



Reprinted
January 20, 2023

HOUSE BILL No. 1040

DIGEST OF HB 1040 (Updated January 19, 2023 12:34 pm - DI 134)

Citations Affected: IC 5-11; IC 5-28; IC 20-26; IC 20-41; IC 33-32; IC 36-2; IC 36-3; IC 36-4; IC 36-5; IC 36-6.

Synopsis: Requirements for elected officials. Provides that if an examination of an audited entity is unable to be performed because the audited entity's accounts, records, files, or reports are not properly maintained or reconciled, the entity may be declared unauditible. Requires an unauditible entity to bring its accounts, records, files, or reports into an auditible condition within 90 days. Requires the state board of accounts (SBOA) to publish a list of entities declared to be unauditible on the SBOA's website. Provides that if an entity is declared unauditible and the fiscal officer is unable to perform the fiscal requirements of their position, the fiscal officer is required to hire outside assistance for guidance or to perform the fiscal requirements. Clarifies an exception regarding the liability of an elected official for acts that constitute gross negligence or intentional disregard of the official's duties. Requires the SBOA to annually call a conference for:
(Continued next page)

Effective: July 1, 2023; January 1, 2024.

Lehman, Porter, May, Johnson B

January 9, 2023, read first time and referred to Committee on Local Government.
January 17, 2023, amended, reported — Do Pass.
January 19, 2023, read second time, amended, ordered engrossed.

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Digest Continued

(1) city and town controllers and clerk-treasurers, newly appointed city and town controllers, and city and town clerk-treasurers elect; and (2) township trustees and township trustees elect. Provides that elected officials must attend training every two years and that the SBOA shall keep attendance of elected officials and publish it on the SBOA's website. Makes an exception for school corporation treasurer personal liability. Provides that if there is an office of town clerk-treasurer that is vacant, and the town legislative body is unable to fill the office, the town legislative body may either: (1) enter into a local agreement with the town clerk-treasurer and town legislative body of another town in the state to assist a selected town legislative body member in performing the duties of the clerk-treasurer's office; or (2) enter into a contract with a certified public accountant to assist the town legislative body member in performing the duties of the clerk-treasurer's office. (Current law provides that the town legislative body may only enter into a contract with a certified public accountant after the town legislative body is unable to reach an agreement with another town.) Provides that newly elected officials shall complete five hours of training before taking office. Provides that elected officials shall certify completion of training requirements to the SBOA annually. Excludes self-supporting school lunch and the rental or sale of curricular materials as programs that may be established as separate funds. Repeals obsolete provisions. Makes technical corrections.

HB 1040—LS 6451/DI 134



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January 20, 2023

First Regular Session of the 123rd General Assembly (2023)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in *this style type*, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2022 Regular Session of the General Assembly.

HOUSE BILL No. 1040

A BILL FOR AN ACT to amend the Indiana Code concerning local government.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 5-11-1-9, AS AMENDED BY P.L.157-2020,
2 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JANUARY 1, 2024]: Sec. 9. (a) The state examiner, personally or
4 through the deputy examiners, field examiners, or private examiners,
5 shall examine all accounts and all financial affairs of every audited
6 entity. However, an examination of an entity under this subsection shall
7 be limited to matters relevant to the use of the public money received
8 by the entity.
9 **(b) If an examination of an audited entity is unable to be**
10 **performed because the audited entity's accounts, records, files, or**
11 **reports are not properly maintained or reconciled, the audited**
12 **entity may be declared to be unauditabile. An audited entity that is**
13 **declared unauditabile shall bring its accounts, records, files, or**
14 **reports into an auditable condition within ninety (90) days. The**
15 **state board of accounts shall publish a list of audited entities**

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- 1 **declared unauditible on the state board of accounts' website.**
 2 ~~(b)~~ **(c)** An examination of an entity that is organized as a
 3 not-for-profit corporation deriving:
 4 (1) less than fifty percent (50%); or
 5 (2) subject to subsection ~~(i)~~; **(j)**, at least fifty percent (50%) but
 6 less than seven hundred fifty thousand dollars (\$750,000);
 7 of its disbursements during the period subject to an examination from
 8 appropriations, public funds, taxes, and other sources of public expense
 9 shall be limited to matters relevant to the use of the public money
 10 received by the entity.
 11 ~~(c)~~ **(d)** The examination of an entity described in subsection ~~(b)~~ **(c)**
 12 may be waived by the state examiner if the state examiner determines
 13 that:
 14 (1) in consideration of the applicable risk based examination
 15 criteria described in and approved under section 25 of this
 16 chapter; and
 17 (2) based on submitted information;
 18 there are no compelling reasons to conclude that disbursements of
 19 public money during the period subject to examination were
 20 inconsistent with the purposes for which the money was received.
 21 However, the state examiner may revoke a waiver granted under this
 22 subsection if the state examiner determines that revocation of the
 23 waiver is necessary in accordance with the risk based examination
 24 criteria set forth in section 25 of this chapter. The state examiner shall
 25 communicate the determination to grant or revoke a waiver under this
 26 subsection to the entity in writing.
 27 ~~(d)~~ **(e)** Notwithstanding any other law, the:
 28 (1) Indiana economic development corporation created by
 29 IC 5-28-3 and the corporation's funds, accounts, and financial
 30 affairs shall be examined by the state board of accounts unless the
 31 examination is waived under subsection ~~(j)~~; **(k)**; and
 32 (2) department of financial institutions established by
 33 IC 28-11-1-1 and the department's funds, accounts, and financial
 34 affairs shall be examined by the state board of accounts.
 35 ~~(e)~~ **(f)** On every examination under this section, inquiry shall be
 36 made as to the following:
 37 (1) The financial condition and resources of each audited entity.
 38 (2) Whether the laws of the state and the uniform compliance
 39 guidelines of the state board of accounts established under section
 40 24 of this chapter have been complied with.
 41 (3) The methods and accuracy of the accounts and reports of the
 42 person examined.



- 1 The examinations may be made without notice.
- 2 ~~(f)~~ (g) If during an examination of a state office or a body corporate
3 and politic under this chapter the examiner encounters an inefficiency
4 in the operation of the state office or the body corporate and politic, the
5 examiner may comment on the inefficiency in the examiner's report.
- 6 ~~(g)~~ (h) The state examiner, deputy examiners, any field examiner,
7 or any private examiner, when engaged in making any examination or
8 when engaged in any official duty devolved upon them by the state
9 examiner, is entitled to do the following:
- 10 (1) Enter into any state, county, city, township, or other public
11 office in this state, or any entity, agency, or instrumentality, and
12 examine any books, papers, documents, or electronically stored
13 information for the purpose of making an examination.
- 14 (2) Have access, in the presence of the custodian or the
15 custodian's deputy, to the cash drawers and cash in the custody of
16 the officer.
- 17 (3) During business hours, examine the public accounts in any
18 depository that has public funds in its custody pursuant to the
19 laws of this state.
- 20 ~~(h)~~ (i) The state examiner, deputy examiner, or any field examiner,
21 when engaged in making any examination authorized by law, may issue
22 subpoenas for witnesses to appear before the examiner in person or to
23 produce books, papers, or other records (including records stored in
24 electronic data processing systems) for inspection and examination.
25 The state examiner, deputy examiner, or any field examiner may issue
26 a subpoena to enforce the filing of the annual financial report. The state
27 examiner, deputy examiner, and any field examiner may administer
28 oaths and examine witnesses under oath orally or by interrogatories
29 concerning the matters under investigation and examination. Under the
30 authority of the state examiner, the oral examinations may be
31 transcribed with the reasonable expense paid by the examined person
32 in the same manner as the compensation of the field examiner is paid.
33 The subpoenas shall be served by any person authorized to serve civil
34 process from any court in this state. If a witness or officer duly
35 subpoenaed refuses to attend, refuses to produce information required
36 in the subpoena, or attends and refuses to be sworn or affirmed, or to
37 testify when called upon to do so, the examiner may apply to the circuit
38 court having jurisdiction of the witness or officer for the enforcement
39 of attendance and answers to questions as provided by the law
40 governing the taking of depositions or to enforce the filing of any report
41 referred to in this subsection.
- 42 ~~(i)~~ (j) The definitions in IC 20-24-1 apply throughout this



1 subsection. Appropriations, public funds, taxes, and other sources of
 2 public money received by a nonprofit corporation as a charter school
 3 or organizer of a charter school for the purposes of a charter school
 4 may not be counted for the purpose of applying subsection ~~(b)(2)~~;
 5 **(c)(2)**. Unless the nonprofit corporation receives other public money
 6 that would qualify the nonprofit corporation for a full examination of
 7 all accounts and financial affairs of the entity under subsection ~~(b)(2)~~;
 8 **(c)(2)**, an examination of a charter school or organizer of a charter
 9 school must be limited to matters relevant to the use of the public
 10 money received for the charter school. This subsection does not
 11 prohibit the state examiner, personally or through the deputy
 12 examiners, field examiners, or private examiners, from examining the
 13 accounts in which appropriations, public funds, taxes, or other sources
 14 of public money are applied that are received by a nonprofit
 15 corporation as a charter school or organizer of a charter school relating
 16 to the operation of the charter school.

17 ~~(j)~~ **(k)** The state examiner may waive the examination of the Indiana
 18 economic development corporation and a nonprofit subsidiary
 19 corporation established under IC 5-28-5-13 if:

20 (1) an independent certified public accounting firm conducts an
 21 examination under IC 5-28-3-2(c) of:

22 (A) the Indiana economic development corporation and the
 23 Indiana economic development corporation's funds, accounts,
 24 and financial affairs; and

25 (B) the nonprofit subsidiary corporation;
 26 for the year;

27 (2) the Indiana economic development corporation submits the
 28 examination report to the state board of accounts; and

29 (3) the state board of accounts reviews the examination report and
 30 determines that the examination and examination report comply
 31 with the uniform compliance guidelines, directives, and standards
 32 established by the state board of accounts.

33 ~~(k)~~ **(l)** Notwithstanding the waiver of an examination of the Indiana
 34 economic development corporation and its nonprofit subsidiary
 35 corporation by the state examiner, the state board of accounts may
 36 examine the Indiana economic development corporation and its
 37 nonprofit subsidiary corporation at any time.

38 SECTION 2. IC 5-11-14-1, AS AMENDED BY P.L.169-2006,
 39 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 40 JANUARY 1, 2024]: Sec. 1. (a) As used in this section, "official"
 41 includes the following:

42 (1) An elected official who is entitled to attend a conference



- 1 under this section.
- 2 (2) An individual elected to an office who is entitled to attend a
3 conference under this section.
- 4 (3) A deputy or an assistant to an elected official who is entitled
5 to attend a conference under this section.
- 6 (b) The state board of accounts shall annually call a conference of
7 each of the following:
- 8 (1) County auditors and auditors elect.
- 9 (2) County treasurers and treasurers elect.
- 10 (3) Circuit court clerks and circuit court clerks elect.
- 11 **(4) City and town controllers and clerk-treasurers, newly**
12 **appointed city and town controllers, and city and town**
13 **clerk-treasurers elect.**
- 14 **(5) Township trustees and township trustees elect.**
- 15 (c) Each of the conferences called under subsection (b):
- 16 (1) must be held at a time and place fixed by the state examiner;
- 17 (2) may be held statewide or by district; and
- 18 (3) may not continue for longer than three (3) days in any one (1)
19 year.
- 20 (d) The following training must be provided at each conference
21 called under subsection (b):
- 22 (1) The proper use of forms prescribed by the state board of
23 accounts.
- 24 (2) The keeping of the records of the respective offices.
- 25 (3) At the conference for county treasurers and treasurers elect,
26 investment training by the following:
- 27 (A) The treasurer of state.
- 28 (B) The board for depositories.
- 29 (C) Any other person the state examiner considers to be
30 competent in providing investment training.
- 31 (4) Any other training that, in the judgment of the state examiner,
32 will result in the better conduct of the public business.
- 33 (e) The state examiner may hold other conferences for:
- 34 (1) the officials described in subsection (b); or
- 35 (2) other county, city, or township officers;
- 36 whenever in the judgment of the state examiner conferences are
37 necessary.
- 38 (f) Whenever a conference is called by the state board of accounts
39 under this section, an elected official, at the direction of the state
40 examiner, may require the attendance of:
- 41 (1) each of the elected official's appointed and acting chief
42 deputies or chief assistants; and



1 (2) if the number of deputies or assistants employed:

2 (A) does not exceed three (3), one (1) of the elected official's
3 appointed and acting deputies or assistants; or

4 (B) exceeds three (3), two (2) of the elected official's duly
5 appointed and acting deputies or assistants.

6 (g) Each official representing a unit and attending any conference
7 under this section shall be allowed the following:

8 (1) A sum for mileage at a rate determined by the fiscal body of
9 the unit the official represents for each mile necessarily traveled
10 in going to and returning from the conference by the most
11 expeditious route. Regardless of the duration of the conference,
12 only one (1) mileage reimbursement shall be allowed to the
13 official furnishing the conveyance even if the official transports
14 more than one (1) person.

15 (2) An allowance for lodging for each night preceding conference
16 attendance in an amount equal to the single room rate. However,
17 lodging expense, in the case of a one (1) day conference, shall
18 only be allowed for persons who reside fifty (50) miles or farther
19 from the conference location.

20 (3) Reimbursement of an official, in an amount determined by the
21 fiscal body of the unit the official represents, for meals purchased
22 while attending a conference called under this section.

23 (h) The state board of accounts shall certify the number of days of
24 attendance and the mileage for each conference to each official
25 attending any conference under this section.

26 (i) All payments of mileage and lodging shall be made by the proper
27 disbursing officer in the manner provided by law on a duly verified
28 claim or voucher to which shall be attached the certificate of the state
29 board of accounts showing the number of days attended and the
30 number of miles traveled. All payments shall be made from the general
31 fund from any money not otherwise appropriated and without any
32 previous appropriation being made therefor.

33 (j) A claim for reimbursement under this section may not be denied
34 by the body responsible for the approval of claims if the claim complies
35 with IC 5-11-10-1.6 and this section.

36 **(k) The state board of accounts shall keep attendance of elected
37 officials at each conference called by the state board of accounts
38 and publish the attendance on the state board of accounts' website.**

39 **(l) Elected officials must attend the applicable annual
40 conference called by the state board of accounts a minimum of
41 once every two (2) years.**

42 SECTION 3. IC 5-11-14-2 IS AMENDED TO READ AS



1 FOLLOWS [EFFECTIVE JANUARY 1, 2024]: Sec. 2. **(a)** The state
 2 board of accounts shall annually conduct a training institute for
 3 clerk-treasurers and may conduct a training institute for city clerks,
 4 either of the entire state or by districts. The provisions of ~~IC 5-11-14~~;
 5 **this chapter** are applicable to any such training institute.

6 **(b) The state board of accounts shall keep attendance of**
 7 **clerk-treasurers at each conference called by the state board of**
 8 **accounts and publish the attendance on the state board of accounts'**
 9 **website.**

10 **(c) Clerk-treasurers and city clerks must attend the annual**
 11 **training institute a minimum of once every two (2) years.**

12 SECTION 4. IC 5-28-3-2, AS AMENDED BY P.L.209-2019,
 13 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 14 JANUARY 1, 2024]: Sec. 2. (a) The corporation is a body politic and
 15 corporate, not a state agency but an independent instrumentality
 16 exercising essential public functions.

17 (b) Except as provided in ~~IC 5-11-1-9(j)~~; **IC 5-11-1-9(k)**, the
 18 corporation and the corporation's funds, accounts, and financial affairs
 19 shall be examined by the state board of accounts.

20 (c) The board may engage an independent certified public
 21 accounting firm to conduct an examination of:

- 22 (1) the corporation and the corporation's funds, accounts, and
 23 financial affairs; and
- 24 (2) a nonprofit subsidiary corporation established under
 25 IC 5-28-5-13.

26 The examination must comply with the uniform compliance guidelines,
 27 directives, and standards established by the state board of accounts. If
 28 an independent certified public accounting firm conducts an
 29 examination, the corporation shall submit a copy of the examination
 30 report to the state board of accounts not later than the next date on
 31 which the corporation is required to file its financial reports under
 32 IC 5-11-1-4.

33 SECTION 5. IC 5-28-5-13, AS AMENDED BY P.L.209-2019,
 34 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 35 JANUARY 1, 2024]: Sec. 13. (a) Notwithstanding section 12 of this
 36 chapter, the board may establish a nonprofit subsidiary corporation to
 37 solicit and accept private sector funding, gifts, donations, bequests,
 38 devises, and contributions.

39 (b) A subsidiary corporation established under this section:

- 40 (1) must use money received under subsection (a) to carry out in
 41 any manner the purposes and programs under this article;
- 42 (2) must report to the budget committee each year concerning:



- 1 (A) the use of money received under subsection (a); and
 2 (B) the balances in any accounts or funds established by the
 3 subsidiary corporation; and
 4 (3) may deposit money received under subsection (a) in an
 5 account or fund that is:
 6 (A) administered by the subsidiary corporation; and
 7 (B) not part of the state treasury.
- 8 (c) Except as provided in ~~IC 5-11-1-9(j)~~, **IC 5-11-1-9(k)**, the state
 9 board of accounts shall audit a subsidiary corporation established under
 10 this section.
- 11 SECTION 6. IC 20-26-4-1, AS AMENDED BY P.L.233-2015,
 12 SECTION 92, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 13 JANUARY 1, 2024]: Sec. 1. (a) As used in this section, "electronic
 14 funds transfer" means a transfer of funds, other than a transaction
 15 originated by check, draft, or similar paper instrument, that is initiated
 16 through an electronic terminal, telephone, or computer or magnetic
 17 tape to order, instruct, or authorize a financial institution to debit or
 18 credit an account.
- 19 (b) The governing body of each school corporation shall organize by
 20 electing:
 21 (1) a president;
 22 (2) a vice president; and
 23 (3) a secretary;
 24 each of whom is a different member, not more than fifteen (15) days
 25 after the commencement date of the members' terms of office.
- 26 (c) A governing body shall, at the time that officers are elected
 27 under subsection (b), appoint a treasurer of the governing body and of
 28 the school corporation who is a person, other than the superintendent
 29 of schools, who is not a member of the governing body. The treasurer
 30 may, with the approval of the governing body, appoint a deputy who
 31 must be a person, other than the superintendent of schools, who is not
 32 a member of the governing body and who has the same powers and
 33 duties as the treasurer, or lesser duties as provided by the governing
 34 body by rule.
- 35 (d) The treasurer is the official custodian of all funds of the school
 36 corporation and is responsible for the proper safeguarding and
 37 accounting for the funds. The treasurer shall:
 38 (1) issue a receipt for money received by the treasurer;
 39 (2) deposit money described in subdivision (1) in accordance with
 40 the laws governing the deposit of public funds; and
 41 (3) issue all warrants in payment of expenses lawfully incurred on
 42 behalf of the school corporation. However, except as otherwise



1 provided by law, warrants described in this subdivision must be
 2 issued only after proper allowance or approval by the governing
 3 body. The governing body may not require an allowance or
 4 approval for amounts lawfully due in payment of indebtedness or
 5 payments due the state, the United States government, or agencies
 6 and instrumentalities of the state or the United States government.

7 A verification, other than a properly itemized invoice, may not be
 8 required for any claim. A claim is sufficient as to form if the bill or
 9 statement for the claim has printed or stamped on the face of the bill or
 10 statement a verification of the bill or statement in language approved
 11 by the state board of accounts.

12 (e) Notwithstanding subsection (d), a treasurer may transact school
 13 corporation financial business with a financial institution or a public
 14 retirement fund through the use of electronic funds transfer. The
 15 treasurer must provide adequate documentation to the governing body
 16 of transfers made under this subsection. This subsection applies only
 17 to agreements for joint investment of money under IC 5-13-9 and to
 18 payments to the Indiana public retirement system for:

- 19 (1) the Indiana state teachers' retirement fund; or
- 20 (2) the public employees' retirement fund;

21 from participating employers.

22 (f) **Except as provided in IC 5-11**, a treasurer is not personally
 23 liable for an act or omission occurring in connection with the
 24 performance of the duties set forth in this section, unless the act or
 25 omission constitutes gross negligence or an intentional disregard of the
 26 treasurer's duties.

27 (g) A governing body may establish the position of executive
 28 secretary to the governing body. The executive secretary:

- 29 (1) must be an employee of the school corporation;
- 30 (2) may not be a member of the governing body; and
- 31 (3) must be appointed by the governing body upon the
 32 recommendation of the superintendent of the school corporation.

33 The governing body shall determine the duties of the executive
 34 secretary, which may include all or part of the duties of the secretary of
 35 the board.

36 SECTION 7. IC 20-41-1-2, AS AMENDED BY P.L.238-2019,
 37 SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 38 JANUARY 1, 2024]: Sec. 2. Any self-supporting programs maintained
 39 by a school corporation, ~~including:~~ **excluding:**

- 40 (1) school lunch; and
- 41 (2) rental or sale of curricular materials;

42 may be established as separate funds, separate and apart from any other



1 school corporation fund, if no local tax rate is established for the
2 programs.

3 SECTION 8. IC 20-41-1-5, AS ADDED BY P.L.2-2006, SECTION
4 164, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
5 JANUARY 1, 2024]: Sec. 5. (a) A public school must have a treasurer
6 for purposes of this chapter. The treasurer must be:

- 7 (1) the superintendent or principal of the particular school;
- 8 (2) a clerk of the school corporation; or
- 9 (3) a member of the faculty appointed by the superintendent or
10 principal.

11 This designation must be made immediately upon the opening of the
12 school term or the vacating of the office of treasurer. Claims shall be
13 filed and paid under sections 7 and 8 of this chapter. The employing or
14 appointing officials of a school may appoint and engage a school
15 treasurer or clerk.

16 (b) A school corporation may appoint one (1) or more assistant or
17 deputy treasurers.

18 (c) **Except as provided in IC 5-11**, a treasurer is not personally
19 liable for an act or omission occurring in connection with the
20 performance of the duties set forth in this chapter, unless the act or
21 omission constitutes gross negligence or an intentional disregard of the
22 treasurer's duties.

23 SECTION 9. IC 20-41-2-1 IS REPEALED [EFFECTIVE JULY 1,
24 2023]. Sec. ~~1~~: Each township trustee in operating a school lunch
25 program may use either of the following accounting methods:

- 26 ~~(1) The township trustee may supervise and control the program~~
27 ~~through its school corporation account by establishing a school~~
28 ~~lunch fund.~~
- 29 ~~(2) The township trustee may have the program operated by the~~
30 ~~individual schools of the school corporation through the school~~
31 ~~corporation's extracurricular account or accounts under~~
32 ~~IC 20-41-1.~~

33 SECTION 10. IC 20-41-2-2 IS REPEALED [EFFECTIVE JULY 1,
34 2023]. Sec. ~~2~~: Each township trustee in operating a curricular materials
35 rental program may use either of the following accounting methods:

- 36 ~~(1) The township trustee may supervise and control the program~~
37 ~~through its school corporation account by establishing a curricular~~
38 ~~materials rental fund.~~
- 39 ~~(2) If curricular materials have not been purchased and financial~~
40 ~~commitments or guarantees for the purchases have not been made~~
41 ~~by the school corporation, the township trustee may have the~~
42 ~~program operated by the individual schools of the school~~



1 corporation through the school corporation's extracurricular
 2 account or accounts under IC 20-41-1.
 3 SECTION 11. IC 20-41-2-3 IS REPEALED [EFFECTIVE JULY 1,
 4 2023]. Sec. 3: (a) If a school lunch fund is established under section 1
 5 of this chapter or a curricular materials rental fund is established under
 6 section 2 of this chapter, the receipts and expenditures for each
 7 program shall be made to and from the proper fund without
 8 appropriation or the application of other laws relating to the budgets of
 9 local governmental units.
 10 (b) If either program or both programs under sections 1 and 2 of this
 11 chapter are operated through the extracurricular account, the township
 12 trustee shall approve the amount of the bond of the treasurer of the
 13 extracurricular account in an amount the township trustee considers
 14 necessary to protect the account for all funds coming into the hands of
 15 the treasurer.
 16 SECTION 12. IC 20-41-2-4, AS AMENDED BY P.L.118-2016,
 17 SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 18 JANUARY 1, 2024]: Sec. 4. A governing body in operating a school
 19 lunch program under IC 20-26-5-4(a)(11) may use either of the
 20 following accounting methods:
 21 (1) It ~~may~~ **must** supervise and control the program through the
 22 school corporation account, establishing a school lunch fund.
 23 (2) It may cause the program to be operated by the individual
 24 schools of the school corporation through the school corporation's
 25 extracurricular account or accounts in accordance with
 26 IC 20-41-1.
 27 SECTION 13. IC 20-41-2-5, AS AMENDED BY P.L.140-2018,
 28 SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 29 JANUARY 1, 2024]: Sec. 5. (a) A governing body in operating a
 30 curricular materials rental program under IC 20-26-5-4(a)(12) may use
 31 either of the following accounting methods:
 32 (1) The governing body may ~~may~~ **must** supervise and control the
 33 program through the school corporation's curricular materials
 34 rental fund or education fund.
 35 (2) If curricular materials have not been purchased and financial
 36 commitments or guarantees for the purchases have not been made
 37 by the school corporation, the governing body may cause the
 38 program to be operated by the individual schools of the school
 39 corporation through the school corporation's extracurricular
 40 account or accounts in accordance with IC 20-41-1.
 41 (b) If the governing body determines that a hardship exists due to
 42 the inability of a student's family to purchase or rent curricular



1 materials, taking into consideration the income of the family and the
2 demands on the family, the governing body may furnish curricular
3 materials to the student without charge, without reference to the
4 application of any other statute or rule except IC 20-26-1 through
5 IC 20-26-5, IC 20-26-7, IC 20-40-12, and IC 20-48-1.

6 SECTION 14. IC 20-41-2-6, AS AMENDED BY P.L.244-2017,
7 SECTION 89, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
8 JANUARY 1, 2024]: Sec. 6. (a) If a school lunch fund is established
9 under section 4 of this chapter and the school corporation's education
10 fund is used under section 5 of this chapter, the receipts and
11 expenditures from a fund for the program to which the fund relates
12 shall be made to and from the appropriate fund without appropriation
13 or the application of other statutes and rules relating to the budgets of
14 municipal corporations.

15 (b) ~~If either the lunch program or the curricular materials rental~~
16 ~~program is handled through the extracurricular account, the governing~~
17 ~~body of the school corporation shall approve the amount of the bond of~~
18 ~~the treasurer of the extracurricular account in an amount the governing~~
19 ~~body considers sufficient to protect the account for all funds coming~~
20 ~~into the hands of the treasurer of the account.~~

21 SECTION 15. IC 33-32-2-9, AS AMENDED BY P.L.257-2019,
22 SECTION 94, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
23 JANUARY 1, 2024]: Sec. 9. (a) As used in this section, "training
24 courses" refers to training courses related to the office of circuit court
25 clerk that are compiled or developed by the Association of Indiana
26 Counties and approved by the state board of accounts.

27 (b) An individual elected to the office of circuit court clerk shall
28 complete at least:

29 (1) fifteen (15) hours of training courses within one (1) year; and
30 (2) forty (40) hours of training courses within three (3) years;
31 after the individual is elected to the office of circuit court clerk.

32 (c) An individual first elected to the office of circuit court clerk
33 shall complete five (5) hours of newly elected official training courses
34 before the individual first takes the office of circuit court clerk. A
35 training course that an individual completes under this subsection shall
36 be counted toward the individual's requirements under subsection (b).

37 (d) An individual shall fulfill the training requirements established
38 by subsection (b) for each term to which the individual is elected as
39 circuit court clerk.

40 (e) The failure of an individual to complete the training required by
41 this section does not prevent the individual from taking an office to
42 which the individual was elected.



1 (f) This subsection applies only to an individual appointed to fill a
2 vacancy in the office of circuit court clerk. An individual described in
3 this subsection may, but is not required to, take training courses
4 required by subsection (b). If an individual described in this subsection
5 takes a training course required by subsection (b) for an elected circuit
6 court clerk, the county shall pay for the training course as if the
7 individual had been an elected circuit court clerk.

8 (g) **An individual elected to the office of circuit court clerk shall**
9 **certify completion of the requirements described in subsection (b)**
10 **every year and file the certification with the state board of**
11 **accounts in the same manner as the report required in**
12 **IC 5-11-1-4(a).**

13 SECTION 16. IC 36-2-9-22 IS ADDED TO THE INDIANA CODE
14 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
15 JANUARY 1, 2024]: **Sec. 22. If the county auditor is unable to**
16 **perform the fiscal requirements of the county auditor's position,**
17 **the county auditor shall hire or contract with a qualified certified**
18 **public accountant to:**

- 19 (1) provide guidance to the county auditor regarding the
20 performance of the county auditor's responsibilities; or
- 21 (2) perform the county auditor's fiscal responsibilities.

22 **The county auditor is considered to be unable to perform the fiscal**
23 **requirements of the county auditor's position if the county is**
24 **declared unauditabile under IC 5-11-1-9(b).**

25 SECTION 17. IC 36-2-9.5-18 IS ADDED TO THE INDIANA
26 CODE AS A NEW SECTION TO READ AS FOLLOWS
27 [EFFECTIVE JANUARY 1, 2024]: **Sec. 18. If the county auditor is**
28 **unable to perform the fiscal requirements of the county auditor's**
29 **position, the county auditor shall hire or contract with a qualified**
30 **certified public accountant to:**

- 31 (1) provide guidance to the county auditor regarding the
32 performance of the county auditor's responsibilities; or
- 33 (2) perform the county auditor's fiscal responsibilities.

34 **The county auditor is considered to be unable to perform the fiscal**
35 **requirements of the county auditor's position if the county is**
36 **declared unauditabile under IC 5-11-1-9(b).**

37 SECTION 18. IC 36-2-10-2.5, AS AMENDED BY P.L.257-2019,
38 SECTION 107, IS AMENDED TO READ AS FOLLOWS
39 [EFFECTIVE JANUARY 1, 2024]: **Sec. 2.5. (a) As used in this**
40 **section, "training courses" refers to training courses related to the office**
41 **of county treasurer that are compiled or developed by the Association**
42 **of Indiana Counties and approved by the state board of accounts.**



1 (b) An individual elected to the office of county treasurer shall
2 complete at least:

3 (1) fifteen (15) hours of training courses within one (1) year; and

4 (2) forty (40) hours of training courses within three (3) years;
5 after the individual is elected to the office of county treasurer.

6 (c) An individual first elected to the office of county treasurer shall
7 complete five (5) hours of newly elected official training courses before
8 the individual first takes the office of county treasurer. A training
9 course that the individual completes under this subsection shall be
10 counted toward the requirements under subsection (b).

11 (d) An individual shall fulfill the training requirements established
12 by subsection (b) for each term to which the individual is elected as
13 county treasurer.

14 (e) The failure of an individual to complete the training required by
15 this section does not prevent the individual from taking an office to
16 which the individual was elected.

17 (f) This subsection applies only to an individual appointed to fill a
18 vacancy in the office of county treasurer. An individual described in
19 this subsection may, but is not required to, take any training courses
20 required by subsection (b). If an individual described in this subsection
21 takes a training course required by subsection (b) for an elected county
22 treasurer, the county shall pay for the training course as if the
23 individual had been an elected county treasurer.

24 **(g) An individual elected to the office of county treasurer shall**
25 **certify completion of the requirements described in subsection (b)**
26 **every year and file the certification with the state board of**
27 **accounts in the same manner as the report required in**
28 **IC 5-11-1-4(a).**

29 SECTION 19. IC 36-2-10-24 IS AMENDED TO READ AS
30 FOLLOWS [EFFECTIVE JANUARY 1, 2024]: Sec. 24. **Except as**
31 **provided in IC 5-11**, a county treasurer is not personally liable for any
32 act or omission occurring in connection with the performance of the
33 county treasurer's official duties, unless the act or omission constitutes
34 gross negligence or an intentional disregard of the responsibilities of
35 the office of county treasurer.

36 SECTION 20. IC 36-2-10-25 IS ADDED TO THE INDIANA
37 CODE AS A **NEW SECTION** TO READ AS FOLLOWS
38 [EFFECTIVE JANUARY 1, 2024]: **Sec. 25. If the county treasurer**
39 **is unable to perform the fiscal requirements of the county**
40 **treasurer's position, the county treasurer shall hire or contract**
41 **with a qualified investment adviser to:**

42 (1) provide guidance to the county treasurer regarding the



1 **performance of the county treasurer's responsibilities; or**

2 **(2) perform the county treasurer's fiscal responsibilities.**

3 **The county treasurer is considered to be unable to perform the**
 4 **fiscal requirements of the county treasurer's position if the county**
 5 **is declared unauditible under IC 5-11-1-9(b).**

6 SECTION 21. IC 36-2-11-2.5, AS AMENDED BY P.L.257-2019,
 7 SECTION 108, IS AMENDED TO READ AS FOLLOWS
 8 [EFFECTIVE JANUARY 1, 2024]: Sec. 2.5. (a) As used in this
 9 section, "training courses" refers to training courses related to the office
 10 of county recorder that are compiled or developed by the Association
 11 of Indiana Counties and approved by the state board of accounts.

12 (b) An individual elected to the office of county recorder shall
 13 complete at least:

14 (1) fifteen (15) hours of training courses within one (1) year; and

15 (2) forty (40) hours of training courses within three (3) years;

16 after the individual is elected to the office of county recorder.

17 (c) An individual first elected to the office of county recorder shall
 18 complete five (5) hours of newly elected official training courses before
 19 the individual first takes the office of county recorder. A training
 20 course that the individual completes under this subsection shall be
 21 counted toward the requirements under subsection (b).

22 (d) An individual shall fulfill the training requirements established
 23 by subsection (b) for each term to which the individual is elected as
 24 county recorder.

25 (e) The failure of an individual to complete the training required by
 26 this section does not prevent the individual from taking an office to
 27 which the individual was elected.

28 (f) This subsection applies only to an individual appointed to fill a
 29 vacancy in the office of county recorder. An individual described in
 30 this subsection may, but is not required to, take any training courses
 31 required by subsection (b). If an individual described in this subsection
 32 takes a training course required by subsection (b) for an elected county
 33 recorder, the county shall pay for the training course as if the individual
 34 had been an elected county recorder.

35 **(g) An individual elected to the office of county recorder shall**
 36 **certify completion of the requirements described in subsection (b)**
 37 **every year and file the certification with the state board of**
 38 **accounts in the same manner as the report required in**
 39 **IC 5-11-1-4(a).**

40 SECTION 22. IC 36-3-5-2.6, AS AMENDED BY P.L.227-2005,
 41 SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 42 JANUARY 1, 2024]: Sec. 2.6. **Except as provided in IC 5-11,** the:



1 (1) controller is not liable, in an individual capacity, for any act or
 2 omission occurring in connection with the performance of the
 3 controller's duty as a fiscal officer of:

4 (A) the consolidated city; and

5 (B) the county; and

6 (2) deputy controller is not liable, in an individual capacity, for
 7 any act or omission occurring in connection with the performance
 8 of the deputy controller's duty;

9 unless the act or omission constitutes gross negligence or an intentional
 10 disregard of the controller's or the deputy controller's duty.

11 SECTION 23. IC 36-3-5-14 IS ADDED TO THE INDIANA CODE
 12 AS A **NEW SECTION TO READ AS FOLLOWS** [EFFECTIVE
 13 JANUARY 1, 2024]: **Sec. 14. If the controller is unable to perform**
 14 **the fiscal requirements of the controller's position, the controller**
 15 **shall hire or contract with a qualified certified public accountant**
 16 **to:**

17 (1) **provide guidance to the controller regarding the**
 18 **performance of the controller's responsibilities; or**

19 (2) **perform the controller's fiscal responsibilities.**

20 **The controller is considered to be unable to perform the fiscal**
 21 **requirements of the controller's position if the consolidated city or**
 22 **the county is declared unauditible under IC 5-11-1-9(b).**

23 SECTION 24. IC 36-4-10-2 IS AMENDED TO READ AS
 24 FOLLOWS [EFFECTIVE JANUARY 1, 2024]: Sec. 2. (a) A city clerk
 25 shall be elected under IC 3-10-6 by the voters of each second class city,
 26 and a city clerk-treasurer shall be elected under IC 3-10-6 by the voters
 27 of each third class city.

28 (b) The city clerk or clerk-treasurer is the clerk of each city.

29 (c) The city controller appointed under IC 36-4-9-6 is the fiscal
 30 officer of each second class city, and the city clerk-treasurer is the
 31 fiscal officer of each third class city.

32 (d) **Except as provided in IC 5-11**, the city controller of a second
 33 class city is not liable, in an individual capacity, for any act or omission
 34 occurring in connection with the performance of the city controller's
 35 duty as fiscal officer of the second class city, unless the act or omission
 36 constitutes gross negligence or an intentional disregard of the
 37 controller's duty.

38 (e) The term of office of a city clerk or clerk-treasurer is four (4)
 39 years, beginning at noon on January 1 after election and continuing
 40 until a successor is elected and qualified.

41 SECTION 25. IC 36-4-10-4.5 IS AMENDED TO READ AS
 42 FOLLOWS [EFFECTIVE JANUARY 1, 2024]: Sec. 4.5. (a) This



- 1 section applies to third class cities.
- 2 (b) The fiscal officer is the head of the city department of finance.
- 3 The fiscal officer shall do the following:
- 4 (1) Receive and care for all city money and pay the money out
- 5 only on order of the approving body.
- 6 (2) Keep accounts showing when and from what sources the fiscal
- 7 officer has received city money and when and to whom the fiscal
- 8 officer has paid out city money.
- 9 (3) Prescribe payroll and account forms for all city offices.
- 10 (4) Prescribe the manner in which creditors, officers, and
- 11 employees shall be paid.
- 12 (5) Manage the finances and accounts of the city and make
- 13 investments of city money.
- 14 (6) Prepare for the legislative body the budget estimates of
- 15 miscellaneous revenue, financial statements, and the proposed tax
- 16 rate.
- 17 (7) Issue all licenses authorized by statute and collect the fees
- 18 fixed by ordinance.
- 19 (8) Serve as clerk of the board of public works by attending
- 20 meetings, preparing agendas, and recording proceedings.
- 21 (9) Perform all other duties prescribed by statute.
- 22 (c) **Except as provided in IC 5-11**, a fiscal officer is not liable in
- 23 an individual capacity for an act or omission occurring in connection
- 24 with the performance of the duties prescribed by subsection (b), unless
- 25 the act or omission constitutes gross negligence or an intentional
- 26 disregard of the fiscal officer's duties.
- 27 SECTION 26. IC 36-4-10-8, AS ADDED BY P.L.257-2019,
- 28 SECTION 113, IS AMENDED TO READ AS FOLLOWS
- 29 [EFFECTIVE JANUARY 1, 2024]: Sec. 8. (a) As used in this section,
- 30 "training courses" refers to training courses, workshops, training
- 31 institutes authorized by IC 5-11-14, formal academies, special
- 32 seminars, and other in-service training related to an office described in
- 33 section 2 of this chapter that are developed or offered under the rubric
- 34 of a generally accepted professional association, association of
- 35 governments or a state agency or department, or public university or
- 36 affiliated center.
- 37 (b) An individual elected or appointed to an office described in
- 38 section 2 of this chapter on or after November 5, 2019, shall complete
- 39 at least:
- 40 (1) fourteen (14) hours of training courses within one (1) year;
- 41 and
- 42 (2) thirty-six (36) hours of training courses within three (3) years;



1 after the individual is elected or appointed to an office described in
2 section 2 of this chapter.

3 (e) A training course that an individual completes:

4 (1) after being elected or appointed to an office described in
5 section 2 of this chapter; and

6 (2) before the individual begins serving in an office described in
7 section 2 of this chapter;

8 shall be counted toward the requirements under subsection (b).

9 **(c) An individual first elected or appointed to an office described**
10 **in section 2 of this chapter shall complete five (5) hours of newly**
11 **elected official training courses before the individual first takes**
12 **office. A training course that the individual completes under this**
13 **subsection shall be counted toward the requirements under**
14 **subsection (b).**

15 (d) An individual shall fulfill the training requirements established
16 by subsection (b) for each term to which the individual is elected or
17 appointed to an office described in section 2 of this chapter.

18 (e) This subsection applies only to an individual appointed to fill a
19 vacancy in an office described in section 2 of this chapter. An
20 individual described in this subsection may, but is not required to, take
21 training courses required by subsection (b). If an individual described
22 in this subsection takes a training course required by subsection (b) for
23 an office described in section 2 of this chapter, the city shall pay for the
24 training course as if the individual had been elected or appointed to an
25 office described in section 2 of this chapter.

26 (f) The:

27 (1) city executive;

28 (2) city legislative body; and

29 (3) individual who holds the office described in section 2 of this
30 chapter;

31 shall use all reasonable means to ensure that the individual who holds
32 the office described in section 2 of this chapter complies with the
33 training requirements established by this section.

34 (g) The individual who holds the office described in section 2 of this
35 chapter shall maintain written documentation of the training courses
36 that the individual completes toward the requirements of this section.

37 (h) If a city reorganizes under IC 36-1.5, the individual who
38 performs the functions of an office described in section 2 of this
39 chapter for the city shall comply with the training requirements
40 established by this section for the reorganized political subdivision.

41 **(i) An individual elected or appointed to an office described in**
42 **section 2 of this chapter shall certify completion of the**



1 requirements described in subsection (b) every year and file the
2 certification with the state board of accounts in the same manner
3 as the report required in IC 5-11-1-4(a).

4 SECTION 27. IC 36-4-10-9 IS ADDED TO THE INDIANA CODE
5 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
6 JANUARY 1, 2024]: Sec. 9. If the clerk or clerk-treasurer is unable
7 to perform the fiscal requirements of the clerk's or
8 clerk-treasurer's position, the clerk or clerk-treasurer shall hire or
9 contract with a qualified certified public accountant to:

10 (1) provide guidance to the clerk or clerk-treasurer regarding
11 the performance of the clerk or clerk-treasurer's
12 responsibilities; or

13 (2) perform the clerk or clerk treasurer's fiscal
14 responsibilities.

15 The clerk or clerk-treasurer is considered to be unable to perform
16 the fiscal requirements of the clerk's or clerk-treasurer's position
17 if the city is declared unauditible under IC 5-11-1-9(b).

18 SECTION 28. IC 36-5-6-6, AS AMENDED BY P.L.56-2022,
19 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
20 JANUARY 1, 2024]: Sec. 6. (a) This section does not apply to a town
21 that has adopted an ordinance under IC 36-5-6.5.

22 (b) The clerk-treasurer shall do the following:

23 (1) Receive and care for all town money and pay the money out
24 only on order of the town legislative body.

25 (2) Keep accounts showing when and from what sources the
26 clerk-treasurer has received town money and when and to whom
27 the clerk-treasurer has paid out town money.

28 (3) Prescribe payroll and account forms for all town offices.

29 (4) Prescribe the manner in which creditors, officers, and
30 employees shall be paid.

31 (5) Manage the finances and accounts of the town and make
32 investments of town money.

33 (6) Prepare for the legislative body the budget estimates of
34 miscellaneous revenue, financial statements, and the proposed tax
35 rate.

36 (7) Maintain custody of the town seal and the records of the
37 legislative body.

38 (8) Issue all licenses authorized by statute and collect the fees
39 fixed by ordinance.

40 (9) Serve as clerk of the legislative body by attending its meetings
41 and recording its proceedings.

42 (10) Administer oaths, take depositions, and take



1 acknowledgment of instruments that are required by statute to be
2 acknowledged, without charging a fee.

3 (11) Serve as clerk of the town court under IC 33-35-3-2, if the
4 judge of the court does not serve as clerk of the court or appoint
5 a clerk of the court under IC 33-35-3-1.

6 (12) Perform all other duties prescribed by statute.

7 (c) **Except as provided in IC 5-11**, a clerk-treasurer is not liable,
8 in an individual capacity, for any act or omission occurring in
9 connection with the performance of the requirements set forth in
10 subsection (b), unless the act or omission constitutes gross negligence
11 or an intentional disregard of the requirements.

12 SECTION 29. IC 36-5-6-7 IS AMENDED TO READ AS
13 FOLLOWS [EFFECTIVE JANUARY 1, 2024]: Sec. 7. (a) The
14 clerk-treasurer shall appoint the number of deputies and employees
15 needed for the effective operation of the office, with the approval of the
16 town legislative body. The clerk-treasurer's deputies and employees
17 serve at the clerk-treasurer's pleasure.

18 (b) If a town owns a utility and the clerk-treasurer is directly
19 responsible for the billing and collection of that utility's rates and
20 charges, the clerk-treasurer shall appoint those employees who are also
21 responsible for that billing and collection. These employees serve at the
22 clerk-treasurer's pleasure.

23 (c) **If the clerk-treasurer is unable to perform the fiscal**
24 **requirements of the clerk-treasurer's position, the clerk-treasurer**
25 **shall hire or contract with a qualified certified public accountant**
26 **to:**

27 (1) **provide guidance to the clerk-treasurer regarding the**
28 **performance of the clerk treasurer's responsibilities; or**

29 (2) **perform the clerk-treasurer's fiscal responsibilities.**

30 **The clerk-treasurer is considered to be unable to perform the fiscal**
31 **requirements of the clerk-treasurer's position if the town is**
32 **declared unauditible under IC 5-11-1-9(b).**

33 SECTION 30. IC 36-5-6-9, AS ADDED BY P.L.120-2015,
34 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
35 JANUARY 1, 2024]: Sec. 9. (a) This section applies if an office of
36 town clerk-treasurer is vacant and the town legislative body is unable
37 to fill the office under IC 3-13-9-3.

38 (b) The town legislative body may select a town legislative body
39 member, who shall assume the duties of the office of town
40 clerk-treasurer. For purposes of Article 2, Section 9 of the Constitution
41 of the State of Indiana and Indiana law, if a town legislative body
42 member serves as the ex officio town clerk-treasurer, the duties



1 assumed by the town legislative body member:
 2 (1) are considered part of the duties prescribed by law for the
 3 office of town legislative body member; and
 4 (2) are not considered a second office.
 5 A town legislative body member may not receive any additional
 6 compensation for assuming the duties of the town clerk treasurer.
 7 (c) The town legislative body may **either**:
 8 (1) enter into an interlocal agreement under IC 36-1-7 with the
 9 town clerk-treasurer and town legislative body of another town in
 10 the state to assist the town legislative body member selected
 11 under subsection (b) in performing the duties of the
 12 clerk-treasurer's office, **provided that** the agreement may not last
 13 longer than the remainder of the vacant clerk-treasurer's term and
 14 must meet the requirements of IC 36-1-7; **or**
 15 ~~(d) If an agreement cannot be reached under subsection (c); the~~
 16 ~~town legislative body may~~
 17 (2) enter into a contract with a certified public accountant to assist
 18 the town legislative body member selected under subsection (b)
 19 in performing the duties of the clerk-treasurer's office, **provided**
 20 **that** the contract may not last longer than the remainder of the
 21 vacant clerk-treasurer's term.
 22 SECTION 31. IC 36-5-6-10, AS ADDED BY P.L.257-2019,
 23 SECTION 114, IS AMENDED TO READ AS FOLLOWS
 24 [EFFECTIVE JANUARY 1, 2024]: Sec. 10. (a) As used in this section,
 25 "training courses" refers to training courses, workshops, training
 26 institutes authorized by IC 5-11-14, formal academies, special
 27 seminars, and other in-service training related to an office described in
 28 section 2 of this chapter that are developed or offered under the rubric
 29 of a generally accepted professional association, association of
 30 governments or a state agency or department, or public university or
 31 affiliated center.
 32 (b) An individual elected to the office described in section 2 of this
 33 chapter on or after November 5, 2019, shall complete at least:
 34 (1) fourteen (14) hours of training courses within one (1) year;
 35 and
 36 (2) thirty-six (36) hours of training courses within three (3) years;
 37 after the individual is elected to the office described in section 2 of this
 38 chapter.
 39 (c) A training course that an individual completes:
 40 (1) after being elected to the office described in section 2 of this
 41 chapter; and
 42 (2) before the individual begins serving in the office described in



1 section 2 of this chapter;
2 shall be counted toward the requirements under subsection (b):

3 **(c) An individual first elected or appointed to an office described**
4 **in section 2 of this chapter shall complete five (5) hours of newly**
5 **elected official training courses before the individual first takes**
6 **office. A training course that the individual completes under this**
7 **subsection shall be counted toward the requirements under**
8 **subsection (b).**

9 (d) An individual shall fulfill the training requirements established
10 by subsection (b) for each term to which the individual is elected to the
11 office described in section 2 of this chapter.

12 (e) This subsection applies only to an individual appointed to fill a
13 vacancy in the office described in section 2 of this chapter. An
14 individual described in this subsection may, but is not required to, take
15 training courses required by subsection (b). If an individual described
16 in this subsection takes a training course required by subsection (b) for
17 an individual elected to the office described in section 2 of this chapter,
18 the town shall pay for the training course as if the individual had been
19 elected to the office described in section 2 of this chapter.

20 (f) The:

- 21 (1) town executive;
- 22 (2) town legislative body; and
- 23 (3) individual who holds the office described in section 2 of this
- 24 chapter;

25 shall use all reasonable means to ensure that the individual who holds
26 the office described in section 2 of this chapter complies with the
27 training requirements established by this section.

28 (g) The individual who holds the office described in section 2 of this
29 chapter shall maintain written documentation of the training courses
30 that the individual completes toward the requirements of this section.

31 (h) If a town reorganizes under IC 36-1.5, the individual who
32 performs the functions of the office described in section 2 of this
33 chapter for the town shall comply with the training requirements
34 established by this section for the reorganized political subdivision.

35 **(i) An individual elected or appointed to an office described in**
36 **section 2 of this chapter shall certify completion of the**
37 **requirements described in subsection (b) every year and file the**
38 **certification with the state board of accounts in the same manner**
39 **as the report required in IC 5-11-1-4(a).**

40 SECTION 32. IC 36-6-4-17, AS AMENDED BY P.L.24-2022,
41 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
42 JANUARY 1, 2024]: Sec. 17. (a) **Except as provided in IC 5-11, an**



1 executive who fails to perform a duty imposed by section 3(1), 3(2),
 2 3(3), 3(4), 3(5), 3(7), 3(8), 5, or 14(1) of this chapter is liable to the
 3 township in a sum of not more than one hundred dollars (\$100), to be
 4 recovered in a civil action brought in the name of the township.

5 (b) An executive is entitled to receive the following:

6 (1) The executive's salary.

7 (2) Reimbursement for expenses that are reasonably incurred by
 8 the executive for the following:

9 (A) The operation of the executive's office.

10 (B) Travel and meals while attending seminars or conferences
 11 on township matters.

12 (C) A sum for mileage as permitted under IC 36-6-8-3(b).

13 The executive may not make any other personal use of township funds
 14 without prior approval by the legislative body of the township.

15 (c) An executive who fails to perform a duty imposed by section
 16 3(12), 3(13), or 3(14) of this chapter or subsection (b) may be removed
 17 from office by an action under IC 5-8-1-35 that is initiated under
 18 IC 36-6-4.5.

19 SECTION 33. IC 36-6-4-18, AS AMENDED BY P.L.127-2017,
 20 SECTION 160, IS AMENDED TO READ AS FOLLOWS
 21 [EFFECTIVE JANUARY 1, 2024]: Sec. 18. (a) Within thirty (30) days
 22 after taking office, the executive shall designate a person who shall
 23 perform the executive's duties whenever the executive is incapable of
 24 performing the executive's functions because the executive:

25 (1) is absent from the township; or

26 (2) becomes incapacitated.

27 The executive shall give notice of the designation to the chair of the
 28 township legislative body, the county sheriff, and any other persons
 29 that the executive chooses. The designee shall have all the powers of
 30 the executive. The executive is responsible for all acts of the designee.
 31 The executive may change the designee under this section at any time.

32 (b) The designee shall perform the executive's duties until:

33 (1) the executive is no longer absent from the township; or

34 (2) an acting executive is appointed by the county executive under
 35 section 16 of this chapter.

36 **(c) If the executive is unable to perform the fiscal requirements**
 37 **of the executive's position, the executive shall hire or contract with**
 38 **a qualified certified public accountant to:**

39 **(1) provide guidance to the executive regarding the**
 40 **performance of the executive's responsibilities; or**

41 **(2) perform the executive's fiscal responsibilities.**

42 **The executive is considered to be unable to perform the fiscal**



1 requirements of the executive's position if the township is declared
2 unauditible under IC 5-11-1-9(b).

3 SECTION 34. IC 36-6-4-20 IS ADDED TO THE INDIANA CODE
4 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
5 JANUARY 1, 2024]: Sec. 20. (a) As used in this section, "training
6 courses" refers to training courses, workshops, training institutes
7 authorized by IC 5-11-14, formal academies, special seminars, and
8 other in-service training related to an office described in section 2
9 of this chapter that are developed or offered under the rubric of a
10 generally accepted professional association, association of
11 governments or a state agency or department, or public university
12 or affiliated center.

13 (b) An individual elected to the office described in section 2 of
14 this chapter on or after November 5, 2023, shall complete at least:

- 15 (1) fourteen (14) hours of training courses within one (1) year;
16 and
17 (2) thirty-six (36) hours of training courses within three (3)
18 years;

19 after the individual is elected to the office described in section 2 of
20 this chapter.

21 (c) An individual first elected or appointed to an office described
22 in section 2 of this chapter shall complete five (5) hours of newly
23 elected official training courses before the individual first takes
24 office. A training course that the individual completes under this
25 subsection shall be counted toward the requirements under
26 subsection (b).

27 (d) An individual shall fulfill the training requirements
28 established by subsection (b) for each term to which the individual
29 is elected to the office described in section 2 of this chapter.

30 (e) This subsection applies only to an individual appointed to fill
31 a vacancy in the office described in section 2 of this chapter. An
32 individual described in this subsection may, but is not required to,
33 take training courses required by subsection (b). If an individual
34 described in this subsection takes a training course required by
35 subsection (b) for an individual elected to the office described in
36 section 2 of this chapter, the township shall pay for the training
37 course as if the individual had been elected to the office described
38 in section 2 of this chapter.

39 (f) The:

- 40 (1) township legislative body; and
41 (2) individual who holds the office described in section 2 of
42 this chapter;



1 shall use all reasonable means to ensure that the individual who
2 holds the office described in section 2 of this chapter complies with
3 the training requirements established by this section.
4 (g) The individual who holds the office described in section 2 of
5 this chapter shall maintain written documentation of the training
6 courses that the individual completes toward the requirements of
7 this section.
8 (h) An individual elected or appointed to an office described in
9 section 2 of this chapter shall certify completion of the
10 requirements described in subsection (b) every year and file the
11 certification with the state board of accounts in the same manner
12 as the report required in IC 5-11-1-4(a).



COMMITTEE REPORT

Mr. Speaker: Your Committee on Local Government, to which was referred House Bill 1040, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 8, delete lines 40 through 42, begin a new paragraph and insert:

"SECTION 8. IC 20-41-2-1 IS REPEALED [EFFECTIVE JULY 1, 2023]. Sec. 1: Each township trustee in operating a school lunch program may use either of the following accounting methods:

- (1) The township trustee may supervise and control the program through its school corporation account by establishing a school lunch fund.
- (2) The township trustee may have the program operated by the individual schools of the school corporation through the school corporation's extracurricular account or accounts under IC 20-41-1.

SECTION 9. IC 20-41-2-2 IS REPEALED [EFFECTIVE JULY 1, 2023]. Sec. 2: Each township trustee in operating a curricular materials rental program may use either of the following accounting methods:

- (1) The township trustee may supervise and control the program through its school corporation account by establishing a curricular materials rental fund.
- (2) If curricular materials have not been purchased and financial commitments or guarantees for the purchases have not been made by the school corporation, the township trustee may have the program operated by the individual schools of the school corporation through the school corporation's extracurricular account or accounts under IC 20-41-1.

SECTION 10. IC 20-41-2-3 IS REPEALED [EFFECTIVE JULY 1, 2023]. Sec. 3: (a) If a school lunch fund is established under section 1 of this chapter or a curricular materials rental fund is established under section 2 of this chapter, the receipts and expenditures for each program shall be made to and from the proper fund without appropriation or the application of other laws relating to the budgets of local governmental units.

(b) If either program or both programs under sections 1 and 2 of this chapter are operated through the extracurricular account, the township trustee shall approve the amount of the bond of the treasurer of the extracurricular account in an amount the township trustee considers necessary to protect the account for all funds coming into the hands of



the treasurer."

Page 9, delete lines 1 through 37.

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1040 as introduced.)

MAY

Committee Vote: yeas 11, nays 0.

HOUSE MOTION

Mr. Speaker: I move that House Bill 1040 be amended to read as follows:

Page 8, between lines 10 and 11, begin a new paragraph and insert:

"SECTION 1. IC 20-26-4-1, AS AMENDED BY P.L.233-2015, SECTION 92, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2024]: Sec. 1. (a) As used in this section, "electronic funds transfer" means a transfer of funds, other than a transaction originated by check, draft, or similar paper instrument, that is initiated through an electronic terminal, telephone, or computer or magnetic tape to order, instruct, or authorize a financial institution to debit or credit an account.

(b) The governing body of each school corporation shall organize by electing:

- (1) a president;
- (2) a vice president; and
- (3) a secretary;

each of whom is a different member, not more than fifteen (15) days after the commencement date of the members' terms of office.

(c) A governing body shall, at the time that officers are elected under subsection (b), appoint a treasurer of the governing body and of the school corporation who is a person, other than the superintendent of schools, who is not a member of the governing body. The treasurer may, with the approval of the governing body, appoint a deputy who must be a person, other than the superintendent of schools, who is not a member of the governing body and who has the same powers and duties as the treasurer, or lesser duties as provided by the governing body by rule.

(d) The treasurer is the official custodian of all funds of the school

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corporation and is responsible for the proper safeguarding and accounting for the funds. The treasurer shall:

- (1) issue a receipt for money received by the treasurer;
- (2) deposit money described in subdivision (1) in accordance with the laws governing the deposit of public funds; and
- (3) issue all warrants in payment of expenses lawfully incurred on behalf of the school corporation. However, except as otherwise provided by law, warrants described in this subdivision must be issued only after proper allowance or approval by the governing body. The governing body may not require an allowance or approval for amounts lawfully due in payment of indebtedness or payments due the state, the United States government, or agencies and instrumentalities of the state or the United States government.

A verification, other than a properly itemized invoice, may not be required for any claim. A claim is sufficient as to form if the bill or statement for the claim has printed or stamped on the face of the bill or statement a verification of the bill or statement in language approved by the state board of accounts.

(e) Notwithstanding subsection (d), a treasurer may transact school corporation financial business with a financial institution or a public retirement fund through the use of electronic funds transfer. The treasurer must provide adequate documentation to the governing body of transfers made under this subsection. This subsection applies only to agreements for joint investment of money under IC 5-13-9 and to payments to the Indiana public retirement system for:

- (1) the Indiana state teachers' retirement fund; or
- (2) the public employees' retirement fund;

from participating employers.

(f) **Except as provided in IC 5-11**, a treasurer is not personally liable for an act or omission occurring in connection with the performance of the duties set forth in this section, unless the act or omission constitutes gross negligence or an intentional disregard of the treasurer's duties.

(g) A governing body may establish the position of executive secretary to the governing body. The executive secretary:

- (1) must be an employee of the school corporation;
- (2) may not be a member of the governing body; and
- (3) must be appointed by the governing body upon the recommendation of the superintendent of the school corporation.

The governing body shall determine the duties of the executive secretary, which may include all or part of the duties of the secretary of the board."



Renumber all SECTIONS consecutively.

(Reference is to HB 1040 as printed January 17, 2023.)

LEHMAN

