

# HOUSE BILL No. 1245

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 5-11-10; IC 12-20-20-1; IC 36-6.

**Synopsis:** Township government matters. Requires a township legislative body to approve a claim in a meeting before payment, unless: (1) the township legislative body has adopted a resolution authorizing the township executive to pay the claim in advance of the township legislative body's approval; or (2) the claim is for township assistance. Requires a township legislative body to meet at least quarterly to approve claims.

**Effective:** July 1, 2023.

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January 10, 2023, read first time and referred to Committee on Local Government.

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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. 1245

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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 5-11-10-1, AS AMENDED BY P.L.121-2016,  
2 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2023]: Sec. 1. (a) This section applies to the state and its  
4 political subdivisions. However, this section does not apply to the  
5 following:  
6 (1) A state educational institution, including Ivy Tech Community  
7 College of Indiana.  
8 (2) A municipality (as defined in IC 36-1-2-11).  
9 (3) A county.  
10 (4) An airport authority operating in a consolidated city.  
11 (5) A capital improvements board of managers operating in a  
12 consolidated city.  
13 (6) A board of directors of a public transportation corporation  
14 operating in a consolidated city.  
15 (7) A municipal corporation organized under IC 16-22-8-6.  
16 (8) A public library.  
17 (9) A library services authority.



- 1 (10) A hospital organized under IC 16-22 or a hospital organized  
 2 under IC 16-23.  
 3 (11) A school corporation (as defined in IC 36-1-2-17).  
 4 (12) A regional water or sewer district organized under IC 13-26  
 5 or under IC 13-3-2 (before its repeal).  
 6 (13) A municipally owned utility (as defined in IC 8-1-2-1).  
 7 (14) A board of an airport authority under IC 8-22-3.  
 8 (15) A conservancy district.  
 9 (16) A board of aviation commissioners under IC 8-22-2.  
 10 (17) A public transportation corporation under IC 36-9-4.  
 11 (18) A commuter transportation district under IC 8-5-15.  
 12 (19) A solid waste management district established under  
 13 IC 13-21 or IC 13-9.5 (before its repeal).  
 14 (20) A county building authority under IC 36-9-13.  
 15 (21) A soil and water conservation district established under  
 16 IC 14-32.  
 17 (22) The northwestern Indiana regional planning commission  
 18 established by IC 36-7-7.6-3.  
 19 **(23) A township.**  
 20 (b) No warrant or check shall be drawn by a disbursing officer in  
 21 payment of any claim unless the same has been fully itemized and its  
 22 correctness properly certified to by the claimant or some authorized  
 23 person in the claimant's behalf, and filed and allowed as provided by  
 24 law.  
 25 (c) The certificate provided for in subsection (b) is not required for:  
 26 (1) claims rendered by a public utility for electric, gas, steam,  
 27 water, or telephone services, the charges for which are regulated  
 28 by a governmental body;  
 29 (2) a warrant issued by the auditor of state under IC 4-13-2-7(b);  
 30 (3) a check issued by a special disbursing officer under  
 31 IC 4-13-2-20(g); or  
 32 (4) a payment of fees under IC 36-7-11.2-49(b) or  
 33 IC 36-7-11.3-43(b).  
 34 (d) The disbursing officer shall issue checks or warrants for all  
 35 claims which meet all of the requirements of this section. The  
 36 disbursing officer does not incur personal liability for disbursements:  
 37 (1) processed in accordance with this section; and  
 38 (2) for which funds are appropriated and available.  
 39 (e) The certificate provided for in subsection (b) must be in the  
 40 following form:  
 41 I hereby certify that the foregoing account is just and correct, that  
 42 the amount claimed is legally due, after allowing all just credits,



- 1 and that no part of the same has been paid.
- 2 SECTION 2. IC 5-11-10-1.6, AS AMENDED BY P.L.121-2016,  
 3 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 4 JULY 1, 2023]: Sec. 1.6. (a) As used in this section, "governmental  
 5 entity" refers to any of the following:
- 6 (1) A municipality (as defined in IC 36-1-2-11).
  - 7 (2) A school corporation (as defined in IC 36-1-2-17), including  
 8 a school extracurricular account.
  - 9 (3) A county.
  - 10 (4) A regional water or sewer district organized under IC 13-26  
 11 or under IC 13-3-2 (before its repeal).
  - 12 (5) A municipally owned utility that is subject to IC 8-1.5-3 or  
 13 IC 8-1.5-4.
  - 14 (6) A board of an airport authority under IC 8-22-3.
  - 15 (7) A board of aviation commissioners under IC 8-22-2.
  - 16 (8) A conservancy district.
  - 17 (9) A public transportation corporation under IC 36-9-4.
  - 18 (10) A commuter transportation district under IC 8-5-15.
  - 19 (11) The state.
  - 20 (12) A solid waste management district established under  
 21 IC 13-21 or IC 13-9.5 (before its repeal).
  - 22 (13) A levee authority established under IC 14-27-6.
  - 23 (14) A county building authority under IC 36-9-13.
  - 24 (15) A soil and water conservation district established under  
 25 IC 14-32.
  - 26 (16) The northwestern Indiana regional planning commission  
 27 established by IC 36-7-7.6-3.
  - 28 **(17) A township.**
- 29 (b) As used in this section, "claim" means a bill or an invoice  
 30 submitted to a governmental entity for goods or services.
- 31 (c) The fiscal officer of a governmental entity may not draw a  
 32 warrant or check for payment of a claim unless:
- 33 (1) there is a fully itemized invoice or bill for the claim;
  - 34 (2) the invoice or bill is approved by the officer or person  
 35 receiving the goods and services;
  - 36 (3) the invoice or bill is filed with the governmental entity's fiscal  
 37 officer;
  - 38 (4) the fiscal officer audits and certifies before payment that the  
 39 invoice or bill is true and correct; and
  - 40 (5) payment of the claim is allowed by the governmental entity's  
 41 legislative body or the board or official having jurisdiction over  
 42 allowance of payment of the claim.



1 This subsection does not prohibit a school corporation, with prior  
 2 approval of the board having jurisdiction over allowance of payment of  
 3 the claim, from making payment in advance of receipt of services as  
 4 allowed by guidelines developed under IC 20-20-13-10. This  
 5 subsection does not prohibit a municipality from making meal expense  
 6 advances to a municipal employee who will be traveling on official  
 7 municipal business if the municipal fiscal body has adopted an  
 8 ordinance allowing the advance payment, specifying the maximum  
 9 amount that may be paid in advance, specifying the required invoices  
 10 and other documentation that must be submitted by the municipal  
 11 employee, and providing for reimbursement from the wages of the  
 12 municipal employee if the municipal employee does not submit the  
 13 required invoices and documentation.

14 (d) The fiscal officer of a governmental entity shall issue checks or  
 15 warrants for claims by the governmental entity that meet all of the  
 16 requirements of this section. The fiscal officer does not incur personal  
 17 liability for disbursements:

18 (1) processed in accordance with this section; and

19 (2) for which funds are appropriated and available.

20 (e) The certification provided for in subsection (c)(4) must be on a  
 21 form prescribed by the state board of accounts.

22 SECTION 3. IC 12-20-20-1, AS AMENDED BY P.L.134-2016,  
 23 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 24 JULY 1, 2023]: Sec. 1. (a) If a township trustee, as administrator of  
 25 township assistance, grants township assistance to an indigent  
 26 individual or to any other person or agency on a township assistance  
 27 order as provided by law or obligates the township for an item properly  
 28 payable from township assistance money, the claim against the  
 29 township must be:

30 (1) itemized and sworn to as provided by law;

31 (2) accompanied by the original township assistance order, which  
 32 must be itemized and signed; and

33 (3) checked with the records of the township trustee, as  
 34 administrator of township assistance, and audited and certified by  
 35 the township trustee.

36 (b) The township trustee shall pay claims against the township for  
 37 township assistance in the ~~same manner that other claims against the~~  
 38 ~~township are paid.~~ **provided in IC 36-6-6.5-6.** The township trustee,  
 39 when authorized to pay claims directly to vendors, shall pay a claim  
 40 within forty-five (45) days. The township trustee shall pay the claim  
 41 from:

42 (1) any balance standing to the credit of the township against



1 which the claim is filed; or

2 (2) from any other available fund from which advancements can  
3 be made to the township for that purpose.

4 (c) A township assistance claim for prepaid electric service shall be  
5 paid in accordance with IC 12-20-16-3.5.

6 SECTION 4. IC 36-6-4-15, AS AMENDED BY P.L.127-2017,  
7 SECTION 159, IS AMENDED TO READ AS FOLLOWS  
8 [EFFECTIVE JULY 1, 2023]: Sec. 15. (a) If the executive resigns or  
9 dies, the former executive or the former executive's personal  
10 representative shall immediately deliver to the new executive custody  
11 of all funds and property of the township. The new executive shall then  
12 issue a call for a special meeting of the township legislative body, to be  
13 held not more than fifteen (15) days later. At the special meeting the  
14 legislative body shall **do the following:**

15 (1) Examine the records of the township.

16 (2) Inquire into the conduct of the executive's office. ~~and~~

17 (3) Approve in whole or in part the records, receipts, and  
18 expenditures of the township to the date of death or resignation of  
19 the former executive **that the township legislative body has not**  
20 **yet allowed at a meeting as provided in IC 36-6-6.5.**

21 (b) In the new executive's annual report to the legislative body, the  
22 new executive shall distinguish between the new executive's  
23 transactions and those of the former executive. The legislative body  
24 need not, at its annual meeting under IC 36-6-6-9, review items in the  
25 report that were considered at the special meeting.

26 SECTION 5. IC 36-6-6-9, AS AMENDED BY P.L.127-2017,  
27 SECTION 163, IS AMENDED TO READ AS FOLLOWS  
28 [EFFECTIVE JULY 1, 2023]: Sec. 9. (a) The legislative body shall  
29 meet on or before the third Tuesday after the first Monday in February  
30 of each year. At this meeting it shall consider and approve, in whole or  
31 in part, the annual report of the executive presented under  
32 IC 36-6-4-12. **However, the township legislative body is not**  
33 **required to consider items in the report that the township**  
34 **legislative body has allowed at a meeting as provided in**  
35 **IC 36-6-6.5.**

36 (b) The legislative body may send for persons, books, and papers  
37 necessary in the examination of the report. A member may administer  
38 oaths necessary in the examination of the report.

39 (c) Any sum in the control of the executive that remains unexpended  
40 and is subject to no liability shall be credited in favor of the fund for  
41 which it was appropriated.

42 (d) Any fund expended, in whole or in part, for a purpose for which



1 it was not appropriated shall be considered unexpended and in the  
2 control of the executive, who is liable on the executive's bond for such  
3 an expenditure.

4 (e) When its examination of the report is completed, the legislative  
5 body shall take action on the report, specifying the parts of the report  
6 that are altered or disallowed. The report remains under the control of  
7 the legislative body and in the custody of its chair, who shall keep it  
8 open to inspection by taxpayers of the township.

9 SECTION 6. IC 36-6-6.5 IS ADDED TO THE INDIANA CODE  
10 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
11 JULY 1, 2023]:

12 **Chapter 6.5. Township Fiscal Provisions**

13 **Sec. 1. As used in this chapter, "claim" has the meaning set**  
14 **forth in IC 5-11-10-1.6.**

15 **Sec. 2. (a) Township funds may be disbursed only upon a**  
16 **warrant of the township executive.**

17 **(b) Except as otherwise provided by statute, the township**  
18 **executive may draw a warrant for payment of a claim only if the**  
19 **claim is:**

- 20 (1) **filed in the manner prescribed by IC 5-11-10-2; and**  
21 (2) **allowed at a meeting of the township legislative body.**

22 **Sec. 3. A claim against a township may be allowed by the**  
23 **township legislative body only if the claim:**

- 24 (1) **satisfies the requirements of IC 5-11-10-1.6;**  
25 (2) **is placed on the claim docket at least five (5) days before**  
26 **the township legislative body meets to allow claims; and**  
27 (3) **is certified by the township executive before payment that**  
28 **each invoice is true and correct on a form prescribed by the**  
29 **state board of accounts.**

30 **Sec. 4. The township legislative body shall:**

- 31 (1) **meet at least quarterly to consider and allow claims; and**  
32 (2) **adopt a resolution stating the frequency of the township**  
33 **legislative body's meetings to allow claims.**

34 **Sec. 5. (a) Notwithstanding IC 5-11-10 or any other provision of**  
35 **this chapter, the township legislative body may adopt a resolution**  
36 **that authorizes the township executive to pay the following**  
37 **expenses before the township legislative body allows the claim:**

- 38 (1) **Property or services purchased or leased from:**  
39 (A) **the United States government; or**  
40 (B) **an agency or a political subdivision of the United States**  
41 **government.**  
42 (2) **License fees or permit fees.**



- 1           **(3) Insurance premiums.**  
 2           **(4) Utility payments or utility connection charges.**  
 3           **(5) Federal grant programs if:**  
 4               **(A) advance funding is not prohibited; and**  
 5               **(B) the contracting party provides sufficient security for**  
 6               **the amount advanced.**  
 7           **(6) Grants of state funds authorized by statute.**  
 8           **(7) Maintenance agreements or service agreements.**  
 9           **(8) Lease agreements or rental agreements.**  
 10          **(9) Principal and interest payments on bonds.**  
 11          **(10) Payroll.**  
 12          **(11) State, federal, or county taxes.**  
 13          **(12) Expenses that must be paid because of emergency**  
 14          **circumstances.**  
 15          **(13) Expenses described in a resolution.**  
 16          **(b) The township legislative body shall allow a claim paid under**  
 17          **this section at the township legislative body's next regular or**  
 18          **special meeting following the preapproved payment of the expense.**  
 19          **Sec. 6. (a) This section applies only to a claim for township**  
 20          **assistance.**  
 21          **(b) Notwithstanding IC 5-11-10 or any other provision of this**  
 22          **chapter, the township executive may pay claims against the**  
 23          **township for township assistance:**  
 24               **(1) in accordance with IC 12-20-20-1; and**  
 25               **(2) before the township legislative body meets to allow the**  
 26               **claim.**  
 27          **(c) The township legislative body shall allow a claim paid under**  
 28          **this section at the next regular or special meeting of the township**  
 29          **legislative body following the payment of the claim.**

