

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 ENROLLED ACT No. 1375

AN ACT to amend the Indiana Code concerning state and local administration and to make an appropriation.

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

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~~ **seventy** 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

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waived by the state examiner if the state examiner determines in writing that:

- (1) ~~all~~ **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

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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.

(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.

(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.

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

(1) a public officer; or

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

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

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

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



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

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

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

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

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

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

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

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

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

SECTION 3. IC 5-11-4-3, AS AMENDED BY P.L.213-2015, SECTION 62, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 3. (a) The expense of examination and investigation of accounts shall be paid by each municipality or entity as provided in this chapter.

(b) The state examiner shall not certify more often than monthly to the auditor of each county the amount chargeable to each taxing unit within the county for the expense of its examinations as provided in this chapter. Immediately upon receipt of the certified statement, the county auditor shall issue a warrant on the county treasurer payable to the treasurer of state out of the general fund of the county for the amount stated in the certificate. The county auditor shall reimburse the county general fund, except for the expense of examination and investigation of county offices, out of the money due the taxing units at the next semiannual settlement of the collection of taxes.

(c) If the county to which a claim is made is not in possession or has



not collected the funds due or to be due to any examined municipality, then the certificate must be filed with and the warrant shall be drawn by the officer of the municipality having authority to draw warrants upon its funds. The municipality shall pay the warrant immediately to the treasurer of state. The money, when received by the treasurer of state, shall be deposited in the ~~trust and~~ **agency examinations** fund created by subsection (g).

(d) Except as otherwise provided in this chapter, each:

- (1) taxing unit; and
- (2) soil and water conservation district;

shall be charged at the rate of one hundred seventy-five dollars (\$175) per day for each field examiner, private examiner, expert, or employee of the state board of accounts who is engaged in making examinations or investigations **carried out under this article. Audited entities described in subdivisions (1) and (2) shall be charged the actual direct and indirect allowable cost under 2 CFR 200.425 of performing the audit.** Except as provided in subsection (h), all other **audited** entities shall be charged the actual direct and indirect cost of performing the examination or investigation.

(e) The state examiner shall certify, ~~not more often than monthly, as necessary,~~ to the proper disbursing officer the total amount of expense incurred for the examination of:

- (1) any unit of state government or entity that is required by law to bear the costs of its own examination and operating expense; or
- (2) any utility owned or operated by any municipality or any department of the municipality, if the utility is operated from revenues or receipts other than taxation.

Upon receipt of the state examiner's certificate the unit of state government, entity, or utility shall immediately pay to the treasurer of state the amount charged. The money, when received by the treasurer of state, shall be deposited in the ~~trust and~~ **agency examinations** fund created by subsection (g).

(f) In addition to other charges provided in this chapter, the state examiner may charge a reasonable fee for ~~typing~~ **technology and processing costs related to completing reports of examination** and processing reports of examination in the same manner as other charges are made under this chapter. **The fees shall be deposited in the examinations fund created by subsection (g).**

(g) There is created a dedicated fund known as the ~~trust and~~ **agency examinations** fund in the hands of the state examiner to be used by the state examiner for the payment of the expense of examinations under



this article. All fees charged for examinations under this article shall be deposited into the trust and agency examinations fund. **Money in the fund is annually appropriated for the payment of the expense of examinations by the state board of accounts. Money remaining in the fund at the end of the state fiscal year does not revert to the state general fund.**

(h) A municipality that contracts for services with a volunteer fire department may pay the cost of an examination or investigation of the volunteer fire department under this chapter.

(i) An audit of a county shall include, but not be limited to, an audit of that county's soil and water conservation district established under IC 14-32.

SECTION 4. IC 5-11-5-1, AS AMENDED BY P.L.188-2016, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 1. (a) Whenever an examination is made under this article, a report of the examination shall be made. The report must include a list of findings and shall be signed and verified by the examiner making the examination. A finding that is critical of an examined entity must be based upon one (1) of the following:

- (1) Failure of the entity to observe a uniform compliance guideline established under IC 5-11-1-24(a).
- (2) Failure of the entity to comply with a specific law.

A report that includes a finding that is critical of an examined entity must designate the uniform compliance guideline or the specific law upon which the finding is based. The reports shall immediately be filed with the state examiner, and, after inspection of the report, the state examiner shall immediately file one (1) copy with the officer or person examined, one (1) copy with the auditing department of the municipality examined and reported upon (if the subject of the report is a municipality), and one (1) copy in an electronic format under IC 5-14-6 with the legislative services agency, as staff to the audit committee and the general assembly. Upon filing, the report becomes a part of the public records of the office of the state examiner, of the office or the person examined, of the auditing department of the municipality examined and reported upon, and of the legislative services agency, as staff to the audit committee and the general assembly. A report is open to public inspection at all reasonable times after it is filed. If an examination discloses malfeasance, misfeasance, or nonfeasance in office or of any officer or employee, a copy of the report, signed and verified, shall be placed by the state examiner with the attorney general and the inspector general. The attorney general shall diligently institute and prosecute civil proceedings against the



delinquent officer, or upon the officer's official bond, or both, and against any other proper person that will secure to the state or to the proper municipality the recovery of any funds misappropriated, diverted, or unaccounted for.

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

- (1) All information discussed and materials presented or delivered by any person during an exit conference are confidential and may not be discussed or shared publicly until the earliest of the occurrences set forth in subsection (g). However, the information discussed and materials presented or delivered during an exit conference may be shared with an officer, employee, consultant, adviser, or attorney of the officer or chief executive officer of the state office, municipality, or entity examined who was not present at the exit conference. An individual with whom information and materials are shared must maintain the confidentiality of the information and materials as provided in this subdivision until the earliest of the occurrences set forth in subsection (g).
- (2) An individual attending an exit conference may not electronically record the exit conference.
- (3) If a majority of a governing body (as defined in IC 5-14-1.5-2(b)) is present during an exit conference, the governing body shall be considered in an executive session under IC 5-14-1.5. However, the governing body has no obligation to give notice as prescribed by IC 5-14-1.5-5 when it participates in the exit conference.
- (4) If the state examiner determines after the exit conference that additional actions must be undertaken by a deputy examiner, field



examiner, or private examiner with respect to information discussed or materials presented at the exit conference, the state examiner may call for an additional exit conference to be held.

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

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

(7) If:

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

(B) the:

(i) legislative body of the municipality or entity examined and reported upon provides written notice to the state examiner that the legislative body waives an additional exit conference described in subdivision (5); or

(ii) state examiner determines that a final report under subsection (a) must be issued as soon as possible;

the final report may be issued earlier than forty-five (45) days after the initial exit conference is held under this subsection.

(c) Except as provided by subsections (b), (d), and (e), it is unlawful for any person, before an examination report is made public as provided by this section, to make any disclosure of the result of any examination of any public account, except:

(1) to the state examiner;

(2) if directed to give publicity to the examination report by the state examiner or by any court;

(3) to another deputy examiner, field examiner, or private examiner engaged in conducting the examination; or

(4) if directed by the state examiner, to the chair of the audit



committee or the members of the audit committee acting in executive session, or both.

If an examination report shows or discloses the commission of a crime by any person, it is the duty of the state examiner to transmit and present the examination report to the prosecuting attorney of the county in which the crime was committed. The state examiner shall furnish to the prosecuting attorney all evidence at the state examiner's command necessary in the investigation and prosecution of the crime.

(d) If, during an examination under this article, a deputy examiner, field examiner, or private examiner acting as an agent of the state examiner determines that the following conditions are satisfied, the examiner shall report the determination to the state examiner:

(1) A substantial amount of public funds has been misappropriated or diverted.

(2) The deputy examiner, field examiner, or private examiner acting as an agent of the state examiner has a reasonable belief that the malfeasance or misfeasance that resulted in the misappropriation or diversion of the public funds was committed by the officer or an employee of the office.

(e) After receiving a preliminary report under subsection (d), the state examiner may provide a copy of the report to the attorney general. The attorney general may institute and prosecute civil proceedings against the delinquent officer or employee, or upon the officer's or employee's official bond, or both, and against any other proper person that will secure to the state or to the proper municipality the recovery of any funds misappropriated, diverted, or unaccounted for.

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

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

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

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

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

(h) Except as permitted in this section, an individual, a public agency (as defined in IC 5-14-3-2), a public employee, a public official, or an employee or officer of a contractor or subcontractor of a public agency that knowingly or intentionally discloses information in violation of subsection (b) or (g), regardless of whether the information



is received orally or by any other means, is subject to the following:

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

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

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

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

(2) the audit committee;

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

(4) an authorized representative of the United States;

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

(6) another individual for any other factor that constitutes good cause as set forth in criteria established by the state examiner and approved by the audit committee.

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

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

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

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

(1) the corporation and the corporation's funds, accounts, and financial affairs; and

(2) a nonprofit subsidiary corporation established under



IC 5-28-5-13.

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

SECTION 6. IC 5-28-5-13, AS AMENDED BY P.L.237-2017, SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 13. (a) Notwithstanding section 12 of this chapter, the board may establish a nonprofit subsidiary corporation to solicit and accept private sector funding, gifts, donations, bequests, devises, and contributions.

(b) A subsidiary corporation established under this section:

- (1) must use money received under subsection (a) to carry out in any manner the purposes and programs under this article;
- (2) must report to the budget committee each year concerning:
 - (A) the use of money received under subsection (a); and
 - (B) the balances in any accounts or funds established by the subsidiary corporation; and
- (3) may deposit money received under subsection (a) in an account or fund that is:
 - (A) administered by the subsidiary corporation; and
 - (B) not part of the state treasury.

(c) Except as provided in ~~IC 5-11-1-9(i)~~, **IC 5-11-1-9(j)**, the state board of accounts shall audit a subsidiary corporation established under this section.

SECTION 7. 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**

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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.

SECTION 8. IC 33-32-3-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 6. (a) Before the twenty-fifth day of each month, the clerk shall prepare a report showing as of the close of business on the last day of the preceding month the following information:

- (1) The balance, if any, of fees payable to the county.
 - (2) Fees collected for fish and game licenses.
 - (3) Trust funds held, including payments collected for support.
 - (4) The total of the balances of all fees and funds.
 - (5) The record balance of money in each depository at the end of the month.
 - (6) The cash in the office at the close of the last day of the month.
 - (7) Any other items for which the clerk of the circuit court is entitled to credit.
 - (8) The total amount of cash in each depository at the close of business on the last day of the month.
 - (9) The total of checks issued against each depository that are outstanding at the end of the month and unpaid by the depositories.
- (b) The clerk shall:
- (1) retain one (1) copy as a public record of the clerk's office; and
 - (2) file ~~three (3)~~ **two (2)** copies with the county auditor, who shall
 - (A) present one (1) copy to the board of commissioners of the county at its next regular meeting. ~~and~~
 - (B) ~~transmit one (1) copy to the state board of accounts.~~

Each copy of the report must be verified by the certification of the clerk. The clerk shall file the original with the county auditor, who shall file it with the records of the county board of finance.

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

SECTION 9. IC 36-2-5-3.7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: **Sec. 3.7. (a) As used in this section, "body" refers to either of the following:**

- (1) **The county fiscal body.**

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(2) The county executive.

(b) As used in this section, "compensation" has the meaning set forth in section 13 of this chapter.

(c) The county fiscal body may establish a salary schedule that includes compensation for a presiding officer or secretary of a body that is greater than the compensation for other members of the body, if all of the following are satisfied:

(1) All applicable requirements in this chapter are satisfied with respect to the salary schedule that includes the additional compensation.

(2) The additional compensation is being provided because the individual holding the position of presiding officer or secretary:

(A) has additional duties; or

(B) attends additional meetings on behalf of the body;

as compared to other members of the body.

(3) The additional compensation amount applies only for periods during which the individual serves in the capacity as presiding officer or secretary and:

(A) handles additional duties; or

(B) attends additional meetings on behalf of the body;

as compared to other members of the body.

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

(1) Payment of an insurance premium.

(2) Payments in recognition of:

(A) longevity;

(B) professional certifications; or

(C) educational advancements;

that are separately identified on a salary ordinance or resolution.

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



(b) Compensation shall be established using an annual, monthly, or biweekly salary schedule. An elected county officer is not required to report hours worked and may not be compensated based on the number of hours worked.

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

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

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

- (1) the county officer requests the compensation change or, in the case of the county executive body, a majority of the county executive body requests the change; and
- (2) the county fiscal body votes to approve the change.

SECTION 11. IC 36-2-5-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 14. (a) This chapter does not affect the salaries of judges, officers of courts, prosecuting attorneys, ~~and~~ deputy prosecuting attorneys, **and county sheriffs** whose minimum salaries are fixed by statute, but the county fiscal body may make appropriations to pay them more than the minimums fixed by statute subject to subsection (b).

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

SECTION 12. IC 36-2-6-8, AS AMENDED BY P.L.146-2008, SECTION 689, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 8. (a) **Except as permitted by IC 36-2-5-3.7**, the county executive or a court may not make an allowance to a county officer for:

- (1) services rendered in a criminal action;
- (2) services rendered in a civil action; or
- (3) extra services rendered in the county officer's capacity as a county officer.

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

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

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

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

SECTION 13. IC 36-4-7-2, AS AMENDED BY P.L.141-2009, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 2. (a) As used in this section, "compensation" means the total of all money paid to an elected city officer for performing duties as a city officer, regardless of the source of funds from which the money is paid. **The term includes all employee benefits paid to an elected city officer, including life insurance, health insurance, disability insurance, retirement benefits, and pension benefits. For purposes of determining an increase or decrease in compensation of an elected city officer, the term does not include any of the following:**

(1) Payment of an insurance premium.

(2) Payments in recognition of:

(A) longevity;

(B) professional certifications; or

(C) educational advancements;

that are separately identified on a salary ordinance or resolution.

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

(4) A payment authorized under section 4 of this chapter.

(b) The city legislative body shall, by ordinance, fix the annual compensation of all elected city officers. **An ordinance adopted under this subsection that fixes the annual compensation of an elected city officer shall provide for an annual, monthly, or biweekly salary schedule. An elected city officer is not required to report hours worked and may not be compensated based on the number of hours worked.**

(c) The compensation of an elected city officer may not be changed in the year for which it is fixed nor may it be reduced below the amount fixed for the previous year.

SECTION 14. IC 36-4-7-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 4. (a) Subject to the approval of the city legislative body, the city executive may provide that city officers **(including elected city officers)** and employees receive additional compensation for services that:

(1) are performed for the city;

(2) are not governmental in nature; and



(3) are connected with the operation of a municipally owned utility or function.

(b) Subject to the approval of the executive and legislative body, the administrative agency operating the utility or function shall fix the amount of the additional compensation, which shall be paid from the revenues of the utility or function.

SECTION 15. IC 36-5-3-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 2. (a) As used in this section, "compensation" means the total of all money paid to an elected town officer for performing duties as a town officer, regardless of the source of funds from which the money is paid. **The term includes all employee benefits paid to an elected town officer, including life insurance, health insurance, disability insurance, retirement benefits, and pension benefits. For purposes of determining an increase or decrease in compensation of an elected town officer, the term does not include any of the following:**

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

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

(A) **longevity;**

(B) **professional certifications; or**

(C) **educational advancements;**

that are separately identified on a salary ordinance or resolution.

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

(4) **A payment authorized under subsection (d).**

(b) The town legislative body shall, by ordinance, fix the compensation of its own members, the town clerk-treasurer, and the town marshal. **An ordinance adopted under this subsection that fixes the annual compensation of an elected town officer shall provide for an annual, monthly, or biweekly salary schedule. An elected town officer is not required to report hours worked and may not be compensated based on the number of hours worked.** The legislative body shall provide reasonable compensation for other town officers and employees.

(c) The compensation of an elected town officer may not be changed in the year for which it is fixed, nor may it be reduced below the amount fixed for the previous year.

(d) The legislative body may provide that town officers (**including elected town officers**) and employees receive additional compensation for services that:

(1) are performed for the town;

(2) are not governmental in nature; and



(3) are connected with the operation of a municipally owned utility or function.

Subject to the approval of the legislative body, the administrative agency operating the utility or function shall fix the amount of the additional compensation, which shall be paid from the revenues of the utility or function.

SECTION 16. IC 36-6-6-10, AS AMENDED BY P.L.6-2013, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 10. (a) This section does not apply to the appropriation of money to pay a deputy or an employee of a township assessor with assessment duties or to an elected township assessor.

(b) **As used in this section, "compensation" means the total of all money paid to an elected township officer for performing duties as a township officer, regardless of the source of funds from which the money is paid. The term includes all employee benefits paid to an elected township officer, including life insurance, health insurance, disability insurance, retirement benefits, and pension benefits. For purposes of determining an increase or decrease in compensation of an elected township officer, the term does not include any of the following:**

(1) Payment of an insurance premium.

(2) Payments in recognition of:

(A) longevity;

(B) professional certifications; or

(C) educational advancements;

that are separately identified on a salary ordinance or resolution.

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

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

~~(1) salaries;~~

~~(2) wages;~~

~~(3) rates of hourly pay; and~~

~~(4) remuneration other than statutory allowances;~~

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

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



of office that immediately preceded the current term of office.

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

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

~~(f)~~ (g) The township legislative body may not reduce the salary of the township executive without the consent of the township executive during the term of office of the township executive as set forth in IC 36-6-4-2.

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

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

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

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

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

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

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

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

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

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

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

SECTION 18. IC 36-6-8-2.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 2.1. A township executive is entitled to the annual ~~salary~~ **compensation** and annual appropriation for clerical employees (other than those authorized under IC 12-20-4-2 through IC 12-20-4-11 and IC 12-20-4-14) fixed under IC 36-6-6-10.



Speaker of the House of Representatives

President of the Senate

President Pro Tempore

Governor of the State of Indiana

Date: _____ Time: _____

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