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STATE BOARD OF ACCOUNTS

SBOA School

August 13, 2025



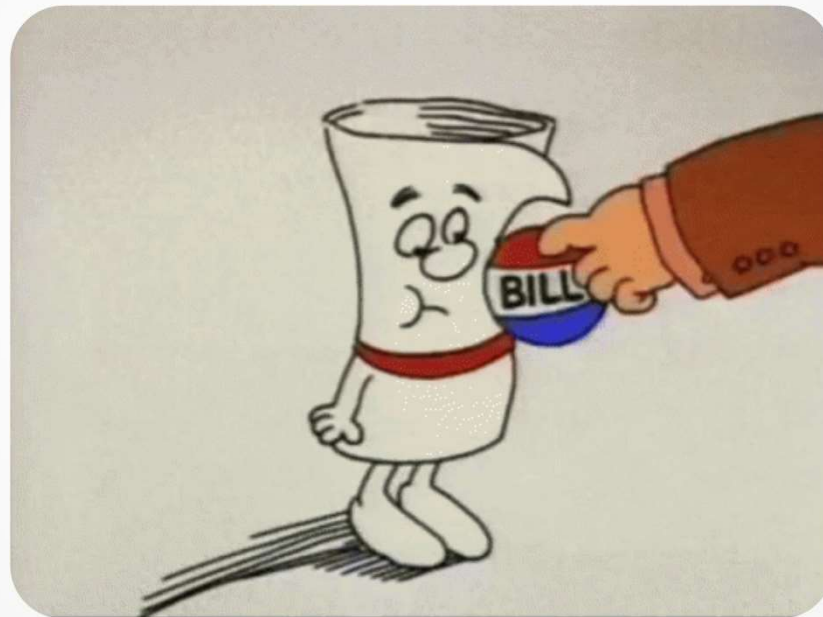


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PAUL D. JOYCE, CPA STATE EXAMINER

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.

Today's Topic: New Legislation



Senate Enrolled Acts



SEA 95: Law Enforcement Training Costs

House Enrolled Acts



HEA 1033: Retainage Requirements



HEA 1198: Public Works Projects

House Enrolled Acts (cont.)



HEA 1392: FIT and CVET Revenue



HEA 1461: Road Funding




HEA 1427: Food and Beverage Tax

- ▶ Indiana Codes 5-2-1.5 and 5-2-1.6
- ▶ Effective: July 1, 2025
- ▶ Municipalities can be reimbursed law enforcement training costs for officers hired by public employers.
- ▶ Provision Statement must be signed by individual and first employer.
 - ▶ IC 5-2-1.5-16
- ▶ Officer must complete tier 1 basic training and certified after June 30, 2025.
 - ▶ Tier 1 training: IC 5-2-1-9(d)

SEA 95: Law Enforcement Training Costs


- Subsequent employer must notify preceding employer within 10 days of hire.
- Preceding employer must submit a claim for reimbursement within 30 days of notice.
 - SBOA created claim form
- Reimbursement Schedule
 - 100% if officer leaves within 1 year
 - 66% if officer leaves within 2 years
 - 33% if officer leaves within 3 years
- Reimbursement must be made within 120 days upon receiving claim.

SEA 95: Law Enforcement Training Costs




HEA 1198: Local Public Works Projects

- ▶ Indiana Codes 36-1-12-3, 36-1-12-4, 36-1-12-4.7, and 36-1-12-4.9
- ▶ Effective: July 1, 2025
- ▶ Public Works threshold increases from \$150,000 to \$300,000 for various statutes.
 - ▶ \$50,000 - \$300,000 = invite at least 3 quotes
 - ▶ Greater than \$300,000 = file notice for bids
- ▶ Raises the threshold of a public works project where a unit's own workforce is utilized without awarding a contract from \$250,000 to \$375,000.
 - ▶ Increased annually to account for inflation
- ▶ Public Work
 - ▶ Construction, reconstruction, alteration, or renovation of a public building or structure (IC 36-1-12-2)



HEA 1033: Retainage Requirements

- ▶ Indiana Code 36-1-12-14
- ▶ Effective: July 1, 2025
- ▶ Max retainage for public works projects over \$200,000 decreased:
 - ▶ Withhold no more than 6% of the dollar value of work completed until project is 50% complete and nothing further after.
 - ▶ Previously was no more than 10% nor less than 6%
 - ▶ Withhold no more than 3% of the dollar value of work completed until project is fully completed.
 - ▶ Previously was no more than 5% nor less than 3%




HEA 1392: FIT & CVET Revenue

- ▶ Indiana Codes 6-5.5-8-2 & 6-6-5.5-20
- ▶ Effective: July 1, 2025
- ▶ Financial Institutions Tax (FIT) and Commercial Vehicle Excise Tax (CVET) distributions may now be receipted into any fund.
 - ▶ Take on restrictions of fund receipted into.
- ▶ Council should approve where distributions are to be receipted.




HEA 1461: Road Funding

- ▶ Indiana Codes 8-14-1-5.1, 8-17-4.1-1, 36-6-10
- ▶ Effective: July 1, 2025
- ▶ MVH Restricted Distribution Decrease: 50% to 40%
 - ▶ Average PASER rating of 6 or higher
 - ▶ Not more than 15% of highways in failed condition
- ▶ Highway Annual Operational Report
 - ▶ Required of municipalities with a population size of 5,000 or more (previously 15,000)
- ▶ Townships are required to set aside funds for roadways.
 - ▶ Township must enter into a written memorandum.
 - ▶ Municipalities must ensure those funds received are spent on roads within those specific townships.
 - ▶ New fund for each township



HEA 1427: Food and Beverage Tax

- ▶ Indiana Code 6-1.1-30-18
- ▶ Effective: July 1, 2025
- ▶ Units that impose a Food and Beverage Tax must provide a report of expenditures.
- ▶ Units that impose a Food and Beverage Tax must provide a financial report to the SBOA.
- ▶ Both due prior to March 1st each year.



HEA 1427: Food and Beverage Tax (cont.)

- ▶ Necessary changes have been made to the Gateway Food and Beverage Tax Form Upload Tool.
- ▶ The instructions have first and foremost been updated for increased transparency.
- ▶ To meet these requirements there are now five forms we have provided to ensure compliance.
 - ▶ 401A – Certification Form
 - ▶ 401B – Consolidated Financial Statement
 - ▶ 401C – Establishing Unit Expenditure Report
 - ▶ 401D – Receiving Unit Expenditure Report
 - ▶ 401E – Upload Certification Form
 - ▶ Utilized only if unit substitutes forms 401C and 401D for PDF uploads from their financial system.

Summary



LAW
ENFORCEMENT
TRAINING
REIMBURSEMENTS



PUBLIC WORKS
PROJECTS



FIT AND CVET
REVENUE



ROAD
FUNDING



FOOD AND
BEVERAGE TAX

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