

STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



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TO: All Political Subdivisions
FROM: Micah G. Vincent, Commissioner *MGV*
RE: Transfer of Funds to Rainy Day Funds
DATE: June 19, 2013

On April 29, 2013, Governor Mike Pence signed into law House Enrolled Act 1145. Section 1, effective July 1, 2013, amends IC 36-1-8-5.1 to allow a political subdivision to transfer at any time any unused and unencumbered CAGIT, COIT, CEDIT or general or special tax levy supported funds from any fiscal year to its rainy day fund. Moreover, a political subdivision can transfer to its rainy day fund unobligated cash balances from other funds provided that the amount of the transfer is not more than 10% of the political subdivision's total annual budget for that fiscal year and the amount of the transfer is authorized by and identified in an ordinance or resolution.

On May 11, 2013, Governor Pence signed into law House Enrolled Act 1545. Section 71, effective July 1, 2013, amends IC 36-1-8-5.1 such that a transfer made to a rainy day fund cannot be made from a debt service fund.

Please note that this memorandum is intended to be an informative bulletin; it is not a substitute for reading the law. Questions may be directed to Staff Attorney Mike Duffy at (317) 233-9219 or mduffy@dlgf.in.gov.