Paul D. Joyce, CPA
State Examiner

COUNTY BULLETIN

ISSUED BY THE STATE BOARD OF ACCOUNTS

June 2026

REMINDER OF ORDER OF BUSINESS

July

1 On or before this date or 51 days after the tax payment due date the county treasurer shall certify a list of real estate delinquencies for tax sale. [IC 6-1.1-24-1]

On or before July 1, each county assessor shall certify to the county auditor and the department of local government finance the assessment value of the personal property in every taxing district. The county assessor shall certify the assessment value of the personal property in the form prescribed by the department of local government finance. [IC 6-1.1-3-17]

On or before July 1, the county assessor shall, under oath, certify to the county auditor and the department of local government finance a detailed list of the real property listed for taxation in the county. The county assessor shall certify the list in the form prescribed by the department of local government finance. [IC 6-1.1-5-14]

2 On or before this date, the county auditor should receive County Form 144 (Statement of Salaries and Wages Proposed to be Paid Officers and Employees), from officers, boards, commissions and agencies. [IC 36-2-5-4]. The county auditor shall present these forms to the county executive at its July meeting. The county executive shall review the forms and make its recommendations. Before August 20 the county executive shall present County Form 144 and its recommendations to the county fiscal body.

4 Legal Holiday - Independence Day [IC 1-1-9-1]

13 On the second Monday of July, congressional interest is distributed to school corporations. [IC 20-42-2-7]

30 Last day to report and make payment of balance of State and County Income Tax withheld in the month of June to Indiana Department of Revenue. [IC 6-3-4-8(b)]

31 Last day to file quarterly contribution and wage reports with Indiana Department of Workforce Development. [646 IAC 5-2-1]

31 Last day for county treasurer to mail demand notices to delinquent personal property taxpayers. [IC 6-1.1-23-1]

August

8 Last date for county officers and department heads to file the respective budget estimates with county auditor - Wednesday following first Monday in August. [IC 36-2-5-9]

5-6 State Board of Accounts called meeting for County Treasurers – Indianapolis

19 Last date for board of commissioners to review "Statements for Salaries and Wages Proposed to be Paid Officers and Employees" and to make its recommendations to the county council. [IC 36-2-5-4(b)]

30 Last day to report and make payment of State and County Income Tax withheld in the month of July to Indiana Department of Revenue. [IC 6-3-4-8(b)]

September

7 Legal Holiday - Labor Day. [IC 1-1-9-1]

21-24 Association of Indiana Counties Annual Conference – Fort Wayne

30 Last day to report and make payment of State and County Income Tax withheld in the month of August to Indiana Department of Revenue. [IC 6-3-4-8(b)]

COURT COSTS - GOVERNMENTAL UNITS

IC 33-37-3-1 provides "(a) The fees prescribed in civil actions or paternity actions may not be collected from the state or a political subdivision in an action brought by or on behalf of the state or the political subdivision. (b) This section does not prevent the collection of fees from a defendant when the state or political subdivision is successful in its action." Therefore the State Board of Accounts' audit position is that the state and political subdivisions (including school corporations) are not liable for court costs. Furthermore, Rule 54 of Trial Procedure provides in part (d) "Except when express provision therefore is made either in a statute or in these rules, costs shall be allowed as of course to the prevailing party unless the court otherwise directs in accordance with any provision of law; but costs against any governmental organization, its officers, and agencies shall be imposed only to the extent permitted by law." This audit position pertains to all actions filed in Circuit, Superior and County Court.

INSPECTION OF MOTOR VEHICLES PRIOR TO REGISTRATION

IC 9-17-2-12 concerns certificates of registration for motor vehicles and recreational vehicles and inspections of said vehicles. Subsection (e) of the statute (copied immediately below) allows police officers who make inspections under the statute to charge an inspection fee.

(e) A police officer who makes an inspection under this section may charge a fee, subject to the following:

(1) The fee must be established by ordinance adopted by the unit (as defined in IC 36-1-2-23) that employs the police officer.
(2) The fee may not exceed five dollars ($5).
(3) The revenue from the fee shall be deposited in the following manner:
  (A) A special vehicle inspection fund if the police officer making the inspection is member of the county sheriff's department. The fiscal body of the unit must appropriate the money from the inspection fund only for law enforcement purposes.
  (B) A local law enforcement continuing education fund established by IC 5-2-8-2 if the police officer making the inspection is a member of a city or town police department, a town marshal, or a town marshal deputy.

The inspection fee is capped at $5, and the use of money in the Vehicle Inspection Fund (fund #1208) is limited pursuant to IC 9-17-2-12(e)(3). The State Board of Accounts recommends that the enabling ordinance establishing the fee include a procedure for charging and handling the fee, as follows:

(1) Issue a receipt for each fee collected.
(2) Remit receipts to the county auditor once each month on the Monthly Report of Collections (County Form No. 362).
(3) The county auditor shall receipt the collections into the Vehicle Inspection Fund (fund #1208).

ECONOMIC DEVELOPMENT INCOME TAX (EDIT) – CAPITAL IMPROVEMENT PLAN

If a county allocates local income tax revenue for economic development purposes under IC 6-3.6-6-9, the county may use the economic development revenue for any of the purposes identified in IC 6-3.6-10-2, which include “any lawful purpose for which money in any of its other funds may be used.”

Per IC 6-3.6-2-8, an economic development project is any project that the county, city, or town determines will promote significant opportunities for the gainful employment of its citizens, attract a major new business enterprise to the unit, or retain or expand a significant business enterprise within the unit and involves an expenditure for the acquisition of land, interests in land, site improvements, infrastructure improvements, buildings, structures, rehabilitation, renovation, and enlargement of buildings and structures, machinery, equipment, furnishings, facilities, administrative expenses associated with such a project, operating expenses of a governmental entity that plans or implements economic development projects, and substance removal or remedial action, or any combination of these.

In order to receive its fractional amount of EDIT revenue allocated for economic development purposes, the executive of a county, city, or town must adopt a capital improvement plan specifying the uses of the additional revenue to be allocated for economic development purposes. [IC 6-3.6-6-9.5]. A county, city, or town that fails to adopt a capital improvement plan may not receive its fractional amount of the additional revenue allocated for economic development purposes. [IC 6-3.6-6-9.5(b)].

The county treasurer shall retain the amounts not distributed for such a unit in a separate account until the unit adopts a plan. Interest on the separate account becomes a part of the account. If a unit fails to adopt a plan for a period of three (3) years, then the balance in the separate account shall be distributed to the other units in the county in the same manner that other additional revenue allocated for economic development purposes is distributed.

Under IC 6-3.6-6-9.5(a)(2), the executive of a county, city, or town may designate the county or a city or town in the county as the recipient of all or a part of its share of the additional revenue that is distributed to it for economic development purposes. If such designation is made, the county treasurer shall transfer the share or part of the share to the designated unit unless the unit does not have a capital improvement plan.

A capital improvement plan must include the following components:

(1) Identification and general description of each project that would be funded by other additional revenue allocated for economic development purposes.
(2) The estimated total cost of the project.
(3) Identification of all sources of funds expected to be used for each project.
(4) The planning, development, and construction schedule of each project.

A capital improvement plan must encompass a period of no less than two (2) years and must incorporate projects the cost of which is at least seventy-five percent (75%) of the fractional amount of additional revenue allocated for economic development purposes that is expected to be received by the county, city, or town in that period of time.

In making a designation, the executive must specify the purpose and duration of the designation. If the designation is made to provide for the payment of lease rentals or bond payments, the executive may specify that the designation and its duration are irrevocable. [IC 6-3.6-6-9.5]

EDIT funds must be appropriated by the county council prior to expenditure.

CLERK - RECORDING BAIL BONDS

The State Board of Accounts advises clerks of the circuit court to be cognizant of the Indiana Bail Law, found at IC 27-10. Accordingly, IC 27-10-2-10(a) provides in part, "Recognizances for the appearance of prisoners shall in all cases and in all courts be in writing, be taken with at least one (1) resident freehold surety or be secured by a surety company, and be substantially in the following form: . . ." A recognizance form is then illustrated.

Also, IC 27-10-2-11 provides in part "Such recognizance, together with a transcript of the proceedings and all papers in the case, shall be filed forthwith with the clerk of the proper court, who shall docket the cause and record such recognizance forthwith and enter it on the judgment docket . ."

RECORDER – REDACTING SOCIAL SECURITY NUMBERS

IC 36-2-11-15(c) and (d) require a preparer's statement and affirmation statement in the following form be included on recorded instruments:

> "This instrument was prepared by (name)."
>
> "I affirm, under the penalties for perjury, that I have taken reasonable care to redact each Social Security number in this document, unless required by law (name)."

The law does not stipulate where the affirmation statement is to be located.

IC 36-2-11-15(a) states that the affirmation statement is required for any recorded instrument other than the following:

(1) an instrument executed before July 1, 1959, or recorded before July 26, 1967;
(2) a judgment, order or writ of a court;
(3) a will or death certificate;
(4) an instrument executed or acknowledge outside Indiana; or
(5) a federal lien on real property or a federal tax lien on personal property, as described in IC 36-2-11-25

Maps, plats, and surveys typically require the affirmation statement. UCC filings need not contain the statement because it is not possible to determine whether the document was executed or acknowledged in Indiana. We have also been asked whether the affirmation statement would be applicable to military discharge paperwork (form DD214). The DD214 is required by law to contain the person's social security number, and therefore the recorder need not redact the social security number. Per IC 36-2-11-15(b), the recorder may receive for record or filing an instrument only if all social security numbers in the document are redacted, *unless the social security number is required by law*.

ACCOUNTING FOR BUILDING AND CONSTRUCTION RELATED FEES

On June 19, 2026, the State Examiner issued Directive 2026-01. The new Directive provides guidance on HB 1001, regarding Accounting for Building and Construction Related Fees. For reference, the Directive is copied below.

State Examiner Directive 2026-01

This State Examiner Directive instructs how cities, towns, and counties must account for and record "Building and Construction Related Fees" permitted under Indiana Code 36-7-2.3 after **December 31, 2026**.

House Enrolled Act 1001 (2026) added several new provisions to the Indiana Code, including IC 36-7-2.3, entitled "Limits on Building and Construction Related Fees." The relevant provisions discussed in this State Examiner Directive have a statutory application date "[a]fter December 31, 2026." See IC 36-7-2.3-3.

IC 36-7-2.3 applies to:

> . . . a fee imposed by a unit for approval of an application related to:
> (1) construction or reconstruction of:
>
> (A) residential buildings;
> (B) commercial buildings;
> (C) industrial buildings;
> (D) any other building or building space; or
> (E) an appurtenance to a building described in clauses (A) through (D); or
>
> (2) zoning, development, subdivision, classification, or reclassification of land; including a fee designated as a permit fee (including a fee for a permit under IC 36-7-4-1109(f)), application fee, inspection fee, processing fee, or by another name.

IC 36-7-2.3-1.

This new legislation provides the express prohibition that any fee assessed or collected by a unit after December 31, 2026, must "not at any time revert to the general fund or any other fund of the unit." IC 36-7-2.3-3(3).

Further, any fee assessed and collected after December 31, 2026, "must be maintained in a special fund dedicated solely to reimbursing the costs actually incurred by the unit relating to the imposition and amount of the fee." IC 36-7-2.3-3(3).

As a result, after December 31, 2026, the State Examiner directs all cities, towns, and counties who impose and collect fees subject to IC 36-7-2.3 to deposit and account for those fees in a fund that has been created by the Indiana State Board of Accounts (SBOA) with the following numbers and names:

<u>Counties #1240 - Building and Construction Related Fees Fund</u>
<u>Cities and Towns #2256 - Building and Construction Related Fees Fund</u>

Each unit's Building and Construction Related Fees Fund must separately account for the receipts and expenditures related to each type of fee imposed and collected by the unit (i.e., application, processing, inspection, etc.), and all fees must be deposited into the Building and Construction Related Fees Fund.

During an audit or examination, the SBOA must be able to identify that every fee subject to IC 36-7-2.3 was properly deposited and accounted for in the Building and Construction Related Fees Fund and that no public funds, once deposited, were transferred or reverted to the general fund or any other fund of the unit. Further, the SBOA must be able to determine the amount of fees each unit imposed and deposited for each type of fee (i.e., residential, industrial, commercial, etc.). Each unit must properly account for the same within the new Building and Construction Related Fees Fund.

The State Examiner also directs all units to maintain a subsidiary ledger which details:

1. All revenue received by individual fee source, and

2. All disbursements from each specific fee source.

Each unit's subsidiary ledger must be available for SBOA review during an audit or examination. Each unit's subsidiary ledger must be reconciled to the Building and Construction Related Fees Fund on a monthly basis.

LANE MILE DIRECT DISTRIBUTION FUND

Pursuant to IC 8-23-30-2(k) and beginning on June 30, 2026, eligible counties, cities, and towns may receive a distribution from the State Comptroller proportional to total lane mileage.

Such distributions to eligible counties, cities, or towns under IC 8-23-30-2(k) shall be deposited into the newly established Lane Mile Direct Distribution Fund. The new Lane Mile Direct Distribution Fund has been assigned fund number 1242 for counties and fund number 2258 for cities and towns.

In order to be eligible for a distribution, a county, city, or town must have (1) adopted a wheel tax, (2) adopted a vehicle excise tax, and (3) provided the local technical assistance program (“LTAP”) at Purdue University with an updated transportation asset management plan within the last twelve months.

Money in the Lane Mile Direct Distribution Fund may only be used for “eligible projects.” IC 8-23-30-1(a) defines “eligible projects” as either of the following:

(1) A project:
- (A) that is undertaken by a local unit;
- (B) that repairs or increases the capacity of local roads and bridges; and
- (C) that is part of the local unit's transportation asset management plan.

(2) A project that:
- (A) is undertaken by a local unit; and
- (B) reduces the risk to human life from low water crossings.

Money in the Lane Mile Direct Distribution Fund must be appropriated prior to expenditure. At the end of the fiscal year, unexpended money remaining in the Lane Mile Direct Distribution Fund is not returned to the State and does not revert to the local unit’s general fund.

COUNTY COMMUNITY CORRECTIONS TRUST FUND

During its 2026 legislative session, the General Assembly passed Senate Bill 92, titled “Community Corrections Trust Funds.” The bill created a new code chapter, IC 11-12-12.

Basic Requirements

IC 11-12-12-2 establishes a new statutory fund, the County Community Corrections Trust Fund, which has been added to the Chart of Accounts as fund #1241. Per IC 11-12-12-2, the fund is nonreverting and is maintained on the auditor's ledger (see also IC 11-12-12-6). IC 11-12-12-4 details permissible fund uses, which are limited to the following:

(1) The inventory and operations of the commissary.
(2) Rehabilitation and educational programming.
(3) Facility improvements directly tied to community corrections programming.
(4) Staff training and equipment.

Unlike the sheriff's commissary fund, which does not require appropriation by county council, the county community corrections trust fund requires the county council to appropriate the fund.

Fund Sources and Accounting

IC 11-12-12-3 details three revenue sources for the fund:

(1) Proceeds from commissary sales deposited into the fund under section 2 of this chapter.
(2) Any amounts appropriated to the fund.
(3) Any grants or gifts received by the county that are designated for the purposes of the commissary or community corrections programming.

Because the fund comingles multiple revenue sources, including grants or restricted donations that may impose stricter limitations than IC 11-12-12-4, accounting for the County Community Corrections Trust Fund is involved. To combat comingling funds with different permissible uses, counties have two options to ensure the fund is maintained appropriately.

Option 1: Separate Revenue Funds

If the county decides to maintain revenues separately, the following procedures must be followed for receipts and disbursements.

(1) Revenue will be receipted as follows: Receipt proceeds from commissary sales into the County Community Corrections Trust Fund, #1241.
(2) Receipt grants (local or federal) into a separate fund. Federal grant funds will be receipted into a fund designated in the 8000 series and local grants will be receipted into a fund designated in the 9000 series.
(3) Receipt gifts and donations into a separate fund in the 4000 series.

Disbursements from each fund must be in accordance with IC 11-12-12-4, grant agreements, contracts, and/or local ordinances, as applicable. All funds must be appropriated prior to disbursement.

Option 2: A Single Fund

If the county decides to receipt and disburse all revenue, regardless of source, into a single County Community Corrections Trust Fund, the county must follow the additional procedures detailed as follows:

(1) Receipt all revenue into the County Community Corrections Trust Fund, #1241.

(2) Maintain a subsidiary ledger detailing:
    a. all revenue received by revenue source
    b. disbursements from each specific revenue source
(3) On a monthly basis, reconcile the subsidiary ledger to the County Community Corrections Trust Fund.

Disbursements must be in accordance with IC 11-12-12-4 as well as any additional restrictions imposed by a grant agreement, contract, donor restriction, or local ordinance. Fund must be appropriated prior to disbursement.

Reporting

IC 11-12-12-5 establishes an annual reporting requirement associated with the trust fund. Each year, before March 1, the community corrections agency for the county must submit an annual report on the fund to the county council and the community corrections advisory board. The report must include:

(1) The total amount of money deposited into the fund during the previous calendar year.
(2) The total amount of money expended from the fund in the previous calendar year.
(3) The balance of the fund on December 31 of the previous calendar year.

The report may also include a summary of how the community corrections fund supports community corrections programming or facility improvements.

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JUDICIAL CIRCUIT CLASSES

As required by Indiana Code 33-38-5-5 and Indiana Code 33-41-2-10, the Indiana State Board of Accounts is responsible for establishing and certifying to each county the judicial circuit classes. Judicial circuit classes are calculated by using the population and gross assessed values for each county as provided by the Department of Local Government and Finance (DLGF). The classes were established using the gross assessed values certified to the State in March of this year. Judicial classes have been established as noted below.

County No.	County Name	Judicial Circuit Class	County No.	County Name	Judicial Circuit Class
1	Adams	8	47	Lawrence	6
2	Allen	2	48	Madison	3
3	Bartholomew**	4	49	Marion	1
4	Benton	9	50	Marshall	5
5	Blackford	9	51	Martin	9
6	Boone	3	52	Miami	8
7	Brown	9	53	Monroe	3
8	Carroll	9	54	Montgomery	7
9	Cass	8	55	Morgan	4
10	Clark	3	56	Newton	9
11	Clay	9	57	Noble	6
12	Clinton	8	58	Ohio - Dearborn*	5
13	Crawford	9	59	Orange	9
14	Daviess	8	60	Owen	9
15	Dearborn - Ohio*	5	61	Parke	9
16	Decatur	8	62	Perry	9
17	Dekalb	6	63	Pike	9
18	Delaware	3	64	Porter	2
19	Dubois	6	65	Posey	8
20	Elkhart	2	66	Pulaski	9
21	Fayette	9	67	Putnam	8
22	Floyd	4	68	Randolph	8
23	Fountain	9	69	Ripley	8

24	Franklin	9	70	Rush	9
25	Fulton	9	71	St. Joseph	3
26	Gibson	7	72	Scott	8
27	Grant	5	73	Shelby	8
28	Greene	8	74	Spencer	3
29	Hamilton	2	75	Starke**	8
30	Hancock	3	76	Steuben	6
31	Harrison	7	77	Sullivan	9
32	Hendricks	2	78	Switzerland	9
33	Henry**	7	79	Tippecanoe	2
34	Howard	4	80	Tipton	9
35	Huntington	7	81	Union	9
36	Jackson	6	82	Vanderburgh	2
37	Jasper	7	83	Vermillion	9
38	Jay	9	84	Vigo	3
39	Jefferson	8	85	Wabash	8
40	Jennings	9	86	Warren	9
41	Johnson	2	87	Warrick	4
42	Knox	7	88	Washington	9
43	Kosciusko	3	89	Wayne	5
44	Lagrange	6	90	Wells	8
45	Lake	2	91	White	8
46	LaPorte	3	92	Whitley	7

* Dearborn and Ohio share a judicial circuit, so they were combined for the class determination
** Note changes in Judicial Circuit Class for 2026

I, Paul D. Joyce, CPA, State Examiner of the Indiana State Board of Accounts, do hereby certify that the judicial circuit classes set forth above were established by the Indiana State Board of Accounts pursuant to Indiana Code 33-38-5-5 and Indiana Code 33-41-2-10.

Dated this 30th day of June 2026.

Paul D. Joyce

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