

SENATE BILL No. 507

DIGEST OF INTRODUCED BILL

Citations Affected: IC 5-11-1-4; IC 6-1.1-17-5; IC 12-20; IC 36-1-8-17; IC 36-6.

Synopsis: Township government matters. 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 commissioners. Provides that after December 31, 2014, the total compensation and benefits paid to a township board member may not exceed \$5,000 per year. Specifies that each township office must include the address and phone number of the township office in at least one local telephone directory. Requires all township trustees (instead of only certain trustees) to maintain a telephone answering service and respond to a telephone inquiry for township assistance services not more than twenty-four (24) hours, excluding Saturdays, Sundays, and legal holidays, after receiving the inquiry. Requires that a public meeting or a public hearing of a township legislative body must be held in a public place if one is available in the township. Specifies that the annual report of a township must be filed with the state board of accounts not later than March 1 of each fiscal year. Requires the township board to adopt the township's standards for the issuance of township assistance not later than March 31 of each calendar year. Provides that if the township board fails to adopt township standards for the two (2) calendar years preceding the ensuing calendar year: (1) the department of local government finance may not approve the township budget and levy; and (2) the township board members may not receive any salary until the standards for the ensuing calendar year are adopted. Provides that if the township board adopts standards and the township trustee
(Continued next page)

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Effective: July 1, 2011.

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January 18, 2011, read first time and referred to Committee on Local Government.



fails to file the township standards with the board of county commissioners for the two (2) years preceding the ensuing calendar year: (1) the department of local government finance may not approve the township's budget and levy; and (2) the township trustee may not receive any salary until the standards are filed with the board of county commissioners. 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 a township trustee may receive rental payments from the township for use of office space located in the trustee's private residence if the space is used for conducting official township business. Provides that a trustee may not receive rental payments for office space in the executive's personal residence at a square footage rate that exceeds the average square footage rate charged for comparable commercial office space. Requires the township trustee in the annual report to compare the square footage rate charged by the executive for rent of the office space in the executive's residence with the average square footage rate charged for comparable commercial office space in: (1) the township; or (2) the county seat of the county where the township is primarily located, if comparable commercial office space is not available in the township. Provides that beginning January 1, 2015, in a township that has a population of at least 25,000, an individual: (1) who makes \$10,000 or more annual salary from the township; and (2) is an immediate family member of an officer or employee of a township; may not be employed by the township in a position in which the individual would have a direct supervisory or subordinate relationship with the officer or employee who is the individual's immediate family member. Provides that an employee of a township that violates the nepotism provision does not have to be terminated from any position held by that individual before January 1, 2011.

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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. 507



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

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

1 SECTION 1. IC 5-11-1-4, AS AMENDED BY P.L.176-2009,
2 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2011]: Sec. 4. The state examiner shall require from every
4 municipality and every state or local governmental unit, entity, or
5 instrumentality financial reports covering the full period of each fiscal
6 year. These reports shall be prepared, verified, and filed with the state
7 examiner not later than sixty (60) days after the close of each fiscal
8 year. **A report for a township shall be prepared, verified, and filed**
9 **with the state examiner not later than March 1 of each year.** The
10 reports must be filed electronically, in a manner prescribed by the state
11 examiner that is compatible with the technology employed by the
12 political subdivision.

13 SECTION 2. IC 6-1.1-17-5, AS AMENDED BY P.L.111-2010,
14 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
15 JULY 1, 2011]: Sec. 5. (a) The officers of political subdivisions shall



1 meet each year to fix the budget, tax rate, and tax levy of their
2 respective subdivisions for the ensuing budget year as follows:

3 (1) The board of school trustees of a school corporation that is
4 located in a city having a population of more than one hundred
5 five thousand (105,000) but less than one hundred twenty
6 thousand (120,000), not later than:

- 7 (A) the time required in section 5.6(b) of this chapter; or
- 8 (B) November 1 if a resolution adopted under section 5.6(d) of
9 this chapter is in effect.

10 (2) The proper officers of all other political subdivisions that are
11 not school corporations, not later than November 1.

12 (3) The governing body of a school corporation (other than a
13 school corporation described in subdivision (1)) that elects to
14 adopt a budget under section 5.6 of this chapter for budget years
15 beginning after June 30, 2011, not later than the time required
16 under section 5.6(b) of this chapter for budget years beginning
17 after June 30, 2011.

18 (4) The governing body of a school corporation that is not
19 described in subdivision (1) or (3), not later than November 1.

20 Except in a consolidated city and county and in a second class city, the
21 public hearing required by section 3 of this chapter must be completed
22 at least ten (10) days before the proper officers of the political
23 subdivision meet to fix the budget, tax rate, and tax levy. In a
24 consolidated city and county and in a second class city, that public
25 hearing, by any committee or by the entire fiscal body, may be held at
26 any time after introduction of the budget.

27 (b) Ten (10) or more taxpayers may object to a budget, tax rate, or
28 tax levy of a political subdivision fixed under subsection (a) by filing
29 an objection petition with the proper officers of the political
30 subdivision not more than seven (7) days after the hearing. The
31 objection petition must specifically identify the provisions of the
32 budget, tax rate, and tax levy to which the taxpayers object.

33 (c) If a petition is filed under subsection (b), the fiscal body of the
34 political subdivision shall adopt with its budget a finding concerning
35 the objections in the petition and any testimony presented at the
36 adoption hearing.

37 (d) This subsection does not apply to a school corporation. Each
38 year at least two (2) days before the first meeting of the county board
39 of tax adjustment held under IC 6-1.1-29-4, a political subdivision shall
40 file with the county auditor:

- 41 (1) a statement of the tax rate and levy fixed by the political
42 subdivision for the ensuing budget year;

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1 (2) two (2) copies of the budget adopted by the political
 2 subdivision for the ensuing budget year; and
 3 (3) two (2) copies of any findings adopted under subsection (c).
 4 Each year the county auditor shall present these items to the county
 5 board of tax adjustment at the board's first meeting under
 6 IC 6-1.1-29-4.

7 (e) In a consolidated city and county and in a second class city, the
 8 clerk of the fiscal body shall, notwithstanding subsection (d), file the
 9 adopted budget and tax ordinances with the county board of tax
 10 adjustment within two (2) days after the ordinances are signed by the
 11 executive, or within two (2) days after action is taken by the fiscal body
 12 to override a veto of the ordinances, whichever is later.

13 (f) If a fiscal body does not fix the budget, tax rate, and tax levy of
 14 the political subdivisions for the ensuing budget year as required under
 15 this section, the most recent annual appropriations and annual tax levy
 16 are continued for the ensuing budget year.

17 **(g) This subsection applies only to a township. If a township
 18 does not comply with IC 12-20-5.5-1.5, the department may not
 19 approve the budget and levy of the township.**

20 SECTION 3. IC 12-20-5.5-1.5 IS ADDED TO THE INDIANA
 21 CODE AS A NEW SECTION TO READ AS FOLLOWS
 22 [EFFECTIVE JULY 1, 2011]: **Sec. 1.5. (a) A township shall adopt
 23 standards for the issuance of township assistance and the
 24 processing of applications each calendar year. The township's
 25 standards must be adopted by the township board not later than
 26 March 31 of each year.**

27 **(b) The township trustee shall file the following with the county
 28 auditor not later than December 1 of each year:**

- 29 **(1) A statement:**
 30 **(A) signed by all members of the township board;**
 31 **(B) subject to the penalties for perjury; and**
 32 **(C) stating whether the township board adopted the**
 33 **township's standards for the year preceding the ensuing**
 34 **calendar year.**
 35 **(2) A statement by the township trustee:**
 36 **(A) signed by the township trustee;**
 37 **(B) subject to the penalties for perjury; and**
 38 **(C) stating whether the trustee filed the township**
 39 **standards for the year preceding the ensuing calendar year**
 40 **with the board of county commissioners.**

41 **The county auditor shall forward the statement to the department**
 42 **of local government finance not later than December 31 each year.**

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(c) If the township board fails to adopt township standards for the two (2) years preceding the ensuing year:

- (1) the department of local government finance may not approve the budget and levy of the township; and**
- (2) township board members may not receive any salary until the township's standards for the ensuing calendar year are adopted.**

(d) If the township board adopts township standards and the township trustee fails to file the township standards with the board of county commissioners under section 1 of this chapter for the two (2) years preceding the ensuing year:

- (1) the department of local government finance may not approve the budget and levy of the township; and**
- (2) the township trustee may not receive any salary until the township's standards for the preceding calendar years are filed with the board of county commissioners.**

SECTION 4. IC 12-20-5.5-4, AS AMENDED BY P.L.73-2005, SECTION 27, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 4. (a) This section does not apply to a township trustee who has assisted less than fifty-one (51) households during each of the two (2) years immediately preceding the date of the township trustee's annual report under IC 12-20-28-3.

(b) To ensure minimum accessibility, a township trustee operating a township assistance office in a township with a population of at least ten thousand (10,000) shall provide scheduled office hours for township assistance and staff each office with an individual qualified to:

- (1) determine eligibility; and
- (2) issue relief sufficient to meet the township assistance needs of the township.

(c) To meet the requirements of subsection (b), the township trustee shall do the following:

- (1) Provide township assistance office hours for at least fourteen (14) hours per week.
- (2) Provide that there is not more than one (1) weekday between the days the township assistance office is open.
- ~~(3) Provide for after hours access to the township assistance office by use of an answering machine or a service:~~
 - ~~(A) capable of taking messages; and~~
 - ~~(B) programmed to provide information about township assistance office hours.~~
- ~~(4) Respond to a telephone inquiry for township assistance~~

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1 services not more than twenty-four (24) hours, excluding
2 Saturdays, Sundays, and legal holidays, after receiving the
3 inquiry.

4 ~~(5)~~ (3) Post township assistance office hours and telephone
5 numbers at the entrance to each township assistance office.

6 SECTION 5. IC 12-20-5.5-4.1 IS ADDED TO THE INDIANA
7 CODE AS A NEW SECTION TO READ AS FOLLOWS
8 [EFFECTIVE JULY 1, 2011]: **Sec. 4.1. A township trustee shall:**

9 **(1) provide for after hours access to the township assistance**
10 **office by use of an answering machine or a service:**

11 **(A) capable of taking messages; and**

12 **(B) programmed to provide information about township**
13 **assistance office hours; and**

14 **(2) respond to a telephone inquiry for township assistance**
15 **services not more than twenty-four (24) hours, excluding**
16 **Saturdays, Sundays, and legal holidays, after receiving the**
17 **inquiry.**

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

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

31 (1) Grant assistance.

32 (2) Deny assistance, including a partial denial of assistance
33 requested.

34 (3) Leave the decision pending.

35 (c) A decision pending determination under subsection (b)(3):

36 (1) may not remain pending for more than seventy-two (72) hours
37 after the expiration of the period described in subsection (a); and

38 (2) must include a statement listing the specific reasons that
39 assistance is not granted or denied within the period required
40 under subsection (a).

41 **(d) If a trustee does not:**

42 **(1) accept a completed application for township assistance; or**

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1 **(2) grant or deny a completed application for township**
2 **assistance within the period required under this section;**
3 **the application is considered denied, and the denial may be**
4 **appealed under IC 12-20-15.**

5 SECTION 7. IC 12-20-15-1, AS AMENDED BY P.L.73-2005,
6 SECTION 62, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
7 JULY 1, 2011]: Sec. 1. If an applicant for or recipient of township
8 assistance:

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

13 SECTION 8. IC 12-20-15-2, AS AMENDED BY P.L.73-2005,
14 SECTION 63, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
15 JULY 1, 2011]: Sec. 2. An applicant for township assistance must file
16 the applicant's appeal not more than fifteen (15) days from the date:

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

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

23 SECTION 9. IC 36-1-8-17 IS ADDED TO THE INDIANA CODE
24 AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE JULY
25 1, 2011]: **Sec. 17. Each township office must include the address**
26 **and phone number of the township office in at least one (1) local**
27 **telephone directory.**

28 SECTION 10. IC 36-6-4-12 IS AMENDED TO READ AS
29 FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 12. (a) At the annual
30 meeting of the township legislative body under IC 36-6-6-9, the
31 executive shall present a complete report of all receipts and
32 expenditures of the preceding calendar year, including the balance to
33 the credit of each fund controlled by the executive. If the executive
34 controls any money that is not included in a particular fund, then the
35 executive shall state all the facts concerning that money in the report.

36 (b) Each item of expenditure must be accompanied by the verified
37 voucher of the person to whom the sum was paid, stating:

- 38 (1) why the payment was made;
39 (2) that the receipt is for the exact sum received;
40 (3) that no part of the sum has been retained by the executive; and
41 (4) that no part of the sum has been or is to be returned to the
42 executive or any other person.

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1 The executive may administer oaths to persons giving these receipts.

2 **(c) The report must separately list each expenditure that is**
 3 **made to reimburse the executive for the executive's use of the**
 4 **executive's private residence. The report must compare the square**
 5 **footage rate charged by the executive for rent of the office space in**
 6 **the executive's residence with the average square footage rate**
 7 **charged for comparable commercial office space in:**

8 **(A) the township; or**

9 **(B) the county seat of the county where the township is**
 10 **primarily located, if comparable commercial office space is**
 11 **not available in the township.**

12 ~~(c)~~ **(d)** The executive shall swear or affirm that:

13 (1) the report shows all sums received by ~~him~~; **the executive;**

14 (2) the expenditures credited have been fully paid in the sums
 15 stated, without express or implied agreement that any part of the
 16 sums is to be retained by or returned to the executive or any other
 17 person; and

18 (3) the executive has received no money or other property in
 19 consideration of any contract entered into on behalf of the
 20 township.

21 ~~(d)~~ **(e)** Within ten (10) days after the legislative body's action under
 22 IC 36-6-6-9, the executive shall file a copy of the report and its
 23 accompanying vouchers, as adopted by the legislative body, in the
 24 county auditor's office. The legislative body may, for the benefit of the
 25 township, bring a civil action against the executive if the executive fails
 26 to file the report within ten (10) days after the legislative body's action.
 27 The legislative body may recover five dollars (\$5) for each day beyond
 28 the time limit for filing the report, until the report is filed.

29 SECTION 11. IC 36-6-4-17 IS AMENDED TO READ AS
 30 FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 17. (a) An executive
 31 who fails to perform a duty imposed by section 3(1), 3(2), 3(3), 3(4),
 32 3(5), 3(7), 3(8), 5, or 14(1) of this chapter is liable to the township in
 33 a sum of not more than one hundred dollars (\$100), to be recovered in
 34 a civil action brought in the name of the township.

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

36 (1) The executive's salary.

37 (2) Reimbursement for expenses that are reasonably incurred by
 38 the executive for the following:

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

40 (B) Travel and meals while attending seminars or conferences
 41 on township matters.

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

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

3 **(c) This subsection applies if the executive's office is located in**
4 **the executive's personal residence. The executive may receive**
5 **rental payments from the township for use of the office space if it**
6 **is used for the conduct of official township business. An executive**
7 **may not receive a rental payment for office space at a square**
8 **footage rate that exceeds the average square footage rate charged**
9 **for comparable commercial office space in:**

- 10 **(1) the township; or**
- 11 **(2) the county seat of the county where the township is**
- 12 **primarily located, if comparable commercial office space is**
- 13 **not available in the township.**

14 **The executive shall include the information regarding rental**
15 **payments in the annual report under section 12 of this chapter.**

16 SECTION 12. IC 36-6-6-5 IS AMENDED TO READ AS
17 FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 5. (a) A meeting of the
18 legislative body may be adjourned from day to day until its business is
19 completed.

20 **(b) A public meeting or a public hearing of a township**
21 **legislative body must be held in a public place if one is available in**
22 **the township.**

23 SECTION 13. IC 36-6-6-9 IS AMENDED TO READ AS
24 FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 9. (a) The legislative
25 body shall meet on or before the third Tuesday after the first Monday
26 in January of each year. At this meeting it shall consider and approve,
27 in whole or in part, the annual report of the executive presented under
28 IC 36-6-4-12.

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

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

35 (d) Any fund expended, in whole or in part, for a purpose for which
36 it was not appropriated shall be considered unexpended and in the
37 control of the executive, who is liable on his bond for such an
38 expenditure.

39 (e) When its examination of the report is completed, the legislative
40 body shall take action on the report, specifying the parts of the report
41 that are altered or disallowed. The report remains under the control of
42 the legislative body and in custody of its chairman, who shall keep it

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open to inspection by taxpayers of the township.

(f) The annual report must be filed with the state board of accounts under IC 5-11-1-4 not later than March 1 of each year.

SECTION 14. IC 36-6-6-10, AS AMENDED BY P.L.146-2008, SECTION 713, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: 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) The township legislative body shall fix the:

- (1) salaries;
- (2) wages;
- (3) rates of hourly pay; and
- (4) remuneration other than statutory allowances;

of all officers and employees of the township.

(c) Subject to subsection (d), the township legislative body may reduce the salary of an elected or appointed official. However, except as provided in ~~subsection~~ **subsections (h) and (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) Except as provided in subsection (h), 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) 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) 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) 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.

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

5 (i) **Beginning January 1, 2015, the salary paid to a township
6 board member may not exceed five thousand dollars (\$5,000) per
7 year. Notwithstanding subsection (h), if necessary in order to
8 comply with this subsection, a township legislative body shall vote
9 in 2014 to reduce the salaries of the members of the township
10 legislative body effective January 1, 2015. The salary reduction
11 shall be made by a majority vote of the township legislative body.**

12 SECTION 15. IC 36-6-9 IS ADDED TO THE INDIANA CODE AS
13 A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY
14 1, 2011]:

15 **Chapter 9. Employment of Immediate Family Members**

16 **Sec. 1. This chapter applies only to a township that has a
17 population of at least twenty-five thousand (25,000).**

18 **Sec. 2. This chapter does not apply to a township employee
19 receiving less than ten thousand dollars (\$10,000) in salary
20 annually from the township.**

21 **Sec. 3. As used in this chapter, "immediate family member"
22 means a spouse, child, stepchild, parent, or stepparent of an
23 employee, including adoptive relationships.**

24 **Sec. 4. As used in this chapter, "township employee" means an
25 individual who is employed by a township on a full-time, a
26 part-time, a temporary, an intermittent, or an hourly basis.**

27 **Sec. 5. Beginning January 1, 2015, an individual who is an
28 immediate family member of an officer or employee of a township
29 may not be employed by the township in a position in which the
30 individual would have a direct supervisory or subordinate
31 relationship with the officer or employee who is the individual's
32 immediate family member.**

33 **Sec. 6. This chapter does not require the termination or
34 reassignment of any employee of a township from any position if
35 the individual held the position before January 1, 2011.**

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