2026 Budget Cycle Updates and Reminders

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Disclaimer

- This presentation and other Department of Local Government Finance materials are not a substitute for the law. The following is not legal advice, just an informative presentation. The Indiana Code always governs.

Agenda

Updates:

- New Legislation Webinar
- Capital Improvement Plan & Township Road Funding
- Fire Protection Territory: Maximum Tax Rate

Reminders:

- Petitioning Townships
- Fire & EMS Contract Uploads: Affirmation
- Advertising the Township Assistance Phone Number
- Abridged Budget Calendar
- Department Resources

Bonus:

- “Budgets 2.0” Sneak Peak

Legislative Overview Webinar

- On June 18, the Department held two legislative overview webinars.
- Watch the recorded webinars at:
  - https://www.in.gov/dlgf/continuing-education/webinars/

January 22, 2025	PTABOA Overview	PowerPoint	PDF	Video	Survey	CE Form
February 19, 2025	Gateway Reports Overview	PowerPoint	PDF	Video	Survey	CE Form
March 19, 2025	Budget Workshop Preparation	PowerPoint FAQ	PDF	Video	Survey	CE Form
April 16, 2025	Apartment Assessments	PowerPoint	PDF	Video	Survey	CE Form
May 21, 2025	CNAV Overview	PowerPoint	PDF	Video	Survey	CE Form

June 18, 2025
• *10 a.m. Webinar Session*
  • Assessment Matters
  • Deductions, Exemptions, & Credits
  • Property Tax Deferral Program
• *2 p.m. Webinar Session*
  • Referenda
  • Operations Fund Levy Sharing
  • Local Budgeting Matters
  • Local Income Tax
	Legislative Overview	PowerPoint	PDF	Video	Survey	CE Form

July 16, 2025	July Estimate Reports Overview					

Capital Improvement Plan & Township Road Funding

Capital Projects Plan

- Under Ind. Code § 36-6-9-5 as amended by HEA 1461, all townships must adopt a capital improvement plan under Ind. Code § 36-6-9 after June 30, 2025.
- Section 38 of HEA 1461 adds Ind. Code § 36-6-9-12 as a new section. This section provides that beginning July 1, 2025, a township must adopt a plan on an annual basis. In addition, this plan must be filed with the Department, in a form and manner prescribed by the Department.

Capital Projects Plan

Ind. Code § 36-6-9-6 Procedure for Plan Adoption

- Sec. 6. A township must adopt a capital improvement plan that meets the requirements of this chapter. The township trustee shall prepare the plan, and the township board shall hold a public hearing on a proposed or amended plan, before the township board adopts the plan.

Capital Projects Plan

Ind. Code § 36-6-9-12

- Sec. 12.(a) Beginning July 1, 2025, a township must adopt a plan on an annual basis. The township must file the plan with the Department of Local Government Finance in the form and manner prescribed by the Department of Local Government Finance.

(b) A plan must include:

- the balance of all unrestricted funds that exceed the township's budget for the following year; and
- the purpose for which all unrestricted funds are being retained.

Capital Projects Plan

Ind. Code § 36-6-9-4.5

- Sec. 4.5. As used in this chapter, "unrestricted funds" means cash reserves that are not:
  - obligated by a township's following year budget;
  - committed to a township's capital improvement plan;
  - encumbered by a contract or purchase order;
  - restricted for a specific use by state or federal law or other applicable state or federal rule;
  - restricted by a contractual obligation; or
  - restricted by a third-party.

Capital Projects Plan

- The Department met with the State Board of Accounts ("SBOA") and confirmed that they generally believe the following township funds traditionally have an unrestricted purpose:
  - Rainy Day
  - General

- There is the possibility that there could be other funds with an unrestricted purpose such as a gift/donation fund given without restrictions. When unsure, please contact SBOA for their audit opinion.

Capital Projects Plan

- The previous Capital Improvement Plan requirements outlined in Ind. Code § 36-6-9-9 remain in statute and still must be followed. The Department will design a template for the Capital Improvement Plan.

Capital Projects Plan

- **Ind. Code § 36-6-9-9 Plan Requirements**
- Sec. 9. (a) The Department of Local Government Finance shall prescribe the format of a plan not later than September 1, 2019.
- (b) A plan must:
    - (1) Apply to at least the three (3) years immediately following the year the plan is adopted;
    - (2) Estimate for each year to which the plan applies the nature and amount of proposed expenditures from each of the township's capital improvement funds; and
    - (3) estimate:
        - (A) the source of all revenue to be dedicated to the proposed expenditures in each of the three (3) calendar years; and
        - (B) the amount of property taxes to be collected in each of the three (3) calendar years and retained in the capital improvement funds for expenditures proposed for a later year.

Capital Projects Plan

- **Ind. Code § 36-6-9-2 "Capital improvement“**
- Sec. 2. As used in this chapter, "capital improvement" means:
  - Acquisition of land;
  - Site improvements;
  - Infrastructure improvements;
  - Construction of buildings or structures;
  - Rehabilitation, renovation, or enlargement of buildings or structures; or
  - Acquisition or improvement of machinery, equipment, furnishings, or facilities.

- As added by P.L.129-2019, SEC.4.

Capital Projects Plan

- **Ind. Code § 36-6-9-3 "Capital improvement fund“**
- Sec. 3. As used in this chapter, "capital improvement fund" means a township fund, the money in which may be used for the payment of capital improvements. The term includes:
  1. the general fund;
  2. the fire protection and emergency services fund under Ind. Code § 36-8-13 ;
  3. a cumulative firefighting building and equipment fund under Ind. Code § 36-8-14;
  4. an equipment replacement fund under Ind. Code § 36-8-19-8.5;
  5. a cumulative township vehicle and building fund under Ind. Code § 36-9-17.5;
  6. a cumulative building fund under Ind. Code § 36-10-7.5-19;
  7. a public park fund under Ind. Code § 36-10-7-7; and
  8. any other fund established by a township for the payment of capital improvements.

- As added by P.L.129-2019, SEC.4.

Capital Projects Plan

- **Ind. Code § 36-6-9-8 Failure to adopt a plan**
- Sec. 8. A township may not collect property taxes in the ensuing year for a capital improvement fund described in section 3 through 8 of this chapter, unless the township has adopted a plan that meets the requirements of this chapter.

- As added by P.L.129-2019, SEC.4.

Township Roads and Infrastructure Fund

- The Department will prescribe a template for the Capital Improvement Plan that will be adopted by each township annually.

- In order to complete the plan, local officials will:
  - Select their county.
  - Select their township.
  - Enter their financial data for each applicable fund.
  - Enter any restricted or committed funds (as outlined in Ind. Code § 36-6-9-4.5).

- The workbook will calculate an adjusted estimated December 31, 2026, cash balance that accounts for the restricted/committed funds and then multiply that number by 30% to calculate the estimated transfer to the new Township Roads and Infrastructure Fund.

Township Roads and Infrastructure Fund

- Section 40 of HEA 1461 adds Ind. Code 36-6-10 as a new chapter, establishing the township roads and infrastructure fund. Under Ind. Code § 36-6-10-2, a township must establish this fund for the improvement and maintenance of roads and infrastructure within the township's boundaries .

- Per Ind. Code §§ 36-6-10-3 and 36-6-10-4, a township must also enter into a written memorandum of understanding with a city, town, or county , as applicable, for the transfer of funds from the township road and infrastructure fund to the city, town, or county. This transfer is for the purpose of bidding out projects approved by the township for the improvement of roads and infrastructure within the township's boundaries. Before the memorandum can be entered into, the township board must adopt a resolution in favor of providing money for the improvement and maintenance of roads and infrastructure.

Township Roads and Infrastructure Fund

- Per Ind. Code § 36-6-10-5, a transfer from the township road and infrastructure fund must be done in the same manner as a transfer from the rainy day fund under Ind. Code § 36-1-8-5.1. However, the amount of transfer of unobligated cash balances as described in Ind. Code § 36-1-8-5.1(d)(2)(B)(iii) shall contribute thirty percent (30%) of the balance of all unrestricted funds (as defined in Ind. Code § 36-6-9-4.5, see IV.A.2, above) that exceed the township's budget for the following year, as provided in the capital improvement plan under Ind. Code § 36-6-9-12(b)(1) (see IV.A.2, above).

- In other words, the township must transfer under this written agreement an amount equal to thirty percent (30%) of the cash balances in the township's funds that are not retained in accordance with its annually adopted capital improvement plan. It is unclear whether this statute sets a minimum amount of the transfer, or if the township may only transfer thirty percent (30%) of the unencumbered excess of its unrestricted funds.

Capital Projects Plan

- **Ind. Code § 36-6-9-10 Amending a Plan**
- Sec. 10. A township trustee, with the approval of the township legislative body, may amend a plan to:
  (1) provide money for the purposes of a capital improvement fund; or
  (2) supplement money accumulated in a capital improvement fund for the purposes of the capital improvement fund.

- As added by P.L.129-2019, SEC.4.

Capital Projects Plan

- **Ind. Code § 36-6-9-11 County fiscal body consideration of plan in reviewing township budget**
- Sec. 11. A plan shall be considered by the county fiscal body in reviewing the township budget under Ind. Code § 6-1.1-17-3.6.

- As added by P.L.129-2019, SEC.4.

Capital Projects Plan

- The Department plans to release a detailed Capital Improvement Plan memo and template in July.
- The template will comply with all applicable statutes and give townships flexibility for their own unique configurations.
- It will contain detailed instructions on how to complete the workbook.

Petitioning Townships

Petitioning Townships

- Indiana Code § 36-1-23-2 states that a member of the fiscal body of a township may not participate in a vote on the adoption of the unit's budget and tax levies if the member is an employee or a volunteer firefighter in:
  (1) a volunteer fire department; or
  (2) a fire department; that provides fire protection services to the unit under a contract (excluding a mutual aid agreement) or as the unit's fire department.

Petitioning Townships

- Indiana Code § 36-6-6-17 imposes conflict of interest provisions for township board members effective July 1, 2020, and applies to all townships except townships in Marion County.
- A member of the township board may not vote on the township's budget and tax levy if the member is also an immediate family member of the township trustee. "Immediate family member" refers only to the following relations:
  - A parent
  - A sibling
  - A spouse
  - A child
- It also includes relations by adoption, half-blood, marriage, or remarriage.

Petitioning Townships

- If at least a majority of the members of the unit's fiscal body are precluded from voting on the unit's budget and tax levies, the unit's most recent annual appropriations are continued for the ensuing budget year, subject to the following:
  (1) The executive of the unit may petition the county fiscal body for an increase in the unit's budget.
  (2) The executive of the unit may petition the county fiscal body for any additional appropriations.
- While Ind. Code § 36-1-23-3 and Ind. Code § 36-6-6-17 specifically indicates that a unit's most recent appropriations would be continued, a unit in this situation would not have the ability to do a proper budget adoption under Ind. Code § 6-1.1-17-5. As a result, the unit's most recent annual tax levies would also be continued, pursuant to Ind. Code § 6-1.1-17-5(f).

Petitioning Townships

- For units that choose to petition the county fiscal body, the executive of the unit may petition the county fiscal body for an increase in the unit's budget and property tax levies. The county fiscal body may grant or deny the petition only after conducting a public hearing on the petition.

- If a majority of the township's board members are ineligible to vote on the budget, the trustee is strongly encouraged to reach out to the assigned Budget Field Representative for assistance in understanding and completing this process

- The most recent memo on this matter can be found here:
- Reminder Concerning Voting on Budgets by Volunteer Firefighters, Family Members, and Employees of Volunteer Fire Departments [Budget] - August 16, 2023

Fire Protection Territory: Maximum Tax Rate

Fire Protection Territory: Maximum Tax Rate

- Section 240 of SEA 1 amends Ind. Code § 36-8-19-7 affecting levies imposed by participating units in support of a fire protection territory that has been established after December 31, 2024. The provider unit and each participating unit may not impose a property tax rate within the territory that exceeds forty cents ($0.40) per one hundred dollars ($100) of assessed valuation.

Fire Protection Territory: Maximum Tax Rate

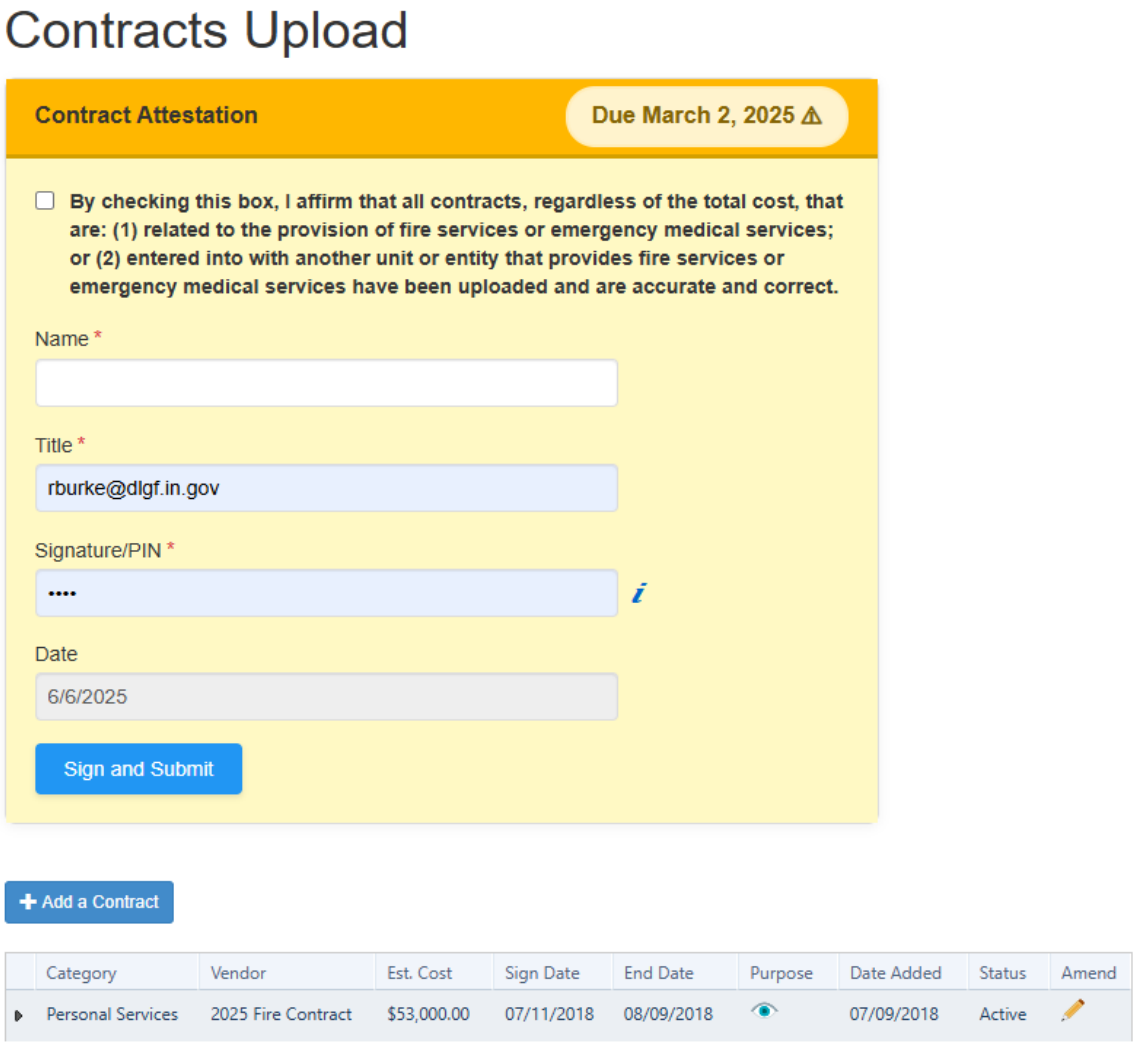
- Please note that no distinction is being made between a levy imposed for the fire territory operating fund, the equipment replacement fund, or any debt service fund. Therefore, the Department will apply the $0.4000 rate limit as being applied cumulatively rather than just on the fire territory operating fund. Per Ind. Code § 36-8-19-8.5, the equipment replacement fund already has a rate cap of $0.0333.

- This section is effective retroactive to January 1, 2025.

Fire & EMS Contract Uploads: Affirmation

Fire & EMS Contract: Affirmation

- Due March 2 of each year.
- The Department will be unable to approve any budget if this is not submitted pursuant to Ind. Code § 6-1.1-17-5.4.



Advertising the Township Assistance Phone Number

Notice to Taxpayers & Township Assistance

- Ind. Code § 12-20-5.5-3 states that townships shall include the number for township assistance on the Form 3: Notice to Taxpayers.

Estimated Civil Max Levy	$ 59,923
Estimated Fire Max Levy	$ 10,827
Property Tax Cap Credit Estimate	$ 2,580

Special Notes: The township assistance phone number for Burke Township is 317-123-4567.

Edit Special Notes

1 Fund Name	2 Budget Estimate	3 Maximum Estimated Funds to be Raised (Including appeals and levies exempt from maximum levy limitations)	4 Excessive Levy Appeals (Included in Column 3)	5 Current Tax Levy	6 Levy Percentage Difference (Column 3 / Column 5)
0061-RAINY DAY	$5,000	$0	$0	0	
0101-GENERAL	$69,975	$59,923	$0	57,537	4.15 %
0840-TOWNSHIP ASSISTANCE	$8,200	$0	$0	0	

Budget Calendar

Budget Calendar

- The Department has posted the 2025 Pay 2026 budget calendar. The calendar contains the statutory submission/due dates for some of the key deadlines for the budget certification process.
- Units are encouraged to use the budget calendar as a starting point for creating a unit specific calendar.
  - https://www.in.gov/dlgf/files/2025-memos/250206-Bolser-Memo-2025-Budget-Calendar.pdf

Budget Calendar – June 30

- Deadline to submit the 2025 Pay 2026 Pre-Budget Worksheet in Gateway.
  - The Department will use the information on the Pre-Budget Worksheet to better prepare for budget workshops.
  - The Department will use the information on the Pre-Budget Worksheet to estimate ensuing year circuit breaker credit amounts.
  - Units are able to and encouraged to provide any information that may be pertinent to the upcoming budget cycle.

Budget Calendar – June 30

- Deadline for State Budget Agency (“SBA”) to provide the Maximum Levy Growth Quotient ("MLGQ") to civil taxing units, school corporations, and the Department. (Ind. Code § 6-1.1-18.5-2(c))

- Estimated launch date for the Budget Application in Gateway.

Budget Calendar – July 15

- Department will provide each unit with an:
  - Estimate of the maximum amount of property taxes that may be levied in the ensuing budget year.
  - Estimate for non-property tax revenues for FIT, CVET, and Excise.
  - Estimate for circuit breaker loss for the ensuing year.

Budget Calendar – August 1

- Last day for county auditor to certify net assessed values (“CNAV”) to the Department.
  - The Department will make assessed values (“AV”s) visible to every political subdivision via Gateway.
  - All units are encouraged to use Gateway’s public site to validate the AVs certified by the county auditor.
  - https://gateway.ifionline.org/report_builder

Budget Calendar – Last Action Dates

- October 14
  - Last day to post a notice to taxpayers (“Budget Form 3”) of proposed 2026 budgets, net tax levies, and a public hearing to Gateway.
- October 24
  - Last possible day for taxing units to hold a public hearing on their 2026 budgets.
- November 3
  - Deadline for all taxing units to adopt 2026 budgets, tax rates, and tax levies.

Budget Calendar – Budget Order Dates

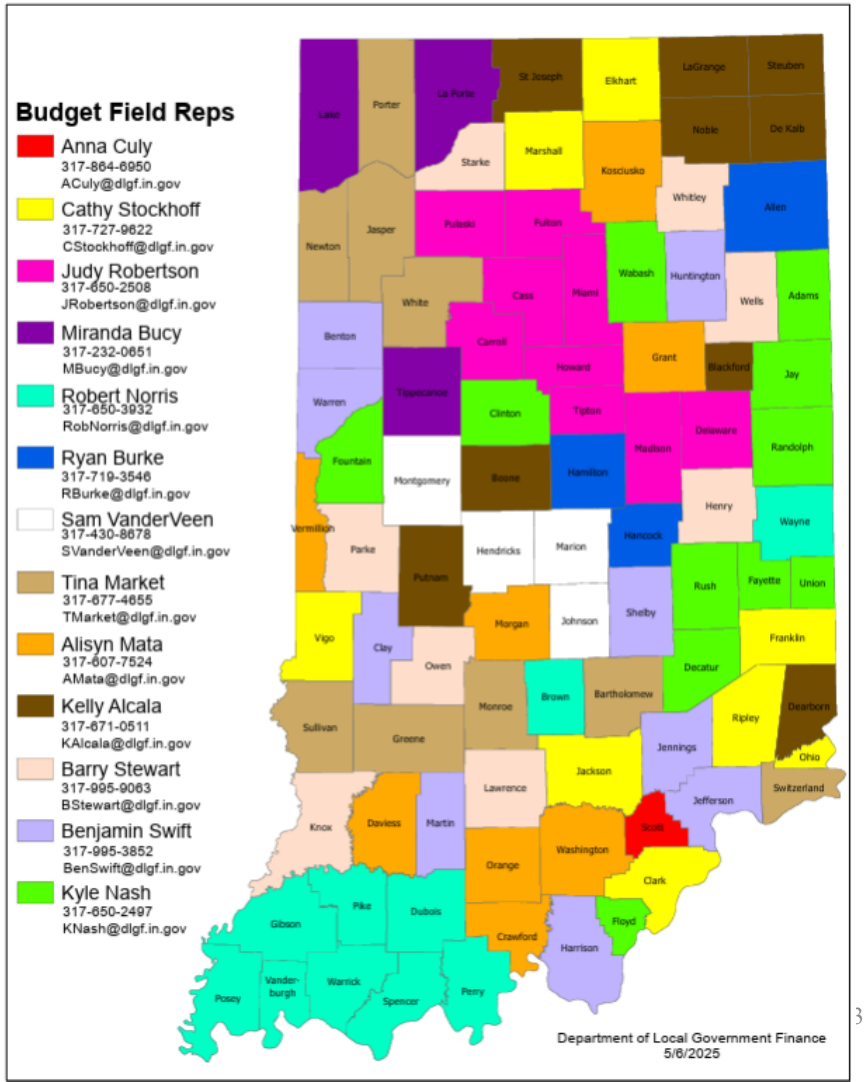
- December 31
  - Deadline for the Department to certify 2026 budgets, tax rates, and tax levies unless a taxing unit in a county is issuing debt after December 1 in the year preceding the budget year or intends to file a shortfall appeal.
- January 15
  - Deadline for the Department to certify 2026 budgets, tax rates, and tax levies if a taxing unit in a county is issuing debt after December 1 in the year preceding the budget year or intends to file a shortfall appeal.

Resources

Budget Field Representatives

- The Budget Field Representatives are the primary points of contact for local government officials.
- While not able to provide legal or financial advice, they can:
  - Explain changes in procedures.
  - Identify resources available for local officials.
  - Help you to avoid common mistakes made during the budget cycle.
- https://www.in.gov/dlgf/files/maps/Field-Rep-Map-Budget.pdf

Budget Field Representative County Assignments



Memos and Presentations



- The Department maintains a listing of the communications and legislative guidance from the last 5 years.

Memos and Presentations

- The documentation represents the Department's current position on topics from additional appropriations to petition township procedures.
- The library contains both presentation slides and recorded version of the presentations.
- Presentations include:
  - Introduction to Budgeting
  - Introduction to Gateway
  - Circuit Breaker (Introduction, Budgeting, and Recon)
  - Introduction to the Form 4B

County Specific Information



- In addition to the written guidance, the Department posts various calculations summarized by county.
- This includes budget orders, maximum levies, estimated circuit breaker report, and the Library Maximum Budget Report.

County Specific Information

- The Department will issue the following reports on the County Specific Information page.
- Not all reports will apply to all unit types.

Statewide Reports

- ★ 2025 Certified Local Income Tax Report (all counties) – Updated: January 21, 2025
- 2025 Library Estimated Maximum Budget Report (all counties)
- ★ 2025 Estimated Cumulative Fund Maximum Rates Report (all counties)
- ★ 2025 Estimated Property Tax Cap Credits by Unit Report (all counties)
- ★ 2025 Estimated Maximum Levy Report (all counties)
- ★ 2025 Estimated Debt Service Payments and Levies Report (all counties)
- ★ 2025 Estimated Miscellaneous Revenues Report (all counties)
- ★ 2025 December Property Tax Collections Calculation Worksheet (all counties)
- ★ 2025 Circuit Breaker Report

Additional Resources

- The Department's website contains information to assist taxpayers and local officials in understanding the property tax certification, billing, and collection cycle.
- This includes maintaining a glossary of frequently used terms.



Budgets 2.0 Sneak Peak

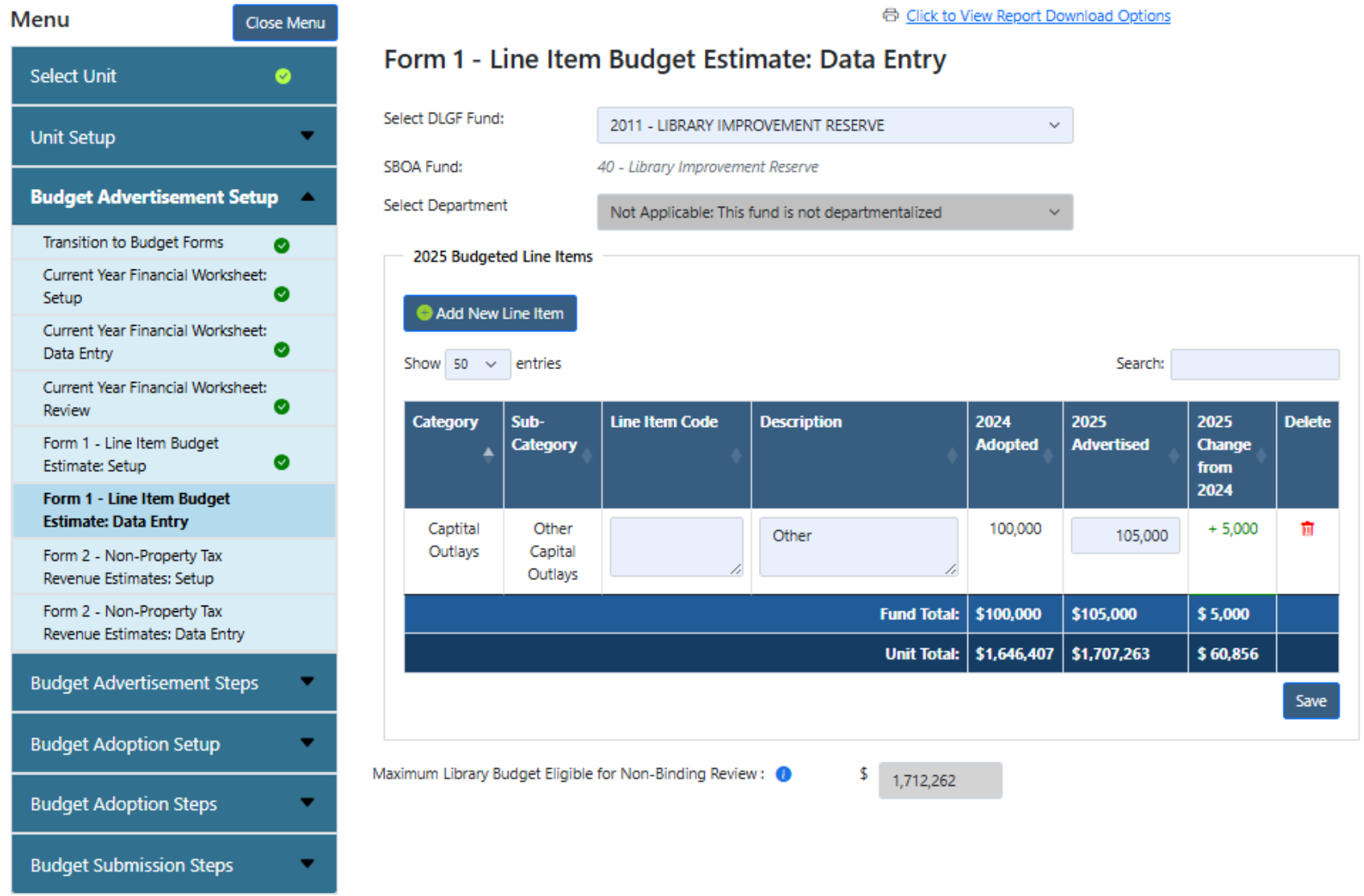
Budgets 2.0 is Coming Soon!

- This streamlined budget application is currently scheduled to launch in 2026 Pay 2027.
- Below are some of the notable planned features (subject to change)
  - The budgeting steps presented in a clear linear process.
  - It will ask a few questions before certain forms to tailor the data collection process to only those that apply to you.
  - Side by side comparisons of the previous year's amounts will be available in the Form 1: Line-Item Budget Estimates and Form 2: Non-Property Tax Revenue Estimates.
  - Incorporation of Department estimates available if desired.

Budgets 2.0 is Coming Soon

- The next couple of slides are added as an example of the current draft of the Form 1 and Form 2, but they are subject to change prior to the official launch.

Budgets 2.0: Sneak Peak – Form 1 (Draft)



Budgets 2.0: Sneak Peak – Form 2 (Draft)

- Select Unit
- Unit Setup
- **Budget Advertisement Setup**
  - Transition to Budget Forms
  - Current Year Financial Worksheet: Setup
  - Current Year Financial Worksheet: Data Entry
  - Current Year Financial Worksheet: Review
  - Form 1 - Line Item Budget Estimate: Setup
  - Form 1 - Line Item Budget Estimate: Data Entry
  - Form 2 - Non-Property Tax Revenue Estimates: Setup
  - **Form 2 - Non-Property Tax Revenue Estimates: Data Entry**
- Budget Advertisement Steps
- Budget Adoption Setup
- Budget Adoption Steps
- Budget Submission Steps

Form 2 - Non-Property Tax Revenue Estimates: Data Entry

Select DLGF Fund: 0101 - GENERAL

SBOA Fund: *1 - Operating Fund*

Non-Property Tax Revenue Estimates

Add New Revenue

Revenue Code	Revenue Description	Prior Years Estimates Used in DLGF Certification		Pay 2025 Estimates		Delete
		Jul 1 - Dec 31 2023	Jan 1 - Dec 31 2024	Jul 1 - Dec 31 2024	Jan 1 - Dec 31 2025	
R112	Financial Institution Tax Distribution	$1,428	$2,712	$ 1,141	$ 2,712	
R114	Vehicle/Aircraft Excise Tax Distribution	$71,185	$115,733	$ 58,728	$ 115,733	
R135	Commercial Vehicle Excise Tax Distribution (CVET)	$2,409	$4,818	$ 2,375	$ 4,818	
R138	Local Income Tax (LIT) Certified Shares	$204,609	$411,960	$ 205,980	$ 370,764	
R503	Other Fines and Forfeitures	$1,000	$2,000	$ 1,000	$ 2,000	
R902	Earnings on Investments and Deposits	$1,750	$4,000	$ 1,750	$ 4,000	
	Fund Total:	**$282,381**	**$541,223**	**$270,974**	**$500,027**	
	Unit Total:	**$316,881**	**$542,223**	**$305,474**	**$501,027**	

Contact the Department

- Website: www.in.gov/dlgf
  - "Contact Us": https://www.in.gov/dlgf/contact-us/
  - Budget Field Representative Map: Field-Rep-Map-Budget.pdf

- Gateway Support: Support@dlgf.in.gov

- Telephone: (317) 232-3777