

State Board of Accounts

New Legislation

2025 - Treasurers



1



PAUL D. JOYCE, CPA STATE EXAMINER

Indiana's State Examiner and the agency head for the State Board of Accounts, Paul Joyce coordinates and manages the post-audits and examinations of over 4,000 state and local governmental entities in Indiana.

2

HB 1134 & 1641 – Executive Sessions

- HB 1641 – An executive session may be held to:
 - “Have communications with an attorney that are subject to the attorney client privilege”
- HB 1134 – An executive session may be held to discuss:
 - Job performance evaluations, employee specific compensation or employment matters of individual employees
 - Employee health care options regarding special exceptions for coverage
 - Employee handbook changes
 - Bid negotiations or soliciting proposals for contracts for goods and services – but only in limited circumstances



3

HB 1509 Disclosure of Appointing Authority

▪ IC 5-14-9-6

Any board meeting notice or agenda must provide the following information regarding each appointed officer serving on the board:

- (1) The officer's name.
- (2) The appointing authority.
- (3) The beginning and expiration date of the officer's term of appointment.



4

HB 1509 Disclosure of Appointing Authority

- IC 5-14-9-7

The information under section 6 of this chapter regarding a board's appointed officers shall be published on the board's website or the appointing authority's website.



5

HB 1679 Various Elections Matters

- IC 3-5-4-15

(b) Except as provided in subsection (c), a county, city, town, township, or school shall provide to an employee of a local government office who requests leave to serve:

(1) on primary election day or general election day; and

(2) as a precinct election officer;

a paid day of leave to serve as a precinct election officer



6

SB 95**Law Enforcement Training Cost Reimbursement
IC 5-2-1.5**

- Tiers of reimbursement based on length of time served at original law enforcement agency
 - Less than one year – 100%
 - One to two years – 66%
 - Two to three years – 33%
 - More than three years – 0%
- Timing Requirements
 - New employer must notify prior agency in writing within 10 days after the hire date
 - Prior employer must file a claim within 30 days of receiving notice
- New employer has 120 days to reimburse after receiving the claim
- Notice required to all new hires in accordance with IC 5-2-1.5-16



7

HB 1427**Depositories – IC 5-13-8-9(e)**Old Rule

If *one* or fewer financial institutions with a branch or principal office in the county are willing to accept public funds, then the local board of finance may select any depository

New Rule

If *two* or fewer financial institutions with a branch or principal office in the county are willing to accept public funds, then the local board of finance may select any depository

NOTE: Depositories must always be on the State's approved depository list!



8

HB 1427

Depositories – IC 5-13-8-9(g)

IC 5-13-8-9(g)

“A board of finance of a political subdivision that is not a city, town, or hospital described in subsection (d) shall invest the public funds of the political subdivision in a designated depository located anywhere in the county in which the political subdivision is located. For purposes of this section, the territorial limits of a political subdivision that is not a city, town, or local hospital authority or corporation are the territorial limits of the county in which the principal office of the board of finance is located.”



9

HB 1427

Tax Statements – IC 6-1.1-22-8.1(p)

IC 6-1.1-22-8.1(p)

“The county treasurer is not required to mail or transmit a statement for property that is exempt from taxation and does not have a reported assessed value.”

The property must meet two requirements:

1. Exempt from taxation, and
2. No reported assessed value



10

HB 1427**Tax Sales**

IC 6-1.1-24-0.9

“A tract or item of real property that a political subdivision owns may not be sold at a tax sale . . .”



11

HB 1427**Property Tax Statements**IC 6-1.1-22-19

- New information required after December 31, 2025
 - Deduction for a veteran with a partial disability (IC 6-1.1-12-13)
 - Deduction for a fully disabled veteran or a veteran over 62 years of age (IC 6-1.1-12-14)
 - Deduction for a disabled veteran under IC 6-1.1-12-14.5
 - Deduction for a person aged sixty-five or older (IC 6-1.1-51.3-1)
- The Department of Local Government Finance is responsible for modifying the form



12

HB 1427

Property Tax Payment Deadlines

IC 6-1.1-37-10(f)

- A property tax payment is considered timely if it is made by a check processing company without a postmark or other method of verification if the taxpayer provides the county treasurer with reasonable evidence that the payment was timely. Reasonable evidence includes a statement from a ledger maintained by the check processing company showing the date the payment was made.
- State Examiner Directive 2023-1
 - County treasurers must adopt a policy that, at a minimum, sets forth the procedure to notate or record the date all tax payments are received, especially in cases in which no postmark date is available.



13

HB 1427

Food and Beverage Tax

IC 6-1.1-30-18 and -18.5

- Each local unit that imposes a food and beverage tax shall provide a report to the SBOA that includes “a consolidated financial statement that at a minimum contains total collections, total expenditures, the beginning year fund balance, and the end of year fund balance.”
- Under section 18.5, the SBOA is required to determine whether the report is complete and to make a finding in any case where the report is improper.



14

HB 1198**Public Work Projects - Bidding**

- IC 36-1-12-4(a)
 - Full competitive bidding whenever the cost of a public work project will be at least three \$300,000
 - The top end threshold used to be \$150,000 for counties. It is now \$300,000
 - Small: less than \$50,000
 - Middle: \$50,000-\$300,000
 - Large: more than \$300,000
 - For public works projects only! For purchases made under IC 5-22, the large purchase threshold remains \$150,000



15

HB 1033**Public Work Projects - Retainage**

- IC 36-1-12-14
 - (c) To determine the amount of retainage to be withheld, the board shall:
 - (1) withhold no more six percent (6%) of the dollar value of all work satisfactorily completed until the public work is fifty percent (50%) completed, and nothing further after that; or
 - (2) withhold no more than three percent (3%) of the dollar value of all work satisfactorily completed until the public work is substantially completed.
 - If upon substantial completion of the public work minor items remain uncompleted, an amount computed under subsection (f) shall be withheld until those items are completed



16

HB 1641 County Contracting

▪ IC 36-2-2.9-15

A county employee may not take action on a county contract unless permitted by a county ordinance. This section does not apply to a county officer.

NOTE - statute defines "county officer" (IC 36-2-2.9-3)

- Assessor, Auditor, Coroner, Recorder, Sheriff, Surveyor, Treasurer, Clerk of the Court, and County Fiscal Body



17

SB 1 Property Tax Deductions

Phases out standard homestead deduction (currently the lesser of \$48,000 or 60%)

- 2025, pay 2026 - \$48,000
- 2026, pay 2027 - \$40,000
- 2027, pay 2028 - \$30,000
- 2028, pay 2029 - \$20,000
- 2029, pay 2030 - \$10,000
- 2030, pay 2031 - eliminated

Phases up the supplemental homestead deduction (currently 35%)

- 2025, pay 2026 - 40%
- 2026, pay 2027 - 46%
- 2027, pay 2028 - 52%
- 2028, pay 2029 - 57%
- 2029, pay 2030 - 62%
- 2030, pay 2031 - 66.7% (and every year going forward)

New deduction for agricultural land and non-homestead residential (2% circuit breaker category)

- 2025, pay 2026 - 6%
- 2026, pay 2027 - 12%
- 2027, pay 2028 - 19%
- 2028, pay 2029 - 25%
- 2029, pay 2030 - 30%
- 2030, pay 2031 - 33% (and every year going forward)



18

SB 1

Property Taxes – Other Changes

- Changes to business personal property exemption (de minimis exemption increased to \$2,000,000)
- New homestead property tax credit of 10% (capped at \$300)
- New property tax credits for disabled homeowners (\$125) and all homeowners over age 65 (\$150)
- New optional property tax deferral program



19

SB 1

Local Income Tax

	County	Fire Protection/EMS	Other Taxing Units	Cities/Towns Under 3,500	Cities/Towns over 3,500
Adopting Body	County Council	County Council	County Council	County Council	City/Town Council
Taxpayers	All county residents	All county residents	All county residents	All county residents (except individuals in cities/towns over 3,500)	All residents of the city/town
Receiving Entities	County	Fire Territories, Fire Districts, Municipal Fire Departments	Townships, libraries, and other taxing units	Small cities/towns, but county may keep some percentage	The city/town imposing the tax
Maximum Rate	1.2%	0.4%	0.2%	1.2%	1.2%



20

SB 1

Local Income Tax

- Expenditure rates must be renewed by 10/1/2027 and annually thereafter
- New LIT expenditure rates applicable in 2028
- New total maximum rate is 2.9%
 - 1.7% county and 1.2% cities/towns



21

Thank You

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22