

(b) The Town legislative body shall, by ordinance, fix the compensation of its own members, the town clerk-treasurer and the town marshal. The legislative body shall provide reasonable compensation for other town officers and employees.

(c) The compensation of an elected town official may not be changed in the year for which it is fixed, nor may it be reduced below the amount fixed for the previous year.

(d) The legislative body may provide that town officers and employees received additional compensation for services that: (1) are performed for the town; (2) are not governmental in nature; and (3) are connected with the operation of a municipally owned utility or function. Subject to the approval of the legislative body, the administrative agency operating the utility or function shall fix the amount of the additional compensation, which shall be paid from the revenues of the utility or function.”

Compensation of all town officers and employees shall be fixed by an ordinance of the town council and, for other than elected town officials, this compensation may be changed by other ordinance of the town council at any time. There is no limitation upon the amount fixed, only to the extent of available appropriations where tax funds are involved. (IC 36-5-3-2) At the time such compensation is fixed, it may be prorated between the general fund or any other applicable funds of the town, as well as any available funds.

The approval of the claim for increased compensation does not authorize the town clerk-treasurer to pay such increase unless it is specifically provided for by ordinance of the town council.

We recommend a salary ordinance of officials and employees for the next succeeding year be enacted by the town council annually on or before August 1 of each year and made a part of the minutes of the town council. This action is recommended in order for town officials to have such information available prior to making out the annual budget for next year's costs of operations.

CITIES AND TOWNS BULLETIN AND UNIFORM COMPLIANCE GUIDELINES

OFFICIAL BONDS – AMOUNTS

Public Law 176, House Enrolled Act 1514, effective July 1, 2009, raised the minimum amount of the official bonds for city controllers, city and town clerk-treasurers, and Barrett Law Fund custodians from \$15,000 to \$30,000.

Such bonds are required to be obtained on an annual basis and the amount of annual coverage must equal \$30,000 for each million dollars of receipts of the officer's office during the last complete fiscal year before the purchase of the bond.

The amount of annual coverage may not be less than \$30,000 nor more than \$300,000, unless the fiscal body approves a greater amount of coverage. The amount of annual coverage of the bonds of city judges and city clerks and other city and town persons required to file an individual bond shall be fixed by the fiscal body at not less than \$15,000. (IC 5-4-1-18)

OFFICIAL BONDS – FILING

Every elected or appointed officer, official, deputy, or employee of political subdivision who is required by IC 5-4-1-18 to file an official bond for the faithful performance of duty shall file the bond in the office of the county recorder in the county of residence of the officer, official, deputy or employee.

The bonds shall be filed within ten (10) days of their issuance or, if approval is required, within ten (10) days after their approval by the person required to approve the bonds. The recorder shall record all of the bonds filed, indexing them alphabetically under the name of the principal and referring to the title, office, and page number where recorded. The bonds shall be kept in a safe and convenient place in the recorder's office with a reference to the date files and record and page where recorded. (IC 5-4-1-5.1)

IC 36-2-7-10(g) states that the county recorder may not collect a fee for recording an official bond of a public officer, a deputy, an appointee, or an employee.

It is our audit position that a new bond be obtained on an annual basis by those elected or appointed officers, officials, deputies or other employees required to file individual bonds in order to meet the annual coverage requirement in the new law.