

# HOUSE BILL No. 1391

## DIGEST OF INTRODUCED BILL

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

**Synopsis:** Local government issues. Specifies that the annual report of a local governmental unit must be filed with the state board of accounts not later than March 1 of each fiscal year. Provides that if the township trustee fails to file the township standards with the board of county commissioners for the two preceding calendar years, the most recent annual appropriations and annual tax levy of the township are continued for the ensuing budget year. Requires the township board to adopt the township's standards for the issuance of township assistance not later than March 31 of each year. Provides that if the township board fails to adopt township standards for the two preceding calendar years, the most recent annual appropriations and annual tax levy of the township are continued for the ensuing budget year. Changes the methodology for calculating a civil taxing unit's "maximum permissible ad valorem property tax levy for the preceding calendar year" for purposes of calculating property tax levy limits. 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 an individual who is an immediate family member of an officer or employee of a political subdivision may not be employed by the political subdivision in a position in which the individual would have a direct supervisory or subordinate relationship with the officer or employee who is the

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**Effective:** July 1, 2011.

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**Saunders**

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

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individual's immediate family member. Specifies that this provision does not require the termination or reassignment of a township employee from a position held by that individual before January 1, 2011. 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 certain trustees) to maintain a telephone answering service and respond to a telephone inquiry for township assistance services not more than 24 hours (excluding Saturdays, Sundays, and legal holidays) after receiving the inquiry. Requires a public meeting or a public hearing of a township legislative body to be held in a public place if one is available in the township. 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 a township trustee may receive rental payments from the township for use of office space located in the trustee's private residence only if the space is used exclusively 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, an individual who: (1) makes \$10,000 or more annual salary; and (2) is an immediate family member of an officer or employee of a political subdivision; may not be employed by the political subdivision 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 political subdivision 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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## HOUSE BILL No. 1391

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 March 1 of~~  
8 each fiscal year. The reports must be filed electronically, in a manner  
9 prescribed by the state examiner that is compatible with the technology  
10 employed by the political subdivision.

11 SECTION 2. IC 6-1.1-17-5, AS AMENDED BY P.L.111-2010,  
12 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
13 JULY 1, 2011]: Sec. 5. (a) The officers of political subdivisions shall  
14 meet each year to fix the budget, tax rate, and tax levy of their  
15 respective subdivisions for the ensuing budget year as follows:



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

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

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

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

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

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

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

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

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

- 39 (1) a statement of the tax rate and levy fixed by the political  
40 subdivision for the ensuing budget year;
- 41 (2) two (2) copies of the budget adopted by the political  
42 subdivision for the ensuing budget year; ~~and~~

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1 (3) two (2) copies of any findings adopted under subsection (c);  
2 **and**  
3 **(4) in the case of a township, a statement under**  
4 **IC 12-20-5.5-1.5(b).**

5 Each year the county auditor shall present these items to the county  
6 board of tax adjustment at the board's first meeting under  
7 IC 6-1.1-29-4.

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

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

18 **(g) This section applies only to a township. If a township:**  
19 **(1) fails to file a certification with the county auditor under**  
20 **subsection (d)(2); or**  
21 **(2) the township's certification indicates that the township**  
22 **failed to adopt or file standards as required by**  
23 **IC 12-20-5.5-1.5 for the two (2) preceding calendar years;**  
24 **the most recent annual appropriations and annual tax levy of the**  
25 **township are continued for the ensuing budget year.**

26 SECTION 3. IC 6-1.1-18.5-1, AS AMENDED BY P.L.113-2010,  
27 SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
28 JULY 1, 2011]: Sec. 1. used in this chapter:

29 "Ad valorem property tax levy for an ensuing calendar year" means  
30 the total property taxes imposed by a civil taxing unit for current  
31 property taxes collectible in that ensuing calendar year.

32 "Adopting county" means any county in which the county adjusted  
33 gross income tax is in effect.

34 "Civil taxing unit" means any taxing unit except a school  
35 corporation.

36 "Maximum permissible ad valorem property tax levy for the  
37 preceding calendar year" means, the greater of:

- 38 ~~(+)~~ the remainder of:  
39 **(A) for purposes of determining a maximum permissible**  
40 **ad valorem property tax levy under section 3 of this**  
41 **chapter for property taxes imposed for the March 1, 2010,**  
42 **and January 15, 2011, assessment dates, the maximum**

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1 permissible ad valorem property tax levy for the preceding  
 2 calendar year as determined under this section as effective  
 3 on January 1, 2011. For purposes of determining a  
 4 maximum permissible ad valorem property tax levy under  
 5 section 3 of this chapter for property taxes imposed for an  
 6 assessment date after January 15, 2011, the term means the  
 7 civil taxing unit's maximum permissible ad valorem property  
 8 tax levy for the calendar year immediately preceding the  
 9 ensuing calendar year, as that levy was determined under  
 10 section 3 of this chapter minus

11 (B) one-half (1/2) of the remainder of:

12 (i) the civil taxing unit's maximum permissible ad valorem  
 13 property tax levy referred to in clause (A); minus

14 (ii) the civil taxing unit's ad valorem property tax levy for  
 15 the calendar year immediately preceding the ensuing  
 16 calendar year referred to in subdivision (2); or

17 (2) the civil taxing unit's ad valorem property tax levy for the  
 18 calendar year immediately preceding the ensuing calendar year;  
 19 as that levy was determined by the department of local  
 20 government finance in fixing the civil taxing unit's budget, levy,  
 21 and rate for that preceding calendar year under IC 6-1.1-17, and  
 22 after eliminating the effects of temporary excessive levy appeals  
 23 and temporary adjustments made to the working maximum levy  
 24 for the calendar year immediately preceding the ensuing calendar  
 25 year, as determined by the department of local government  
 26 finance.

27 However, for the determination of the maximum permissible property  
 28 tax levy for property taxes first due and payable after December 31,  
 29 2010, upon request by a civil taxing unit, the department of local  
 30 government finance may make an adjustment to the civil taxing unit's  
 31 maximum permissible ad valorem property tax levy for the ensuing  
 32 calendar year if the civil taxing unit's actual levy was lower than the  
 33 civil taxing unit's maximum permissible ad valorem property tax levy  
 34 for the calendar year immediately preceding the ensuing calendar year  
 35 because of the civil taxing unit's use of cash balances. **(regardless of  
 36 whether the taxing unit imposed the entire amount of the  
 37 maximum permissible ad valorem property tax levy in the  
 38 immediately preceding year).**

39 "Taxable property" means all tangible property that is subject to the  
 40 tax imposed by this article and is not exempt from the tax under  
 41 IC 6-1.1-10 or any other law. For purposes of sections 2 and 3 of this  
 42 chapter, the term "taxable property" is further defined in section 6 of

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this chapter.

SECTION 4. IC 12-20-5.5-1.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: **Sec. 1.5. (a) A township shall adopt standards for the issuance of township assistance and the processing of applications each calendar year. The township's standards must be adopted by the township board not later than March 31 of each year.**

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

**(1) A statement:**

- (A) signed by all members of the township board;**
- (B) subject to the penalties for perjury; and**
- (C) stating whether the township board adopted the township's standards for the year preceding the ensuing calendar year.**

**(2) A statement by the township trustee:**

- (A) signed by the township trustee;**
- (B) subject to the penalties for perjury; and**
- (C) stating whether the trustee filed the township standards for the year preceding the ensuing calendar year with the board of county commissioners.**

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

**(c) If the township board fails to adopt township standards by the date specified in subsection (a) for the two (2) preceding calendar years the most recent annual appropriations and annual tax levy of the township are continued for the ensuing budget year.**

**(d) If 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) preceding calendar years, the most recent annual appropriations and annual tax levy of the township are continued for the ensuing budget year.**

SECTION 5. 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**

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1 township assistance and staff each office with an individual qualified  
2 to:

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

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

- 8 (1) Provide township assistance office hours for at least fourteen  
9 (14) hours per week.
- 10 (2) Provide that there is not more than one (1) weekday between  
11 the days the township assistance office is open.
- 12 ~~(3) Provide for after hours access to the township assistance office~~  
13 ~~by use of an answering machine or a service:~~
- 14 ~~(A) capable of taking messages; and~~
- 15 ~~(B) programmed to provide information about township~~  
16 ~~assistance office hours.~~
- 17 ~~(4) Respond to a telephone inquiry for township assistance~~  
18 ~~services not more than twenty-four (24) hours, excluding~~  
19 ~~Saturdays, Sundays, and legal holidays, after receiving the~~  
20 ~~inquiry.~~

21 ~~(5) (3) Post township assistance office hours and telephone~~  
22 ~~numbers at the entrance to each township assistance office.~~

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

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

- 28 **(A) that is:**
- 29 **(i) capable of taking messages; and**
- 30 **(ii) programmed to provide information about township**  
31 **assistance office hours;**

32 **(B) that provides a telephone number that may be used to**  
33 **contact the trustee in an emergency situation; and**

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

38 SECTION 7. IC 12-20-6-7, AS AMENDED BY P.L.73-2005,  
39 SECTION 35, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
40 JULY 1, 2011]: Sec. 7. (a) In a case of emergency, a trustee shall  
41 accept and promptly act upon a completed application from an  
42 individual requesting assistance. In a nonemergency request for

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1 township assistance, the trustee shall act on the completed application  
2 not later than seventy-two (72) hours after receiving the application,  
3 excluding weekends and legal holidays listed in IC 1-1-9. The trustee's  
4 office shall retain a copy of each application and affidavit whether or  
5 not relief is granted.

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

- 9 (1) Grant assistance.
- 10 (2) Deny assistance, including a partial denial of assistance  
11 requested.
- 12 (3) Leave the decision pending.

13 (c) A decision pending determination under subsection (b)(3):  
14 (1) may not remain pending for more than seventy-two (72) hours  
15 after the expiration of the period described in subsection (a); and  
16 (2) must include a statement listing the specific reasons that  
17 assistance is not granted or denied within the period required  
18 under subsection (a).

19 **(d) If a trustee does not:**  
20 **(1) accept a completed application for township assistance; or**  
21 **(2) grant or deny a completed application for township**  
22 **assistance within the period required under this section;**  
23 **the application is considered denied, and the denial may be**  
24 **appealed under IC 12-20-15.**

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

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

33 SECTION 9. IC 12-20-15-2, AS AMENDED BY P.L.73-2005,  
34 SECTION 63, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
35 JULY 1, 2011]: Sec. 2. An applicant for township assistance must file  
36 the applicant's appeal not more than fifteen (15) days from the date:

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

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

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1 SECTION 10. IC 36-1-8-17 IS ADDED TO THE INDIANA CODE  
2 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
3 1, 2011]: **Sec. 17. Each township office must include the address  
4 and phone number of the township office in at least one (1) local  
5 telephone directory.**

6 SECTION 11. IC 36-1-20 IS ADDED TO THE INDIANA CODE  
7 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
8 JULY 1, 2011]:

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

10 **Sec. 1. This chapter does not apply to a government employee  
11 receiving less than ten thousand dollars (\$10,000) in salary  
12 annually from the political subdivision.**

13 **Sec. 2. As used in this chapter, "government employee" means  
14 an individual who is employed by a political subdivision on a  
15 full-time, a part-time, a temporary, an intermittent, or an hourly  
16 basis.**

17 **Sec. 3. As used in this chapter, "immediate family member"  
18 means a spouse, child, stepchild, parent, or stepparent of the  
19 employee, including adoptive relationships.**

20 **Sec. 4. As used in this chapter, "political subdivision" means a  
21 county, city, town, township, school corporation, public library,  
22 local housing authority, fire protection district, public  
23 transportation corporation, local building authority, local hospital  
24 authority or corporation, local airport authority, special service  
25 district, special taxing district, or other type of local governmental  
26 corporate entity.**

27 **Sec. 5. Subject to section 6 of this chapter, beginning January 1,  
28 2015, an individual who is an immediate family member of an  
29 officer or employee of a political subdivision may not be employed  
30 by the political subdivision in a position in which the individual  
31 would have a direct supervisory or subordinate relationship with  
32 the officer or employee who is the individual's immediate family  
33 member.**

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

37 SECTION 12. IC 36-6-4-12 IS AMENDED TO READ AS  
38 FOLLOWS [EFFECTIVE JULY 1, 2011]: **Sec. 12. (a) At the annual  
39 meeting of the township legislative body under IC 36-6-6-9 the  
40 executive shall present a complete report of all receipts and  
41 expenditures of the preceding calendar year, including the balance to  
42 the credit of each fund controlled by the executive. If the executive**

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1 controls any money that is not included in a particular fund, then the  
2 executive shall state all the facts concerning that money in the report.

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

- 5 (1) why the payment was made;
- 6 (2) that the receipt is for the exact sum received;
- 7 (3) that no part of the sum has been retained by the executive; and
- 8 (4) that no part of the sum has been or is to be returned to the  
9 executive or any other person.

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

11 **(c) The report must separately list each expenditure that is**  
12 **made to reimburse the executive for the executive's use of the**  
13 **executive's private residence. The report must compare the square**  
14 **footage rate charged by the executive for rent of the office space in**  
15 **the executive's residence and for the cost of utilities with the**  
16 **average square footage rate and utility costs charged for**  
17 **comparable commercial office space in:**

- 18 **(1) the township; or**
- 19 **(2) the county seat of the county where the township is**  
20 **primarily located, if comparable commercial office space is**  
21 **not available in the township.**

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

- 23 (1) the report shows all sums received by ~~him~~; **the executive;**
- 24 (2) the expenditures credited have been fully paid in the sums  
25 stated, without express or implied agreement that any part of the  
26 sums is to be retained by or returned to the executive or any other  
27 person; and
- 28 (3) the executive has received no money or other property in  
29 consideration of any contract entered into on behalf of the  
30 township.

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

39 SECTION 13. IC 36-6-4-17 IS AMENDED TO READ AS  
40 FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 17. (a) An executive  
41 who fails to perform a duty imposed by section 3(1), 3(2), 3(3), 3(4),  
42 3(5), 3(7), 3(8), 5, or 14(1) of this chapter is liable to the township in

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1 a sum of not more than one hundred dollars (\$100), to be recovered in  
2 a civil action brought in the name of the township.

- 3 (b) An executive is entitled to receive the following:
- 4 (1) The executive's salary.
- 5 (2) Reimbursement for expenses that are reasonably incurred by
- 6 the executive for the following:
- 7 (A) The operation of the executive's office.
- 8 (B) Travel and meals while attending seminars or conferences
- 9 on township matters.
- 10 (C) A sum for mileage as permitted under IC 36-6-8-3(b).

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

13 **(c) This subsection applies if the executive's office is located in**  
14 **the executive's personal residence. The executive may receive**  
15 **rental payments from the township for use of the office space only**  
16 **if the part of the personal residence used for the office is used**  
17 **exclusively for the conduct of official township business. An**  
18 **executive may not receive a rental payment for office space at a**  
19 **square footage rate that exceeds the average square footage rate**  
20 **charged for comparable commercial office space in:**

- 21 (1) the township; or
- 22 (2) the county seat of the county where the township is
- 23 primarily located, if comparable commercial office space is
- 24 not available in the township.

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

27 SECTION 14. IC 36-6-6-5 IS AMENDED TO READ AS  
28 FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 5. (a) A meeting of the  
29 legislative body may be adjourned from day to day until its business is  
30 completed.

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

34 SECTION 15. IC 36-6-6-9 IS AMENDED TO READ AS  
35 FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 9. (a) The legislative  
36 body shall meet on or before the third Tuesday after the first Monday  
37 in January of each year. At this meeting it shall consider and approve,  
38 in whole or in part, the annual report of the executive presented under  
39 IC 36-6-4-12.

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

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

4 (d) Any fund expended, in whole or in part, for a purpose for which  
5 it was not appropriated shall be considered unexpended and in the  
6 control of the executive, who is liable on ~~his~~ **the executive's**  
7 expenditure.

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

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

16 SECTION 16. IC 36-6-6-10, AS AMENDED BY P.L.146-2008,  
17 SECTION 713, IS AMENDED TO READ AS FOLLOWS  
18 [EFFECTIVE JULY 1, 2011]: Sec. 10. (a) This section does not apply  
19 to the appropriation of money to pay a deputy or an employee of a  
20 township assessor with assessment duties or to an elected township  
21 assessor.

22 (b) The township legislative body shall fix the:  
23 (1) salaries;  
24 (2) wages;  
25 (3) rates of hourly pay; and  
26 (4) remuneration other than statutory allowances;  
27 of all officers and employees of the township.

28 (c) Subject to subsection (d), the township legislative body may  
29 reduce the salary of an elected or appointed official. However, except  
30 as provided in ~~subsection~~ **subsections (h) and (i)**, the official is entitled  
31 to a salary that is not less than the salary fixed for the first year of the  
32 term of office that immediately preceded the current term of office.

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

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

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1 the change in the sum per mile to take effect before January 1 of the  
2 next year.

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

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

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

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

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