

**TOWNSHIP BULLETIN
ISSUED BY STATE BOARD OF ACCOUNTS**

Volume 345, Page 1

June 2024

ITEMS TO REMEMBER

JULY

- | | | |
|------|-----|---|
| July | 1: | Prove all ledgers for the prior month. |
| July | 4: | Independence Day – Legal Holiday [IC 1-1-9-1] |
| July | 15: | Deadline to upload monthly bank reconcilements, bank statements, outstanding check lists, approved board minutes, and funds ledger, summarizing total receipts, disbursements, and balances by fund for May 2023 to Gateway. [State Examiner Directive 2018-1 (Amended October 2023)] |
| July | 20: | If your monthly average tax withheld is more than \$1,000, the 20th is the last day to report and make payment for the balance of State and County Income Tax withheld in the prior month to Indiana Department of Revenue. [IC 6-1.1-20.6-11.1] |
| July | 30: | If your monthly average tax withheld is \$1,000 or less, the 30th is the last day to report and make payment for the balance of State and County Income Tax withheld in the prior month to Indiana Department of Revenue. |
| July | 31: | Last day to file Employer’s Quarterly Federal Tax Return, Form 941, with the Internal Revenue Service for payment of federal tax withheld. |
| July | 31: | Last day to file report with the Indiana Department of Workforce Development for the quarter ending June 30. |

All local investment officers shall reconcile at least monthly the balance of public funds as disclosed by the records of the local officers, with the balance statements provided by the respective depositories. [IC 5-13-6-1(e)]

AUGUST

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| August | 1: | Prove all ledgers for the prior month. |
| August | 1: | At their first meeting in August, the county fiscal body shall review the estimated property tax levy limits and the estimated reductions due to circuit breakers for each Township. The county fiscal body will either prepare and distribute a written recommendation for the taxing units or the county auditor will distribute the minutes of the meeting to all Townships after the minutes are approved by the fiscal body. [IC 6-1.1-17-3.6] |

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June 2024

ITEMS TO REMEMBER (Continued)

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| August | 5: | Post a verified statement showing the indebtedness of the Township in detail and giving the number and total amount of outstanding orders, warrants, and accounts. [IC 36-6-4-10] |
| August | 15: | Deadline to upload monthly bank reconcilements, bank statements, outstanding check lists, approved board minutes, and funds ledger, summarizing total receipts, disbursements, and balances by fund for June 2023 to Gateway. [State Examiner Directive 2018-1 (Amended October 2023)] |
| August | 20: | If your monthly average tax withheld is more than \$1,000, the 20th is the last day to report and make payment for the balance of State and County Income Tax withheld in the prior month to Indiana Department of Revenue. |
| August | 30: | If your monthly average tax withheld is \$1,000 or less, the 30th is the last day to report and make payment for the balance of State and County Income Tax withheld in the prior month to Indiana Department of Revenue. |
| August | 31: | All local investment officers shall reconcile at least monthly the balance of public funds as disclosed by the records of the local officers, with the balance statements provided by the respective depositories. [IC 5-13-6-1(e)] |

SEPTEMBER

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| September | 1: | Prove all ledgers for the prior month.

Last day for units with appointed boards to submit proposed 2024 budgets, tax rates, and tax levies to county fiscal body or other appropriate fiscal body for binding adoption, as applicable. [IC 6-1.1-17-20] |
| September | 2: | Labor Day – Legal Holiday [IC 1-1-9-1] |
| September | 15: | Deadline to upload monthly bank reconcilements, bank statements, outstanding check lists, approved board minutes, and funds ledger, summarizing total receipts, disbursements, and balances by fund for July 2023 to Gateway. [State Examiner Directive 2018-1 (Amended October 2023)] |
| September | 20: | If your monthly average tax withheld is more than \$1,000, the 20th is the last day to report and make payment for the balance of State and County Income Tax withheld in the prior month to Indiana Department of Revenue. |

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June 2024

ITEMS TO REMEMBER (Continued)

September 30: If your monthly average tax withheld is \$1,000 or less, the 30th is the last day to report and make payment for the balance of State and County Income Tax withheld in the prior month to Indiana Department of Revenue.

All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories. [IC 5-13-6-1(e)]

EMERGENCY REPAIRS – PUBLIC WORKS

The Indiana Code includes special purchasing provisions in emergency public work situations. IC 36-1-12-2 provides a definition of public works and IC 36-1-2-4.5 provides a definition of an emergency.

Whether or not the political subdivision can declare a situation an emergency in order to bypass the bidding requirements of the public works statutes is fact specific. IC 36-1-12-9 provides for the governing body to contract for public works without advertising bids or quotes. We would recommend working with an attorney in order to maintain compliance with these statutes.

During an audit we would be looking for the formal declaration of emergency noted within the official board minutes and the names of the persons invited to bid or provide quotes. Documentation should be maintained including the original bids or quotes and the board's determination of the project award. Any insurance proceeds received should be receipted into the fund the originally paid the cost and per IC 6-1.1-18-7 would be considered appropriated for 12 months after received for the sole purpose of repairing or replacing the property that was insured. Any additional funds above the insurance proceeds would need to follow normal additional appropriation procedures.

FREQUENT COMMENTS IN TOWNSHIP COMPLIANCE REPORTS

As SBOA field examiners are in the process of performing compliance engagements over townships, we wanted to create this article as a training tool to inform township officials of some of the more common comments appearing in compliance reports.

Adoption of and Training on Internal Control Standards

Indiana Code 5-11-1-27(e) provides that through the compliance guidelines authorized under IC 5-11-1-24 the state board of accounts shall define the acceptable minimum level of internal control standards for internal control systems of political subdivisions, including the following: (1) Control Environment. (2) Risk Assessment. (3) Control Activities. (4) Information and Communication. (5) Monitoring.

Based on this statutory requirement, the SBOA developed the [Uniform Internal Control Standards for Indiana Political Subdivisions](#) manual, containing the acceptable minimum level of internal control standards. IC 5-11-1-27(g) provides that the legislative body of each political subdivision must adopt the minimum internal control standards as defined by SBOA. Additionally, the legislative body must ensure that personnel receive training concerning the internal control standards and procedures adopted by the political subdivision.

FREQUENT COMMENTS IN TOWNSHIP COMPLIANCE REPORTS (CONTINUED)

Indiana Code 5-11-1-27(f) provides that the SBOA develop or designate approved personnel training materials concerning internal controls. Based on this statutory requirement, along with the manual, the SBOA developed a [webinar](#) to fulfill this requirement.

All employees who meet the definition of personnel in IC 5-11-1-27(c) are required to take this training. Indiana Code 5-11-1-27 states in part, "... (c) As used in this section, "personnel" means an officer or employee of a political subdivision whose official duties include receiving, processing, depositing, disbursing, or otherwise having access to funds that belong to the federal government, state government, a political subdivision, or another governmental entity...."

Once each required employee has taken the training, they are to fill out a [certification form](#) that is to be kept on file at the Township documenting the completion of the training on internal control standards. Most comments are due to the lack of adoption of the minimum internal control standards, which trickles down into noncompliance with the training requirement as well.

Bank Account Reconciliations

Indiana Code 5-13-6-1(e) requires all local investment officers to reconcile the balance of public funds at least monthly, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories.

Most of the issues pertain either to reconciliations not including all public funds, or to the reconciliations not being performed at all. The monthly reconciliations must include all bank accounts, including investment accounts. There is no prescribed methodology for completing the bank reconciliation. Two of the most common methods we see are the use of the back of the bank statement, and the creation of a reconciliation report through the township's accounting software.

We also see instances where there is a variance between the adjusted bank balance and the ledger balance. There are normal transactions in the course of business that can cause these, such as outstanding checks and deposits in transit, but there are also many times that this is due to a past error that was not caught. In this case, we recommend going back to the last time the township truly reconciled and working from that point back to the present in order to discover the error.

Monthly and Annual Engagement Uploads

The Monthly and Annual Engagement Upload requirements are governed by [State Examiner Directive 2018-1](#), which was most recently amended in October 2023. The directive requires townships to use the Engagement Uploads to upload files containing financial and governmental unit information on Gateway to allow the SBOA to conduct audit planning and audit processes prior to on-site work at a township. All monthly uploads are due the 15th of the second month after the month of reporting (Ex. June 2024 uploads are due by August 15th, 2024), and all annual uploads are due March 1st of each year unless the State Examiner sets a different date. Most comments pertaining to the monthly and annual engagement uploads are due to the omission of some or all of the required uploads.

For each month, the Directive requires townships to upload a monthly bank reconciliation; monthly bank statement(s); outstanding check list(s); approved board minutes; and a funds ledger summarizing total receipts, disbursements, and beginning and ending balances by fund.

FREQUENT COMMENTS IN TOWNSHIP COMPLIANCE REPORTS (CONTINUED)

As for the annual reports, townships are required to upload the following:

- Year-end Investment Statements and Register of Investments, General Form 350 – *N/A if township does not have investments*
- Excel Data Capture/Data Dump (no longer optional) – *N/A if township keeps manual records*
- Detail of Receipts by fund and account (if Data Capture not available) – *N/A if township keeps manual records*
- Detail of Disbursements by fund and account (if Data Capture not available) – *N/A if township keeps manual records*
- Current year Salary Ordinance (or Schedule) and Amendments – *Form 17*
- Annual Vendor History Report – *N/A if township keeps manual records*
- Annual Payroll History Report without social security numbers
- Annual Funds Ledger summarizing year-to-date total receipts, year-to-date disbursements, and beginning and ending balances by fund
- Accounts Payable/Accounts Receivable Schedule support – *N/A if township reports \$0 for both accounts payable and accounts receivable on their Annual Financial Report in Gateway*
- Direct Federal Grant Agreements/Award Letters and Amendments initiated during the year – *N/A if no federal awards*
- Agreements for Subawards made to Subrecipients for all Federal Grants initiated during the year – *N/A if no subawards*
- Personnel Policy (to be uploaded in 2023 and in future years if updated) – *Employee Handbook and/or set of policies relating to HR and personnel matters.*

Capital Assets

[Chapter 1 of the Uniform Compliance Guidelines Manual](#) provides that each township must have a capital asset policy that details the threshold at which an item is considered a capital asset. The manual also requires each township to keep a detailed listing (Form 369) of all capital assets owned which reflects their acquisition value. A complete inventory is also required to be taken at least every two years to verify account balances carried in the accounting records unless the township has adopted a more stringent policy. Most comments under the capital asset realm are due to at least one of these requirements not being met.

Supporting Documentation

Chapter 1 of the Uniform Compliance Guidelines Manual also provides that supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for examination to provide supporting information for the validity and accountability of monies disbursed. The manual also provides that payments made without supporting documentation may be the personal obligation of the responsible official or employee. Most comments pertaining to supporting documentation are due to not having the documentation available for audit.

ESTABLISHMENT OF THE TOWNSHIP FIREFIGHTING AND EMERGENCY SERVICE FUND OR TWO SEPARATE FUNDS

IC 36-8-13-4(a) requires each township to establish either a township firefighting and emergency services fund or two separate funds: (1) the township firefighting fund; and (2) the township emergency services fund. The township firefighting and emergency services fund may be used by the township for costs attributable to providing fire protection or emergency services. If two separate funds are established, the township firefighting fund may only be used for costs attributable to fire protection services, and the township emergency services fund may only be used for costs attributable to providing emergency services.

If the township establishes two separate funds under IC 36-8-13-4(a), the township board shall approve a transfer of the remaining cash balance in the township firefighting and emergency services fund and determine the amount of the remaining cash balance that will be attributable to the township firefighting fund and the township emergency services fund.

The approval of the transfer and the amount to be transferred to each fund is to be documented in the meeting minutes of the township board.

NEW LAWS AFFECTING TOWNSHIPS

The following is a Digest of some of the laws passed by the 2024 Regular and Special Sessions of the General Assembly affecting Townships. Please note the effective dates. Some of the laws do not pertain directly to Townships but are included for ready reference to the covered subject matter.

The Digest is not intended as an expression of legal interpretation. The Digest is also not intended to be all inclusive. References in the Digest will be to the Indiana Code in the following form (Amends IC 20-26-1-4) (Amends Indiana Code, Title 20, Article 26, Chapter 1, Section 4). The final version of each Public Law can be found on the Indiana General Assembly website (<http://iga.in.gov/>). If you have any questions regarding legal interpretation, please consult your Township attorney.

**Public Law 43-2024, House Enrolled Act 1027 – Effective July 1, 2024
Fire Department Work Schedule**

Amends IC 36-8-4-9

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.

**Public Law 136-2024, House Enrolled Act 1120 – Various Effective Dates
State and Local Administration**

Adds IC 20-40-22; IC 36-1-32; Various Others

Amends IC 36-8-8.5-10; IC 36-8-8.5-10.5; IC 36-8-8.5-14; IC 36-8-13-4; IC 36-8-13-4.7; Various Others

NEW LAWS AFFECTING TOWNSHIPS (CONTINUED)

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.

NEW LAWS AFFECTING TOWNSHIPS (CONTINUED)

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.

**Public Law 137-2024, House Enrolled Act 1121 – Various Effective Dates
Local Income Taxes**

Adds IC 6-3.6-6-2.6; IC 6-3.6-6-21.3; IC 6-3.6-7-28; Various Others

Amends IC 6-3-2-7.4; IC 6-3.6-3-1; IC 6-3.6-3-5; IC 6-3.6-3-6; IC 6-3.6-3-8; IC 6-3.6-3-9.5; IC 6-3.6-6-2.7; IC 6-3.6-6-3; IC 6-3.6-7-17; IC 6-3.6-9-10; Various Others

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.

NEW LAWS AFFECTING TOWNSHIPS (CONTINUED)

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.

**Public Law 156-2024, House Enrolled Act 1328 – Various Effective Dates
Local Income Taxes**

- Adds IC 6-1.1-17-5.4; IC 6-1.1-18-34.5; IC 6-1.1-31.5-5.5; Various Others
- Amends IC 5-14-3.8-3.5; IC 5-22-2-23; IC 6-1.1-4-39; IC 6-1.1-8-28; IC 6-1.1-8-29; IC 6-1.1-8-29; IC 6-1.1-12-17.8; IC 6-1.1-12-37; IC 6-1.1-17-1; IC 6-1.1-18-5; IC 6-1.1-18.5-12; IC 6-1.1-20-3.6; IC 6-1.1-28-1; IC 6-1.1-31.5-2; IC 6-1.1-37-7; IC 6-3.6-6-2.9; IC 6-3.6-11-1; Various Others

NEW LAWS AFFECTING TOWNSHIPS (CONTINUED)

Repealed IC 6-1.1-37-7.5

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

NEW LAWS AFFECTING TOWNSHIPS (CONTINUED)

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.

**Public Law 157-2024, House Enrolled Act 1328 – Various Effective Dates
Local Government Matters**

Adds IC 36-1-4-22.1

Amends IC 36-1-4-22; Various Others

NEW LAWS AFFECTING TOWNSHIPS (CONTINUED)

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.

**Public Law 101-2024, Senate Enrolled Act 33– Various Effective Dates
Distributions of Public Safety Income Tax Revenue**

Amends IC 6-3.6-6-2.9; IC 6-3.6-6-8

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.

NEW LAWS AFFECTING TOWNSHIPS (CONTINUED)

**Public Law 108-2024, Senate Enrolled Act 150 – Various Effective Dates
Artificial Intelligence and Cybersecurity**

Adds IC 2-5-53.7; IC 4-13.1-4; IC 4-13.1-5

Amends IC 5-15-5.1-14

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.

**Public Law 23-2024, Senate Enrolled Act 183 – Effective July 1, 2024
County Option Property Tax Exemption**

Adds IC 6-1.1-10.5

Amends IC 6-1.1-7-1; IC 6-1.1-7-4; IC 6-1-1-7-5; IC 6-1.1-11-9

Provides that a county fiscal body may adopt an ordinance to exempt mobile homes and manufactured homes located in the county from property taxation (exemption ordinance). Provides that for an annual assessment date in which an exemption ordinance is in effect, a county assessor shall not assess a mobile home or a manufactured home granted the property tax exemption. Specifies that the discretionary adoption of an exemption ordinance does not apply to mobile homes and manufactured homes that are assessed as: (1) inventory; or (2) real property; under the property tax laws and administrative rules. Makes conforming changes.

**Public Law 78-2024, Senate Enrolled Act 221 – Various Effective Dates
State Board of Accounts**

Amends IC 5-11-1-28; IC 5-11-5-1; IC 5-11-14-2; Various Others

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.

NEW LAWS AFFECTING TOWNSHIPS (CONTINUED)

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.

**Public Law 122 -2024, Senate Enrolled Act 252 – Various Effective Dates
Notice Publication**

Adds IC 5-3-1-0.9; IC 5-3-2-0.1

Amends IC 5-3-1-0.2; IC 5-3-1-0.4; IC 5-3-1-0.7; IC 5-3-2-2

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.

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