

# SENATE BILL No. 405

## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 3-5-2-25; IC 3-10; IC 3-11-2-12; IC 5-11; IC 6-1.1-17; IC 12-20; IC 13-11-2-86; IC 36-1; IC 36-1.5-1-10; IC 36-6.

**Synopsis:** Township government. Specifies that in each county after December 31, 2012: (1) the county fiscal body is the fiscal body and legislative body of each township in the county; and (2) the county fiscal body shall exercise the legislative and fiscal powers assigned in the Indiana Code to township boards, including the authority to adopt the township's annual budget and to levy township property taxes for township funds. Provides that on January 1, 2015, township boards are abolished in each county. Provides that after December 31, 2012: (1) the township board's only responsibility is to formulate a proposed annual budget, levies, and rate for submission to the county fiscal body; and (2) the county fiscal body may reduce and modify but not increase the budget submitted by the township board in formulating the final proposed township budget, levies, and rate. Requires in formulating an annual township budget that consideration be given to the ending balance that will remain in each township fund relative to: (1) the budgeted expenditures from the fund; (2) the fund balance that must be maintained by the township due to delayed property tax collections; and (3) the amount of tax anticipation notes or warrants or other obligations incurred by the township due to delayed property tax collections. Provides that if the township board (before January 1, 2013) or the county fiscal body (after December 31, 2012) determines that the ending balance in a township fund is excessive (after considering certain specified factors), the township board or county fiscal body shall transfer the excessive amount to the township's levy excess fund. Specifies that for township budgets adopted for 2012 and 2013, the total amount appropriated for a particular year may not  
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**Effective:** July 1, 2011.

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January 11, 2011, read first time and referred to Committee on Local Government.

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exceed the result of: (1) the total amount appropriated for the previous year; multiplied by (2) the assessed value growth quotient applicable to the township for the particular year. Provides that if a township board or (after December 31, 2012) a county fiscal body determines after a public hearing that the township cannot carry out its governmental functions for a year under these appropriation limitations, the county fiscal body may appeal to the department of local government finance for relief from the appropriation limitations for the year. After December 31, 2012, requires the county fiscal body to consider with regard to a cumulative building fund or capital improvement fund, the township's capital improvement plan. Requires the department of local government finance to consider those issues when reviewing a township's budget, tax rate, and tax levy. Provides that after December 31, 2012, a township may only collect property taxes for a capital improvement fund in a particular year, if the township trustee prepares and the county fiscal body approves a proposed or amended capital improvement plan in the immediately preceding year. Provides that if a township reorganizes with at least one other township, and the resulting new political subdivision is not a city or town, after December 31, 2012, the county fiscal body is the fiscal body of the new political subdivision. Establishes a township assistance planning board (board) in each county to prepare a county plan (plan) for creating countywide township assistance standards. Provides that the board annually reviews and updates the county's township assistance standards. Requires the plan and township assistance standards to be adopted by the county fiscal body. Specifies that an individual who is a relative of the township trustee may not be employed by the township. Provides that an individual who is a relative of an employee of a township may not be employed in a position in which the individual would have a direct supervisory or subordinate relationship with the employee who is the individual's relative. Specifies that until January 1, 2015, this provision does not require the termination or reassignment of a township employee from a position held by that individual before July 1, 2011. Prohibits a township from entering into or renewing contracts with certain individuals or firms. Requires the office of management and budget to annually prepare a report that includes certain information regarding each township. Requires the report to be submitted to the executive director of the legislative services agency and to county councils. Specifies that each township office must include the address, phone number, and regular office hours (if any) of the township office in at least one local telephone directory. Requires the county fiscal body after December 31, 2012, to adopt township assistance standards for all townships in the county. Requires a public meeting or a public hearing of a township official or governing body to be held in a public place. Requires a township trustee's annual report to list separately each expenditure that is made to reimburse the township trustee for the township trustee's use of tangible property (real and personal property) for public business, including any reimbursements made for the use of a private residence, personal telephone, or personal vehicle for public business. Provides that if a trustee does not: (1) accept a completed application for township assistance; or (2) grant or deny a completed application for township assistance within the period required by statute; the application is considered denied, and the denial may be appealed to the board of county commissioners. Provides that the annual report filed by a township with the state board of accounts must include a statement by the township trustee certifying that the township is in compliance with the nepotism provisions. Provides that if the township is not in

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compliance: (1) the township trustee may be subject to prosecution for perjury; and (2) the department of local government finance (DLGF) may not approve the township's budget or additional appropriations for the ensuing calendar year until the state board of accounts certifies to the DLGF that the township is in compliance. Provides that the department of local government finance may not approve the budget or any additional appropriations of a township that fails to file: (1) an annual fiscal report; or (2) a personnel report; for the preceding year.

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Introduced

First Regular Session 117th General Assembly (2011)

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 2010 Regular Session of the General Assembly.

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## SENATE BILL No. 405

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

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

- 1 SECTION 1. IC 3-5-2-25 IS AMENDED TO READ AS FOLLOWS  
2 [EFFECTIVE JULY 1, 2011]: Sec. 25. "Fiscal body" means:  
3 (1) county council, for a county not having a consolidated city;  
4 (2) city-county council, for a consolidated city or county having  
5 a consolidated city;  
6 (3) common council, for a second or third class city;  
7 (4) town council, for a town;  
8 (5) ~~township board~~; for a township:  
9 (A) **the township board, before January 1, 2013; and**  
10 (B) **the county fiscal body after December 31, 2012;** or  
11 (6) governing body or budget approval body, for any other  
12 political subdivision.  
13 SECTION 2. IC 3-10-1-19, AS AMENDED BY P.L.146-2008,  
14 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
15 JULY 1, 2011]: Sec. 19. (a) The ballot for a primary election shall be



1 printed in substantially the following form for all the offices for which  
2 candidates have qualified under IC 3-8:

3 OFFICIAL PRIMARY BALLOT

4 \_\_\_\_\_ Party

5 For paper ballots, print: To vote for a person, make a voting mark  
6 (X or ✓) on or in the box before the person's name in the proper  
7 column. For optical scan ballots, print: To vote for a person, darken or  
8 shade in the circle, oval, or square (or draw a line to connect the arrow)  
9 that precedes the person's name in the proper column. For optical scan  
10 ballots that do not contain a candidate's name, print: To vote for a  
11 person, darken or shade in the oval that precedes the number assigned  
12 to the person's name in the proper column. For electronic voting  
13 systems, print: To vote for a person, touch the screen (or press the  
14 button) in the location indicated.

15 Vote for one (1) only

16 Representative in Congress

17  (1) AB \_\_\_\_\_

18  (2) CD \_\_\_\_\_

19  (3) EF \_\_\_\_\_

20  (4) GH \_\_\_\_\_

21 (b) The offices with candidates for nomination shall be placed on  
22 the primary election ballot in the following order:

23 (1) Federal and state offices:

24 (A) President of the United States.

25 (B) United States Senator.

26 (C) Governor.

27 (D) United States Representative.

28 (2) Legislative offices:

29 (A) State senator.

30 (B) State representative.

31 (3) Circuit offices and county judicial offices:

32 (A) Judge of the circuit court, and unless otherwise specified  
33 under IC 33, with each division separate if there is more than  
34 one (1) judge of the circuit court.

35 (B) Judge of the superior court, and unless otherwise specified  
36 under IC 33, with each division separate if there is more than  
37 one (1) judge of the superior court.

38 (C) Judge of the probate court.

39 (D) Judge of the county court, with each division separate, as  
40 required by IC 33-30-3-3.

41 (E) Prosecuting attorney.

42 (F) Circuit court clerk.

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- 1 (4) County offices:  
 2 (A) County auditor.  
 3 (B) County recorder.  
 4 (C) County treasurer.  
 5 (D) County sheriff.  
 6 (E) County coroner.  
 7 (F) County surveyor.  
 8 (G) County assessor.  
 9 (H) County commissioner.  
 10 (I) County council member.  
 11 (5) Township offices:  
 12 (A) Township assessor (only in a township referred to in  
 13 IC 36-6-5-1(d)).  
 14 (B) Township trustee.  
 15 (C) Township board member. **This clause does not apply to**  
 16 **elections in 2012 and thereafter.**  
 17 (D) Judge of the small claims court.  
 18 (E) Constable of the small claims court.  
 19 (6) City offices:  
 20 (A) Mayor.  
 21 (B) Clerk or clerk-treasurer.  
 22 (C) Judge of the city court.  
 23 (D) City-county council member or common council member.  
 24 (7) Town offices:  
 25 (A) Clerk-treasurer.  
 26 (B) Judge of the town court.  
 27 (C) Town council member.  
 28 (c) The political party offices with candidates for election shall be  
 29 placed on the primary election ballot in the following order after the  
 30 offices described in subsection (b):  
 31 (1) Precinct committeeman.  
 32 (2) State convention delegate.  
 33 (d) The following offices and public questions shall be placed on the  
 34 primary election ballot in the following order after the offices described  
 35 in subsection (c):  
 36 (1) School board offices to be elected at the primary election.  
 37 (2) Other local offices to be elected at the primary election.  
 38 (3) Local public questions.  
 39 (e) The offices and public questions described in subsection (d)  
 40 shall be placed:  
 41 (1) in a separate column on the ballot if voting is by paper ballot;  
 42 (2) after the offices described in subsection (c) in the form

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- 1 specified in IC 3-11-13-11 if voting is by ballot card; or
- 2 (3) either:
- 3 (A) on a separate screen for each office or public question; or
- 4 (B) after the offices described in subsection (c) in the form
- 5 specified in IC 3-11-14-3.5;
- 6 if voting is by an electronic voting system.

7 (f) A public question shall be placed on the primary election ballot  
 8 in the following form:

9 (The explanatory text for the public question,  
 10 if required by law.)

11 "Shall (insert public question)?"

12  YES

13  NO

14 SECTION 3. IC 3-10-2-13, AS AMENDED BY P.L.146-2008,  
 15 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 16 JULY 1, 2011]: Sec. 13. The following public officials shall be elected  
 17 at the general election before their terms of office expire and every four  
 18 (4) years thereafter:

- 19 (1) Clerk of the circuit court.
- 20 (2) County auditor.
- 21 (3) County recorder.
- 22 (4) County treasurer.
- 23 (5) County sheriff.
- 24 (6) County coroner.
- 25 (7) County surveyor.
- 26 (8) County assessor.
- 27 (9) County commissioner.
- 28 (10) County council member.
- 29 (11) Township trustee.
- 30 (12) Township board member. **This subdivision does not apply**
- 31 **to elections in 2012 and thereafter.**
- 32 (13) Township assessor (only in a township referred to in
- 33 IC 36-6-5-1(d)).
- 34 (14) Judge of a small claims court.
- 35 (15) Constable of a small claims court.

36 SECTION 4. IC 3-11-2-12, AS AMENDED BY P.L.146-2008,  
 37 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 38 JULY 1, 2011]: Sec. 12. The following offices shall be placed on the  
 39 general election ballot in the following order:

- 40 (1) Federal and state offices:
- 41 (A) President and Vice President of the United States.
- 42 (B) United States Senator.

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- 1 (C) Governor and lieutenant governor.
- 2 (D) Secretary of state.
- 3 (E) Auditor of state.
- 4 (F) Treasurer of state.
- 5 (G) Attorney general.
- 6 (H) Superintendent of public instruction.
- 7 (I) United States Representative.
- 8 (2) Legislative offices:
- 9 (A) State senator.
- 10 (B) State representative.
- 11 (3) Circuit offices and county judicial offices:
- 12 (A) Judge of the circuit court, and unless otherwise specified
- 13 under IC 33, with each division separate if there is more than
- 14 one (1) judge of the circuit court.
- 15 (B) Judge of the superior court, and unless otherwise specified
- 16 under IC 33, with each division separate if there is more than
- 17 one (1) judge of the superior court.
- 18 (C) Judge of the probate court.
- 19 (D) Judge of the county court, with each division separate, as
- 20 required by IC 33-30-3-3.
- 21 (E) Prosecuting attorney.
- 22 (F) Clerk of the circuit court.
- 23 (4) County offices:
- 24 (A) County auditor.
- 25 (B) County recorder.
- 26 (C) County treasurer.
- 27 (D) County sheriff.
- 28 (E) County coroner.
- 29 (F) County surveyor.
- 30 (G) County assessor.
- 31 (H) County commissioner.
- 32 (I) County council member.
- 33 (5) Township offices:
- 34 (A) Township assessor (only in a township referred to in
- 35 IC 36-6-5-1(d)).
- 36 (B) Township trustee.
- 37 (C) Township board member. **This clause does not apply to**
- 38 **elections in 2012 and thereafter.**
- 39 (D) Judge of the small claims court.
- 40 (E) Constable of the small claims court.
- 41 (6) City offices:
- 42 (A) Mayor.

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- 1 (B) Clerk or clerk-treasurer.
- 2 (C) Judge of the city court.
- 3 (D) City-county council member or common council member.
- 4 (7) Town offices:
- 5 (A) Clerk-treasurer.
- 6 (B) Judge of the town court.
- 7 (C) Town council member.

8 SECTION 5. IC 5-11-1-4, AS AMENDED BY P.L.176-2009,  
 9 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 10 JULY 1, 2011]: Sec. 4. The state examiner shall require from every  
 11 municipality and every state or local governmental unit, entity, or  
 12 instrumentality financial reports covering the full period of each fiscal  
 13 year. These reports shall be prepared, verified, and filed with the state  
 14 examiner not later than sixty (60) days after the close of each fiscal  
 15 year. **However, the department of local government finance may**  
 16 **not approve the budget or any additional appropriations of a**  
 17 **township that fails to file a report for the preceding fiscal year.** The  
 18 reports must be filed electronically, in a manner prescribed by the state  
 19 examiner that is compatible with the technology employed by the  
 20 political subdivision.

21 SECTION 6. IC 5-11-1-27 IS ADDED TO THE INDIANA CODE  
 22 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
 23 1, 2011]: **Sec. 27. (a) The office of management and budget shall**  
 24 **annually prepare a report that includes the following information**  
 25 **for each township for the preceding calendar year:**

- 26 (1) **The population of the township.**
- 27 (2) **The budget, property tax levies, and property tax rates**  
 28 **adopted by the township and approved by the department of**  
 29 **local government finance.**
- 30 (3) **The assessed valuation in the township used to determine**  
 31 **property taxes first due and payable in the preceding calendar**  
 32 **year.**
- 33 (4) **The balance in each township fund as of the end of the**  
 34 **preceding calendar year.**
- 35 (5) **A summary of the township assistance information**  
 36 **submitted by the township trustee under IC 12-20-28-3.**
- 37 (6) **A summary of any statutory compliance issues or**  
 38 **exceptions noted by the state board of accounts in its**  
 39 **examination report for the township for the preceding**  
 40 **calendar year.**
- 41 (7) **A description of any interlocal agreements in effect**  
 42 **concerning the township's functions and duties.**

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1 (8) A description of any resolutions or petitions concerning  
2 the township that were adopted or submitted under IC 36-1.5  
3 (government modernization) during the preceding calendar  
4 year.

5 (9) A description of the property owned or leased by the  
6 township.

7 (b) To the extent that the information required by subsection (a)  
8 has not been previously submitted to or certified by the office of  
9 management and budget or the department of local government  
10 finance, a township shall submit the information to the office of  
11 management and budget in an electronic format on a schedule  
12 established by the office of management and budget.

13 (c) The office of management and budget shall do the following  
14 before July 1 of each year:

15 (1) Submit a copy of the report prepared under subsection (a)  
16 to the executive director of the legislative services agency in  
17 an electronic format under IC 5-14-6.

18 (2) Submit to the county council of each county a copy of the  
19 information compiled in the report for each township within  
20 the county.

21 SECTION 7. IC 5-11-13-1, AS AMENDED BY P.L.169-2006,  
22 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
23 JULY 1, 2011]: Sec. 1. (a) Every state, county, city, town, township, or  
24 school official, elective or appointive, who is the head of or in charge  
25 of any office, department, board, or commission of the state or of any  
26 county, city, town, or township, and every state, county, city, town, or  
27 township employee or agent who is the head of, or in charge of, or the  
28 executive officer of any department, bureau, board, or commission of  
29 the state, county, city, town, or township, and every executive officer  
30 by whatever title designated, who is in charge of any state educational  
31 institution or of any other state, county, or city institution, shall during  
32 the month of January of each year prepare, make, and sign a written or  
33 printed certified report, correctly and completely showing the names  
34 and business addresses of each and all officers, employees, and agents  
35 in their respective offices, departments, boards, commissions, and  
36 institutions, and the respective duties and compensation of each, and  
37 shall forthwith file said report in the office of the state examiner of the  
38 state board of accounts. However, no more than one (1) report covering  
39 the same officers, employees, and agents need be made from the state  
40 or any county, city, town, township, or school unit in any one year.

41 (b) This subsection applies to a township. The report must  
42 include a statement by the township trustee, certified under the

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1 penalties for perjury, that the township is in compliance with  
2 IC 36-6-9. The township trustee and the township are subject to the  
3 penalties set forth in IC 36-6-9 for failure to comply with this  
4 subsection.

5 (c) If a township fails to file a report under this section for the  
6 preceding year, the department of local government finance may  
7 not approve the budget or any additional appropriations of the  
8 township.

9 SECTION 8. IC 6-1.1-17-2, AS AMENDED BY P.L.1-2006,  
10 SECTION 135, IS AMENDED TO READ AS FOLLOWS  
11 [EFFECTIVE JULY 1, 2011]: Sec. 2. (a) When formulating an annual  
12 budget estimate, the proper officers of a political subdivision shall  
13 prepare an estimate of the amount of revenue which the political  
14 subdivision will receive from the state for and during the budget year  
15 for which the budget is being formulated. These estimated revenues  
16 shall be shown in the budget estimate and shall be taken into  
17 consideration in calculating the tax levy which is to be made for the  
18 ensuing calendar year. However, this section does not apply to funds  
19 to be received from the state or the federal government for:

- 20 (1) township assistance;
- 21 (2) unemployment relief;
- 22 (3) old age pensions; or
- 23 (4) other funds which may at any time be made available under
- 24 "The Economic Security Act" or under any other federal act
- 25 which provides for civil and public works projects.

26 (b) When formulating an annual budget estimate, the proper officers  
27 of a political subdivision shall prepare an estimate of the amount of  
28 revenue that the political subdivision will receive under a development  
29 agreement (as defined in IC 36-1-8-9.5) for and during the budget year  
30 for which the budget is being formulated. Revenue received under a  
31 development agreement may not be used to reduce the political  
32 subdivision's maximum levy under IC 6-1.1-18.5 but may be used at  
33 the discretion of the political subdivision to reduce the property tax  
34 levy of the political subdivision for a particular year.

35 (c) When formulating a proposed annual budget estimate, the  
36 township trustee, the township board (before January 1, 2013), and  
37 (after December 31, 2012) the county fiscal body shall consider the  
38 following:

- 39 (1) The ending balance that will remain in each township fund
- 40 relative to:
  - 41 (A) the budgeted expenditures from the fund;
  - 42 (B) the fund balance that must be maintained by the

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**township on account of actual or anticipated delayed property tax billing, collection, or distribution; and**  
**(C) the amount of tax anticipation notes or warrants or other obligations incurred by the township on account of delayed property tax billing, collection, or distribution.**  
**(2) Whether the ending balance remaining in each township fund is excessive and should be used to reduce property tax levies. The factors described in subdivision (1) shall be considered in determining whether an ending balance in a township fund is excessive. If the township board (before January 1, 2013) or the county fiscal body (after December 31, 2012) determines under this subdivision that the ending balance in a township fund is excessive, the township board or the county fiscal body shall transfer the excessive amount to the township's levy excess fund.**  
**(3) After December 31, 2012, with regard to a township capital improvement fund or cumulative building fund, the township capital improvement plan prepared under IC 36-6-10.**

SECTION 9. IC 6-1.1-17-3, AS AMENDED BY P.L.182-2009(ss), SECTION 114, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 3. (a) The proper officers of a political subdivision shall formulate its estimated budget and its proposed tax rate and tax levy on the form prescribed by the department of local government finance and approved by the state board of accounts. The political subdivision shall give notice by publication to taxpayers of:

- (1) the estimated budget;
- (2) the estimated maximum permissible levy;
- (3) the current and proposed tax levies of each fund; and
- (4) the amounts of excessive levy appeals to be requested.

In the notice, the political subdivision shall also state the time and place at which a public hearing will be held on these items. The notice shall be published twice in accordance with IC 5-3-1 with the first publication at least ten (10) days before the date fixed for the public hearing. Beginning in 2009, the duties required by this subsection must be completed before September 10 of the calendar year.

(b) The board of directors of a solid waste management district established under IC 13-21 or IC 13-9.5-2 (before its repeal) may conduct the public hearing required under subsection (a):

- (1) in any county of the solid waste management district; and
- (2) in accordance with the annual notice of meetings published

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1 under IC 13-21-5-2.

2 (c) The trustee of each township in the county shall estimate the  
3 amount necessary to meet the cost of township assistance in the  
4 township for the ensuing calendar year. The township board **or (after**  
5 **December 31, 2012) the county fiscal body** shall adopt with the  
6 township budget a tax rate sufficient to meet the estimated cost of  
7 township assistance. The taxes collected as a result of the tax rate  
8 adopted under this subsection are credited to the township assistance  
9 fund.

10 (d) This subsection expires January 1, 2009. A county shall adopt  
11 with the county budget and the department of local government finance  
12 shall certify under section 16 of this chapter a tax rate sufficient to raise  
13 the levy necessary to pay the following:

14 (1) The cost of child services (as defined in IC 12-19-7-1, **before**  
15 **its repeal**) of the county payable from the family and children's  
16 fund.

17 (2) The cost of children's psychiatric residential treatment  
18 services (as defined in IC 12-19-7.5-1, **before its repeal**) of the  
19 county payable from the children's psychiatric residential  
20 treatment services fund.

21 A budget, tax rate, or tax levy adopted by a county fiscal body or  
22 approved or modified by a county board of tax adjustment that is less  
23 than the levy necessary to pay the costs described in subdivision (1) or  
24 (2) shall not be treated as a final budget, tax rate, or tax levy under  
25 section 11 of this chapter.

26 **(e) The following apply to township budgets adopted for 2012**  
27 **and 2013. The township board shall, after the public hearing under**  
28 **subsection (a), file a statement of the township's proposed budget,**  
29 **tax rate, and tax levy with the county fiscal body. The county fiscal**  
30 **body shall consider the matters in section 2(c) of this chapter in**  
31 **reviewing the statement. The county fiscal body shall formulate the**  
32 **final proposed budget, tax rate, and tax levy for the township on**  
33 **the form prescribed by the department of local government finance**  
34 **and approved by the state board of accounts. The county fiscal**  
35 **body may revise, reduce, or modify, but may not increase, the**  
36 **township's proposed budget, tax rate, or levy submitted to the**  
37 **county fiscal body under this section. This subsection expires**  
38 **January 1, 2015.**

39 (f) The following apply to township budgets adopted for 2012  
40 and 2013:

41 (1) Except as provided in subdivision (2), the total amount  
42 appropriated by the township board for a particular year

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(including any additional appropriations made for that year) may not exceed the result of:

(A) the total amount appropriated for the previous year (including any additional appropriations made for that year); multiplied by

(B) the assessed value growth quotient determined under IC 6-1.1-18.5-2 and applicable to the township for the particular year.

(2) If the township board or (after December 31, 2012) the county fiscal body determines after a public hearing that the township cannot carry out its governmental functions for a year under the appropriation limitations imposed by subdivision (1), the township board or (after December 31, 2012) the county fiscal body may appeal before October 20 of the current year to the department of local government finance for relief from the appropriation limitations for the ensuing year. In the appeal, the township board or (after December 31, 2012) the county fiscal body must state that the township will be unable to carry out the governmental functions committed to it by law unless the township is given relief from the appropriation limits. The township board or (after December 31, 2012) the county fiscal body must support the appeal by reasonably detailed statements of fact. The department of local government finance shall review the merits of the appeal. If the department of local government finance determines after reviewing the appeal that the township cannot carry out its governmental functions for a year under the appropriation limitations imposed by subdivision (1), the department of local government finance may grant relief from those appropriation limitations in the manner determined to be appropriate by the department of local government finance.

**This subsection expires January 1, 2015.**

SECTION 10. IC 6-1.1-17-16, AS AMENDED BY P.L.182-2009(ss), SECTION 123, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 16. (a) Subject to the limitations and requirements prescribed in this section, the department of local government finance may revise, reduce, or increase a political subdivision's budget by fund, tax rate, or tax levy which the department reviews under section 8 or 10 of this chapter. **When reviewing a budget, tax rate, and tax levy of a township, the department of local government finance shall consider the issues described in**

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1 **section 2(c) of this chapter.**

2 (b) Subject to the limitations and requirements prescribed in this  
3 section, the department of local government finance may review,  
4 revise, reduce, or increase the budget by fund, tax rate, or tax levy of  
5 any of the political subdivisions whose tax rates compose the aggregate  
6 tax rate within a political subdivision whose budget, tax rate, or tax  
7 levy is the subject of an appeal initiated under this chapter.

8 (c) Except as provided in subsections (j) and (k), before the  
9 department of local government finance reviews, revises, reduces, or  
10 increases a political subdivision's budget by fund, tax rate, or tax levy  
11 under this section, the department must hold a public hearing on the  
12 budget, tax rate, and tax levy. The department of local government  
13 finance shall hold the hearing in the county in which the political  
14 subdivision is located. The department of local government finance  
15 may consider the budgets by fund, tax rates, and tax levies of several  
16 political subdivisions at the same public hearing. At least five (5) days  
17 before the date fixed for a public hearing, the department of local  
18 government finance shall give notice of the time and place of the  
19 hearing and of the budgets by fund, levies, and tax rates to be  
20 considered at the hearing. The department of local government finance  
21 shall publish the notice in two (2) newspapers of general circulation  
22 published in the county. However, if only one (1) newspaper of general  
23 circulation is published in the county, the department of local  
24 government finance shall publish the notice in that newspaper.

25 (d) Except as provided in subsection (i), IC 20-46, or IC 6-1.1-18.5,  
26 the department of local government finance may not increase a political  
27 subdivision's budget by fund, tax rate, or tax levy to an amount which  
28 exceeds the amount originally fixed by the political subdivision.  
29 However, if the department of local government finance determines  
30 that IC 5-3-1-2.3(b) applies to the tax rate, tax levy, or budget of the  
31 political subdivision, the maximum amount by which the department  
32 may increase the tax rate, tax levy, or budget is the amount originally  
33 fixed by the political subdivision, and not the amount that was  
34 incorrectly published or omitted in the notice described in  
35 IC 5-3-1-2.3(b). The department of local government finance shall give  
36 the political subdivision written notification specifying any revision,  
37 reduction, or increase the department proposes in a political  
38 subdivision's tax levy or tax rate. The political subdivision has ten (10)  
39 calendar days from the date the political subdivision receives the notice  
40 to provide a written response to the department of local government  
41 finance's Indianapolis office. The response may include budget  
42 reductions, reallocation of levies, a revision in the amount of

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1 miscellaneous revenues, and further review of any other item about  
2 which, in the view of the political subdivision, the department is in  
3 error. The department of local government finance shall consider the  
4 adjustments as specified in the political subdivision's response if the  
5 response is provided as required by this subsection and shall deliver a  
6 final decision to the political subdivision.

7 (e) The department of local government finance may not approve a  
8 levy for lease payments by a city, town, county, library, or school  
9 corporation if the lease payments are payable to a building corporation  
10 for use by the building corporation for debt service on bonds and if:

- 11 (1) no bonds of the building corporation are outstanding; or
- 12 (2) the building corporation has enough legally available funds on  
13 hand to redeem all outstanding bonds payable from the particular  
14 lease rental levy requested.

15 (f) The department of local government finance shall certify its  
16 action to:

- 17 (1) the county auditor;
- 18 (2) the political subdivision if the department acts pursuant to an  
19 appeal initiated by the political subdivision;
- 20 (3) the taxpayer that initiated an appeal under section 13 of this  
21 chapter, or, if the appeal was initiated by multiple taxpayers, the  
22 first ten (10) taxpayers whose names appear on the statement filed  
23 to initiate the appeal; and
- 24 (4) a taxpayer that owns property that represents at least ten  
25 percent (10%) of the taxable assessed valuation in the political  
26 subdivision.

27 (g) The following may petition for judicial review of the final  
28 determination of the department of local government finance under  
29 subsection (f):

- 30 (1) If the department acts under an appeal initiated by a political  
31 subdivision, the political subdivision.
- 32 (2) If the department:
  - 33 (A) acts under an appeal initiated by one (1) or more taxpayers  
34 under section 13 of this chapter; or
  - 35 (B) fails to act on the appeal before the department certifies its  
36 action under subsection (f);
 a taxpayer who signed the statement filed to initiate the appeal.
- 37 (3) If the department acts under an appeal initiated by the county  
38 auditor under section 14 of this chapter, the county auditor.
- 39 (4) A taxpayer that owns property that represents at least ten  
40 percent (10%) of the taxable assessed valuation in the political  
41 subdivision.  
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1 The petition must be filed in the tax court not more than forty-five (45)  
2 days after the department certifies its action under subsection (f).

3 (h) The department of local government finance is expressly  
4 directed to complete the duties assigned to it under this section not later  
5 than February 15th of each year for taxes to be collected during that  
6 year.

7 (i) Subject to the provisions of all applicable statutes, the  
8 department of local government finance may increase a political  
9 subdivision's tax levy to an amount that exceeds the amount originally  
10 fixed by the political subdivision if the increase is:

11 (1) requested in writing by the officers of the political  
12 subdivision;

13 (2) either:

14 (A) based on information first obtained by the political  
15 subdivision after the public hearing under section 3 of this  
16 chapter; or

17 (B) results from an inadvertent mathematical error made in  
18 determining the levy; and

19 (3) published by the political subdivision according to a notice  
20 provided by the department.

21 (j) The department of local government finance shall annually  
22 review the budget by fund of each school corporation not later than  
23 April 1. The department of local government finance shall give the  
24 school corporation written notification specifying any revision,  
25 reduction, or increase the department proposes in the school  
26 corporation's budget by fund. A public hearing is not required in  
27 connection with this review of the budget.

28 (k) The department of local government finance may hold a hearing  
29 under subsection (c) only if the notice required in section 12 of this  
30 chapter is published at least ten (10) days before the date of the  
31 hearing.

32 SECTION 11. IC 6-1.1-17-16.2 IS ADDED TO THE INDIANA  
33 CODE AS A NEW SECTION TO READ AS FOLLOWS  
34 [EFFECTIVE JULY 1, 2011]: **Sec. 16.2. The department of local  
35 government finance may not approve the budget or any additional  
36 appropriations of a township that fails to file a report required  
37 under IC 5-11-1-4 or IC 5-11-13-1 in the preceding calendar year,  
38 unless the township did not exist as of March 1 of the calendar year  
39 preceding the ensuing calendar year by two (2). However, this  
40 section applies to a township that is the successor to another  
41 township or the result of a consolidation or merger of one (1) or  
42 more townships, if an annual report under IC 5-11-1-4 has not**

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**been filed for each predecessor township.**

SECTION 12. IC 12-20-1.5 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]:

**Chapter 1.5. Township Assistance Planning Board**

**Sec. 1. This chapter applies to all counties.**

**Sec. 2. As used in this chapter, "board" refers to the township assistance planning board established for a county under section 3 of this chapter.**

**Sec. 3. (a) Each county shall establish a township assistance planning board. The county executive shall appoint the members of the board not later than January 1, 2012. The board consists of the following members:**

- (1) One (1) trustee from an unincorporated area of the county.**
- (2) One (1) trustee from an incorporated area of the county.**
- (3) One (1) person employed by a faith based human service provider agency.**
- (4) One (1) person employed by a government funded human service provider agency.**
- (5) One (1) person employed by a nonprofit human service provider agency.**
- (6) Two (2) citizen members who:**
  - (A) are not employed by; and**
  - (B) are not a party to a contract with; a township or a human service provider agency.**
- (7) One (1) member of the county fiscal body.**
- (8) One (1) member of the fiscal body of the municipality in the county with the largest population.**

**(b) A majority of the members of the board constitutes a quorum. An affirmative vote of a majority of the members of the board is required for the board to take action.**

**Sec. 4. (a) The first meeting of the board shall be convened not later than January 1, 2012, by the member of the county fiscal body appointed to the board.**

- (b) The board shall select a chairperson from among its members at the board's first meeting.**
- (c) The members of the board serve at the pleasure of the appointing authority.**
- (d) Each county fiscal body shall determine, in the manner provided by law, the compensation of the members of the board.**
- (e) The board is a public agency for purposes of IC 5-14-1.5 and IC 5-14-3.**

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1           **Sec. 5. The board has the duty and responsibility to propose and**  
2 **annually review the county's township assistance standards. The**  
3 **standards apply to all townships in the county.**

4           **Sec. 6. Before July 1, 2012, the board shall adopt a resolution**  
5 **approving standards that meet or exceed the requirements of this**  
6 **article and forward the resolution to the county fiscal body for**  
7 **adoption. The standards take effect January 1, 2013.**

8           SECTION 13. IC 12-20-5.5-1, AS AMENDED BY P.L.73-2005,  
9 SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
10 JULY 1, 2011]: Sec. 1. (a) The township trustee shall process all  
11 applications for township assistance according to uniform written  
12 standards and without consideration of the race, creed, nationality, or  
13 gender of the applicant or any member of the applicant's household.

14           (b) The township's standards for the issuance of township assistance  
15 and the processing of applications must be:

- 16           (1) governed by the requirements of this article;
- 17           (2) **for standards applicable before January 1, 2013**, proposed  
18 by the township trustee, adopted by the township board, and filed  
19 with the board of county commissioners;
- 20           (3) **for standards applicable after December 31, 2012,**  
21 **proposed by the township assistance planning board and**  
22 **adopted by ordinance of the county fiscal body;**
- 23           ~~(4)~~ (4) reviewed and updated annually to reflect changes in the  
24 cost of basic necessities in the township and changes in the law;
- 25           ~~(4)~~ (5) published in a single written document, including addenda  
26 attached to the document; ~~and~~
- 27           ~~(5)~~ (6) posted in a place prominently visible to the public in all  
28 offices of the township trustee where township assistance  
29 applications are taken or processed; **and**
- 30           (7) **posted on the county's web site, if the county maintains a**  
31 **web site.**

32           SECTION 14. IC 12-20-5.5-2, AS AMENDED BY P.L.73-2005,  
33 SECTION 25, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
34 JULY 1, 2011]: Sec. 2. (a) Standards for the administration of township  
35 assistance must ~~contain~~ **establish at a minimum** the following:

- 36           (1) Criteria for determining township assistance eligibility.
- 37           (2) Minimum requirements of township trustee accessibility.
- 38           (3) Other information as needed, including the following:
  - 39           (A) Township office locations, hours, and days of availability.
  - 40           (B) Initial eligibility criteria.
  - 41           (C) Continuing eligibility criteria.
  - 42           (D) Workfare requirements.

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- 1 (E) Essential and nonessential assets.
- 2 (F) Available resources.
- 3 (G) Income exemptions.
- 4 (H) Application process.
- 5 (I) Countable income.
- 6 (J) Countable assets.
- 7 (K) Wasted resources.

8 (b) Standards for the administration of township assistance must  
 9 exclude a Holocaust victim's settlement payment received by an  
 10 eligible individual from countable assets and countable income.

11 SECTION 15. IC 12-20-5.5-5, AS AMENDED BY P.L.73-2005,  
 12 SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 13 JULY 1, 2011]: Sec. 5. The township's **or (after December 31, 2012)**  
 14 **county's** standards for the administration of township assistance must  
 15 include all applicable standards governing the provision of basic  
 16 necessities, including maximum amounts, special conditions, or other  
 17 limitations on eligibility, if any have been established for one (1) or  
 18 more basic necessities.

19 SECTION 16. IC 12-20-5.5-6 IS AMENDED TO READ AS  
 20 FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 6. (a) A township  
 21 trustee **or for standards applicable after December 31, 2012, the**  
 22 **county fiscal body**, shall set income standards for the township that  
 23 provide for financial eligibility in an amount consistent with reasonable  
 24 costs of basic necessities in the trustee's particular township.

25 (b) A township trustee **or for standards applicable after**  
 26 **December 31, 2012, the county fiscal body** may not consider a  
 27 Holocaust victim's settlement payment received by an eligible  
 28 individual when setting income standards under this section.

29 SECTION 17. IC 12-20-6-7, AS AMENDED BY P.L.73-2005,  
 30 SECTION 35, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 31 JULY 1, 2011]: Sec. 7. (a) In a case of emergency, a trustee shall  
 32 accept and promptly act upon a completed application from an  
 33 individual requesting assistance. In a nonemergency request for  
 34 township assistance, the trustee shall act on the completed application  
 35 not later than seventy-two (72) hours after receiving the application,  
 36 excluding weekends and legal holidays listed in IC 1-1-9. The trustee's  
 37 office shall retain a copy of each application and affidavit whether or  
 38 not relief is granted.

39 (b) The actions that a trustee may take on a completed application  
 40 for township assistance, except in a case of emergency, are the  
 41 following:

- 42 (1) Grant assistance.

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- 1 (2) Deny assistance, including a partial denial of assistance
- 2 requested.
- 3 (3) Leave the decision pending.
- 4 (c) A decision pending determination under subsection (b)(3):
- 5 (1) may not remain pending for more than seventy-two (72) hours
- 6 after the expiration of the period described in subsection (a); and
- 7 (2) must include a statement listing the specific reasons that
- 8 assistance is not granted or denied within the period required
- 9 under subsection (a).
- 10 **(d) If a trustee does not:**
- 11 **(1) accept a completed application for township assistance; or**
- 12 **(2) grant or deny a completed application for township**
- 13 **assistance within the period required under this section;**
- 14 **the application is considered denied, and the denial may be**
- 15 **appealed under IC 12-20-15.**

16 SECTION 18. IC 12-20-15-1, AS AMENDED BY P.L.73-2005,  
 17 SECTION 62, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 18 JULY 1, 2011]: Sec. 1. If an applicant for or recipient of township  
 19 assistance:

- 20 (1) is not satisfied with the decision of the township trustee, as
  - 21 administrator of township assistance; or
  - 22 (2) has had an application denied under IC 12-20-6-7(d);
- 23 the applicant or recipient may appeal to the board of commissioners.

24 SECTION 19. IC 12-20-15-2, AS AMENDED BY P.L.73-2005,  
 25 SECTION 63, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 26 JULY 1, 2011]: Sec. 2. An applicant for township assistance must file  
 27 the applicant's appeal not more than fifteen (15) days from the date:

- 28 (1) of issuance by the township trustee of adequate written notice
- 29 of the denial of township assistance as provided by IC 12-20-6-8;
- 30 or
- 31 (2) the application is denied under IC 12-20-6-7(d).

32 An appeal must be made in writing or orally as required by the board  
 33 of commissioners.

34 SECTION 20. IC 12-20-15-4, AS AMENDED BY P.L.73-2005,  
 35 SECTION 65, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 36 JULY 1, 2011]: Sec. 4. (a) In hearing an appeal, the board of  
 37 commissioners and a hearing officer shall:

- 38 (1) review and consider any report or investigative documents the
- 39 trustee prepared before making the appealed decision; and
- 40 (2) be governed by the township's or (after December 31, 2012)
- 41 county's township assistance standards for determining eligibility
- 42 to the extent that the standards comply with existing law for the

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1 granting of township assistance. If no legally sufficient standards  
 2 have been established, the board of commissioners and the  
 3 hearing officer shall be guided by the circumstances in each case.  
 4 (b) The board of commissioners shall remand a case to a trustee for  
 5 further proceedings if:  
 6 (1) new evidence was presented by the applicant to the board of  
 7 commissioners; and  
 8 (2) the board of commissioners determines that the new evidence  
 9 presented would have made the individual eligible for assistance.  
 10 (c) If a case is remanded to a trustee, the trustee shall issue a new  
 11 determination of eligibility not later than seventy-two (72) hours after  
 12 receiving the written decision remanding the case, excluding weekends  
 13 and legal holidays listed in IC 1-1-9.

14 SECTION 21. IC 12-20-15-8, AS AMENDED BY P.L.73-2005,  
 15 SECTION 68, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 16 JULY 1, 2011]: Sec. 8. (a) The township trustee or an applicant may  
 17 appeal a decision of the board of commissioners to a circuit or superior  
 18 court with jurisdiction in the county.

19 (b) In hearing an appeal, the court shall be governed by the  
 20 township's **or (after December 31, 2012) county's** township assistance  
 21 standards for determining eligibility for granting township assistance  
 22 in the township. If legally sufficient standards have not been  
 23 established, the court shall be guided by the circumstances of the case.

24 SECTION 22. IC 12-20-16-5, AS AMENDED BY P.L.73-2005,  
 25 SECTION 72, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 26 JULY 1, 2011]: Sec. 5. (a) An applicant or a household that receives  
 27 food relief in any township having a population of more than ten  
 28 thousand (10,000) may request the township trustee, as administrator  
 29 of township assistance, to issue a food order upon any eligible market,  
 30 and the township trustee, as administrator of township assistance, shall  
 31 abide by that request.

32 (b) The amount of a food order for various sized households that are  
 33 determined by the trustee to be eligible for township assistance shall be  
 34 based upon uniform monthly amounts specified in the township's **or**  
 35 **(after December 31, 2012) county's** township assistance standards.  
 36 However, an additional amount of food may be ordered for special  
 37 health reasons as prescribed by a physician. A supplemental food order  
 38 may be issued because of the loss of the recipient's food by:

- 39 (1) fire, flood, or other natural disaster;
  - 40 (2) burglary or other criminal act; or
  - 41 (3) the unpreventable spoilage of food.
- 42 (c) The trustee may issue a food order to an eligible applicant on

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1 either a daily, weekly, or monthly basis.

2 SECTION 23. IC 12-20-16-12, AS AMENDED BY P.L.73-2005,  
3 SECTION 78, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
4 JULY 1, 2011]: Sec. 12. (a) This section does not apply if the county  
5 coroner assumes jurisdiction of an unclaimed body under  
6 IC 36-2-14-16.

7 (b) If:

8 (1) an individual dies in a township without leaving:

9 (A) money;

10 (B) real or personal property;

11 (C) other assets that may be liquidated; or

12 (D) other means necessary to defray funeral expenses; and

13 (2) the individual is not a resident of another township in Indiana;  
14 the township trustee, as administrator of township assistance, shall  
15 provide a person to superintend and authorize either the funeral and  
16 burial or cremation of the deceased individual. If the township trustee  
17 determines that the deceased individual is a resident of another  
18 township in Indiana, the township trustee shall notify the trustee of that  
19 township, who shall then provide a person to superintend and authorize  
20 either the funeral and burial or cremation of the deceased individual.

21 (c) The necessary and reasonable expenses of the funeral and burial  
22 or cremation, including a burial plot, shall be paid in the same manner  
23 as other claims for township assistance. A trustee shall determine the  
24 cost for the items and services required by law for the funeral and  
25 burial of an individual, including a burial plot, and for the cremation of  
26 an individual, and include in the township's **or (after December 31,**  
27 **2012) county's** township assistance standards the maximum funeral  
28 and burial or cremation amount to be paid from township assistance  
29 funds. The trustee may deduct from the maximum amount the  
30 following:

31 (1) Any monetary benefits that the deceased individual is entitled  
32 to receive from a state or federal program.

33 (2) Any money that another person provides on behalf of the  
34 deceased individual.

35 (d) If an individual described in subsection (b) is a resident of a  
36 state institution at the time of the individual's death, the division that  
37 has administrative control of the state institution shall reimburse the  
38 township trustee for the necessary and reasonable expenses of the  
39 funeral and burial or cremation of the deceased individual. The  
40 township trustee shall submit to the division that has administrative  
41 control of the state institution an itemized claim for reimbursement of  
42 the necessary and reasonable funeral and burial or cremation expenses

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1 incurred by the township trustee.

2 (e) If an individual described in subsection (b) is a resident of a  
3 special institution governed by IC 16-33 at the time of the individual's  
4 death, the state department of health shall reimburse the township  
5 trustee for the necessary and reasonable expenses of the funeral and  
6 burial or cremation of the deceased individual. The township trustee  
7 shall submit to the state department of health an itemized claim for  
8 reimbursement of the necessary and reasonable funeral and burial or  
9 cremation expenses incurred by the township trustee.

10 (f) A township trustee who provides funeral and burial or cremation  
11 benefits to a deceased individual is entitled to a first priority claim, to  
12 the extent of the cost of the funeral and burial or cremation benefits  
13 paid by the township trustee, against any money or other personal  
14 property held by the coroner under IC 36-2-14-11.

15 (g) The township trustee may not cremate a deceased individual if:  
16 (1) the deceased individual; or  
17 (2) a surviving family member of the deceased individual;  
18 has objected in writing to cremation.

19 (h) If a township trustee provides a funeral under this section, the  
20 cost of the funeral may not be more than the cost of the least expensive  
21 funeral, including any necessary merchandise and embalming,  
22 available from the funeral director under the funeral director's price list  
23 disclosed to the Federal Trade Commission.

24 SECTION 24. IC 13-11-2-86 IS AMENDED TO READ AS  
25 FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 86. "Fiscal body"  
26 means:

- 27 (1) the county council, for a county not having a consolidated city;
- 28 (2) the city-county council of a consolidated city and county;
- 29 (3) the common council of a city;
- 30 (4) the town council of a town;
- 31 (5) ~~the township board; or for~~ a township:  
32 **(A) the township board, before January 1, 2013; and**  
33 **(B) the county fiscal body, after December 31, 2012; or**
- 34 (6) the board of directors of a conservancy district.

35 SECTION 25. IC 36-1-2-6, AS AMENDED BY P.L.186-2006,  
36 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
37 JULY 1, 2011]: Sec. 6. "Fiscal body" means:

- 38 (1) county council, for a county not having a consolidated city;
- 39 (2) city-county council, for a consolidated city or county having  
40 a consolidated city;
- 41 (3) common council, for a city other than a consolidated city;
- 42 (4) town council, for a town;

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- 1 (5) ~~township board~~, for a township:
- 2 (A) **the township board, before January 1, 2013; and**
- 3 (B) **the county fiscal body, after December 31, 2012;**
- 4 (6) governing body or budget approval body, for any other
- 5 political subdivision that has a governing body or budget approval
- 6 body; or
- 7 (7) chief executive officer of any other political subdivision that
- 8 does not have a governing body or budget approval body.

9 SECTION 26. IC 36-1-2-9, AS AMENDED BY P.L.186-2006,  
 10 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 11 JULY 1, 2011]: Sec. 9. "Legislative body" means: ~~the~~

- 12 (1) **the** board of county commissioners, for a county not subject
- 13 to IC 36-2-3.5 or IC 36-3-1;
- 14 (2) **the** county council, for a county subject to IC 36-2-3.5;
- 15 (3) **the** city-county council, for a consolidated city or county
- 16 having a consolidated city;
- 17 (4) **the** common council, for a city other than a consolidated city;
- 18 (5) **the** town council, for a town;
- 19 (6) ~~township board~~, for a township:

- 20 (A) **the township board, before January 1, 2013; and**
- 21 (B) **the county fiscal body, after December 31, 2012;**
- 22 (7) **the** governing body of any other political subdivision that has
- 23 a governing body; or
- 24 (8) **the** chief executive officer of any other political subdivision
- 25 that does not have a governing body.

26 SECTION 27. IC 36-1-8-17 IS ADDED TO THE INDIANA CODE  
 27 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
 28 1, 2011]: Sec. 17. (a) **Each township office must include the address,  
 29 phone number, and regular office hours (if any) of the township  
 30 office in at least one (1) local telephone directory.**

31 (b) **A public meeting or a public hearing of a township official  
 32 or governing body must be held in a public place and not in a  
 33 private residence.**

34 SECTION 28. IC 36-1.5-1-10 IS ADDED TO THE INDIANA  
 35 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 36 [EFFECTIVE JULY 1, 2011]: Sec. 10. (a) **This section applies if:**

- 37 (1) **a township reorganizes under this article with one (1) or**
- 38 **more townships; and**
- 39 (2) **the new political subdivision that results from the**
- 40 **reorganization is not a city or town.**

41 (b) **After December 31, 2012, the fiscal body of the resulting new**  
 42 **political subdivision is the county fiscal body, which shall review**

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1 **the budget of the new political subdivision under IC 6-1.1-17-2.**  
 2 SECTION 29. IC 36-6-4-12 IS AMENDED TO READ AS  
 3 FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 12. (a) At the annual  
 4 meeting of the township legislative body under IC 36-6-6-9 the  
 5 executive shall present a complete report of all receipts and  
 6 expenditures of the preceding calendar year, including the balance to  
 7 the credit of each fund controlled by the executive. If the executive  
 8 controls any money that is not included in a particular fund, then the  
 9 executive shall state all the facts concerning that money in the report.  
 10 (b) Each item of expenditure must be accompanied by the verified  
 11 voucher of the person to whom the sum was paid, stating:  
 12 (1) why the payment was made;  
 13 (2) that the receipt is for the exact sum received;  
 14 (3) that no part of the sum has been retained by the executive; and  
 15 (4) that no part of the sum has been or is to be returned to the  
 16 executive or any other person.  
 17 The executive may administer oaths to persons giving these receipts.  
 18 (c) **The report must separately list each expenditure that is**  
 19 **made to reimburse the executive for the executive's use of tangible**  
 20 **property (as defined in IC 6-1.1-1-19) for public business, including**  
 21 **any reimbursements made for the executive's use of a private**  
 22 **residence, a personal telephone, or a personal vehicle for public**  
 23 **business. As used in this section, "private residence" means a place**  
 24 **that is not a public place.**  
 25 ~~(c)~~ (d) The executive shall swear or affirm that:  
 26 (1) the report shows all sums received by ~~him~~; **the executive**;  
 27 (2) the expenditures credited have been fully paid in the sums  
 28 stated, without express or implied agreement that any part of the  
 29 sums is to be retained by or returned to the executive or any other  
 30 person; and  
 31 (3) the executive has received no money or other property in  
 32 consideration of any contract entered into on behalf of the  
 33 township.  
 34 ~~(d)~~ (e) Within ten (10) days after the legislative body's action under  
 35 IC 36-6-6-9, the executive shall file a copy of the report and its  
 36 accompanying vouchers, as adopted by the legislative body, in the  
 37 county auditor's office. The legislative body may, for the benefit of the  
 38 township, bring a civil action against the executive if the executive fails  
 39 to file the report within ten (10) days after the legislative body's action.  
 40 The legislative body may recover five dollars (\$5) for each day beyond  
 41 the time limit for filing the report, until the report is filed.  
 42 SECTION 30. IC 36-6-6-1 IS AMENDED TO READ AS

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1 FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 1. (a) This chapter  
2 applies to all townships.

3 (b) On January 1, 2015, the township boards in each county are  
4 abolished.

5 (c) After December 31, 2012:

6 (1) the county fiscal body is the fiscal body and legislative  
7 body of each township in the county; and

8 (2) the county fiscal body shall exercise the legislative and  
9 fiscal powers assigned in the Indiana Code to township  
10 boards, including the authority to adopt the township's annual  
11 budget and to levy township property taxes for township  
12 funds.

13 (d) Notwithstanding any other provision, after December 31,  
14 2012, the only duty and responsibility of a township board is to  
15 formulate and submit to the county fiscal body a proposed budget,  
16 tax rate, and levy under IC 6-1.1-17.

17 (e) The abolishment of a township board under subsection (b)  
18 does not invalidate:

19 (1) any resolutions, fees, or schedules adopted or other actions  
20 taken by the township board before January 1, 2013; or

21 (2) any appointments made by the township board before  
22 January 1, 2013.

23 (f) After December 31, 2012, any reference:

24 (1) in the Indiana Code;

25 (2) in the Indiana Administrative Code; or

26 (3) in any resolution;

27 to the township board shall be considered a reference to the county  
28 fiscal body.

29 SECTION 31. IC 36-6-9 IS ADDED TO THE INDIANA CODE AS  
30 A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY  
31 1, 2011]:

32 **Chapter 9. Employment of Relatives; Contracting With**  
33 **Relatives**

34 **Sec. 1. This chapter does not apply to the following:**

35 (1) An individual who is a vendor or employed by a vendor for  
36 a purchase of mowing services or property maintenance  
37 services.

38 (2) An individual who is a member of a paid fire department  
39 or a volunteer fire department that renders fire protection  
40 services to the township.

41 **Sec. 2. As used in this chapter, "employee" means an individual**  
42 **who is employed by a township on a full-time, part-time,**

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1 temporary, intermittent, or hourly basis. The term does not include  
2 a member of a paid fire department or a volunteer fire department  
3 that renders fire protection services to the township.

4 Sec. 3. (a) As used in this chapter, "relative" means any of the  
5 following:

- 6 (1) A husband.
- 7 (2) A wife.
- 8 (3) A father, grandfather, or stepfather.
- 9 (4) A mother, grandmother, or stepmother.
- 10 (5) A son, grandson, stepson, or son-in-law.
- 11 (6) A daughter, granddaughter, stepdaughter, or
- 12 daughter-in-law.
- 13 (7) A brother or stepbrother.
- 14 (8) A sister or stepsister.
- 15 (9) An aunt.
- 16 (10) An uncle.
- 17 (11) A niece.
- 18 (12) A nephew.
- 19 (13) A first cousin.

20 (b) A relative by adoption, half-blood, marriage, or remarriage  
21 is considered a relative of whole kinship for purposes of this  
22 chapter.

23 Sec. 4. (a) An individual who is a relative of the township trustee  
24 may not be an employee of the township.

25 (b) An individual who is a relative of an employee of a township  
26 may not be employed by the township in a position in which the  
27 individual would have a direct supervisory or subordinate  
28 relationship with the employee who is the individual's relative.

29 Sec. 5. (a) A township may not enter into a contract or renew a  
30 contract with:

- 31 (1) an individual to provide goods or services to the township,
- 32 if the individual is a relative of the township trustee; or
- 33 (2) a business entity to provide goods or services, if a relative
- 34 of the township trustee has an ownership interest in the
- 35 business entity.

36 (b) This section does not prohibit a township from entering into  
37 a contract or renewing a contract if an employee of:

- 38 (1) an individual contractor under subsection (a)(1); or
  - 39 (2) a business entity under subsection (a)(2);
- 40 is a relative of the township trustee.

41 (c) This section does not affect the initial term of a contract in  
42 existence at the time a township trustee's term of office begins.

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1           **Sec. 6. This chapter does not require the termination or**  
2 **reassignment of any employee of a township from any position held**  
3 **by that individual before July 1, 2011. This section expires January**  
4 **1, 2015.**

5           **Sec. 7. The annual report filed by a township with the state**  
6 **board of accounts under IC 5-11-13-1 must include a statement by**  
7 **the township trustee that the township is in compliance with this**  
8 **chapter. The township trustee's statement must be certified under**  
9 **penalties for perjury.**

10           **Sec. 8. If the state board of accounts finds that a township is not**  
11 **in compliance with this chapter, the state board of accounts shall**  
12 **forward the information to:**

- 13           (1) **the prosecuting attorney of each county where the**  
14 **township is located; and**
- 15           (2) **the department of local government finance.**

16           **Sec. 9. If a township fails to comply with this chapter:**

- 17           (1) **the township trustee may be subject to prosecution for**  
18 **perjury under IC 35-44-2-1; and**
- 19           (2) **the department of local government finance may not**  
20 **approve:**

- 21           (A) **the township's budget; or**
- 22           (B) **any additional appropriations for the township;**  
23 **for the ensuing calendar year until the state board of accounts**  
24 **certifies to the department of local government finance that**  
25 **the township is in compliance with this chapter.**

26           **SECTION 32. IC 36-6-10 IS ADDED TO THE INDIANA CODE**  
27 **AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE**  
28 **JULY 1, 2011]:**

29           **Chapter 10. Township Capital Improvement Plan**

30           **Sec. 1. This chapter applies after December 31, 2012.**

31           **Sec. 2. As used in this chapter, "capital improvement" means:**

- 32           (1) **acquisition of land;**
- 33           (2) **site improvements;**
- 34           (3) **infrastructure improvements;**
- 35           (4) **construction of buildings or structures;**
- 36           (5) **rehabilitation, renovation, or enlargement of buildings or**  
37 **structures; or**
- 38           (6) **acquisition or improvement of machinery, equipment,**  
39 **furnishings, or facilities.**

40           **Sec. 3. As used in this chapter, "capital improvement fund"**  
41 **means a township fund in which the money in the fund may be used**  
42 **for the payment of capital improvements. The term includes:**

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- 1 (1) a cumulative firefighting building and equipment fund  
 2 under IC 36-8-14;  
 3 (2) an equipment replacement fund under IC 36-8-19-8.5;  
 4 (3) a cumulative township vehicle and building fund under  
 5 IC 36-9-17.5;  
 6 (4) a cumulative building fund under IC 36-10-7.5-19; and  
 7 (5) any other fund established by a township for the payment  
 8 of capital improvements.

9 Sec. 4. As used in this chapter, "plan" refers to a township  
 10 capital improvement plan adopted or amended under this chapter.

11 Sec. 5. Before a township may collect property taxes for a  
 12 capital improvement fund in a particular year, the township  
 13 trustee must prepare a proposed or amended plan in the  
 14 immediately preceding year. The county fiscal body, not later than  
 15 August 1, shall hold a public hearing on a proposed or amended  
 16 plan and adopt the proposed or amended plan.

17 Sec. 6. (a) The department of local government finance shall  
 18 prescribe the format of the plan.

19 (b) A plan must:

- 20 (1) apply to at least the three (3) years immediately following  
 21 the year the plan is adopted;  
 22 (2) estimate for each year to which the plan applies the nature  
 23 and amount of proposed expenditures from the capital  
 24 improvement fund; and  
 25 (3) estimate:  
 26 (A) the source of all revenue to be dedicated to the  
 27 proposed expenditures in the upcoming calendar year; and  
 28 (B) the amount of property taxes to be collected in the  
 29 upcoming calendar year and retained in the fund for  
 30 expenditures proposed for a later year.

31 Sec. 7. A township trustee, with the approval of the county fiscal  
 32 body, may amend a plan to:

- 33 (1) provide money for the purposes of the fund; or  
 34 (2) supplement money accumulated in the fund for the  
 35 purposes of the fund.

36 Sec. 8. The plan shall be considered by:

- 37 (1) the county fiscal body in making the annual budget  
 38 estimate under IC 6-1.1-17-2; and  
 39 (2) the department of local government finance when  
 40 reviewing a budget, tax rate, and tax levy of a township under  
 41 IC 6-1.1-17-16.

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