

# LIBRARIES BULLETIN

ISSUED BY STATE BOARD OF ACCOUNTS

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June 2025

## STATE BOARD OF ACCOUNT CONTACT INFORMATION

**SBOA Homepage:** [www.in.gov/sboa](http://www.in.gov/sboa)

*(for information specific to Libraries, select Political Subdivisions and then select Libraries as applicable)*

### **Government Technical Assistance & Compliance (GTAC) Directors:**

Beth Goss and Mitch Wilson

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Phone Number: (317)232-2513

**Gateway Help Desk:** [gateway@sboa.in.gov](mailto:gateway@sboa.in.gov) or [AnnualReports@sboa.in.gov](mailto:AnnualReports@sboa.in.gov)  
*(either email address will take you to the helpdesk)*

**SBOA Communications:** [communications@sboa.in.gov](mailto:communications@sboa.in.gov)

## UPCOMING TRAINING

August 28<sup>th</sup> we will be presenting at the 2<sup>nd</sup> Annual Indiana Library Bookkeepers Meeting. This meeting will be held at the Anderson Public Library.

## 2025 NEW LEGISLATION

The following is a list of laws enacted by the General Assembly as related to Libraries. This is not intended to be an expression of legal opinion nor is it intended to provide a complete summary of every addition or amendment contained in public law. If you have any questions regarding legal interpretation, please consult your Library attorney.

**DIGEST OF HB 1001** (Updated April 25, 2025 1:24 am - DI 125) State budget. Appropriates money for capital expenditures, the operation of the state, K-12 and higher education, the delivery of Medicaid and other services, and various other distributions and purposes. Provides that the annual salary of the members of the general assembly shall not be increased during the biennium beginning July 1, 2025. Extends the review, analysis, and evaluation of tax incentives by the legislative services agency through 2030. Requires the legislative services agency to perform a fiscal impact analysis for each executive order issued by the governor under the emergency management and disaster law. Requires state officials to report to the budget committee expenses and funding used for trips taken in their official capacity. Provides that if the budget director determines at any time that a state agency can perform the agency's statutory obligations with less than the amount appropriated, the budget director shall, with the

approval of the governor, and after notice to the state agency, reduce the amount or amounts allotted or to be allotted. Requires the budget director to withhold not less than 5% of any appropriation to a state agency to be used for salaries or other wages for state agency employees or general operating expenses of the state agency. Repeals the governor's workforce cabinet. Makes conforming changes. Requires the department of natural resources (not the Indiana department of veterans' affairs under current law) to provide staff support to the Indiana semiquincentennial commission and repeals provisions requiring certain meetings and events of the commission to be held at the World War Memorial in Indianapolis. Removes a requirement to include certain services in a lease between the Indiana department of administration and the Indiana historical society for use of a building. Makes an appropriation from the Pokagon Band Tribal-state compact fund to the Midwest continental divide commission fund. Establishes the Indiana local government investment pool board for the purpose of establishing policies governing the investment of funds contributed to the local government investment pool. Removes political affiliation requirements that apply to members appointed by the governor to the board for depositories. Allows the Indiana finance authority to begin a project related to the Learning and Training Center in Boone County beginning July 1, 2027 if certain conditions are met. Provides that a price preference for certain businesses applies to any proposal, contract, project, or agreement of the Indiana department of transportation, including state highway contracts, to the extent that the bid does not exceed the estimated cost of the project. Provides that the Indiana department of administration has sole control and jurisdiction over the policies governing and the usage of the Beth Bowen Meditation Room in the state capitol building. Exempts the Indiana board of tax review from requirements concerning live transmissions of meetings. Removes the statewide innovation development district fund as a funding source for an agreement between the Indiana economic development corporation (IEDC) and a taxpayer to receive payment in lieu of claiming an economic development for a growing economy tax credit. Amends the cap on the aggregate amount of tax credits the IEDC may certify each year. Requires the department of state revenue to establish an amnesty program for taxpayers who have an unpaid tax liability for a listed tax that was due and payable before January 1, 2023. Increases the cigarette tax by \$2 per pack on cigarettes weighing not more than three pounds per 1,000 and by a proportionate amount on cigarettes weighing more than three pounds per 1,000. Increases the tax rate imposed on the sale of closed system cartridges, open system electronic cigarettes, moist snuff, alternative tobacco products, other tobacco products, and cigars. Specifies penalties for the underpayment of certain estimated taxes for pass through entities. Increases the amount of the public utility fee from 0.15% to 0.175% of the public utility's annual gross intrastate operating revenue and transfers the public utility fee revenue and certain payments to the state general fund (not the public utility fund under current law). Requires termination of the compact related to the establishment of the Chicago-Gary Regional Airport Authority. Requires that the salary matrix for state police, capitol police officers, and department of natural resources law enforcement officers be adjusted each time an adjustment is made to a pay plan for state employees in the executive branch. Adds purposes related to the Stop the Bleed program and the purchase of bleeding control kits to the allowable purposes for which a secured school fund matching grant may be used. Provides that a managed care organization that participates in the risk based managed care program that fails to pay a claim submitted by a nursing facility provider within a specified period shall pay a penalty of \$500 per calendar day per claim. Requires the office of the secretary of family and social services (office of the secretary) to determine rebate eligibility for outpatient prescription drugs prescribed to Medicaid recipients from certain entities. Adds a member from the mental health Medicaid quality advisory committee to the therapeutics committee. Removes the prohibition on prior authorization for mental health drugs. Allows the office of the secretary to establish a prior authorization program. Specifies provider payment requirements that apply to any managed care organization that participates in the risk based managed care program.

Establishes the health care engineering fund for the purpose of funding plan reviews for certain health facilities. Imposes a fee for each plan review, which is deposited in the fund. Repeals the provisions requiring the office of the secretary of family and social services to transfer \$38,000,000 each year to the Health and Hospital Corporation of Marion County. Makes certain eligibility changes for the On My Way Pre-k program and the CCDF program. Adds therapeutic ibogaine research to the research that is currently funded under the therapeutic psilocybin research fund. Provides that a community mental health center that provides compensation to any individual employee in an amount that is \$400,000 or more per year is not eligible to receive funding from local property taxes or state programs or grants, but excluding the Medicaid program. Requires the department of natural resources to provide free admission to state parks to a Gold Star family member. Requires the bureau of motor vehicles to update the Gold Star family member license plate form. Provides that funding to a local board of health from the local public health fund may only be used for Indiana residents who are legal citizens of the United States. Extends the sunset of the collection of health facility quality assessment fees from June 30, 2025, to June 30, 2027. Specifies that a company that seeks to construct, operate, and maintain a carbon dioxide transmission pipeline in Indiana must apply to the department of natural resources (DNR) for a carbon dioxide transmission pipeline certificate of authority (certificate). Amends provisions in existing law that provide an exemption from the requirement to obtain a certificate under certain circumstances to specify that the exemption does not apply in circumstances in which the proposed pipeline crosses a parcel for which the pipeline company would be required to obtain a right-of-way or easement for the pipeline. Establishes the carbon sequestration project program administrative fund (fund) for the purpose of defraying the administrative costs of the DNR in managing and operating the carbon sequestration project program (program). Requires the DNR to deposit the following in the fund (instead of in the state general fund, under current law): (1) Filing fees for applications for carbon dioxide transmission pipeline certificates of authority. (2) Filing fees for applications for permits for carbon sequestration projects. (3) The fee paid by a storage operator based on the amount of carbon dioxide injected into a storage facility. (4) The cash bond and permit fee required to be paid by a person that applies for a permit for drilling, converting, or operating a nonproduction well for use in carbon dioxide investigations. Requires the DNR to deposit certain fees and penalties in the carbon dioxide storage facility trust fund (instead of in the state general fund, under current law): Amends the Indiana Code section requiring the payment of a fee that is based on the amount of carbon dioxide injected into a storage facility by a storage operator, to provide that the fee is to be: (1) paid annually (instead of one time after the storage operator begins injecting carbon dioxide into the storage facility); and (2) based on the number of metric tons of carbon dioxide injected into the storage facility during the immediately preceding calendar year (instead of based on the metric tons of carbon dioxide proposed to be injected during the first 10 years of the carbon sequestration project). Requires the secretary of education to provide a report and recommendation to the general assembly concerning aligning state funding for dual credit and the advanced placement program with the new high school diploma and expanding access to dual credit course work to all Indiana students. Prohibits a school employer from bargaining collectively with the exclusive school employee representative regarding contract costs for curricular materials. Establishes a teacher appreciation grant program to provide grants to school corporations and charter schools to attract, reward, and retain teachers who significantly impact student outcomes. Repeals the chapter establishing the curricular materials fund and certain provisions related to procedures for reimbursement of costs of providing curricular materials. Removes the annual income maximum for choice scholarship eligibility beginning June 29, 2026. Specifies the maximum tuition or fee amount that may be charged to enroll a career scholarship student enrolled in the career scholarship account (CSA) program, or an approved intermediary acting on behalf of a career scholarship student, in a career and technical education program, course, or class. Changes the administration of the

education scholarship program and the CSA program from the treasurer of state to the department of education, and in certain instances, the responsibilities related to the CSA program from the commission for higher education to the department. Requires the state board of education to meet at least one time per year (instead of one time per month). Requires the commission for higher education to annually prepare and submit to the legislative council and to the budget committee a report that examines the utilization of physical facilities for instruction at each state educational institution. Amends the membership appointments and requirements for the board of trustees of Indiana University. Requires a state educational institution (institution) to plan and conduct degree program reviews. Provides that if: (1) the average number of students graduating in a degree program is below a certain threshold; and (2) the institution would like to continue the degree program; the institution must request approval from the commission. Requires the board of trustees of each institution to establish a post tenure review process for tenured faculty that measures productivity and a review process regarding department level promotions and tenure expectations. Requires a faculty member to post syllabi on an institution's website. Provides that: (1) certain faculty governance organization meetings must be open to the public; (2) faculty governance organization actions are advisory only; and (3) members of faculty governance organizations must be employees of the institution to vote. Repeals provisions regarding the election of members to the board of trustees of Indiana University by the alumni of Indiana University. Repeals the nonreverting provisions for the higher education award fund and the freedom of choice grant fund. Authorizes the department of child services to enter into a written agreement with the department of state revenue to transfer the administration of the child support bureau to the department of state revenue. Requires a clerk to collect a small claims service fee of \$26 in each action filed in a Marion County small claims court. Establishes the small claims fund. Requires the court to distribute certain fees to the county auditor for distribution to the small claims fund. Provides that the fees in the small claims fund are to be distributed equally among the townships and the fees must fund the operation of the small claims court located within the township. Amends provisions concerning the designation of an innovation development district (district) to add certain qualification requirements. Provides for the determination of the: (1) base assessed value; (2) gross retail base period amount; and (3) income tax base period amount; in a district. Requires the executive of a city, county, or town, or, if applicable, executives, and the IEDC to enter into an agreement establishing the terms and conditions governing any district (instead of only certain districts). Repeals the statewide innovation development district fund. Establishes the economic development reserve account. Increases the maximum amount of covered taxes that may be captured in the Evansville professional sports and convention development area (PSCD) from \$10 per resident to \$2,000,000 and expands the PSCD area. Provides that unexpended and unencumbered amounts appropriated from the federal economic stimulus fund in P.L.165-2021 do not revert to the state general fund. Requires the state comptroller to transfer: (1) \$15,000,000 from the addiction services fund; and (2) \$25,000,000 from the department of insurance fund; to the tobacco master settlement agreement fund on July 1, 2025. Requires the budget agency to transfer to the state general fund the balance in the freedom of choice grant fund (IC 21-12-4-5) and the higher education award fund (IC 21-12-3-19) that is not needed for the payment of scholarship awards in the state fiscal year ending June 30, 2025. Requires the office of management and budget to submit a report to the budget committee with options for reforming: (1) a certain funding model in the Indiana office of technology; and (2) the management performance hub. Requires the northwest Indiana regional development authority to transfer certain money received from wagering revenues to the northern Indiana commuter transportation district for operation and maintenance costs of the South Shore line that are attributable to the operations of the part of the South Shore line located in Lake County. Provides that: (1) an appropriation to the legislative council and the legislative services agency for a state fiscal year ending before July 1, 2027, reverts to the state

general fund as directed by the personnel subcommittee of the legislative council; and (2) an employee in an entity in the legislative or judicial branch of state government is eligible to participate in a pilot program for converting unused excess accrued leave to a monetary contribution for the employee in the employee's 401(a) matching account with Hoosier START. Changes the effective dates of the provisions of HEA 1601-2025 to January 1, 2026. Urges the legislative council to assign to the appropriate interim study committee during the 2025 legislative interim the task of studying the impact of removing caseload limitations for the department of child services. Makes conforming changes.

**DIGEST OF HB 1033** (Updated March 18, 2025 2:11 pm - DI 140) Retainage requirements. Changes the maximum amount of retainage for certain state and local public works projects from: (1) 10% to 6% of the dollar value of all work satisfactorily completed until the public work is 50% complete; and (2) 5% to 3% of the dollar value of all work satisfactorily completed until the public work is substantially complete. Removes the requirement of a minimum amount of retainage for certain state and local public works projects.

**DIGEST OF HB 1134** (Updated April 1, 2025 3:33 pm - DI 140) Executive sessions. Allows meetings of a state or local agency governing body concerning the following topics to be held in executive session: (1) Employee health care options with respect to special exceptions to coverage. (2) Employee specific compensation or employment matters of individual employees (excluding general discussion of employee compensation during a budget process). (3) Employee handbook changes. (3) Review of negotiations on the performance of publicly bid contracts, when public knowledge may result in increased cost. (4) Solicitation of contract proposals containing a bidder's proprietary information.

**DIGEST OF HB 1198** (Updated March 11, 2025 2:29 pm - DI 140) Local public work projects. Changes the amount of a public work project that a board may perform using its own workforce, without awarding a contract, from an estimated cost of less than \$250,000 to an estimated cost of less than \$375,000, adjusted annually to account for inflation. Provides that the department of local government finance shall annually publish the adjusted cost estimate threshold on the department's website. Removes the distinction between a political subdivision that is a school corporation and a political subdivision that is not a school corporation for the cost of a public work project that is not subject to certain procedures. Provides that if a federal grant is to be issued to fund a portion of the construction on a public work project, the successful bidder has 90 days to proceed with the contract. Provides that plans and specifications approved by an architect or engineer are not required for certain public work on a public building.

**DIGEST OF HB 1392** (Updated March 24, 2025 2:49 pm - DI 140) State comptroller matters. Specifies the timing of annual salary increases for state elected officials. Provides that the state comptroller calculates distributions of financial institutions tax revenue to taxing units. Provides that a taxing unit may deposit a distribution of financial institutions tax revenue in any fund, and the revenue may be used for any purpose allowed by law. Requires the state comptroller to calculate and provide the distribution amounts of commercial vehicle excise tax revenue for each taxing unit in a county to the county auditor. Provides that the county auditor may deposit a distribution of commercial vehicle excise tax revenue in any fund, and the revenue be may used for any purpose allowed by law. Removes a requirement that a prosecuting attorney notify the state comptroller of the prosecuting attorney's election to devote full professional time to the duties of the office. Provides that an individual is not required to file any notification with the state comptroller that the individual has been elected or appointed to a judgeship. Requires the state comptroller and Indiana public retirement system to develop and present to the interim study committee on pension management oversight a proposed plan for a transition from the

use of, and contribution of state revenue to, retirement medical benefits accounts to an increased focus on the use of, and additional contributions of state revenue to, the state employees' deferred compensation plan.

**DIGEST OF HB 1509** (Updated March 24, 2025 3:51 pm - DI 140) Appointed officials. Requires disclosure of the appointing authority and term of an appointed public officer: (1) in the meeting notice and agenda of the board on which the public officer is appointed to serve; and (2) on the board's website or appointing authority's website, if any. Provides that if the appointing authority or board does not have a website, the information must be published on the Internet through the computer gateway administered by the office of technology.

**DIGEST OF SB 1** (Updated April 10, 2025 12:40 pm - DI 140) Local government finance. Places restrictions on the issuance of certain general obligation bonds. Amends a capitalization rate percentage under the statewide agricultural land base rate determination. Provides that the percentage cap used to determine the maximum levy growth quotient is 4% in 2026. Provides that, notwithstanding any growth in a political subdivision's assessed value (AV) in the previous year, a political subdivision's ad valorem property tax levy shall not exceed the ad valorem property tax levy for its last preceding annual budget, unless the fiscal body of the political subdivision adopts an affirmative tax rate and tax levy increase by ordinance following a separate public hearing. Requires a resulting decrease in tax rates for each political subdivision in which there was an increase in the political subdivision's AV in the previous year, subject to any affirmative tax rate and tax levy increase adopted by the fiscal body of the political subdivision. Phases out the authority for the department of local government finance (department) to permit an excess tax levy that is based on AV growth, school transportation costs, and other circumstances. Retains the provisions that permit an excess tax levy if the civil taxing unit cannot carry out its governmental functions in the case of annexation, a natural disaster, an accident, or an emergency. Phases in an increase in the acquisition cost threshold for the business personal property tax exemption from \$80,000 to \$2,000,000. Provides that the 30% minimum valuation limitation does not apply to business personal property placed in service after January 1, 2025. Phases down the homestead standard deduction over five years to zero beginning for taxes due and payable in 2031. Phases in an increase in the supplemental homestead deduction to 2/3 of the AV of the homestead. Phases in an AV deduction for all property that is subject to the 2% circuit breaker credit for excessive property taxes for assessment dates beginning in 2025 up to a 1/3 AV deduction for taxes due and payable in 2031, and each taxable year thereafter. Expires certain property tax deductions allowed in current law, and instead allows a credit against local property taxes in certain instances. Makes certain changes to the qualification requirements and credit amount for the over 65 circuit breaker credit. Provides a supplemental homestead tax credit for property taxes for a person's homestead if the person qualifies for a standard homestead deduction for the same homestead property. Provides that specified referendums may be placed on the ballot only at a general election. Amends the ballot language for controlled project, school operating, and school public safety referendums. Provides that a school corporation may not adopt a resolution to place a controlled project referendum on the ballot during the second calendar year after the final calendar year in which a previously approved controlled project referendum levy is imposed. Modifies the threshold amounts used for determining whether a political subdivision's project is a controlled project and whether the petition and remonstrance process or the referendum process applies based on the political subdivision's total debt service tax rate. Adds provisions to authorize a county fiscal body to adopt an ordinance to establish a property tax payment deferral program (program). Provides that a qualified individual participating in the program may defer the payment of part of the property taxes that would otherwise be due on a homestead. Provides that property taxes deferred under the program are due after the occurrence of a

deferral termination event. Provides that the maximum amount of taxes that may be deferred cumulatively year over year may not exceed \$10,000. Increases, beginning in 2028, the maximum local income tax (LIT) expenditure rate for all counties to 2.9%. Authorizes a city or town to impose a municipal LIT rate beginning in 2028 not to exceed 1.2%. Provides that within a county's total expenditure rate, the county may adopt: (1) up to a 1.2% rate for county general purpose revenue; (2) up to a 0.4% rate for fire protection and emergency medical services; (3) up to a 0.2% rate for nonmunicipal civil taxing unit general purpose revenue; and (4) up to 1.2% for certain cities and towns that are not eligible to adopt a municipal LIT rate. Eliminates provisions that provide for a distribution of LIT expenditure rate revenue to schools and civil taxing units in counties that imposed a rate under the prior county adjusted gross income tax. Authorizes a county fiscal body to impose a local income tax expenditure rate to provide property tax relief for property tax liability attributable to homesteads in the county before January 1, 2028. Expires the authority to impose a property tax relief rate under the LIT and repeals the levy freeze rate. Provides that, in order to continue to impose an expenditure tax rate after 2027, each county must adopt a new ordinance on or before October 1, 2027, to impose the rate. Provides that, for counties that fail to adopt an ordinance to renew an existing expenditure tax rate in 2027, the expenditure tax rate for the county in 2028 shall be the minimum tax rate necessary for existing debt service. Specifies that this does not prevent the county from renewing, imposing, or modifying an expenditure tax rate in subsequent years. Eliminates local income tax councils beginning July 1, 2027, and instead provides that the county fiscal body is the adopting body in all counties for purposes of the county LIT, and the city or town fiscal body is the adopting body in the case of a municipal LIT. Establishes the state and local income tax holding account within the state general fund for purposes of LIT distributions. Requires the budget agency to maintain an accounting for each county imposing a county LIT based on annual returns filed by or for county taxpayers (same as current law). Requires undistributed amounts so accounted to be held for purposes of the state and local income tax holding account beginning after December 31, 2026. (Under current law, undistributed amounts are required to be held in reserve separate from the state general fund.) Requires the budget agency to present each December to the budget committee a report of the following: (1) An estimate of the monthly certified distribution amounts for the immediately succeeding calendar year. (2) A description of the method used to determine the monthly estimates. Beginning in 2028, requires the budget agency to make monthly transfers to the state and local income tax holding account of the amount determined for the month in the budget agency's report to the budget committee. Repeals a provision that requires the budget agency to adjust the certified distribution of a county for the succeeding year following a tax rate change. Requires the department to develop and maintain a property tax transparency portal through which taxpayers may: (1) compare the property tax liability in their current tax statement compared to their potential property tax liability based on changes under a proposed tax rate; and (2) provide taxpayer feedback to the department. Prohibits the northern Indiana commuter transportation district from issuing new bonds after May 9, 2025, that are payable in whole or in part from amounts distributed from the commuter rail service fund or the electric rail service fund. Requires all school corporations that adopt a resolution for an operating referendum tax levy that is imposed for the first time with property taxes first due and payable beginning after 2027 to share revenue with certain charter schools. Requires, beginning with distributions in 2028, that all school corporations begin sharing revenue from the school corporation's operations fund levy with certain charter schools. Provides for the phasing in of the sharing of revenue with certain charter schools from the school corporation's operations fund levy. Provides for the appointment of additional board members to the governing board of a charter school that receives property tax revenue. Sets forth additional procedures related to the closure of a charter school. Dissolves the Union School Corporation. Provides that for a fire protection territory established after January 1, 2025, each unit in a territory may not impose a

tax rate that exceeds \$0.40 per \$100 of assessed valuation. Makes conforming changes. Makes technical corrections. Makes an appropriation.