



February 1, 2019

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## HOUSE BILL No. 1375

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DIGEST OF HB 1375 (Updated January 30, 2019 6:15 pm - DI 87)

**Citations Affected:** IC 5-11; IC 5-14; IC 5-28; IC 6-1.1; IC 33-32; IC 36-2; IC 36-4; IC 36-5; IC 36-6.

**Synopsis:** State board of accounts. Makes various changes to statutes concerning the state board of accounts (board). Provides that an examination of an entity shall be limited to matters relevant to the use of public money received by the entity. Relocates language addressing examinations of certain not-for-profit corporations. Provides that an examination of a not-for-profit corporation that derives at least 50% but less than \$750,000 (rather than \$200,000, under current law) of its disbursements from appropriations, public funds, taxes, and other sources of public expense shall be limited to matters relevant to the use of the public money received by the entity. Provides that an individual may confidentially report suspected malfeasance, misfeasance, or nonfeasance that involves an individual who has responsibility for administering public funds on behalf of an entity. Expands the list of individuals to whom the board may disclose examination workpapers and investigation records. Makes changes to the procedure governing the payment of delinquent property taxes and specifies how delinquent property tax payments are to be applied. Eliminates a requirement that the county auditor transmit a monthly financial report to the board. Authorizes a county fiscal body to establish a salary schedule that includes greater compensation for the presiding officer or secretary of the county fiscal body or county executive if certain conditions are satisfied. Defines "compensation" for purposes of statutes concerning compensation paid to elected county, city, town, and township officials (local elected officials). Provides that certain information must be included in an ordinance establishing compensation for local elected officials. Makes corresponding changes.

**Effective:** July 1, 2019.

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### Lehman, Porter

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January 14, 2019, read first time and referred to Committee on Government and Regulatory Reform.  
January 31, 2019, amended, reported — Do Pass.

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HB 1375—LS 6955/DI 129





February 1, 2019

First Regular Session of the 121st General Assembly (2019)

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 2018 Regular and Special Session of the General Assembly.

## HOUSE BILL No. 1375

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A BILL FOR AN ACT to amend the Indiana Code concerning state and local administration.

*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.237-2017,  
2 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2019]: Sec. 9. (a) The state examiner, personally or through  
4 the deputy examiners, field examiners, or private examiners, shall  
5 examine all accounts and all financial affairs of every public office and  
6 officer, state office, state institution, and entity. **However, an**  
7 **examination of an entity under this subsection shall be limited to**  
8 **matters relevant to the use of the public money received by the**  
9 **entity.**  
10 (b) An examination of an entity **that is organized as a**  
11 **not-for-profit corporation** deriving:  
12 (1) less than fifty percent (50%); or  
13 (2) subject to subsection ~~(h)~~; **(i)**, at least fifty percent (50%) but  
14 less than ~~two~~ **seven** hundred **fifty** thousand dollars ~~(\$200,000)~~  
15 **(\$750,000)**; if the entity is ~~organized as a not-for-profit~~  
16 ~~corporation~~;  
17 of its disbursements during the period subject to an examination from

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1 appropriations, public funds, taxes, and other sources of public expense  
 2 shall be limited to matters relevant to the use of the public money  
 3 received by the entity.

4 (c) The examination of an entity described in subsection (b) may be  
 5 waived by the state examiner if the state examiner determines ~~in~~  
 6 ~~writing~~ that:

7 **(1) ~~at~~ in consideration of the applicable risk based**  
 8 **examination criteria described in and approved under section**  
 9 **25 of this chapter; and**

10 **(2) based on submitted information;**

11 **there are no compelling reasons to conclude that** disbursements of  
 12 public money during the period subject to examination were ~~made for~~  
 13 **inconsistent with** the purposes for which the money was received.  
 14 However, the **state examiner may revoke a waiver granted under**  
 15 **this subsection if the state examiner determines that revocation of**  
 16 **the waiver is necessary in accordance with the risk based**  
 17 **examination criteria set forth in section 25 of this chapter. The**  
 18 **state examiner shall communicate the determination to grant or**  
 19 **revoke a waiver under this subsection to the entity in writing.**

20 **(d) Notwithstanding any other law, the:**

21 (1) Indiana economic development corporation created by  
 22 IC 5-28-3 and the corporation's funds, accounts, and financial  
 23 affairs shall be examined by the state board of accounts unless the  
 24 examination is waived under subsection ~~(i)~~; **(j)**; and

25 (2) department of financial institutions established by  
 26 IC 28-11-1-1 and the department's funds, accounts, and financial  
 27 affairs shall be examined by the state board of accounts.

28 ~~(d)~~ **(e)** On every examination under this section, inquiry shall be  
 29 made as to the following:

30 (1) The financial condition and resources of each municipality,  
 31 office, institution, or entity.

32 (2) Whether the laws of the state and the uniform compliance  
 33 guidelines of the state board of accounts established under section  
 34 24 of this chapter have been complied with.

35 (3) The methods and accuracy of the accounts and reports of the  
 36 person examined.

37 The examinations may be made without notice.

38 ~~(e)~~ **(f)** If during an examination of a state office under this chapter  
 39 the examiner encounters an inefficiency in the operation of the state  
 40 office, the examiner may comment on the inefficiency in the examiner's  
 41 report.

42 ~~(f)~~ **(g)** The state examiner, deputy examiners, any field examiner, or



1 any private examiner, when engaged in making any examination or  
 2 when engaged in any official duty devolved upon them by the state  
 3 examiner, is entitled to do the following:

4 (1) Enter into any state, county, city, township, or other public  
 5 office in this state, or any entity, agency, or instrumentality, and  
 6 examine any books, papers, documents, or electronically stored  
 7 information for the purpose of making an examination.

8 (2) Have access, in the presence of the custodian or the  
 9 custodian's deputy, to the cash drawers and cash in the custody of  
 10 the officer.

11 (3) During business hours, examine the public accounts in any  
 12 depository that has public funds in its custody pursuant to the  
 13 laws of this state.

14 ~~(g)~~ **(h)** The state examiner, deputy examiner, or any field examiner,  
 15 when engaged in making any examination authorized by law, may issue  
 16 subpoenas for witnesses to appear before the examiner in person or to  
 17 produce books, papers, or other records (including records stored in  
 18 electronic data processing systems) for inspection and examination.  
 19 The state examiner, deputy examiner, and any field examiner may  
 20 administer oaths and examine witnesses under oath orally or by  
 21 interrogatories concerning the matters under investigation and  
 22 examination. Under the authority of the state examiner, the oral  
 23 examinations may be transcribed with the reasonable expense paid by  
 24 the examined person in the same manner as the compensation of the  
 25 field examiner is paid. The subpoenas shall be served by any person  
 26 authorized to serve civil process from any court in this state. If a  
 27 witness duly subpoenaed refuses to attend, refuses to produce  
 28 information required in the subpoena, or attends and refuses to be  
 29 sworn or affirmed, or to testify when called upon to do so, the examiner  
 30 may apply to the circuit court having jurisdiction of the witness for the  
 31 enforcement of attendance and answers to questions as provided by the  
 32 law governing the taking of depositions.

33 ~~(h)~~ **(i)** The definitions in IC 20-24-1 apply throughout this  
 34 subsection. Appropriations, public funds, taxes, and other sources of  
 35 public money received by a nonprofit corporation as a charter school  
 36 or organizer of a charter school for the purposes of a charter school  
 37 may not be counted for the purpose of applying subsection (b)(2).  
 38 Unless the nonprofit corporation receives other public money that  
 39 would qualify the nonprofit corporation for a full examination of all  
 40 accounts and financial affairs of the entity under subsection (b)(2), an  
 41 examination of a charter school or organizer of a charter school must  
 42 be limited to matters relevant to the use of the public money received



1 for the charter school. This subsection does not prohibit the state  
 2 examiner, personally or through the deputy examiners, field examiners,  
 3 or private examiners, from examining the accounts in which  
 4 appropriations, public funds, taxes, or other sources of public money  
 5 are applied that are received by a nonprofit corporation as a charter  
 6 school or organizer of a charter school relating to the operation of the  
 7 charter school.

8 (j) The state examiner may waive the examination of the Indiana  
 9 economic development corporation and a nonprofit subsidiary  
 10 corporation established under IC 5-28-5-13 if:

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

13 (A) the Indiana economic development corporation and the  
 14 Indiana economic development corporation's funds, accounts,  
 15 and financial affairs; and

16 (B) the nonprofit subsidiary corporation;

17 for the year;

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

20 (3) the state board of accounts reviews the examination report and  
 21 determines that the examination and examination report comply  
 22 with the uniform compliance guidelines, directives, and standards  
 23 established by the state board of accounts.

24 (k) Notwithstanding the waiver of an examination of the Indiana  
 25 economic development corporation and its nonprofit subsidiary  
 26 corporation by the state examiner, the state board of accounts may  
 27 examine the Indiana economic development corporation and its  
 28 nonprofit subsidiary corporation at any time.

29 SECTION 2. IC 5-11-1-9.5, AS AMENDED BY P.L.52-2015,  
 30 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 31 JULY 1, 2019]: Sec. 9.5. (a) An individual may report suspected  
 32 malfeasance, misfeasance, or nonfeasance by:

33 (1) a public officer; or

34 (2) **an individual who has responsibility for administering  
 35 public funds on behalf of an entity;**

36 to the state board of accounts. The individual's identity is confidential  
 37 unless a civil proceeding is pending under IC 5-11-5-1(a) and the court  
 38 orders disclosure.

39 (b) The state examiner may not undertake an examination of a  
 40 public office, officer, **entity**, or institution based on the allegation of an  
 41 individual, organization, **entity**, or institution that a violation of the law  
 42 has occurred unless:



1 (1) the individual or representative of the organization, **entity**, or  
 2 institution makes the allegation in the form of a sworn statement  
 3 that the individual or representative believes the allegation to be  
 4 true; or

5 (2) the state examiner has probable cause to believe that a  
 6 violation of the law has occurred.

7 (c) A public office, officer, **entity**, or institution may not retaliate  
 8 against an employee of the state or a political subdivision for making  
 9 a report under subsection (a) or a sworn statement described in  
 10 subsection (b).

11 (d) An individual who has been discharged, demoted, suspended,  
 12 threatened, harassed, or otherwise discriminated against by the  
 13 individual's employer in the terms and conditions of employment as a  
 14 result of the individual's good faith reporting actions under this section  
 15 is entitled to all relief necessary to make the individual whole.

16 (e) Relief under subsection (d) for an individual bringing an action  
 17 against a person who is not a state officer or state agency includes the  
 18 following:

19 (1) Reinstatement with the same seniority status the individual  
 20 would have but for the act described in subsection (d).

21 (2) Two (2) times the amount of back pay that is owed to the  
 22 individual.

23 (3) Interest on the back pay that is owed to the individual.

24 (4) Compensation for any special damages sustained by the  
 25 individual as a result of the act described in subsection (d),  
 26 including costs and expenses of litigation and reasonable  
 27 attorney's fees.

28 (f) An individual may bring an action against a person who is not a  
 29 state officer or state agency for the relief provided in this section in a  
 30 court with jurisdiction.

31 SECTION 3. IC 5-11-5-1, AS AMENDED BY P.L.188-2016,  
 32 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 33 JULY 1, 2019]: Sec. 1. (a) Whenever an examination is made under  
 34 this article, a report of the examination shall be made. The report must  
 35 include a list of findings and shall be signed and verified by the  
 36 examiner making the examination. A finding that is critical of an  
 37 examined entity must be based upon one (1) of the following:

38 (1) Failure of the entity to observe a uniform compliance  
 39 guideline established under IC 5-11-1-24(a).

40 (2) Failure of the entity to comply with a specific law.

41 A report that includes a finding that is critical of an examined entity  
 42 must designate the uniform compliance guideline or the specific law



1 upon which the finding is based. The reports shall immediately be filed  
2 with the state examiner, and, after inspection of the report, the state  
3 examiner shall immediately file one (1) copy with the officer or person  
4 examined, one (1) copy with the auditing department of the  
5 municipality examined and reported upon (if the subject of the report  
6 is a municipality), and one (1) copy in an electronic format under  
7 IC 5-14-6 with the legislative services agency, as staff to the audit  
8 committee and the general assembly. Upon filing, the report becomes  
9 a part of the public records of the office of the state examiner, of the  
10 office or the person examined, of the auditing department of the  
11 municipality examined and reported upon, and of the legislative  
12 services agency, as staff to the audit committee and the general  
13 assembly. A report is open to public inspection at all reasonable times  
14 after it is filed. If an examination discloses malfeasance, misfeasance,  
15 or nonfeasance in office or of any officer or employee, a copy of the  
16 report, signed and verified, shall be placed by the state examiner with  
17 the attorney general and the inspector general. The attorney general  
18 shall diligently institute and prosecute civil proceedings against the  
19 delinquent officer, or upon the officer's official bond, or both, and  
20 against any other proper person that will secure to the state or to the  
21 proper municipality the recovery of any funds misappropriated,  
22 diverted, or unaccounted for.

23 (b) Before an examination report is signed, verified, and filed as  
24 required by subsection (a), the officer or the chief executive officer of  
25 the state office, municipality, or entity examined must have an  
26 opportunity to review the report and to file with the state examiner a  
27 written response to that report. If a written response is filed, it becomes  
28 a part of the examination report that is signed, verified, and filed as  
29 required by subsection (a). As part of the review of the examination  
30 report, the state examiner shall hold a gathering of the officer or chief  
31 executive officer of the state office, municipality, or entity examined,  
32 any employees or agents of the state office, municipality, or entity  
33 examined who are requested to attend by the officer or chief executive  
34 officer of the state office, municipality, or entity examined, and the  
35 members of the legislative and fiscal bodies of the municipality or  
36 entity examined. Such a gathering is referred to as an "exit conference"  
37 for purposes of this subsection. The following apply to an exit  
38 conference:

39 (1) All information discussed and materials presented or delivered  
40 by any person during an exit conference are confidential and may  
41 not be discussed or shared publicly until the earliest of the  
42 occurrences set forth in subsection (g). However, the information





1 discussed and materials presented or delivered during an exit  
2 conference may be shared with an officer, employee, consultant,  
3 adviser, or attorney of the officer or chief executive officer of the  
4 state office, municipality, or entity examined who was not present  
5 at the exit conference. An individual with whom information and  
6 materials are shared must maintain the confidentiality of the  
7 information and materials as provided in this subdivision until the  
8 earliest of the occurrences set forth in subsection (g).

9 (2) An individual attending an exit conference may not  
10 electronically record the exit conference.

11 (3) If a majority of a governing body (as defined in  
12 IC 5-14-1.5-2(b)) is present during an exit conference, the  
13 governing body shall be considered in an executive session under  
14 IC 5-14-1.5. However, the governing body has no obligation to  
15 give notice as prescribed by IC 5-14-1.5-5 when it participates in  
16 the exit conference.

17 (4) If the state examiner determines after the exit conference that  
18 additional actions must be undertaken by a deputy examiner, field  
19 examiner, or private examiner with respect to information  
20 discussed or materials presented at the exit conference, the state  
21 examiner may call for an additional exit conference to be held.

22 (5) Not more than thirty (30) days after the initial exit conference  
23 is held under this subsection, the legislative body of the  
24 municipality or entity examined and reported upon may adopt a  
25 resolution, approved by at least a two-thirds (2/3) vote of the  
26 legislative body, requesting that an additional exit conference be  
27 held. The legislative body shall notify the state board of accounts  
28 if the legislative body adopts a resolution under this subdivision.  
29 If a legislative body adopts a resolution under this subdivision, the  
30 state board of accounts shall conduct an additional exit  
31 conference not more than sixty (60) days after the state board of  
32 accounts receives notice of the adoption of the resolution. The  
33 municipality or entity examined must pay the travel and staff  
34 costs incurred by the state board of accounts in conducting an  
35 additional exit conference under this subdivision.

36 (6) Except as provided in subdivision (7), a final report under  
37 subsection (a) may not be issued earlier than forty-five (45) days  
38 after the initial exit conference is held under this subsection.

39 (7) If:

40 (A) the state examiner does not call for an additional exit  
41 conference to be held as described in subdivision (4); and

42 (B) the:



- 1 (i) legislative body of the municipality or entity examined  
 2 and reported upon provides written notice to the state  
 3 examiner that the legislative body waives an additional exit  
 4 conference described in subdivision (5); or  
 5 (ii) state examiner determines that a final report under  
 6 subsection (a) must be issued as soon as possible;  
 7 the final report may be issued earlier than forty-five (45) days  
 8 after the initial exit conference is held under this subsection.
- 9 (c) Except as provided by subsections (b), (d), and (e), it is unlawful  
 10 for any person, before an examination report is made public as  
 11 provided by this section, to make any disclosure of the result of any  
 12 examination of any public account, except:  
 13 (1) to the state examiner;  
 14 (2) if directed to give publicity to the examination report by the  
 15 state examiner or by any court;  
 16 (3) to another deputy examiner, field examiner, or private  
 17 examiner engaged in conducting the examination; or  
 18 (4) if directed by the state examiner, to the chair of the audit  
 19 committee or the members of the audit committee acting in  
 20 executive session, or both.
- 21 If an examination report shows or discloses the commission of a crime  
 22 by any person, it is the duty of the state examiner to transmit and  
 23 present the examination report to the prosecuting attorney of the county  
 24 in which the crime was committed. The state examiner shall furnish to  
 25 the prosecuting attorney all evidence at the state examiner's command  
 26 necessary in the investigation and prosecution of the crime.
- 27 (d) If, during an examination under this article, a deputy examiner,  
 28 field examiner, or private examiner acting as an agent of the state  
 29 examiner determines that the following conditions are satisfied, the  
 30 examiner shall report the determination to the state examiner:  
 31 (1) A substantial amount of public funds has been  
 32 misappropriated or diverted.  
 33 (2) The deputy examiner, field examiner, or private examiner  
 34 acting as an agent of the state examiner has a reasonable belief  
 35 that the malfeasance or misfeasance that resulted in the  
 36 misappropriation or diversion of the public funds was committed  
 37 by the officer or an employee of the office.
- 38 (e) After receiving a preliminary report under subsection (d), the  
 39 state examiner may provide a copy of the report to the attorney general.  
 40 The attorney general may institute and prosecute civil proceedings  
 41 against the delinquent officer or employee, or upon the officer's or  
 42 employee's official bond, or both, and against any other proper person



1 that will secure to the state or to the proper municipality the recovery  
2 of any funds misappropriated, diverted, or unaccounted for.

3 (f) In an action under subsection (e), the attorney general may attach  
4 the defendant's property under IC 34-25-2.

5 (g) Except as permitted in this section, the information and materials  
6 that are part of an exit conference under subsection (b) and the results  
7 of an examination, including a preliminary report under subsection (d),  
8 are confidential until the occurrence of the earliest of the following:

9 (1) The final report is made public under subsection (a).

10 (2) The results of the examination are publicized under subsection  
11 (c)(2).

12 (3) The attorney general institutes an action under subsection (e)  
13 on the basis of the preliminary report.

14 (h) Except as permitted in this section, an individual, a public  
15 agency (as defined in IC 5-14-3-2), a public employee, a public official,  
16 or an employee or officer of a contractor or subcontractor of a public  
17 agency that knowingly or intentionally discloses information in  
18 violation of subsection (b) or (g), regardless of whether the information  
19 is received orally or by any other means, is subject to the following:

20 (1) A public agency (as defined in IC 5-14-3-2), a public  
21 employee, a public official, or an employee or officer of a  
22 contractor or subcontractor of a public agency commits a Class A  
23 infraction under IC 5-14-3-10.

24 (2) If the disclosure is by a person who is not described in  
25 subdivision (1), the person commits a Class A infraction.

26 (i) Unless in accordance with a judicial order or as otherwise  
27 provided in this section, the state board of accounts or its employees,  
28 former employees, counsel, or agents, or any other person may not  
29 divulge the examination workpapers and investigation records of a  
30 deputy examiner, a field examiner, or a private examiner acting as an  
31 agent of the state examiner, except to:

32 (1) employees and members of the state board of accounts;

33 (2) the audit committee;

34 (3) law enforcement officers, the attorney general, a prosecuting  
35 attorney, or any other legal representative of the state in any  
36 action with respect to the misappropriation or diversion of public  
37 funds; or

38 (4) an authorized representative of the United States;

39 **(5) a successor examiner or auditor, in accordance with  
40 applicable professional auditing standards; or**

41 **(6) another individual for any other factor that constitutes  
42 good cause as set forth in criteria established by the state**



1 **examiner and approved by the audit committee.**

2 (j) An individual described in subsection (i)(3) or (i)(4) who  
3 receives examination workpapers and investigation records described  
4 in subsection (i) may divulge the workpapers and records in any action  
5 with respect to the misappropriation or diversion of public funds.

6 SECTION 4. IC 5-14-1.5-2.1, AS ADDED BY P.L.179-2007,  
7 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
8 JULY 1, 2019]: Sec. 2.1. (a) "Public agency", for purposes of this  
9 chapter, does not mean a provider of goods, services, or other benefits  
10 that meets the following requirements:

11 (1) The provider receives public funds through an agreement with  
12 the state, a county, or a municipality that meets the following  
13 requirements:

14 (A) The agreement provides for the payment of fees to the  
15 entity in exchange for services, goods, or other benefits.

16 (B) The amount of fees received by the entity under the  
17 agreement is not based upon or does not involve a  
18 consideration of the tax revenues or receipts of the state,  
19 county, or municipality.

20 (C) The amount of the fees are negotiated by the entity and the  
21 state, county, or municipality.

22 (D) The state, county, or municipality is billed for fees by the  
23 entity for the services, goods, or other benefits actually  
24 provided by the entity.

25 (2) The provider is not required by statute, rule, or regulation to  
26 be audited by the state board of accounts.

27 **(b) Notwithstanding any other law, the examination of a local  
28 economic development organization under IC 5-11-1 does not  
29 cause the local economic development organization to be  
30 considered a public agency for purposes of this chapter.**

31 SECTION 5. IC 5-14-3-2.1, AS ADDED BY P.L.179-2007,  
32 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
33 JULY 1, 2019]: Sec. 2.1. (a) "Public agency", for purposes of this  
34 chapter, does not mean a provider of goods, services, or other benefits  
35 that meets the following requirements:

36 (1) The provider receives public funds through an agreement with  
37 the state, a county, or a municipality that meets the following  
38 requirements:

39 (A) The agreement provides for the payment of fees to the  
40 entity in exchange for services, goods, or other benefits.

41 (B) The amount of fees received by the entity under the  
42 agreement is not based upon or does not involve a



- 1 consideration of the tax revenues or receipts of the state,
- 2 county, or municipality.
- 3 (C) The amount of the fees are negotiated by the entity and the
- 4 state, county, or municipality.
- 5 (D) The state, county, or municipality is billed for fees by the
- 6 entity for the services, goods, or other benefits actually
- 7 provided by the entity.
- 8 (2) The provider is not required by statute, rule, or regulation to
- 9 be audited by the state board of accounts.

10 **(b) Notwithstanding any other law, the examination of a local**  
 11 **economic development organization under IC 5-11-1 does not**  
 12 **cause the local economic development organization to be**  
 13 **considered a public agency for purposes of this chapter.**

14 SECTION 6. IC 5-28-3-2, AS AMENDED BY P.L.237-2017,  
 15 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 16 JULY 1, 2019]: Sec. 2. (a) The corporation is a body politic and  
 17 corporate, not a state agency but an independent instrumentality  
 18 exercising essential public functions.

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

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

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

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

35 SECTION 7. IC 5-28-5-13, AS AMENDED BY P.L.237-2017,  
 36 SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 37 JULY 1, 2019]: Sec. 13. (a) Notwithstanding section 12 of this chapter,  
 38 the board may establish a nonprofit subsidiary corporation to solicit  
 39 and accept private sector funding, gifts, donations, bequests, devises,  
 40 and contributions.

- 41 (b) A subsidiary corporation established under this section:
- 42 (1) must use money received under subsection (a) to carry out in



- 1 any manner the purposes and programs under this article;
- 2 (2) must report to the budget committee each year concerning:
- 3 (A) the use of money received under subsection (a); and
- 4 (B) the balances in any accounts or funds established by the
- 5 subsidiary corporation; and
- 6 (3) may deposit money received under subsection (a) in an
- 7 account or fund that is:
- 8 (A) administered by the subsidiary corporation; and
- 9 (B) not part of the state treasury.
- 10 (c) Except as provided in ~~IC 5-11-1-9(i)~~; **IC 5-11-1-9(j)**, the state
- 11 board of accounts shall audit a subsidiary corporation established under
- 12 this section.
- 13 SECTION 8. IC 6-1.1-37-10, AS AMENDED BY P.L.232-2017,
- 14 SECTION 39, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 15 JULY 1, 2019]: Sec. 10. (a) If ~~an installment of~~ property taxes **is due**
- 16 **and payable are** not completely paid on or before the due date, a
- 17 penalty shall be added to the unpaid portion in the year of the initial
- 18 delinquency. The penalty is equal to an amount determined as follows:
- 19 (1) If:
- 20 (A) ~~an installment of the~~ real property taxes **is due and**
- 21 **payable are** completely paid on or before the date thirty (30)
- 22 days after the due date; and
- 23 (B) the taxpayer is not liable for:
- 24 (i) delinquent property taxes first due and payable in a
- 25 previous ~~installment tax payment~~ for the same parcel; **or**
- 26 **(ii) a penalty that is owed from a previous tax payment**
- 27 **for the same parcel;**
- 28 the amount of the penalty is equal to five percent (5%) of the
- 29 amount of delinquent taxes.
- 30 (2) If:
- 31 (A) ~~an installment of~~ personal property taxes **is due and**
- 32 **payable are not** completely paid on or before the date thirty
- 33 (30) days after the due date; and
- 34 (B) the taxpayer is not liable for:
- 35 (i) delinquent property taxes first due and payable in a
- 36 previous ~~installment tax payment~~ for a personal property
- 37 tax return for property in the same taxing district; **or**
- 38 **(ii) a penalty that is owed from a previous tax payment;**
- 39 the amount of the penalty is equal to five percent (5%) of the
- 40 amount of delinquent taxes.
- 41 (3) If subdivision (1) or (2) does not apply, the amount of the
- 42 penalty is equal to ten percent (10%) of the amount ~~of delinquent~~



1 ~~taxes due and payable as of the tax date.~~

2 **A payment received under this subsection shall be applied first to**  
 3 **the delinquent tax amount and then to any associated penalties.**

4 (b) With respect to property taxes due in two (2) equal installments  
 5 under IC 6-1.1-22-9(a), on the day immediately following the due dates  
 6 of the first and second installments in each year following the year of  
 7 the initial delinquency, an additional penalty equal to ten percent (10%)  
 8 of any taxes remaining unpaid shall be added. With respect to property  
 9 taxes due in installments under IC 6-1.1-22-9.5, an additional penalty  
 10 equal to ten percent (10%) of any taxes remaining unpaid shall be  
 11 added on the day immediately following each date that succeeds the  
 12 last installment due date by:

- 13 (1) six (6) months; or  
 14 (2) a multiple of six (6) months.

15 (c) The penalties under subsection (b) are imposed only on the  
 16 principal amount of the delinquent taxes.

17 (d) If the department of local government finance determines that  
 18 an emergency has occurred which precludes the mailing of the tax  
 19 statement in any county at the time set forth in IC 6-1.1-22-8.1, the  
 20 department shall establish by order a new date on which the installment  
 21 of taxes in that county is due and no installment is delinquent if paid by  
 22 the date so established.

23 (e) If any due date falls on a Saturday, a Sunday, a national legal  
 24 holiday recognized by the federal government, or a statewide holiday,  
 25 the act that must be performed by that date is timely if performed by  
 26 the next succeeding day that is not a Saturday, a Sunday, or one (1) of  
 27 those holidays.

28 (f) Subject to subsections (g) and (h), a payment to the county  
 29 treasurer is considered to have been paid by the due date if the payment  
 30 is:

- 31 (1) received on or before the due date by the county treasurer or  
 32 a collecting agent appointed by the county treasurer;  
 33 (2) deposited in United States first class mail:  
 34 (A) properly addressed to the principal office of the county  
 35 treasurer;  
 36 (B) with sufficient postage; and  
 37 (C) postmarked by the United States Postal Service as mailed  
 38 on or before the due date;  
 39 (3) deposited with a nationally recognized express parcel carrier  
 40 and is:  
 41 (A) properly addressed to the principal office of the county  
 42 treasurer; and



- 1 (B) verified by the express parcel carrier as:
- 2 (i) paid in full for final delivery; and
- 3 (ii) received by the express parcel carrier on or before the
- 4 due date;
- 5 (4) deposited to be mailed through United States registered mail,
- 6 United States certified mail, or United States certificate of
- 7 mailing:
- 8 (A) properly addressed to the principal office of the county
- 9 treasurer;
- 10 (B) with sufficient postage; and
- 11 (C) with a date of registration, certification, or certificate, as
- 12 evidenced by any record authenticated by the United States
- 13 Postal Service, on or before the due date; or
- 14 (5) made by an electronic funds transfer and the taxpayer's bank
- 15 account is charged on or before the due date.
- 16 For purposes of this subsection, "postmarked" does not mean the date
- 17 printed by a postage meter that affixes postage to the envelope or
- 18 package containing a payment.
- 19 (g) If a payment is mailed through the United States mail and is
- 20 physically received after the due date without a legible correct
- 21 postmark, the person who mailed the payment is considered to have
- 22 made the payment on or before the due date if the person can show by
- 23 reasonable evidence that the payment was deposited in the United
- 24 States mail on or before the due date.
- 25 (h) If a payment is sent via the United States mail or a nationally
- 26 recognized express parcel carrier but is not received by the designated
- 27 recipient, the person who sent the payment is considered to have made
- 28 the payment on or before the due date if the person:
- 29 (1) can show by reasonable evidence that the payment was
- 30 deposited in the United States mail, or with the express parcel
- 31 carrier, on or before the due date; and
- 32 (2) makes a duplicate payment within thirty (30) days after the
- 33 date the person is notified that the payment was not received.
- 34 SECTION 9. IC 33-32-3-6 IS AMENDED TO READ AS
- 35 FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 6. (a) Before the
- 36 twenty-fifth day of each month, the clerk shall prepare a report showing
- 37 as of the close of business on the last day of the preceding month the
- 38 following information:
- 39 (1) The balance, if any, of fees payable to the county.
- 40 (2) Fees collected for fish and game licenses.
- 41 (3) Trust funds held, including payments collected for support.
- 42 (4) The total of the balances of all fees and funds.





- 1 (5) The record balance of money in each depository at the end of
- 2 the month.
- 3 (6) The cash in the office at the close of the last day of the month.
- 4 (7) Any other items for which the clerk of the circuit court is
- 5 entitled to credit.
- 6 (8) The total amount of cash in each depository at the close of
- 7 business on the last day of the month.
- 8 (9) The total of checks issued against each depository that are
- 9 outstanding at the end of the month and unpaid by the
- 10 depositories.

11 (b) The clerk shall:

- 12 (1) retain one (1) copy as a public record of the clerk's office; and
- 13 (2) file ~~three (3)~~ **two (2)** copies with the county auditor, who shall
- 14 ~~(A) present one (1) copy to the board of commissioners of the~~
- 15 ~~county at its next regular meeting. and~~
- 16 ~~(B) transmit one (1) copy to the state board of accounts.~~

17 Each copy of the report must be verified by the certification of the

18 clerk. The clerk shall file the original with the county auditor, who shall

19 file it with the records of the county board of finance.

20 (c) The state board of accounts shall prescribe forms for the clerk's

21 monthly reports.

22 SECTION 10. IC 36-2-5-3.7 IS ADDED TO THE INDIANA CODE

23 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY

24 1, 2019]: **Sec. 3.7. (a) As used in this section, "body" refers to either**

25 **of the following:**

- 26 (1) The county fiscal body.
- 27 (2) The county executive.

28 (b) As used in this section, "compensation" has the meaning set

29 forth in section 13 of this chapter.

30 (c) The county fiscal body may establish a salary schedule that

31 includes compensation for a presiding officer or secretary of a

32 body that is greater than the compensation for other members of

33 the body, if all of the following are satisfied:

- 34 (1) All applicable requirements in this chapter are satisfied
- 35 with respect to the salary schedule that includes the additional
- 36 compensation.
- 37 (2) The additional compensation is being provided because the
- 38 individual holding the position of presiding officer or
- 39 secretary:
- 40 (A) has additional duties; or
- 41 (B) attends additional meetings on behalf of the body;
- 42 as compared to other members of the body.



- 1           **(3) The additional compensation amount applies only for**
- 2           **periods during which the individual serves in the capacity as**
- 3           **presiding officer or secretary and:**
- 4           **(A) handles additional duties; or**
- 5           **(B) attends additional meetings on behalf of the body;**
- 6           **as compared to other members of the body.**

7           SECTION 11. IC 36-2-5-13, AS AMENDED BY P.L.240-2005,  
 8           SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 9           JULY 1, 2019]: Sec. 13. **(a) As used in this section, "compensation"**  
 10          **means the total of all money paid to, or on behalf of, an elected**  
 11          **county officer for performing duties as an elected county officer,**  
 12          **regardless of the source of funds from which the money is paid.**  
 13          **The term includes all employee benefits paid to an elected county**  
 14          **officer, including life insurance, health insurance, disability**  
 15          **insurance, retirement benefits, and pension benefits. For purposes**  
 16          **of determining an increase or decrease in compensation of an**  
 17          **elected county officer, the term does not include any of the**  
 18          **following:**

- 19           **(1) Payment of an insurance premium.**
- 20           **(2) Payments in recognition of:**
- 21           **(A) longevity;**
- 22           **(B) professional certifications; or**
- 23           **(C) educational advancements;**
- 24           **that are separately identified on a salary ordinance or**
- 25           **resolution.**

26           **(3) Payment of a stipend or per diem allowed by statute.**  
 27          **(b) Compensation shall be established using an annual, monthly,**  
 28          **or biweekly salary schedule. An elected county officer is not**  
 29          **required to report hours worked and may not be compensated**  
 30          **based on the number of hours worked.**

31          ~~(a)~~ **(c) Except as provided in subsection ~~(b)~~; (d), the compensation**  
 32          **of an elected county officer may not be changed in the year for which**  
 33          **it is fixed. The compensation of other county officers, deputies, and**  
 34          **employees or the number of each may be changed at any time on:**

- 35           **(1) the application of the county fiscal body or the affected**
- 36           **officer, department, commission, or agency; and**
- 37           **(2) a majority vote of the county fiscal body.**

38          ~~(b)~~ **(d) In the year in which a newly elected county officer takes**  
 39          **office, the county fiscal body may at any time change the compensation**  
 40          **for holding the county office for that year if:**

- 41           **(1) the county officer requests the compensation change or, in the**
- 42           **case of the county executive body, a majority of the county**



1 executive body requests the change; and

2 (2) the county fiscal body votes to approve the change.

3 SECTION 12. IC 36-2-5-14 IS AMENDED TO READ AS  
4 FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 14. (a) This chapter  
5 does not affect the salaries of judges, officers of courts, prosecuting  
6 attorneys, ~~and~~ deputy prosecuting attorneys, **and county sheriffs**  
7 whose minimum salaries are fixed by statute, but the county fiscal body  
8 may make appropriations to pay them more than the minimums fixed  
9 by statute subject to subsection (b).

10 (b) Beginning July 1, 1995, an appropriation made under this  
11 section may not exceed five thousand dollars (\$5,000) for each judge  
12 or full-time prosecuting attorney in any calendar year.

13 SECTION 13. IC 36-2-6-8, AS AMENDED BY P.L.146-2008,  
14 SECTION 689, IS AMENDED TO READ AS FOLLOWS  
15 [EFFECTIVE JULY 1, 2019]: Sec. 8. (a) **Except as permitted by**  
16 **IC 36-2-5-3.7**, the county executive or a court may not make an  
17 allowance to a county officer for:

18 (1) services rendered in a criminal action;

19 (2) services rendered in a civil action; or

20 (3) extra services rendered in the county officer's capacity as a  
21 county officer.

22 (b) The county executive may make an allowance to the clerk of the  
23 circuit court, county auditor, county treasurer, county sheriff, township  
24 assessor (if any), or county assessor, or to any of those officers'  
25 employees, only if:

26 (1) the allowance is specifically required by law; or

27 (2) the county executive finds, on the record, that the allowance  
28 is necessary in the public interest.

29 (c) A member of the county executive who recklessly violates  
30 subsection (b) commits a Class C misdemeanor and forfeits the  
31 member's office.

32 SECTION 14. IC 36-4-7-2, AS AMENDED BY P.L.141-2009,  
33 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
34 JULY 1, 2019]: Sec. 2. (a) As used in this section, "compensation"  
35 means the total of all money paid to an elected city officer for  
36 performing duties as a city officer, regardless of the source of funds  
37 from which the money is paid. **The term includes all employee**  
38 **benefits paid to an elected city officer, including life insurance,**  
39 **health insurance, disability insurance, retirement benefits, and**  
40 **pension benefits. For purposes of determining an increase or**  
41 **decrease in compensation of an elected city officer, the term does**  
42 **not include any of the following:**



1           **(1) Payment of an insurance premium.**  
 2           **(2) Payments in recognition of:**  
 3               **(A) longevity;**  
 4               **(B) professional certifications; or**  
 5               **(C) educational advancements;**  
 6           **that are separately identified on a salary ordinance or**  
 7           **resolution.**  
 8           **(3) Payment of a stipend or per diem allowed by statute.**  
 9           **(4) A payment authorized under section 4 of this chapter.**  
 10          (b) The city legislative body shall, by ordinance, fix the annual  
 11          compensation of all elected city officers. **An ordinance adopted under**  
 12          **this subsection that fixes the annual compensation of an elected city**  
 13          **officer shall provide for an annual, monthly, or biweekly salary**  
 14          **schedule. An elected city officer is not required to report hours**  
 15          **worked and may not be compensated based on the number of**  
 16          **hours worked.**  
 17          (c) The compensation of an elected city officer may not be changed  
 18          in the year for which it is fixed nor may it be reduced below the amount  
 19          fixed for the previous year.  
 20          SECTION 15. IC 36-4-7-4 IS AMENDED TO READ AS  
 21          FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 4. (a) Subject to the  
 22          approval of the city legislative body, the city executive may provide  
 23          that city officers **(including elected city officers)** and employees  
 24          receive additional compensation for services that:  
 25                  (1) are performed for the city;  
 26                  (2) are not governmental in nature; and  
 27                  (3) are connected with the operation of a municipally owned  
 28                  utility or function.  
 29          (b) Subject to the approval of the executive and legislative body, the  
 30          administrative agency operating the utility or function shall fix the  
 31          amount of the additional compensation, which shall be paid from the  
 32          revenues of the utility or function.  
 33          SECTION 16. IC 36-5-3-2 IS AMENDED TO READ AS  
 34          FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 2. (a) As used in this  
 35          section, "compensation" means the total of all money paid to an elected  
 36          town officer for performing duties as a town officer, regardless of the  
 37          source of funds from which the money is paid. **The term includes all**  
 38          **employee benefits paid to an elected town officer, including life**  
 39          **insurance, health insurance, disability insurance, retirement**  
 40          **benefits, and pension benefits. For purposes of determining an**  
 41          **increase or decrease in compensation of an elected town officer, the**  
 42          **term does not include any of the following:**



- 1           **(1) Payment of an insurance premium.**
- 2           **(2) Payments in recognition of:**
- 3               **(A) longevity;**
- 4               **(B) professional certifications; or**
- 5               **(C) educational advancements;**
- 6           **that are separately identified on a salary ordinance or**
- 7           **resolution.**
- 8           **(3) Payment of a stipend or per diem allowed by statute.**
- 9           **(4) A payment authorized under subsection (d).**
- 10          (b) The town legislative body shall, by ordinance, fix the
- 11          compensation of its own members, the town clerk-treasurer, and the
- 12          town marshal. **An ordinance adopted under this subsection that**
- 13          **fixes the annual compensation of an elected town officer shall**
- 14          **provide for an annual, monthly, or biweekly salary schedule. An**
- 15          **elected town officer is not required to report hours worked and**
- 16          **may not be compensated based on the number of hours worked.**
- 17          The legislative body shall provide reasonable compensation for other
- 18          town officers and employees.
- 19          (c) The compensation of an elected town officer may not be changed
- 20          in the year for which it is fixed, nor may it be reduced below the
- 21          amount fixed for the previous year.
- 22          (d) The legislative body may provide that town officers **(including**
- 23          **elected town officers)** and employees receive additional compensation
- 24          for services that:
- 25               (1) are performed for the town;
- 26               (2) are not governmental in nature; and
- 27               (3) are connected with the operation of a municipally owned
- 28               utility or function.
- 29          Subject to the approval of the legislative body, the administrative
- 30          agency operating the utility or function shall fix the amount of the
- 31          additional compensation, which shall be paid from the revenues of the
- 32          utility or function.
- 33          SECTION 17. IC 36-6-6-10, AS AMENDED BY P.L.6-2013,
- 34          SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 35          JULY 1, 2019]: Sec. 10. (a) This section does not apply to the
- 36          appropriation of money to pay a deputy or an employee of a township
- 37          assessor with assessment duties or to an elected township assessor.
- 38          (b) **As used in this section, "compensation" means the total of all**
- 39          **money paid to an elected township officer for performing duties as**
- 40          **a township officer, regardless of the source of funds from which the**
- 41          **money is paid. The term includes all employee benefits paid to an**
- 42          **elected township officer, including life insurance, health insurance,**



1 **disability insurance, retirement benefits, and pension benefits. For**  
 2 **purposes of determining an increase or decrease in compensation**  
 3 **of an elected township officer, the term does not include any of the**  
 4 **following:**

5 **(1) Payment of an insurance premium.**

6 **(2) Payments in recognition of:**

7 **(A) longevity;**

8 **(B) professional certifications; or**

9 **(C) educational advancements;**

10 **that are separately identified on a salary ordinance or**  
 11 **resolution.**

12 **(3) Payment of a stipend or per diem allowed by statute.**

13 **(c) The township legislative body shall fix the compensation**

14 **(+) salaries;**

15 **(-) wages;**

16 **(3) rates of hourly pay; and**

17 **(4) remuneration other than statutory allowances;**

18 of all officers and employees of the township. **Compensation shall be**  
 19 **established using an annual, monthly, or biweekly salary schedule.**  
 20 **An elected township officer is not required to report hours worked**  
 21 **and may not be compensated based on the number of hours**  
 22 **worked.**

23 **(e) (d)** Subject to subsection **(d)**; **(e)**, the township legislative body  
 24 may reduce the salary of an elected or appointed official. However,  
 25 except as provided in subsection **(h)**; **(i)**, the official is entitled to a  
 26 salary that is not less than the salary fixed for the first year of the term  
 27 of office that immediately preceded the current term of office.

28 **(d) (e)** Except as provided in subsection **(h)**; **(i)**, the township  
 29 legislative body may not alter the salaries of elected or appointed  
 30 officers during the fiscal year for which they are fixed, but it may add  
 31 or eliminate any other position and change the salary of any other  
 32 employee, if the necessary funds and appropriations are available.

33 **(e) (f)** If a change in the mileage allowance paid to state officers and  
 34 employees is established by July 1 of any year, that change shall be  
 35 included in the compensation fixed for the township executive and  
 36 assessor under this section, to take effect January 1 of the next year.  
 37 However, the township legislative body may by ordinance provide for  
 38 the change in the sum per mile to take effect before January 1 of the  
 39 next year.

40 **(f) (g)** The township legislative body may not reduce the salary of  
 41 the township executive without the consent of the township executive  
 42 during the term of office of the township executive as set forth in



1 IC 36-6-4-2.

2 ~~(g)~~ **(h)** This subsection applies when a township executive dies or  
 3 resigns from office. The person filling the vacancy of the township  
 4 executive shall receive at least the same salary the previous township  
 5 executive received for the remainder of the unexpired term of office of  
 6 the township executive (as set forth in IC 36-6-4-2), unless the person  
 7 consents to a reduction in salary.

8 ~~(h)~~ **(i)** In a year in which there is not an election of members to the  
 9 township legislative body, the township legislative body may vote to  
 10 reduce the salaries of the members of the township legislative body by  
 11 any amount.

12 SECTION 18. IC 36-6-6-11 IS AMENDED TO READ AS  
 13 FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 11. (a) The legislative  
 14 body shall meet annually in accord with IC 6-1.1-17, to adopt the  
 15 township's annual budget.

16 (b) The legislative body shall consider the estimates of expenditures  
 17 made by the executive under IC 36-6-4-11, and may approve or reject  
 18 all or part of any estimate or any item within an estimate. The  
 19 legislative body may require the executive to further itemize an  
 20 estimate not sufficiently itemized.

21 (c) The legislative body may not appropriate for any purpose an  
 22 amount more than the executive's estimate of the amount required for  
 23 that purpose.

24 (d) The legislative body shall include in the budget:

25 (1) provisions for the payment of existing debt of the township as  
 26 it becomes due; and

27 (2) the ~~salaries fixed~~ **amount of compensation** under section 10  
 28 of this chapter.

29 (e) In making levies for the township general fund, the legislative  
 30 body may include an amount not more than the amount necessary to  
 31 compensate its members for their services during the year for which the  
 32 levies are made.

33 (f) After the legislative body has taken action on the executive's  
 34 estimates, it shall levy taxes for the township funds on property in the  
 35 township and fix rates of taxation sufficient to provide that revenue  
 36 during the next year.

37 (g) On the assessment date, as defined by IC 6-1.1-1-2, the rates of  
 38 taxation adopted under this section become a levy and a lien on all  
 39 taxable property in the township, including property in municipalities  
 40 in the township. The levy constitutes an appropriation for the specific  
 41 items in the executive's estimates.

42 SECTION 19. IC 36-6-8-2.1 IS AMENDED TO READ AS

**HB 1375—LS 6955/DI 129**



1       FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 2.1. A township  
2       executive is entitled to the annual ~~salary~~ **compensation** and annual  
3       appropriation for clerical employees (other than those authorized under  
4       IC 12-20-4-2 through IC 12-20-4-11 and IC 12-20-4-14) fixed under  
5       IC 36-6-6-10.





## COMMITTEE REPORT

Mr. Speaker: Your Committee on Government and Regulatory Reform, to which was referred House Bill 1375, 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 1, delete lines 1 through 15, begin a new paragraph and insert:

"SECTION 1. IC 5-11-1-9, AS AMENDED BY P.L.237-2017, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 9. (a) The state examiner, personally or through the deputy examiners, field examiners, or private examiners, shall examine all accounts and all financial affairs of every public office and officer, state office, state institution, and entity. **However, an examination of an entity under this subsection shall be limited to matters relevant to the use of the public money received by the entity.**

(b) An examination of an entity **that is organized as a not-for-profit corporation** deriving:

- (1) less than fifty percent (50%); or
- (2) subject to subsection ~~(h)~~; **(i)**, at least fifty percent (50%) but less than ~~two seven hundred~~ **fifty thousand dollars (\$200,000) (\$750,000)**; if the entity is organized as a not-for-profit corporation;

of its disbursements during the period subject to an examination from appropriations, public funds, taxes, and other sources of public expense shall be limited to matters relevant to the use of the public money received by the entity.

(c) The examination of an entity described in subsection (b) may be waived by the state examiner if the state examiner determines ~~in writing~~ that:

- (1) ~~at~~ in consideration of the applicable risk based examination criteria described in and approved under section 25 of this chapter; and**
- (2) based on submitted information;**

**there are no compelling reasons to conclude that** disbursements of public money during the period subject to examination were ~~made for~~ **inconsistent with** the purposes for which the money was received. However, the **state examiner may revoke a waiver granted under this subsection if the state examiner determines that revocation of the waiver is necessary in accordance with the risk based examination criteria set forth in section 25 of this chapter. The state examiner shall communicate the determination to grant or**



**revoke a waiver under this subsection to the entity in writing.**

**(d) Notwithstanding any other law, the:**

- (1) Indiana economic development corporation created by IC 5-28-3 and the corporation's funds, accounts, and financial affairs shall be examined by the state board of accounts unless the examination is waived under subsection ~~(i)~~; **(j)**; and
- (2) department of financial institutions established by IC 28-11-1-1 and the department's funds, accounts, and financial affairs shall be examined by the state board of accounts.

~~(d)~~ **(e)** On every examination under this section, inquiry shall be made as to the following:

- (1) The financial condition and resources of each municipality, office, institution, or entity.
- (2) Whether the laws of the state and the uniform compliance guidelines of the state board of accounts established under section 24 of this chapter have been complied with.
- (3) The methods and accuracy of the accounts and reports of the person examined.

The examinations may be made without notice.

~~(e)~~ **(f)** If during an examination of a state office under this chapter the examiner encounters an inefficiency in the operation of the state office, the examiner may comment on the inefficiency in the examiner's report.

~~(f)~~ **(g)** The state examiner, deputy examiners, any field examiner, or any private examiner, when engaged in making any examination or when engaged in any official duty devolved upon them by the state examiner, is entitled to do the following:

- (1) Enter into any state, county, city, township, or other public office in this state, or any entity, agency, or instrumentality, and examine any books, papers, documents, or electronically stored information for the purpose of making an examination.
- (2) Have access, in the presence of the custodian or the custodian's deputy, to the cash drawers and cash in the custody of the officer.
- (3) During business hours, examine the public accounts in any depository that has public funds in its custody pursuant to the laws of this state.

~~(g)~~ **(h)** The state examiner, deputy examiner, or any field examiner, when engaged in making any examination authorized by law, may issue subpoenas for witnesses to appear before the examiner in person or to produce books, papers, or other records (including records stored in electronic data processing systems) for inspection and examination.



The state examiner, deputy examiner, and any field examiner may administer oaths and examine witnesses under oath orally or by interrogatories concerning the matters under investigation and examination. Under the authority of the state examiner, the oral examinations may be transcribed with the reasonable expense paid by the examined person in the same manner as the compensation of the field examiner is paid. The subpoenas shall be served by any person authorized to serve civil process from any court in this state. If a witness duly subpoenaed refuses to attend, refuses to produce information required in the subpoena, or attends and refuses to be sworn or affirmed, or to testify when called upon to do so, the examiner may apply to the circuit court having jurisdiction of the witness for the enforcement of attendance and answers to questions as provided by the law governing the taking of depositions.

(h) (i) The definitions in IC 20-24-1 apply throughout this subsection. Appropriations, public funds, taxes, and other sources of public money received by a nonprofit corporation as a charter school or organizer of a charter school for the purposes of a charter school may not be counted for the purpose of applying subsection (b)(2). Unless the nonprofit corporation receives other public money that would qualify the nonprofit corporation for a full examination of all accounts and financial affairs of the entity under subsection (b)(2), an examination of a charter school or organizer of a charter school must be limited to matters relevant to the use of the public money received for the charter school. This subsection does not prohibit the state examiner, personally or through the deputy examiners, field examiners, or private examiners, from examining the accounts in which appropriations, public funds, taxes, or other sources of public money are applied that are received by a nonprofit corporation as a charter school or organizer of a charter school relating to the operation of the charter school.

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

- (1) an independent certified public accounting firm conducts an examination under IC 5-28-3-2(c) of:
  - (A) the Indiana economic development corporation and the Indiana economic development corporation's funds, accounts, and financial affairs; and
  - (B) the nonprofit subsidiary corporation;
 for the year;
- (2) the Indiana economic development corporation submits the



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

(j) **(k)** Notwithstanding the waiver of an examination of the Indiana economic development corporation and its nonprofit subsidiary corporation by the state examiner, the state board of accounts may examine the Indiana economic development corporation and its nonprofit subsidiary corporation at any time."

Delete pages 2 through 4.

Page 10, line 11, delete "examiner," and insert "**examiner or auditor,**".

Page 12, delete lines 27 through 42.

Delete pages 13 through 14.

Page 15, delete lines 1 through 8, begin a new paragraph and insert:  
 "SECTION 6. IC 6-1.1-37-10, AS AMENDED BY P.L.232-2017, SECTION 39, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 10. (a) If **an installment of property taxes is due and payable are** not completely paid on or before the due date, a penalty shall be added to the unpaid portion in the year of the initial delinquency. The penalty is equal to an amount determined as follows:

(1) If:

(A) **an installment of the real property taxes is due and payable are** completely paid on or before the date thirty (30) days after the due date; and

(B) the taxpayer is not liable for:

(i) delinquent property taxes first due and payable in a previous **installment tax payment** for the same parcel; **or**

(ii) **a penalty that is owed from a previous tax payment for the same parcel;**

the amount of the penalty is equal to five percent (5%) of the amount of delinquent taxes.

(2) If:

(A) **an installment of personal property taxes is due and payable are not** completely paid on or before the date thirty (30) days after the due date; and

(B) the taxpayer is not liable for:

(i) delinquent property taxes first due and payable in a previous **installment tax payment** for a personal property tax return for property in the same taxing district; **or**

(ii) **a penalty that is owed from a previous tax payment;**



the amount of the penalty is equal to five percent (5%) of the amount of delinquent taxes.

(3) If subdivision (1) or (2) does not apply, the amount of the penalty is equal to ten percent (10%) of the amount of ~~delinquent taxes~~: **due and payable as of the tax date.**

**A payment received under this subsection shall be applied first to the delinquent tax amount and then to any associated penalties.**

(b) With respect to property taxes due in two (2) equal installments under IC 6-1.1-22-9(a), on the day immediately following the due dates of the first and second installments in each year following the year of the initial delinquency, an additional penalty equal to ten percent (10%) of any taxes remaining unpaid shall be added. With respect to property taxes due in installments under IC 6-1.1-22-9.5, an additional penalty equal to ten percent (10%) of any taxes remaining unpaid shall be added on the day immediately following each date that succeeds the last installment due date by:

- (1) six (6) months; or
- (2) a multiple of six (6) months.

(c) The penalties under subsection (b) are imposed only on the principal amount of the delinquent taxes.

(d) If the department of local government finance determines that an emergency has occurred which precludes the mailing of the tax statement in any county at the time set forth in IC 6-1.1-22-8.1, the department shall establish by order a new date on which the installment of taxes in that county is due and no installment is delinquent if paid by the date so established.

(e) If any due date falls on a Saturday, a Sunday, a national legal holiday recognized by the federal government, or a statewide holiday, the act that must be performed by that date is timely if performed by the next succeeding day that is not a Saturday, a Sunday, or one (1) of those holidays.

(f) Subject to subsections (g) and (h), a payment to the county treasurer is considered to have been paid by the due date if the payment is:

- (1) received on or before the due date by the county treasurer or a collecting agent appointed by the county treasurer;
- (2) deposited in United States first class mail:
  - (A) properly addressed to the principal office of the county treasurer;
  - (B) with sufficient postage; and
  - (C) postmarked by the United States Postal Service as mailed on or before the due date;



(3) deposited with a nationally recognized express parcel carrier and is:

(A) properly addressed to the principal office of the county treasurer; and

(B) verified by the express parcel carrier as:

(i) paid in full for final delivery; and

(ii) received by the express parcel carrier on or before the due date;

(4) deposited to be mailed through United States registered mail, United States certified mail, or United States certificate of mailing:

(A) properly addressed to the principal office of the county treasurer;

(B) with sufficient postage; and

(C) with a date of registration, certification, or certificate, as evidenced by any record authenticated by the United States Postal Service, on or before the due date; or

(5) made by an electronic funds transfer and the taxpayer's bank account is charged on or before the due date.

For purposes of this subsection, "postmarked" does not mean the date printed by a postage meter that affixes postage to the envelope or package containing a payment.

(g) If a payment is mailed through the United States mail and is physically received after the due date without a legible correct postmark, the person who mailed the payment is considered to have made the payment on or before the due date if the person can show by reasonable evidence that the payment was deposited in the United States mail on or before the due date.

(h) If a payment is sent via the United States mail or a nationally recognized express parcel carrier but is not received by the designated recipient, the person who sent the payment is considered to have made the payment on or before the due date if the person:

(1) can show by reasonable evidence that the payment was deposited in the United States mail, or with the express parcel carrier, on or before the due date; and



(2) makes a duplicate payment within thirty (30) days after the date the person is notified that the payment was not received.".

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1375 as introduced.)

MAHAN

Committee Vote: yeas 12, nays 0.

