STATE OF INDIANA

TO:　　　　**All Political Subdivisions**

FROM:　　　**Fred Van Dorp, Budget Director**

SUBJECT:　**Township Capital Improvement Plans, House Enrolled Act 1177-2019**

DATE:　　　**April 19, 2021**

On April 29, 2019, Governor Holcomb signed into law House Enrolled Act 1177-2019 ("HEA 1177"). Effective July 1, 2019, HEA 1177 mandated that townships create a capital improvement plan ("CIP"). This memorandum is being sent to each township that did not adopt a CIP prior to the statutory deadline of September 30, 2020.

For the townships that did not adopt a valid CIP prior to September 30, 2020, IC 36-6-9-8 prevents the unit from receiving a property tax levy in a capital improvement fund as part of their 2021 certified budget:

> A township may not collect property taxes in the ensuing year for a capital improvement fund described in [IC 36-6-9-3(3) through (8)] unless the township has adopted a plan that meets the requirements [IC 36-6-9].

To ensure that your township will have the option to levy in a capital improvement fund as part of the 2022 Budget cycle, the Department of Local Government Finance ("Department") still needs to collect a CIP or confirmation that your township does not meet the CIP requirements from HEA 1177.

Included with this memo is the updated CIP template for 2021. The certified budget information has been prepopulated. To complete the template, you will need to provide the December 31, 2020 cash balances for the funds listed. After the cash balances are populated, the spreadsheet will determine if you need to complete the entire plan.

The Department's memo from February 11, 2020, contains more specific information about the plan requirements, capital improvement funds, and adoption procedures:

- [Township Capital Improvement Plans and Interfund Transfers](#)

If you have questions about this requirement, please contact your [Department Field Representative](#).