

CITIES AND TOWNS BULLETIN

ISSUED BY STATE BOARD OF ACCOUNTS

June 2024

STATE BOARD OF ACCOUNT CONTACT INFORMATION

SBOA Homepage: www.in.gov/sboa

(for information specific to Cities & Towns, select Political Subdivisions and then select City or Town as applicable)

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2024 Indiana General Assembly – link for Indiana Code search:

<https://iga.in.gov/laws/2024/ic/titles/1>

UPCOMING TRAINING

June 23rd through the 27th is the Indiana League of Municipal Clerks and Treasurers' (ILMCT) Annual Conference and State Board of Accounts annual training school for City and Town Clerk-Treasurers, City Clerks, and City Controllers. This year's conference will be held at the Century Center in South Bend, IN. Here is a link to the brochure: <https://aimindiana.org/wp-content/uploads/2024/05/24-ILMCT-Annual-Conference-Brochure-DIGITAL-2.pdf>

CHANGES TO THE BULLETINS

The SBOA Bulletin is changing to provide more information related to upcoming training, a recap of questions received from the last quarter, and a review of frequent comments we have seen in our reports. We hope this will provide each unit with useful information to assist them in their day-to-day duties.

INSURING WATER AND SEWER LINES

Recently, several local units contacted our Agency and informed us they were planning to start charging customers an insurance fee on behalf of an outside company. The insurance is designed to cover their utility customers' individual water or sewer laterals on their customers' personal property. These local units had opted all of their utility customers "in" to this service. In order to avoid the insurance charge, a customer had to contact the unit and "opt" out.

The SBOA is not aware of authority that allows a local unit to collect premiums on behalf of a third-party insurer that provides coverage for customers' personal property. If this is something that your City or Town is looking into and if your City or Town believes authority exists in support of the practice, we suggest discussing the relationship with your attorney and documenting in writing the legal authority for this type of relationship.

Some things to think about or concerns with this practice:

1. The insurance company charges the City or Town based on the number of customers utilizing the service. If the City or Town does not receive payment from the customer, they still have to pay the insurance company, and could be short those funds.
2. Not all customers may be aware of this new fee if they are automatically "opted in" and if they may only avoid the charge by "opting out."
3. Some customers might already have procured insurance coverage for their utility laterals on their own and are unaware that the City or Town has opted for this coverage over their private property. Thus, in this situation the customer paid for insurance twice.

UNCLAIMED WATER, GAS, AND ELECTRIC UTILITY DEPOSITS

Previously, unclaimed meter deposits were exempt from the requirements of the Unclaimed Property Act, however this has been repealed (IC 32-34-1-1, repealed). The revised Unclaimed Property Act is noted in IC 32-34-1.5. Specifically, IC 32-34-1.5-4(12) covers the abandonment of utility deposits. According to the statute, utility deposits, such as meter deposits, are deemed abandoned one year after they become payable. Thus, after holding these deposits for one year after becoming payable, the municipality should report those to the Office of the Attorney General. Here is a link to the website: <https://www.indianaunclaimed.gov/>

PUBLIC WORKS PROJECTS

With warm weather here, we thought it would be a great time to cover all the various projects governmental units might be planning for!

Public work, noted in IC 36-1-12-2, means construction, reconstruction, alteration, or renovation of a public building, airport facility, or other structure that is paid for out of a public fund or special assessment. Search the Indiana Code for a full description.

Here is a breakdown of procedures to follow based on the expected cost of the projects and links to the applicable Indiana Codes (IC):

- When a project is expected to cost at least \$150,000, the board shall comply with the procedures set forth in IC 36-1-12-4.
- Projects estimated to cost between \$50,000 and \$150,000 require the unit to invite

- quotes and follow the procedures set forth in IC 36-1-12-4.7.
- Projects estimated to cost less than \$50,000 should follow procedures set forth in IC 36-1-12-5.

Additional information relating to the bidding process:

Advertisements for bids do not need to be detailed in their specifications of the job, material, or project under consideration. It is sufficient for the ad to state specification may be inspected in the office of the municipality.

The advertising must be in accordance with IC 5-3-1-2 (e) and the specifications must be clear, and subject to bidder's inspection. The advertisement should list the items which are to be purchased or contracted for but need not include the entire listing of component items.

The meeting for receiving bids must be open to the public, and all bids received must be made available to the public.

GET with GAAP

The GET with GAAP section of this Bulletin is provided to you by the GAAP Efficiency Team (GET) of the State Board of Accounts (SBOA). The guidance below applies only to those entities reporting on the GAAP, not regulatory, basis. If you have any questions about this information please contact Pam Barber (PBarber@sboafe.IN.gov) or Vicki Urbanik (VUrbanikRandall@sboafe.IN.gov)

Information Related to Previous LIT Guidance from SBOA Memorandum dated July 12, 2023

We are issuing a change in guidance for preparation of your next GAAP financial statements. Complete SBOA guidance is below. Almost all of the July 12, 2023 Memorandum is unchanged by the information below. The only changes are contained within the text boxes. Therefore, if you are familiar with the Memorandum from last year regarding LIT reporting you will want to concentrate on the areas within the text boxes for the changes. These changes are minor and pertain to reporting LIT Receivable within the fund financial statements. Other reporting recommendations have not changed.

GAAP Reporting of Local Income Tax

Unified Local Income Taxes (LIT) are derived tax revenues. Therefore, a receivable should be recognized in the period when the exchange transaction on which the tax is imposed occurs or when resources are received, whichever occurs first. Revenue net of estimated refunds and estimated uncollectible amounts, is recognized in the same period the receivable is recognized in accrual based financial statements (GASB Cod. N50.113). For modified accrual (governmental fund statements) revenue will be recognized when they become available and measurable. This means the Unified Local Income Taxes recognized as an asset and revenues in the current year are based on wages/income to the taxpayer from the current year.

The way the LIT statute is written and the GAAP standards that must be applied for asset and revenue recognition are difficult to align for this tax as the actual tax amount net of refunds and

uncollectible amounts are not known at the time financial statements are prepared. As time passes, additional information about actual taxes imposed and collected continues to become available and can be used to adjust estimates. Therefore, it is important to determine what we know about the timing of state distributions to local governments for LIT as well as the estimated amounts of LIT.

One might think state distributions would be delayed until the tax imposed is collected and returns are processed by the State. However, that is not what is prescribed by Indiana Code. IC 6-3.6-3 requires the adopting body for LIT to adopt, increase, decrease, or rescind a tax or tax rate by ordinance. The timing of the ordinance passage determines the date of the imposition of the income tax and therefore, the date the asset and revenue should be included in the financial statements of the local government.

Based on IC 6-3.6-9-8, the State is distributing estimated LIT collections either current with the taxable transactions, when the effective date is January 1 of the following year, or within three months, when the effective date of the tax is October 1 of the current year. Per IC 6-3.6-9-16, the county shall allocate and distribute LIT to the appropriate entities upon receipt of each monthly distribution from the State. Therefore, other local governments are also receiving LIT current or within three months of imposition.

Each local government must use the information available to also determine the amount of assets and revenues appropriate to report as financial statements are prepared each year. The State provides much of the information you will find useful for calculating amounts for LIT journal entries and financial statement preparation.

We recommend the modified accrual statements recognize LIT revenue in the amount received during the year in monthly and supplemental distributions. Because of the language in GASB Cod. § N50.108, we believe the Asset recognition in the modified accrual statements would be the same as in the full accrual statement. Our recommendation for the calculation of the LIT Receivable amount is in the following paragraph and is the same for both the modified accrual and full accrual financial statements. Although the underlying derived tax transaction has occurred, revenue recognition in the modified accrual statements for the related LIT Receivable would only occur in these statements if the resources were also available, which we do not believe is the case with LIT. Therefore, the receivable would be posted as an asset with a corresponding deferred inflow of resources-unavailable revenue.

Our recommendation for the full accrual statements is for management to consider the supplemental distribution of LIT for the ensuing year. Because the supplemental distribution equals the amount of the unencumbered balance from two years prior that is determined to be in excess of 15% of the certified distribution minus any supplemental or special distributions that have not yet been accounted for in the last known balance of the county's trust account, you should also consider the amount that equals 15% of certified distributions in your estimations for booking the appropriate LIT receivable and additional revenue.

If you choose another methodology to estimate and book the LIT receivable, deferred inflows, and revenue in your financial statements, that methodology must have a reasonable basis and be supported by documentation that can be audited.

The following is a list 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 number sequence and the references are to the Indiana Code.

DIGEST OF HB 1027 (Updated February 27, 2024 3:29 pm - DI 140) Fire department work schedule. Provides that a fire department may deviate from the required maximum work hours for members of the fire department only if authorized by a collective bargaining agreement, memorandum of understanding, or other similar written mutual agreement with an exclusive recognized representative of employees of the fire department.

DIGEST OF HB 1120 (Updated March 8, 2024 9:06 pm - DI 120) State and local administration. Increases the assessed value limit for the disabled veteran property tax deduction from \$200,000 to \$240,000. Allows that, for purposes of various property tax deductions, an individual has until January 15 of a calendar year in which property taxes are first due and payable to complete, date, and file the required certified statement with the county auditor. Extends through 2025 the expiration of the threshold amounts used for determining whether a political subdivision's project is a controlled project and whether the petition and remonstrance process or the referendum process applies based on the political subdivision's total debt service tax rate. Specifies that a political subdivision's total debt service tax rate does not include a tax rate approved by voters for a referendum debt service tax levy. Extends the current cap on operating referendum tax that may be levied by a school corporation to taxes due and payable in 2025, and provides a formula to determine the cap for that year. Reestablishes, and enumerates requirements and procedures for, a petition and remonstrance and a referendum for controlled projects funded by debt service if the project scope changes from the purpose initially advertised to taxpayers. Adds trailer provisions pertaining to SEA 228-2024 regarding alcoholic beverage taxes on liquor, wine, and hard cider. Requires the state fair commission to approve future dates of the state fair and the state fair board to advise the commission on future dates of the state fair. Provides that a state employee may affirmatively elect to enroll in the deferred compensation plan prior to the auto enroll date on day 31 of the state employee's employment. Requires, effective July 1, 2025, the trustee of the state police pension trust to maintain a supplemental allowance reserve account for the purpose of paying postretirement benefit adjustments. Requires certain political subdivisions to present to the interim study committee on pension management oversight concerning a delinquent employee retirement plan offered by the political subdivision. Increases the maximum date that a member or participant of certain retirement funds can participate in the deferred retirement option plan from 36 to 60 months. Removes a reference in current law to outstanding bonds for which a fee replacement appropriation was made in a provision prohibiting a state educational institution from issuing bonds for refunding or advance refunding of outstanding bonds without approval of the budget agency and the board of trustees of the issuing state educational institution making certain findings. Provides that grant awards authorized in the 2023 budget bill and awarded after December 31, 2024, for regional mental health facility grants to counties for use in constructing new facilities or renovating existing facilities to provide mental health services for certain incarcerated individuals may not exceed \$5,000,000 per county (instead of \$2,500,000 per county). Prohibits a unit from entering into a sister city or cooperative agreement with a city, town, province, county, school, college, or university located in a foreign adversary. Provides parameters for the northwestern Indiana regional planning commission, beginning with calendar year 2025 and for

each year thereafter through calendar year 2029, to annually adjust each participating county's portion of the budget. Authorizes the office of the secretary of family and social services (office of the secretary) to implement a risk based managed care program for certain Medicaid recipients. Requires the office of Medicaid policy and planning to convene a workgroup and, with managed care organizations, to conduct a claims submission testing period before the risk based managed care program is established. Authorizes the establishment of home health agency cooperative agreements and provides for the expiration of those provisions on June 30, 2027. (A similar law enacted in 2022 expired on July 1, 2023.) Specifies that a home health agency may contract directly or indirectly through a network of home health agencies. Provides that distributions for curricular materials may not be considered for purposes of determining whether a school corporation met the requirement to expend a minimum amount of state tuition support for teacher compensation. Repeals the requirement that each school maintained by a school corporation and each charter school establish a curricular materials account. Requires a public school to deposit distributions for curricular materials in: (1) the education fund of the school corporation that maintains the school; or (2) the fund in which a charter school receives state tuition support. Adds a provision to allow a redevelopment commission to expend revenues from its allocation fund that are allocated for police and fire services on both capital expenditures and operating expenses as authorized in the 2023 session in HB 1454. Provides that, if a township transitions from a single township firefighting and emergency services fund to two separate funds as authorized under current law, the township legislative body must approve a transfer of the remaining cash balance from the single fund to the two new separate funds and determine the amounts attributable to each fund. Requires the office of the secretary to present to the Medicaid oversight committee a detailed plan for monitoring expenses of the complete Medicaid program. Requires the office of the secretary to present to the budget committee a policy to set a required minimum percentage of the reimbursement for personal care services under the home and community-based services waivers that must be paid to the individual providing the direct service. Provides that, if the county fiscal body of Howard County makes certain findings, the Howard County fiscal body may adopt an ordinance that would impose the innkeeper's tax on a person engaged in the business of renting or furnishing rooms, lodgings, or accommodations located within an inn, a hotel, or a motel for a period of more than 30 days. (Current law limits the imposition of the innkeeper's tax to renting or furnishing rooms, lodgings, or accommodations for periods of less than 30 days.) Provides that an ordinance would not apply to existing rooms, lodgings, or accommodations that were not subject to the 30 day threshold prior to January 1, 2024. Provides that an ordinance may not become effective until after April 30, 2024, and must expire before July 1, 2025. Requires the county fiscal body, if an ordinance is adopted, to reduce the tax for any person subject to the innkeeper's tax from 8% (current law) to 6% until the ordinance expires. Allows the county fiscal body to return the tax rate to 8% after the ordinance expires. Reinstates a provision that was repealed in SEA 325-2023 (P.L. 182-2023) that includes as a "homestead" property that is an individual's principal place of residence, is located in Indiana, and is owned by an entity, if the individual is a shareholder, partner, or member of the entity that owns the property. Amends a redevelopment commission provision defining "residential property" to apply to allocation areas established after June 30, 2025 (rather than June 30, 2024). Amends certain language in provisions in HEA 1199-2024. Makes amending changes to the Grant County local income tax special purpose rate added in HEA 1121-2024. Requires the state and local tax review task force to study several additional topics during the 2024 legislative interim. Makes technical corrections. Makes conforming changes.

DIGEST OF HB 1121 (Updated March 4, 2024 5:00 pm - DI 140) Local income taxes. Extends the expiration of provisions concerning a county with a single voting bloc and the allocation of votes for

a local income tax council. Specifies the amount of revenue from a local income tax rate imposed for correctional facilities and rehabilitation facilities in a county that may be used for operating expenses of those facilities. Allows a county fiscal body to adopt a local income tax rate for an acute care hospital located in the county to be used only for the operating expenses of the acute care hospital. Provides that, for the purpose of distributing the local income tax (LIT), if two or more school corporations or civil taxing units merge or consolidate to form a single school corporation or civil taxing unit, the school corporation or civil taxing unit is entitled to the combined pro rata distribution of the LIT revenue allocated to each applicable school corporation or civil taxing unit in existence on January 1 of the immediately preceding calendar year prior to the merger or consolidation. Provides that the department of local government finance shall make certain adjustments pertaining to the distribution of LIT for Floyd County in 2025, which provide that the Highlander Fire Protection District (district) shall receive an amount equal to the combined distribution that would have been distributed to the Greenville Fire Protection District (FPD) and the Lafayette Fire Protection District (FPD) in 2024, but for their elimination resulting from the merger to establish the district. Requires corresponding adjustments in 2025 to reduce the distribution for each applicable civil taxing unit and school corporation in Floyd County, excluding the district, by an amount that equals the proportionate share of the amount of LIT received in 2024 of the combined distribution that would have been distributed to the Greenville FPD and the Lafayette FPD in 2024, but for their elimination. Provides that funds accumulated from a Perry County special purpose tax rate to construct or improve the county jail after the redemption of bonds issued or final payment of lease rentals due under a lease shall be transferred to a county capital project fund to be used to finance capital projects within Perry County. (Current law specifies that such remaining funds are to be transferred to the county jail operations fund to be used for financing the maintenance and operations of the Perry County detention center.) Allows Grant County, under specified circumstances, to adopt an ordinance to impose a special purpose local income tax rate to fund and finance the construction of a county jail. Provides, for purposes of calculating distributions of the financial institutions tax to local taxing units, how to calculate distributions for a taxing unit that did not receive distributions in 2012 because the unit was subsequently established from the merger or consolidation of two or more taxing units that received distributions from the financial institutions tax fund in 2012. Provides, for purposes of calculating qualified distributions of the commercial motor vehicle excise tax to local taxing units, how to calculate base revenue distributions for a taxing unit that did not receive a base revenue distribution in 2001 because the taxing unit was subsequently established from the merger or consolidation of two or more taxing units that received base revenue distributions in 2001. Provides that, for purposes of determining the apportionment or distribution of the motor vehicle excise tax, that the county auditor may make adjustments to reflect the merger or consolidation of two or more taxing units. Authorizes Knox County to impose its innkeeper's tax at a rate of 8% (instead of 6% under current law). Provides that, if the tax rate is increased to more than 6%, the portion of the tax rate that exceeds 6% expires on December 31, 2045. Authorizes the city of Hammond to impose a food and beverage tax. Authorizes the town of Cicero to impose a food and beverage tax.

DIGEST OF HB 1143 (Updated February 26, 2024 4:32 pm - DI 140) Disposal of firearms via trade for new equipment. Permits a law enforcement agency to dispose of certain confiscated firearms by trade with a licensed firearms dealer, a licensed firearm manufacturer, or another law enforcement agency in exchange for new firearms and other law enforcement equipment. Sets forth the recording and reporting requirements for the trade of firearms by a law enforcement agency.

DIGEST OF HB 1199 (Updated February 29, 2024 3:13 pm - DI 140) Economic enhancement district. Requires the legislative body to provide notice and conduct a public hearing before a proposed economic enhancement district may be established. Amends the definition of "economic enhancement project". Amends the required contents of an ordinance to establish an economic enhancement district. Increases the number of members of an economic enhancement board from eight to nine and amends the composition of the board. Requires an economic enhancement district to expire not later than 10 years from the date of the adoption of an ordinance. Repeals a provision that allows an economic enhancement district to be extended. Requires that an ordinance establishing an economic enhancement district must be adopted on or before December 31, 2024. Provides that if the legislative body of a city has adopted an ordinance to establish an economic enhancement district before the effective date of this bill, that ordinance shall be void, but may be revised and reenacted by the legislative body by the adoption of a new ordinance, which must comply with the provisions added in the bill. Makes a technical correction.

DIGEST OF HB 1204 (Updated March 4, 2024 5:05 pm - DI 140) Publication of public notices. Allows a political subdivision to publish notice in the print or electronic edition of a newspaper or locality newspaper that issues a print edition not more than three times a week. Allows, if a newspaper or locality newspaper issues a print edition not more than two times a week, a political subdivision to publish notice: (1) in the print edition or on the newspaper or locality newspaper's website; or (2) if the newspaper or locality newspaper does not have a website, in the print edition or the political subdivision's official website. Allows a notice regarding the sale of certain tracts of real property by a political subdivision to be published solely on the official website of the political subdivision. Provides that if the assessed value of a tract is less than \$10,000, based on the most recent assessment of the tract or of the tract of which it was a part before it was acquired, the disposing agent or redevelopment commission is not required to have the tract appraised.

DIGEST OF HB 1206 (Updated February 20, 2024 2:57 pm - DI 140) Voting by small water and wastewater utilities. Amends as follows the statute setting forth the procedures by which certain small water or wastewater utilities may withdraw from and return to the jurisdiction of the Indiana utility regulatory commission (IURC): (1) Specifies that a sewage disposal company that is subject to the jurisdiction of the IURC for having been issued more than one enforcement order from the department of environmental management (department) may not seek to withdraw from the IURC's jurisdiction during the rate regulation period prescribed in the statute setting forth various requirements with respect to wastewater utilities that have been issued one or more enforcement orders by the department. (2) Authorizes a member or shareholder of the utility to cast a vote by secret absentee ballot on the question of the IURC's jurisdiction over the utility. (3) Provides that notice of the meeting on the question of the IURC's jurisdiction over the utility must be sent not less than 45 days (instead of 30 days, under current law) before the meeting and must include: (A) instructions regarding how a member or shareholder who wishes to cast a vote by absentee ballot may request an absentee ballot; (B) a statement that a request for an absentee ballot precludes a member or shareholder from voting in person at the meeting held on the question of withdrawal from the IURC's jurisdiction; (C) instructions for returning or delivering an absentee ballot; and (D) the deadline for returning an absentee ballot, which must be: (i) not earlier than 10 calendar days; and (ii) not later than five calendar days; before the meeting on the question, along with information as to when an absentee ballot will be considered received by the board. (4) Provides that the 5% quorum required for members or shareholders to transact business and to take official action regarding the question of the IURC's jurisdiction over the utility includes votes cast by absentee ballot. (5) Provides that if: (A) a utility successfully withdraws from the IURC's jurisdiction; (B) after

the withdrawal, a referendum is held on the question of the utility returning to the IURC's jurisdiction; and (C) less than a majority of the votes cast are in favor of returning to the IURC's jurisdiction; another referendum on the question of returning to the IURC's jurisdiction may not be conducted for two years (instead of four years, under current law) following the date of the meeting at which the vote is conducted. (6) Makes conforming changes.

DIGEST OF HB 1306 (Updated February 20, 2024 3:47 pm - DI 140) Live transmission and archiving of IURC meetings. Exempts the Indiana utility regulatory commission (IURC) from providing a live transmission of hearings regarding which a stenographic record is required to be made and kept by statute. Adds language to the chapter in the Indiana Code governing the IURC to require the IURC to provide on a publicly accessible platform a live transmission of any IURC proceeding that will include: (1) an examination of witnesses; (2) a nonprocedural discussion between one or more parties to the proceeding; (3) questions from one or more of the commissioners regarding the substance of the case; or (4) a contested procedural matter. Requires the IURC to issue a general administrative order to implement a policy that governs the live transmission of IURC proceedings and that includes processes: (1) by which members of the public may request and access the live transmission of an IURC proceeding; and (2) for archiving the live transmission of an IURC proceeding.

DIGEST OF HB 1320 (Updated March 4, 2024 5:13 pm - DI 140) Building regulation. Defines, for purposes of the unsafe building law, a "building or structure". Increases from \$10,000 to \$25,000 the estimated cost of work required by an order of a unit's enforcement authority which the unit's enforcement authority may perform using its own workers and equipment. Provides, with certain exceptions, that a governmental body may not regulate or restrict, by regulation or otherwise, the continued residential use of a mobile home, a manufactured home, or an industrialized residential within a mobile home community based on certain characteristics of the structure. Provides that a mobile home, manufactured home, or industrialized residential structure on private property constituting a legal, nonconforming use, may not be replaced with a mobile home, manufactured home, or industrialized residential structure that is older or smaller than the legal, nonconforming structure being replaced. Makes certain changes to local planning and zoning standards and requirements relating to manufactured homes.

DIGEST OF HB 1328 (Updated February 29, 2024 4:32 pm - DI 140) Department of local government finance. Provides that a county fiscal body may provide a stipend, not to exceed \$2,500, to a circuit court clerk that serves as a voter registration officer each year in which a general election is held. Requires a political subdivision to upload to the Indiana transparency website any contract: (1) related to the provision of fire services or emergency medical services; or (2) entered into with another unit or entity that provides fire services or emergency medical services. Requires a political subdivision to annually attest that the political subdivision uploaded any contract related to the provision of fire services or emergency medical services as a part of the political subdivision budgeting process and specifies the consequence for failure to satisfy the attestation requirement. Provides that for purposes of public purchasing, the term "public funds" does not include proceeds of bonds payable exclusively by, or used by, a private entity. Provides a 15% procurement price preference to a business offering to provide supplies or services under a contract awarded by a state agency to a business that provides "specialized employee services" to its employees. Extends the duration of an entrepreneur and enterprise district (district) to the later of: (1) December 31, 2029 (rather than December 31, 2024); or (2) five years after the date the district is designated. Amends provisions of a statute pertaining to the assessment of rental

property. Requires the department of local government finance (department) to notify the county assessor of the department's tentative assessment, or information related to tentative valuation changes, of a utility company's distributable property not later than June 1. Reinstates a provision that was repealed in SEA 325- 2023 (P.L.182-2023) that includes as a "homestead" property that is an individual's principal place of residence, is located in Indiana, and is owned by an entity, if the individual is a shareholder, partner, or member of the entity that owns the property. Requires a county auditor to submit an amended certified statement of the assessed value for the ensuing year to the department by the later of: (1) September 1; or (2) 15 days after the certified statement is submitted to the department. Requires the proper officers of a political subdivision that desire to appropriate more money for a particular year than the amount prescribed in the budget for that year as finally determined to hold a public hearing after submitting information regarding the proposed additional appropriation to the department's computer gateway. Provides for a maximum property tax levy increase for Knox Township in Jay County. Prohibits certain civil taxing units that determine they cannot carry out their governmental functions for an ensuing calendar year under various levy limitations from submitting an appeal unless the civil taxing unit receives approval from the appropriate fiscal body to submit the appeal. Similarly prohibits a participating unit of a fire protection territory from submitting an appeal unless each participating unit of the fire protection territory has adopted a resolution approving submission of the appeal. Requires the department, regarding the referendum process for bonds or leases for certain projects, to certify its approval or recommendations to the county auditor and the county election board not more than 10 days after both the required certification of the county auditor and the language of the public question are submitted to the department for review. Provides for the staggering of terms for property tax assessment board of appeals members. Provides that if the department determines that certified computer software or a certified provider is not in compliance with certain specifications or standards or the rules of the department, the department may request that the provider develop a corrective action plan. Provides that a contract with a computer provider under a corrective action plan is not void unless the department: (1) determines that the provider has failed to substantially correct the noncompliance; and (2) revokes the provider's certification. Establishes corrective action plan provisions for noncompliant computer providers. Provides the amount of the additional penalty added to taxes payable if a person fails to file a personal property return within 30 days after the due date. Amends a provision regarding the local income tax rate for local costs of the state judicial system in the county. Requires the department to approve a lower levy freeze tax rate if it finds that the lower rate, in addition to: (1) the supplemental distribution as determined in an adopted resolution; and (2) the amount in certain repealed stabilization funds, as applicable; would fund the levy freeze dollar amount. Provides that certain acute care hospitals may apply to the division of mental health and addiction for certification as a community mental health center. Requires the division of mental health and addiction to review applications for certification as a community mental health center: (1) to ensure an applicant meets certain standards; and (2) without consideration for previously established exclusive geographic primary service restrictions. Requires the department to send its decision regarding referendum language to the governing body of a school corporation not more than 10 days after: (1) the certification of the county auditor; and (2) the resolution is submitted to the department. Provides that, for purposes of the transportation levy component of an operations fund property tax levy, a school corporation, whose budget for the upcoming year is subject to review by a fiscal body, may not submit an appeal to the department unless the school corporation receives approval from the fiscal body. Provides that a county fiscal body may establish a salary schedule that includes a stipend, not to exceed \$2,500 in a year, to be paid to the county auditor for duties when warranted as determined by the county fiscal body. Requires a county recorder to provide the owner of a farm

with: (1) a copy of the recorded document that contains the name of the owner's farm; and (2) documentation of a description of the land to which the name of the farm applies. Provides that for a county having a United States government military base that is scheduled for closing, the expiration date of the allocation area may be extended for the purposes of paying certain expenses. Repeals a provision that prohibits a local unit from amending the boundaries of an economic improvement district (EID). Instead, allows a local unit to amend the boundaries of an EID only if an owner of real property wishes to include the owner's real property in the EID and voluntarily enters into a written agreement with the legislative body of the local unit in which the owner requests and consents to increasing the boundaries of the EID to include the owner's real property. Specifies that, for real property subject to such a written agreement that is subsequently sold to a new owner, the new owner of that real property may opt out of the prior owner's agreement. Provides that no ordinance or safety board action to fix compensation may provide for any increase in the compensation of any member of a police department or fire department, or any other appointee, from the prior budget year if the city has not fixed a budget, tax rate, and tax levy for the ensuing budget year. Allows a qualified taxpayer to file a property tax exemption application before September 1, 2024, for eligible property for assessment dates beginning within assessment dates occurring within the six years prior to the assessment date at issue. Provides that if a qualified taxpayer files a property tax exemption application for eligible property: (1) the property tax exemption for the eligible property is allowed and granted for the applicable assessment date by the county assessor and county auditor of the county in which the eligible property is located; and (2) the qualified taxpayer is not required to pay any property taxes, penalties, interest, or tax sale reimbursement expenses with respect to the eligible property for the applicable assessment date. Provides that, to the extent the qualified taxpayer has paid any property taxes, penalties, or interest with respect to the eligible property for an applicable assessment date, the qualified taxpayer is entitled to a refund of the amounts paid.

DIGEST OF HB 1329 (Updated March 8, 2024 2:25 pm - DI 87) Local government matters. Reduces the membership of the board of directors of the Indiana stadium and convention building authority (board) from seven members to three members. Provides that the director of the budget agency or the director's designee serves as chair of the board. Authorizes the solid waste management district of Vanderburgh County to make grants and loans for certain purposes. Provides that with certain exceptions a governmental entity is prohibited from requiring that a Class 2 structure or a residential onsite sewage system be inspected when a property is sold or transferred. Allows a governmental entity to require certain inspections of properties located in that part of St. Joseph County containing a designated sole source aquifer only if it has been more than 15 years since: (1) the property was last sold or transferred; or (2) the Class 2 structure or system was constructed or installed. Provides, for purposes of posting a license bond, that a political subdivision may not impose any requirement for the political subdivision to be identified as an obligee on the license bond other than the requirement in statute. Provides that certain obligors may initiate a civil action against a political subdivision that does not recognize or does not allow an obligor to post a license bond that satisfies certain requirements. Provides that, if the obligor prevails in the action, the obligor shall be awarded an amount equal to: (1) 300% of the cost of obtaining the license bond; (2) compensatory damages; and (3) reasonable attorney's fees. Provides that if a contractor: (1) has posted a license bond to obtain one license from a political subdivision; and (2) is required to obtain another license from the political subdivision to perform work that the contractor intends to perform; the contractor may not be required to post a second license bond as a condition of obtaining the second license if the type of work that the first license authorizes the contractor to perform is so closely related to the type of work that the second license will authorize the

contractor to perform that both types of work are typically involved in a single residential construction project. Provides that a city, town, or county that requires a building permit for the construction of a Class 2 structure may provide for the inspection to be conducted by: (1) an individual employed by the city, town, or county, or by another city, town, or county, as a building inspector; (2) a registered architect; (3) a registered professional engineer; (4) a certified building official; or (5) a licensed home inspector.

DIGEST OF HB 1338 (Updated March 5, 2024 12:46 pm - DI 140) Security of property and meeting decorum. Allows the governing bodies of certain local government agencies (local agencies) to adopt rules or policies governing the conduct of meetings. Provides that a rule or policy may provide that the presiding member of the governing body of the local agency may: (1) issue warnings to disruptive attendees and direct them to leave the meeting on the third warning; and (2) direct a law enforcement officer to remove disruptive attendees. Provides that the rules and policies must be posted at the meeting entrance or announced before taking public testimony. Specifies that a provision of the tort claims law providing immunity to a government entity or employee in adopting and enforcing a law or rule applies. Provides that a person commits criminal trespass by knowingly or intentionally: (1) entering a locked area without permission; or (2) refusing to leave an area not publicly accessible after being asked to leave by a law enforcement officer or agent of the property owner or operator. Specifies that: (1) the public access counselor serves at the pleasure of the governor; and (2) when issuing an advisory opinion, the public access counselor may consider only the plain text of the public access laws and valid Indiana court opinions. Provides that a committee appointed directly by the governing body or a governing body's designee does not constitute a governing body that is subject to the open-door law if the committee: (1) is appointed for the sole purpose of receiving information, deliberating, or making recommendations to the governing body; and (2) has not more than one member of the governing body as a member.

DIGEST OF HB 1385 (Updated March 8, 2024 3:41 pm - DI 141) Emergency medical services. Establishes the community cares initiative grant pilot program for the purpose of assisting in the costs of starting or expanding mobile integrated health care programs and mobile crisis teams in Indiana. Establishes the community cares initiative fund. Requires a health plan operator to provide payment to a nonparticipating ambulance service provider for ambulance service provided to a covered individual: (1) at a rate not to exceed the rates set or approved, by contract or ordinance, by the county or municipality in which the ambulance service originated; (2) at the rate of 400% of the published rate for ambulance services established under the Medicare law for the same ambulance service provided in the same geographic area; or (3) according to the nonparticipating ambulance provider's billed charges; whichever is less. Provides that if a health plan operator makes payment to a nonparticipating ambulance service provider in compliance with these requirements: (1) the payment shall be considered payment in full, except for any copayment, coinsurance, deductible, and other cost sharing amounts that the health plan requires the covered individual to pay; and (2) the nonparticipating ambulance service provider is prohibited from billing the covered individual for any additional amount. Provides that the copayment, coinsurance, deductible, and other cost sharing amounts that a covered individual is required to pay in connection with ambulance service provided by a nonparticipating ambulance service provider shall not exceed the copayment, coinsurance, deductible, and other cost sharing amounts that the covered individual would be required to pay if the ambulance service had been provided by a participating ambulance service provider. Requires a health plan operator that receives a clean claim from a nonparticipating ambulance service provider to remit payment to the nonparticipating ambulance service provider not more than 30 days after receiving the clean claim.

Provides that if a claim received by a health plan operator for ambulance service provided by a nonparticipating ambulance service provider is not a clean claim, the health plan operator, not more than 30 days after receiving the claim, shall: (1) remit payment; or (2) send a written notice that: (A) acknowledges the date of receipt of the claim; and (B) either explains why the health plan operator is declining to pay the claim or states that additional information is needed for a determination whether to pay the claim. Removes the requirement that a health plan operator negotiate rates and terms with any ambulance service provider willing to become a participating provider but retains the requirement that the state negotiate rates and terms with any ambulance service provider willing to become a participating provider.

DIGEST OF SB 33 (Updated February 27, 2024 3:21 pm - DI 140) Distributions of public safety income tax revenue. Defines "courtroom costs". Provides that a county fiscal body may adopt an ordinance to impose a tax rate for: (1) in the case of a tax rate adopted before January 1, 2024, county staff expenses of the state judicial system in the county; or (2) in the case of a tax rate adopted after December 31, 2023, courtroom costs of the state judicial system in the county. Provides that the revenue shall be used by the county: (1) in the case of the tax rate adopted before January 1, 2024, only for paying for county staff expenses of the state judicial system in the county; and (2) in the case of a tax rate adopted after December 31, 2023, only for paying the courtroom costs of the state judicial system in the county. Provides that the local income tax revenue spent by each county may not comprise more than 50% of the county's total operational staffing expenses related to the courtroom costs of the state judicial system in any given year. Provides that a township fire department, volunteer fire department, fire protection territory, or fire protection district may apply to the county adopting body for a distribution of local income tax revenue that is allocated to public safety purposes. Requires the county adopting body to review certain submitted applications at a public hearing.

DIGEST OF SB 150 (Updated March 7, 2024 3:42 pm - DI 119) Artificial intelligence and cybersecurity. Creates the artificial intelligence task force (task force) to study and assess use of artificial intelligence technology by state agencies. Provides that political subdivisions, state agencies, school corporations, and state educational institutions (public entities) may adopt a: (1) technology resources policy; and (2) cybersecurity policy; subject to specified guidelines. Specifies requirements for: (1) public entities; and (2) entities other than public entities; that connect to the state technology infrastructure of Indiana. Provides, with regard to a licensing contract entered into by a state agency for use of a software application designed to run on generally available desktop or server hardware, that the contract may not restrict the hardware on which the state agency installs or runs the software. Provides that if a state agency enters into a contract with a person under which the state agency runs software on hardware owned or operated by the person, the office of technology shall ensure that the state agency fully complies with the licensing terms of all software run on the person's hardware. Provides that an executive or legislative state agency may submit to the office of technology and the task force an inventory of all artificial intelligence technologies in use, or being developed or considered by the state agency for use, by the state agency. Provides that, subject to specified exceptions: (1) title to any record of state government is held by the state; and (2) title to any record of a local government is held by that local government.

DIGEST OF SB 221 (Updated February 19, 2024 4:34 pm - DI 140) State board of accounts. Limits the authority of the director of the special investigations department to investigations involving public monies that are the subject of financial examinations undertaken by the state board. Provides that an internal audit or risk assessment conducted by or on behalf of the state shall

remain confidential, and that the state and other individuals may not divulge information related to an internal audit or risk assessment unless required to do so in accordance with a judicial order. Provides an exception allowing the state and other individuals to divulge information related to an internal audit or risk assessment to: (1) the state examiner; (2) the director of the office of management and budget; (3) an external auditor, in accordance with professional auditing standards; or (4) any other individual for any reason that constitutes good cause as determined by the state examiner and approved by the director of the office of management and budget. Provides that if a majority of a governing body is present during an exit conference, or any conference initiated by the state examiner to discuss an examination status, the governing body shall be considered in an executive session. Removes a mandatory requirement that city clerks attend the annual training institute conducted by the state board of accounts. Limits the requirement that certain newly elected or appointed local officers complete five hours of approved training courses before the individual first takes office to only individuals first elected or appointed to the office of clerk-treasurer or city controller (and excluding city clerk). Requires an individual elected to the office of county auditor to annually certify completion of the individual's training requirements and file the certification with the state board.

DIGEST OF SB 252 (Updated March 8, 2024 10:57 am - DI 87) Notice publication. Changes the qualifications required for a newspaper to publish legal notices as follows: (1) A newspaper must have been published for 12 consecutive months (instead of three years). (2) A newspaper must have had an average paid circulation during the preceding year of at least 500 (instead of 200) that may include the number of website page views reported by a website's host provider. (Current law only includes the average requested or paid circulation as reported in the United States Postal Service Statement of Ownership.) Requires a locality newspaper to have been published for 12 consecutive months (instead of three years) to be eligible to publish legal notices. Requires a paid circulation threshold for a newspaper published in a county of 2% of the county population. Makes technical corrections.