2010 LAWS AFFECTING CITIES AND TOWNS

The following is a listing of laws enacted by the General Assembly that are related to cities, towns and municipally owned utilities. This is not intended to be an expression of a legal opinion. If you have any questions regarding legal interpretation, please consult your city or town attorney. We have listed the laws in public law number sequence and the references are to the Indiana Code.

PUBLIC LAW 1 – SENATE ENROLLED ACT 222 – EFFECTIVE VARIOUS DATES
TECHNICAL CORRECTIONS – Makes technical corrections to various sections of the Indiana Code.

PUBLIC LAW 2– SENATE ENROLLED ACT 31 – EFFECTIVE JULY 1, 2010
MOTORCYCLE HANDLEBARS – Amends IC 9-19-7-2 – Prohibits motorcycle handlebars from rising higher than the shoulders of the driver when the driver is seated in the driver’s seat.

PUBLIC LAW 13 – SENATE ENROLLED ACT 87 – EFFECTIVE JULY 1, 2010
EMS PERSONNEL – ACTIONS AGAINST CERTIFIED EMPLOYEES – Adds IC 36-8-3-4.3, IC 36-8-3.5-19.3 and IC 36-8-12-19 – Amends IC 36-8-3-5 and IC 36-8-3.5-1 – Requires a medical director of a police or fire department or a volunteer fire department to provide a written explanation to certified employees if the medical director refuses or fails to supervise or attest to the competency of the individual or suspends the individual. Requires a hearing on such matters.

PUBLIC LAW 14 – SENATE ENROLLED ACT 93 – EFFECTIVE JULY 1, 2010
UTILITY SERVICE, ROAD, OR STREET VEHICLES – Amends IC 9-21-8-35 – Requires drivers, when approaching a stationary utility service vehicle, or a stationary road, street or highway maintenance vehicle, to proceed with caution and reduce their speed to a speed of at least 10 miles per hour less than the posted speed limits.

PUBLIC LAW 19 – SENATE ENROLLED ACT 128 – EFFECTIVE JULY 1, 2010
STATEWIDE MUTUAL AID PROGRAM – Amends IC 10-14-3-10.6 and IC 10-14-3-10.7 Allows fire protection districts and fire protection territories to participate in the statewide mutual aid program. Requires participants in the program that receive disaster assistance from another participating unit to reimburse the assisting unit for certain expenses to the extent the expenses are not covered by reimbursements.

PUBLIC LAW 23 – SENATE ENROLLED ACT 172 – EFFECTIVE JULY 1, 2009
RETROACTIVE – 1977 POLICE AND FIRE PENSION PLAN – Adds IC 36-8-8-24 – Amends IC 36-8-8-13.8, IC 36-8-8-13.9, and IC 36-8-8-14.1 – Permits a member of the 1977 Plan to designate one or more beneficiaries to receive the member’s contributions plus interest if the member dies without receiving benefits and is without a spouse, child or parent, who is entitled to receive the benefits. (See Public Law 62 for similar provisions)
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PUBLIC LAW 28 – SENATE ENROLLED ACT 221 – EFFECTIVE JULY 1, 2010
HABITUAL TRAFFIC VIOLATORS – Amends IC 9-24-15 and IC 9-30-10 – Requires a court to impose reasonable monitoring requirements on a person who is issued a restricted driving permit if the person is a habitual traffic violator. Requires courts to impose certain conditions on habitual traffic violators. States that it is a Class A misdemeanor if a person operates a vehicle or motorized bicycle in violation of a restricted license.

PUBLIC LAW 33– SENATE ENROLLED ACT 271 – EFFECTIVE JULY 1, 2010
PUBLIC SAFETY DIRECTOR – THIRD CLASS CITIES – Amends IC 36-4-9-8 and IC 36-8-3-3 – Allows the mayor to appoint a public safety director to serve as the chief administrative officer of and oversee the operations of the police and fire departments. Requires the mayor to determine the qualifications of the public safety director.

PUBLIC LAW 34 – SENATE ENROLLED ACT 281 – EFFECTIVE JULY 1, 2010
BODY ARMOR – Adds IC 36-5-7-7 and IC 36-8-9-9 – Amends IC 36-8-4-4.5, IC 36-9-16-2, and IC 36-9-16-3 – Requires towns to provide active members of their police departments with body armor for the torso after December 31, 2010. Towns shall replace the body armor according to the replacement period recommended by the manufacturer of the body armor for the torso. “Body Armor” has the meaning set forth in IC 35-47-5-13(a).

Allows money in the Cumulative Capital Improvement Fund to be used to purchase body armor.

TAIL LAMP REQUIREMENTS – Amends IC 9-19-6-4 and IC 9-21-7-2 – Requires motor vehicles, trailers, semitrailers and pole trailers manufactured or assembled after January 1, 1956 to be equipped with at least two (2) tail lights.

PUBLIC LAW 41 – SENATE ENROLLED ACT 401 – EFFECTIVE JULY 1, 2010
PETITION AND REMONSTRANCE PROCESS – Amends IC 6-1.1-20-1.9, IC 6-1.1-20-3.1, IC 6-1.1-20-3.2, and IC 6-1.1-20-3.5 – Allows a person who owns a mobile home or manufactured home assessed as personal property, used as a principal place of residence, and is receiving a standard property tax deduction, to participate in the petition and remonstrance process.

PUBLIC LAW 47– HOUSE ENROLLED ACT 1068 – EFFECTIVE JULY 1, 2010
HANDGUN LICENSE INFORMATION – Amends IC 35-47-2-3 and IC 35-47-2-6 – States that information obtained to obtain or renew a license to carry a handgun is confidential unless such information is released for law enforcement purposes or to determine the validity of a handgun license. Changes the period of time during which an application for renewal of an existing license may be filed from 180 to 365 days.

PUBLIC LAW 48 – HOUSE ENROLLED ACT 1069 – EFFECTIVE MARCH 12, 2010
COMMUTER TRANSPORTATION DISTRICTS – Amends IC 8-5-15-3 – Adds three members to the Board of Trustees which are appointed by the Governor.
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PUBLIC LAW 49 – HOUSE ENROLLED ACT 1076 – EFFECTIVE JULY 1, 2010
PORT AUTHORITIES – Adds IC 8-10-5-8.7 and IC 8-10-5-8.9 – Amends IC 8-10-5-2, IC 8-10-5-8 and IC 8-10-5-8.5 – Removes the requirement that a local port authority contract be in the name of the political subdivision that created the authority. Authorizes local port authorities to borrow money. States that a port authority is an instrumentality of the state and shall have full power and authority to exercise certain powers independent of any political subdivision.

PUBLIC LAW 52 – HOUSE ENROLLED ACT 1119 – EFFECTIVE JULY 1, 2010
CLAIMS – SOIL AND WATER CONSERVATION DISTRICTS – Adds IC 14-32-4-24 – Allows for certain district expenses to be paid between board meetings. Requires such payments to be reviewed at the district’s next regular meeting. Requires the district’s fiscal officer to certify the payments.

PUBLIC LAW 55 – HOUSE ENROLLED ACT 1186 – EFFECTIVE JULY 1, 2010
ORDINANCE VIOLATIONS – INTERLOCAL AGREEMENT WITH OTHER CITIES OR TOWNS TO HEAR AND DISPOSE OF CASES – Adds IC 33-35-1-6 and IC 33-36-2-4 – Amends IC 33-35-2-3, IC 33-35-2-8 and IC 33-36-3-7 – States that a city or town that has not established a court may enter into an interlocal agreement under IC 36-1-7 with a city or town that (1) has established a court; and (2) is located in the same judicial circuit as the city or town that has not established a court; to hear and dispose of ordinance violations that would otherwise come under the jurisdiction of a court established by the city or town. Further provides that a city or town that has not established a court under IC 33-35-1 or an ordinance violations bureau under IC 33-36-2 may enter into an interlocal agreement with a municipal corporation that: (1) has established an ordinance violations bureau; and (2) is located in the same judicial circuit as the city or town that has not established a court or an ordinance bureau; to hear and dispose of ordinance violations that would otherwise come under the jurisdiction of an ordinance violations bureau by the city or town. States that if a city or town that has not established a court under IC 33-35-1 or an ordinance violations bureau under IC 33-36-2 has entered into an interlocal agreement described in IC 33-36-2-4 with a municipal corporation, the sums collected by violations clerk that involve the city or town that has not established a court or ordinance violations bureau shall be accounted for and paid as provided in the interlocal agreement.

PUBLIC LAW 56 – HOUSE ENROLLED ACT 1194 – EFFECTIVE JULY 1, 2010
POLICE AND FIRE DEPARTMENT MEMBERS – REINSTATEMENT RIGHTS – Amends IC 36-8-4-11 – Provides that the reinstatement rights of laid off members of a city police or fire department terminate five years after the day on which the member’s layoff begins.

PUBLIC LAW 62 – HOUSE ENROLLED ACT 1050 – EFFECTIVE JULY 1, 2009
(RETROACTIVE) – 1977 POLICE AND FIRE PENSION PLAN – (See Public Law 23 )
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PUBLIC LAW 64 – HOUSE ENROLLED ACT 1083 – EFFECTIVE JULY 1, 2010
UNCLAIMED PROPERTY – Amends IC 32-34-1-17 – Reduces the holding period from five years to three years before (1) demand, savings, or matured time deposits, (2) property payable or distributable in the course of a demutualization, rehabilitation, or related reorganization of a mutual insurance company, and (3) all other property not subject to Unclaimed Property Act, must be submitted to the Attorney General.

PUBLIC LAW 65 – HOUSE ENROLLED ACT 1084 – EFFECTIVE JULY 1, 2009
METAL COIL CARRIERS – Adds IC 9-21-8-58 – Amends IC 9-24-6-2 – Requires the operator of a commercial motor vehicle transporting metal coils 5,000 pounds or over to be certified in proper load securement as provided in 49 CFR 393.120. Makes it a Class A misdemeanor to violate such provision.

PUBLIC LAW 67 – HOUSE ENROLLED ACT 1116 – EFFECTIVE JULY 1, 2010
WORKER’S COMPENSATION – Amends IC 22-3-3-4 – States that an employer or employer’s health insurance carrier may not delay the provisions of emergency medical care whenever emergency care is necessary in the professional judgment of the attending health care facility physician.

PUBLIC LAW 69 – HOUSE ENROLLED ACT 1125 – EFFECTIVE MARCH 17 AND JULY 1, 2010 – LIMITED ACCESS HIGHWAYS – Amends IC 8-23-8-10 – Adds three intersections to State Road 331 in St. Joseph County as a limited access facility.

PUBLIC LAW 70 – HOUSE ENROLLED ACT 1127 – EFFECTIVE JULY 1, 2010
1977 POLICE AND FIRE PENSION FUND – Adds IC 36-8-8-8.5 – Permits members of the fund to purchase prior service at full actuarial cost.

PUBLIC LAW 71 – HOUSE ENROLLED ACT 1154 – EFFECTIVE JANUARY 1, 2011
TRAFFIC VIOLATIONS – MARION COUNTY – Amends IC 34-28-5-4 and IC 34-28-5-5 States that in addition to any judgment otherwise entered in Marion County for a traffic violation constituting an infraction, an additional judgment amount of not more than thirty-five dollars ($35) may be entered for the traffic violation. A judgment amount imposed shall not be included in applying the maximum judgment amount. Provides that the funds collected for infraction judgments imposed in Marion County for traffic violations shall be transferred to a dedicated county fund. The money in the dedicated county fund does not revert to the county general fund or state general fund and may be used, after appropriation by the county fiscal body, only for the following purposes: (1) To pay compensation of commissioners appointed under IC 33-33-49. (2) To pay costs of the county’s guardian ad litem program. (See Public Law 106 for new judgment limits for Class C Infractions in other counties and an amendment to this Public Law.)
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PUBLIC LAW 73 – HOUSE ENROLLED ACT 1183 – EFFECTIVE MARCH 17, AND JULY 1, 2010 – TAX SALE PROPERTY – Adds IC 6-1.1-24-7.5 and IC 32-29-7-8.5 – Amends IC 6-1.1-24-1, IC 6-1.1-24-6.1, IC 6-1.1-24-7, IC 6-1.1-24-9, IC 6-1.1-25-4, IC 6-1.1-25-11, IC 32-30-10-14 and IC 36-7-9-2 – Changes the date on which properties are certified for sale by the county treasurer to the county auditor. Allows the county commissioners to assign a certificate of sale to any political subdivision during the life of the certificate. States that the period of redemption on such assignments is 120 days. Defines “known or recorded substantial property interest” to include liens filed in the county auditor’s office of a county where an unsafe premises is located.

PUBLIC LAW 81 – SENATE ENROLLED 223 – EFFECTIVE JULY 1, 2010
MORTGAGE DEDUCTIONS – Amends IC 6-1.1-12-1 and IC 6-1.1-12-2 – Requires the mortgage deduction form prescribed by the DLGF to contain a statement specifying that a person is not entitled to the deduction unless the person has a balance on their mortgage or contract indebtedness including any home equity line of credit. Requires all mortgage type documents to be recorded to be eligible for a mortgage deduction.

PUBLIC LAW 85 – SENATE ENROLLED ACT 382 – EFFECTIVE MARCH 18, 2010
PUBLIC-PRIVATE AGREEMENTS – Adds and amends several sections of IC 8-15-2, IC 8-15-3, IC 8-15.5-1, IC 8-15.5-2, IC 8-15.5-4, IC 8-15.5-5, IC 8-15.5-6, IC 8-15.5-10, IC 8-15.7-1, IC 8-15.7-2, IC 8-15.7-4, IC 8-15.7-5, IC 8-15.7-6, IC 8-15.7-14, IC 8-16-1, IC 8-16-2 and IC 8-23-7-22 – Makes significant changes to the laws dealing with public-private construction projects which include the Indiana Expressway and projects connecting Indiana and Kentucky.

PUBLIC LAW 86 – SENATE ENROLLED ACT 400 – EFFECTIVE JULY 1, 2010
MOTOR VEHICLES – Adds IC 14-8-2-5.7, IC 14-8-2-233.5 and IC 14-16-1-1.8 – Amends IC 9-13-2-60, IC 14-8-2-185, IC 14-16-1-8, IC 14-16-1-22, IC 15-12-3-2, and IC 34-13-3-3 – Changes the definition sections for farm wagons, all terrain vehicles, off-road vehicles, recreational off-road vehicles, and collector snowmobiles. States that a governmental entity or employee is not liable if a loss results from the operation of an off-road vehicle unless the loss was a result of gross negligence, willful or wanton misconduct, or intentional misconduct.

PUBLIC LAW 88 – HOUSE ENROLLED ACT 1008 – EFFECTIVE JULY 1, 2010
1977 POLICE AND FIRE PENSION FUND – Adds IC 36-8-8-8.8 – Allows members of the 1977 Fund to purchase service earned out of state at full actuarial cost.

PUBLIC LAW 89 – HOUSE ENROLLED ACT 1059 – EFFECTIVE JULY 1, 2010
PROPERTY TAX COLLECTIONS – ADVANCE TAX DRAWS – Amends IC 5-13-6-3 and IC 6-1.1-27-1– States that if a county treasurer or auditor refuses, neglects, or fails to make an advance tax draw within 30 days, the political subdivision requesting the advance is entitled to recover interest if the county has the taxes invested in an interest bearing investment.
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PROVISIONAL TAX STATEMENTS – Amends several sections of IC 6-1.1-22.5 Provides that provisional tax bills are required if the county auditor fails to deliver an abstract to the county treasurer before April 1.

PUBLIC LAW 90 – HOUSE ENROLLED ACT 1065 – EFFECTIVE JULY 1, 2010
FIREARMS IN LOCKED VEHICLES – Adds IC 34-28-7 – Prohibits political subdivisions from prohibiting or restricting an employee from the possessing of a firearm or ammunition that is locked in the truck of the employee’s vehicle or kept in the glove compartment of the employee’s locked vehicle.

PUBLIC LAW 96 – HOUSE ENROLLED ACT 1276 – EFFECTIVE JULY 1, 2010
FRENCH LICK RIVERBOAT – Amends IC 4-33-12-6 – Makes adjustments to the amounts paid to the towns of French Lick and West Baden in admissions taxes.

PUBLIC LAW 98 – HOUSE ENROLLED ACT 1324 – EFFECTIVE JULY 1, 2010
VACANT LOTS – TAX SALE PROPERTY – Adds IC 6-1.1-24-6.8 – Amends IC 6-1.1-10-38 and IC 6-1.1-25-4 – Permits a county to sell vacant parcels acquired by a county in a tax sale to an owner of a contiguous parcel subject to the standard property tax deduction.

PUBLIC LAW 99 – SENATE ENROLLED ACT 30 – EFFECTIVE VARIOUS DATES
PERF– ANNUITY SAVINGS ACCOUNTS – Amends IC 5-10.2-3-6.5 – Allows certain members of PERF who have separated from employment and are not employed in a covered position for 30 days to withdraw their annuity savings accounts.

1977 POLICE AND FIREFIGHTERS’ FUND – Adds IC 36-8-8-24.8 – Provides that, before July 1, 2012, an active member of the 1977 police officers’ and firefighters’ pension and disability fund (1977 fund) who is eligible to receive an unreduced retirement benefit may elect to receive at retirement a partial lump sum distribution equal to the member’s monthly benefit times the member’s years of creditable service in exchange for an actuarially reduced monthly benefit. States that such election does not apply to a fund member who has elected to enter the DROP program.

PUBLIC LAW 100 – SENATE ENROLLED ACT 81 – EFFECTIVE JULY 1, 2010
DRIVER’S LICENSES – Adds IC 2-5.5-5 – Amends IC 9-24-15-4, IC 9-24-18-1, IC 9-30-4-6, IC 9-30-4-6.5 and IC 35-44-3-3 – States that the driver’s license of a person convicted of resisting law enforcement while using a vehicle and: (1) exceeding the speed limit by at least 20 miles per hour; (2) committing criminal recklessness; or (3) engaging in reckless driving with a vehicle; may be suspended for one year for a first offense and two years for a second or subsequent offense. Provides that if a person receives a sentence that includes; (1) a term of incarceration; and (2) a driver’s license suspension; the driver’s license suspension begins on the date the person is released from incarceration and not on the date the person is convicted. Specifies in which court a petition for a hardship license must be filed. Requires the court to notify the bureau of motor vehicles of the person’s conviction, and specifies that the convicted person has
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the burden of applying for a new or renewal license and establishing that the one year or two year period has elapse. Enhances the penalty and prohibits a person from receiving a driver's license if a person has a second unrelated conviction for knowingly or intentionally operating a motor vehicle and has never received a valid driver's license. Creates a 14 member criminal law and sentencing study committee.

PUBLIC LAW 102 – SENATE ENROLLED ACT 170 – EFFECTIVE JULY 1, 2010
MOTOR VEHICLE OFFENSES – Amends IC 9-30-5-5 and IC 35-44-3.3 – Makes it a Class D Felony for a person to cause the death of a law enforcement animal when operating a vehicle while intoxicated. Makes it a Class A Felony if a person resists law enforcement and operates a vehicle in a manner that causes the death of a law enforcement officer.

PUBLIC LAW 104 – HOUSE ENROLLED ACT 249 – EFFECTIVE MARCH 24, 2010
REDEVELOPMENT AND MILITARY BASE REUSE AUTHORITIES – Adds IC 36-7-30-34 and IC 36-7-30-35 – Amends IC 36-7-14.5-12.5 and IC 36-7-30-25 – Adds expenditures that benefit local public improvements or structures as allowable expenditures by a redevelopment authority and for which a redevelopment authority may reimburse any other governmental body if the improvements or structures serve or benefit the authority's allocation area. Removes the restriction on using the redevelopment authority's fund for operating expenses of the redevelopment authority. Provides that expenses may be incurred by a military base reuse authority, any other department of the unit, or a department of another governmental entity, for local public improvements or structures that are in the allocation area or directly serving or benefiting the allocation area, including expenses for the operation and maintenance of these local public improvements or structures if the reuse authority determines those operation and maintenance expenses are necessary or desirable to carry out the purposes of the authority. Provides that a military reuse authority that owns or acquires a public utility to provide water service or sewage disposal service has certain powers and duties of a municipal board and municipal legislative body with respect to the operation of a municipal water utility or municipal sewage works.

PUBLIC LAW 106 – SENATE ENROLLED ACT 399 – EFFECTIVE JULY 1, 2010
COURT COSTS – Amends IC 9-22-3-7.5, IC 9-24-15-5, IC 9-30-10-7, IC 9-30-3-12, IC 33-37-1-3, IC 34-6-2-30.5, IC 34-28-5-5, IC 35-33.5-5-4, IC 35-33-8.5-11, IC 35-38-4-6, IC 35-42-3.5-3, IC 35-45-13-8, and IC 35-50-5-4 – Specifies that court costs include court fees.

CLASS C INFRACTION JUDGMENTS – Amends IC 34-28-5-4 – States that a person who has admitted to a moving traffic violation constituting a Class C infraction, or has been found by a court to have committed a moving violation constituting a Class C infraction, may not be required to pay more than the following amounts for the violation: (1) If, before the appearance date specified in the summons and complaint, the person mails or delivers an admission of the moving violation or a plea of nolo contendere to the moving violation, the person may not be required to pay any amount, except court costs and a judgment that does not exceed thirty-five dollars and fifty cents ($35.50). (2) If the person admits the moving violation or enters a plea of nolo contendere to the moving
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violation on the appearance date specified in the summons and complaint, the person
may not be required to pay any amount, except court costs and a judgment that does not
exceed thirty-five dollars and fifty cents ($35.50). (3) If the person contests the moving
violation in court and is found to have committed the moving violation, the person
may not be required to pay any amount, except: (A) court costs and a judgment that does not
exceed thirty-five dollars and fifty cents ($35.50) if, in the five (5) years before the
appearance date specified in the summons and complaint, the person was not found by
a court in the county to have committed a moving violation; (B) court costs and a
judgment that does not exceed two hundred fifty dollars and fifty cents ($250.50) if, in
the five (5) years before the appearance date specified in the summons and complaint,
the person was found by a court in the county to have committed one (1) moving
violation; and (C) court costs and a judgment that does not exceed five hundred dollars
($500) if, in the five (5) years before the appearance date specified in the summons and
complaint, the person was found by a court in the county to have committed two (2) or
more moving violations. In a proceeding under subdivision (3), the court may require the
person to submit an affidavit or sworn testimony concerning whether, in the five (5) years
before the appearance date specified in the summons and complaint, the person has
been found by a court to have committed one (1) or more moving violations. The
amounts described in IC 34-28-5-4 (f) are in addition to any amount that a person may
be required to pay for attending a defensive driving school program. This applies only to
infraction judgments imposed in Marion County for traffic violations after December 31,
2010. IC 34-28-5-4 (f) applies to an infraction judgment described in IC 34-28-5-4(h).
However, a court shall impose a judgment of not less than thirty-five dollars ($35) for an
infraction judgment that is entered in Marion County. These funds shall be transferred to
a dedicated fund in accordance with IC 34-28-5-5.

PUBLIC LAW 107 – HOUSE ENROLLED ACT 1205 – EFFECTIVE JULY 1, 2010
PUBLIC EMPLOYEES’ RETIREMENT FUND (PERF) – Noncode – Provides for a
thirteenth check for PERF members, survivors, and beneficiaries.

PUBLIC LAW 108 – HOUSE ENROLLED ACT 1271 – EFFECTIVE JULY 1, 2010
PROBLEM SOLVING COURTS – Adds IC 33-23-16 and IC 33-38-9-10 – Amends IC 11-
12-2-3, IC 11-12-3.7-7, IC 33-37-5-24, and IC 33-38-9-9 – Allows city courts to establish
a problem solving court. Permits the court to charge a fee to eligible individuals who
receive problem solving court services. Changes the name of drug courts and reentry
courts to problem solving courts. Such fees would be transmitted to the city’s fiscal
officer for deposit in the city user fee fund.

PUBLIC LAW 110– SENATE ENROLLED ACT 23 – EFFECTIVE VARIOUS DATES
UNEMPLOYMENT COMPENSATION – Amends IC 22-4-4-2, IC 22-4-5-1, IC 22-4-10-3,
IC 22-4-11-2, IC 22-4-11-3, IC 22-4-11-3.5 and IC 22-4-14-3 – Provides that if an
employer appeals an initial determination granting benefits and the determination is
reversed based on information the employer failed to provide in response to the
department request, the employer’s experience account shall be charged 50% of the
benefits paid to the employee.
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HIRING PREFERENCES – POLICE AND FIRE POSITIONS – Amends IC 36-8-4-10 and IC 36-8-10.4 – Allows cities and towns to give preference in hiring police and fire positions to laid off police officers, firefighters, and emergency workers.

PUBLIC LAW 113 – HOUSE ENROLLED ACT 1086 – EFFECTIVE VARIOUS DATES
SALES TAX – Adds IC 6-2.5-5-44 – States that transactions involving tangible personal property are exempt from the state gross retail tax if the property is acquired by a city or town for use in the operation of a municipal golf course. Makes such provision retroactive back to July 1, 2007.

CUMULATIVE CAPITAL IMPROVEMENT (CCI) FUND – Amends IC 6-7-1-31.1 – States that money in the CCI fund (cigarette tax supported fund) may be used for any other governmental purpose for which money is appropriated by the fiscal body of the city or town effective March 25, 2010.

PUBLIC WORKS PROJECTS – Amends IC 36-1-12-4 – States that the period of time between the date of the first publication and the date of receiving bids shall be governed by the size of the contemplated project in the discretion of the board. The period of time between the date of the first publication and receiving bids may not be more than: (A) six (6) weeks if the estimated cost of the public works project is less than twenty-five million dollars ($25,000,000); and (B) ten (10) weeks if the estimated cost of the public works project is at least twenty-five million dollars ($25,000,000)

CITY BUDGETS – Amends IC 36-4-7-11 – States that if a city fails to pass a budget ordinance before November 2 of each year, the most recent annual appropriations and annual tax levy are continued for the ensuing budget year. Under prior law, the date was October 1.

WEED ASSESSMENTS – Amends IC 36-7-10.1-3 – Requires property owners to be notified by certified mail, return receipt requested, or an equivalent service permitted under IC 1-1-7-1, of any costs incurred by a city or town in abating a weed ordinance violation. The cost of sending the notice may be billed to the owner of the property.

CUMULATIVE CAPITAL IMPROVEMENT (CCI) FUND – Amends IC 36-9-16-2 Permits a city or town to establish a CCI fund (tax rate supported fund) for any lawful purpose. This would allow a city or town with a Cumulative Capital Development (CCD) fund to use the money in the fund for any lawful purpose if the CCD ordinance includes IC 36-9-16-2 as a permitted use of the fund.

SEWER LIENS – Amends IC 36-9-23-32(c) – States that a lien attaches against real property occupied by someone other than the owner only if the utility notified the owner within twenty (20) days after the time the utility fees became sixty (60) days delinquent. However, the utility is required to give notice to the owner if the owner has given the general office of the utility written notice of the address to which the owner's notice is to be sent. A notice sent to the owner must be sent by certified mail, return receipt
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requested, or an equivalent service permitted under IC 1-1-7-1 to: (1) the owner of record of real property with a single owner; or (2) at least one (1) of the owners of real property with multiple owners; at the last address of the owner for the property as indicated in the records of the county auditor on the date of the notice. The cost of sending the notice is an administrative cost that may be billed to the owner.

CERTIFIED TECHNOLOGY PARKS – Amends IC 36-7-32-11 – States that if a certified technology park is not recertified the Indiana Economic Development Corporation shall send a certified copy of the decertification to the County Auditor, DLGF, and the Department of Revenue.

W-2 AND WH-3 FILINGS – Adds IC 6-3-4-16.5 – Requires employers with more than twenty-five (25) Form W-2 and WH-3 filings in a calendar year to file such statements electronically beginning January 1, 2011.

CAGIT, COIT, CEDIT – ADOPTION DATES – Adds IC 6-3.5-1.1-1.5, IC 6-3.5-6-1.5 and IC 6-3.5-7-4.9 – Amends IC 6-3.5-1.1-9, IC 6-3.5-6-17 and IC 6-3.5-7-11 – Allows the adoption of an ordinance to: (1) impose, increase, decrease, or rescind a tax or tax rate; or (2) grant, increase, decrease, rescind or change a homestead credit or property tax replacement credit; to take place any time in a year prior to November 1 of that year. An ordinance that imposes or increases a tax rate takes effect as follows: (1) If adopted January 1 through September 30, the ordinance takes effect October 1 of the current year; (2) If adopted October 1 through October 15, the ordinance takes effect November 1 of the current year; (3) If adopted October 16 through October 31, the ordinance takes effect December 1 of the current year. An ordinance that decreases or rescinds a tax or tax rate takes effect as follows: (1) If adopted January 1 through September 30, the ordinance takes effect the later of October 1 or the first day of the month in the current year in which the last increase in the tax occurred; (2) If adopted October 1 through October 15, the ordinance takes effect the later of November 1 or the first day of the month in the current year as the month in which the last increase in the tax occurred; (3) If adopted October 16 through October 31, the ordinance takes effect the later of December 1 or the first day of the month in the current year as the month in which the last increase in the tax occurred. An ordinance that grants, increases, decreases, rescinds, or changes a homestead credit or property tax replacement credit from CAGIT, COIT or CEDIT takes effect and applies to property taxes first due and payable in the year immediately following the year in which the ordinance is adopted.

ENHANCED PREPAID WIRELESS CHARGES – E-911 – Adds IC 36-8-16.6 – Allows the enhanced 911 advisory board at the state to establish charges for prepaid wireless telephones. The enhanced prepaid wireless charges are not to exceed ½ of the monthly amount charged to wireless telephone customers for E-911 services. This amount is charged at the time the prepaid telephone service is purchased and is to be remitted to the Indiana Department of Revenue for deposit into the same fund at the state that is used to collect and distribute emergency telephone charges. These additional fees will be distributed to the local government providing E-911 response services in the same manner as the other wireless E-911 monies.
2010 LAWS AFFECTING CITIES AND TOWNS

FIRE PROTECTION TERRITORIES – Amends IC 6-1.1-18.5-10.5 – Permits a city or town to petition the DLGF to increase its maximum levy to phase in its initial levy for a fire protection territory.

MAXIMUM LEVY ADJUSTMENT– USE OF CASH BALANCES – Amends IC 6-1.1-18.5-1 – Allows the DLGF to adjust a city or town’s maximum levy if the city or town used its cash balances rather than its entire levy authority in the preceding year.

PETITIONS FOR CONTROLLED PROJECTS – Amends IC 6-1.1-20-3.1, IC 6-1.1-20-3.2 and IC 6-1.1-20-3.5 – Requires the political subdivision desiring the controlled project to send notice to the clerk of the circuit court by first class mail for each of the following events:

1. any meeting to consider an ordinance or resolution making a preliminary determination to issue bonds or into a capital lease for a controlled project;
2. a preliminary determination to issue bonds or enter into a capital lease for a controlled project;
3. when a petition and remonstrance process is applicable and the political subdivision is giving notice to begin the process under IC 6-1.1-20-3.2 (Phase II)

PUBLIC QUESTIONS ON CONTROLLED PROJECTS – Amends IC 6-1.1-20-3.6 – Requires the county election board to submit the controlled project public question language to the Department of Local Government Finance (DLGF) to evaluate the description of the controlled project for bias. The DLGF may recommend the ballot language be used as submitted or recommend modification to the county election board not more than 10 days after submission. The county election board shall take final action to approve the ballot language. The finally adopted ballot language may differ from the recommendations made by the DLGF. The county auditor shall certify the finally approved public question to the county election board of each county in which the political subdivision is located.

CONTROLLED PROJECTS OPTION – Adds IC 6-1.1-20-3.8 – Allows a political subdivision making a preliminary determination to issue bonds or enter into a capital lease to which the petition and remonstrance process applies to opt to put a public question on the ballot in lieu of going through the petition and remonstrance process. To exercise this option, the fiscal body of the political subdivision may adopt a resolution specifying that the local public question process specified in IC 6-1.1-20-3.6 applies to the issuance of bonds or the execution of the lease instead of the petition and remonstrance process in IC 6-1.1-20-3.2 (phase II). The fiscal body must adopt the resolution not later than the date on which the political subdivision makes a preliminary determination to issue bonds or enter into a lease. The fiscal body must certify the resolution to the county election board of each county in which the political subdivision is located and the county election board shall place the public question on the ballot as provided in IC 6-1.1-20-3.6.
2010 LAWS AFFECTING CITIES AND TOWNS

PUBLIC QUESTION ON AMENDMENT TO STATE CONSTITUTION – Specifies the ballot language for the submission of the proposed amendment to the State Constitution concerning circuit breakers.

LIBRARIES – PAYMENT OF CLAIMS BY EFT – Adds IC 36-12-3-16.5 – Allows a library board to adopt a resolution to authorize an electronic funds transfer method of payment of claims. If a library board adopts a resolution, the public library may pay money from its funds by electronic funds transfer. A public library that pays a claim by electronic funds transfer shall comply with all other requirements for the payment of claims by the public library.

PUBLIC LAW 115 – HOUSE ENROLLED 1336 – EFFECTIVE MARCH 25 AND JULY 1, 2010
CERTIFICATES OF DEPOSIT – Adds IC 5-13-9-5.3 – Allows a city or town council to pass an ordinance or resolution authorizing the investment in certificates of deposit in accordance with the following conditions:

1. The funds are initially invested through a depository that is selected by the investing officer.
2. The selected depository arranges for the deposit of the funds in certificates of deposit in one (1) or more federally insured banks or savings and loan associations, wherever located, for the account of the city or town.
3. The full amount of the principal and any accrued interest of each certificate of deposit are covered by insurance of any federal deposit insurance agency.
4. The selected depository acts as a custodian for the city or town with respect to the certificates of deposit issued for its account.
5. At the same time that the city or town’s funds are deposited and the certificates of deposit are issued, the selected depository receives an amount of deposits covered by insurance of any federal deposit insurance agency from customers of other institutions, wherever located, at least equal to the amount of the funds invested by the city or town. Public Funds invested in this manner are not subject to any security or pledging requirements that may otherwise be applicable to the deposit or investment of public funds.

CERTIFICATES OF DEPOSIT – QUOTES – Amends IC 5-13-9-4 – States that if the deposit is not placed in the designated depository quoting the highest rate of interest, the investing officer shall: (1) place the deposit in the depository quoting the second or third highest rate of interest; and (2) note the reason for placing the deposit on the memorandum of quotes.

CERTIFICATES OF DEPOSIT – QUOTES FROM BANKS OUTSIDE OF THE CITY OR TOWN – Amends IC 5-13-9-5 – States that the fiscal body of each city or town may by ordinance or resolution authorize the investing officer of each, respectively, to invest in certificates of deposit of depositories that have not been designated by the local board of finance of either but have been designated by the state board of finance as a depository for state deposits under IC 5-13-9-5. The ordinance or a resolution adopted must provide that the authority granted in the ordinance or resolution expires on a date that is not later than two (2) years after the date the ordinance or resolution is adopted.
2010 LAWS AFFECTING CITIES AND TOWNS

With respect to any money to be invested in a deposit account, the investing officer shall solicit quotes for the certificates of deposit from at least three (3) depositories. If only one (1) depository has been designated, a quote must be solicited from that depository. If two (2) or more depositories have been designated, at least two (2) quotes must be solicited from the depositories thus designated. The quotes may be solicited and taken by telephone. A memorandum of all quotes solicited and taken shall be retained by the investing officer as a public record of the political subdivision under IC 5-14-3.

If a deposit is not placed in the designated depository quoting the highest rate of interest, the investing officer shall follow the procedures and priority for placing deposits that are set forth in IC 5-13-9-4 and note the reason for placing the deposit on the memorandum of quotes.

MONEY MARKET MUTUAL FUNDS – Amends IC 5-13-9-2.5 – Removes the 50% limitation on the amount of funds which may be invested in a money market mutual fund.

MUNICIPAL SECURITIES – Amends IC 5-13-9-2 – Allows for investment in municipal securities issued by an Indiana local governmental entity, a quasi-government entity related to the state, or a unit of government, municipal corporation, or special taxing district in Indiana, if the issuer has not defaulted on any of the issuer obligations within the twenty (20) years preceding the date of the purchase.

JOINT INVESTMENTS – Amends IC 5-13-9-10 – Requires those cities and towns who have established a joint investment fund with another government located within the same county to invest or reinvest money in the fund only in investments that are permitted by IC 5-13-9.

STATE BOARD FOR DEPOSITORIES – Amends IC 5-13-12 – Adds four appointed members to the board. Changes the laws dealing with board meetings. Increases the amount of anticipatory warrants the board may issue to pay claims when the assets in the Public Deposit Insurance Fund (PDIF) fund are not sufficient to pay claims from $1.5 million to $300 million. States that if the PDIF balance reaches zero, all depositories must pledge collateral equal to 100% of the depository’s public fund holdings.

FIVE STAR MORTGAGE PROGRAM – Adds IC 24-5-23.6 – Creates a five star mortgage program for financial institutions and Indiana mortgage customers.

PUBLIC LAW 116 – HOUSE JOINT RESOLUTION 1
CIRCUIT BREAKERS – Places property tax caps on all homestead, residential, agricultural, and personal property effective for property taxes first due and payable in 2012 and thereafter.
MUNICIPAL ELECTION EXPENSES – ALL CITIES AND TOWNS 3,500 AND OVER

The expense of city and large town primaries and elections are paid by the county with each city and large town conducting a primary or election being billed for its share of the expenses. Each city or large town should budget as one item, the local amount of such expenses under “Other Services and Charges” in the budget for the election year for the total estimated amount to be paid to the county. The county auditor or clerk of the circuit court can supply information as to the amount to be included for primary and election expenses. IC 3-5-3-8 and IC 3-5-3-9 provide the procedure for the county to allocate primary and election costs to all cities and those towns with populations of 3,500 and over.

MUNICIPAL ELECTION EXPENSES – TOWNS UNDER 3,500

The expenses of a town primary and election in a town with less than 3,500 population are to be paid directly by the town, unless the town has passed an ordinance to have the county conduct its primary election under IC 3-8-5-2 or regular election under IC 3-10-7-4. It is recommended that the total amount of such expenses be budgeted as one item under “Other Services and Charges” in the General Fund (IC 3-10-7-16 and IC 3-10-7-17).

The following are some Indiana Code sections of interest for towns under 3,500 populations:

IC 3-8-5 - Nomination of Candidates by Convention
IC 3-8-6 - Nomination by Petition
IC 3-10-7-7 - Town Election Boards, Establishment, Members
IC 3-10-7-4 - Conduct of Elections
IC 3-10-7-16 - Employees
IC 3-10-7-17 - Purchase of Materials, Supplies, Equipment
IC 3-10-7-20 - Compensation of Members
IC 3-10-7-21 - Powers and Duties

The Town Attorney and the State Election Board should be consulted for guidance on any questions related to town elections.

MUNICIPAL ELECTION EXPENSES – TOWNS UNDER 500

IC 3-10-7-5.5 provides that the county election board shall conduct the municipal election unless the town council establishes a town election board to conduct the election.
WEED CUTTING ASSESSMENTS

The legislative body of a municipality may by ordinance require the owners of real property located within the municipality to cut and remove weeds and other rank vegetation growing on the property. The term “weeds and other rank vegetation” does not include agricultural crops, such as hay and pasture.

An ordinance adopted must specify the following:

(1) The department of the municipality responsible for the administration of the ordinance.

(2) The definitions of weeds and rank vegetation.

(3) The height at which weeds or rank vegetation becomes a violation of the ordinance, specifying the appropriate heights for various types of weeds and rank vegetation.

(4) The procedure for issuing notice to the owner of real property of a violation of the ordinance.

(5) The procedure under which the municipality, or its contractors, may enter real property to abate a violation of the ordinance if the owner fails to abate the violation.

(6) The procedure for issuing a bill to the owner of real property for the costs incurred by the municipality or county in abating the violation, including administrative costs and remove costs. The cost of sending notice is an administrative cost that may be billed to the owner.

(7) The procedure for appealing a notice of violation or a bill issued under the ordinance. [IC 36-7-10.1-3]

An ordinance adopted must provide that a notice sent to the property owner must be sent by certified mail, return receipt requested, or an equivalent service permitted under IC 1-1-7-1. The notice must be sent to:

(1) The owner of record of real property with a single owner; or
(2) At least one (1) of the owners of real property with multiple owners;

At the last address of the owner for the property as indicated in the records of the county auditor on the date of the notice.
If the owner of real property fails to pay a bill issued under IC 6-7-10.1-3 within the time specified in the ordinance, the department specified in the ordinance shall certify to the county auditor the amount of the bill, plus any additional administrative costs incurred in the certification. The auditor shall place the total amount certified on the tax duplicate for the property affected, and the total amount, including any accrued interest, shall be collected as delinquent taxes are collected and shall be disbursed to the general fund of the municipality. [IC 36-7-10.1-4]

Notwithstanding IC 36-7-10.1-4, the municipality may provide that the amounts collected shall be disbursed to the general fund of the department specified to enforce the ordinance. [IC 36-7-10.1-5]

**APPROPRIATION REQUIREMENTS**

**Cities**

Unless a statute provides otherwise, IC 36-4-8-2 requires an appropriation to be made before money can be paid out of the city treasury upon a warrant of the fiscal officer.

**Towns**

IC 36-5-4-2 states that unless a statute provides otherwise, town monies may be disbursed only after an appropriation made by ordinance of the town legislative body.

**APPROPRIATIONS – WHEN NOT REQUIRED**

In some instances statutory authority is given to the city or town fiscal officer to make disbursements without an appropriation having been previously made for the specific purpose. Examples are as follows:

1. Premiums on official bonds. (IC 5-4-5-3)
2. Purchased meals, lodging, and mileage for conferences called by the State Board of Accounts. (IC 5-11-14-1)
3. Federal and State grants, if advanced and not received as a reimbursement of expenditures.
4. Refund of money erroneously received. (IC 6-1.1-18-9)
5. Correction of errors in posting. (IC 6-1.1-18-9)
6. Investment of funds.
7. Repayment of temporary loans.
8. Transfer from a city or town user fee fund to a program fund listed in IC 33-37-8-3.
9. Establishment of a cash change fund. (IC 36-1-8-2)
10. Establishment of a petty cash fund. (IC 36-1-8-3)
APPROPRIATIONS – REQUIRED BY CITY/TOWN COUNCIL ONLY

The following is a list of funds which require city/town council approval of an appropriation. Due to the nature of the funds, the Department of Local Government Finance does not require submission of an additional appropriation request before the local appropriation can be approved.

1. Clerk's Record Perpetuation Fund (IC 33-37-5-2)
2. Cumulative Capital Improvement Fund – Cigarette Tax (IC 6-7-1-31.1)
3. Deferral Program (IC 34-28-5-1)
4. Economic Development Income Tax (EDIT) (IC 6-3.5-7)
5. Electronic Map Generation Fund (IC 5-14-3-8.3)
6. Enhanced Access Fund (IC 5-14-3-8.5).
7. Local Law Enforcement Continuing Education Fund (IC 5-2-8)
8. Park Nonreverting Capital Fund (IC 36-10-3-20)
9. Park Nonreverting Operating Fund (IC 36-10-3-22)
10. Riverboat Fund (IC 36-1-8-9)
11. County Slot Machine Wagering Fee Fund (IC 36-1-8-9.2)

APPROPRIATIONS CARRIED FORWARD (ENCUMBRANCES)

Appropriations may be carried forward to the following year if any of the following conditions exist:

1. A lawful contract has been entered into with a vendor or contractor on or before December 31 and all or a part of the contract has not been paid.
2. A purchase order has been issued on or before December 31, entered as an encumbrance against an existing appropriation, and isn't paid as of December 31.
3. Proceeds of a bond issue that have been duly appropriated and remain unexpended as of December 31.
4. Appropriations which are obligated by a contract or an agreement executed on or before December 31, between a city or town and any federal or state agency, such as a local road and street project, or federal grant requiring local matching funds.

Only the amount required to meet the balance due on a contract or purchase order may be carried forward. The amount remaining in the appropriation account shall revert to the fund from which appropriated.
TRANSFER OF APPROPRIATIONS

A city or town council may approve the transfer of money from one major budget classification to another within a department of office if the transfer is determined to be necessary, does not require the expenditure of more money than the total amount set out in the budget as finally determined and the transfer is approved at a regular public meeting and by proper ordinance or resolution. The transfer may be made without notice and without the approval of the Department of Local Government Finance. (IC 6-1.1-18-6)

APPROPRIATION OF INSURANCE CLAIM PROCEEDS

The fiscal officer of a political subdivision may appropriate funds received from an insurance company if: (1) the funds are received as a result of damage to property of the political subdivision; and (2) the funds are appropriated for the purpose of repairing or replacing the damage property. However, the funds must be expended to repair or replace the property within the twelve month period after they are received. (IC 6-1.1-18-7)

APPROPRIATION OF FEDERAL AND STATE GRANTS

Notwithstanding any other law, the appropriating body of a political subdivision may appropriate any funds received as a grant from the state or the federal government without using the additional appropriation procedures under IC 6-1.1-18-5, if the funds are provided or designated by the state or the federal government as a reimbursement of an expenditure made by the political subdivision. (IC 6-1.1-18-7.5)

FORM APPROVALS

Please be reminded of the form approval process as discussed in the Accounting and Uniform Compliance Guidelines Manual for Cities and Towns at http://www.in.gov/sboa/3053.htm. The use of computerized systems provide for an easier process of electronic submission and approval. Accordingly, please submit all future form approval requests electronically by e-mail for consideration. You should include the request on letterhead which shows the name of the city or town, address, clerk-treasurer’s or controller’s name submitting, etc. along with the forms requested for approval. The city or town submitting the request will receive a reply by e-mail. Any city or town desiring to receive a stamped hardcopy form approval may do so by forwarding a self-addressed stamped envelope.

Please send all electronic form approval requests to dkeene@sboa.in.gov. Please ensure the e-mail subject line reads exactly Form Approval 2010 (make sure you only use one space between form and approval and 2010).
RETURNED CHECKS

An extended effort shall be made by the clerk-treasurer or controller to recover funds from checks returned by depositaries as uncollectible. During the process of collecting, the returned checks shall be carried as a cash items on the monthly reconcilement.

The clerk-treasurer or controller should immediately notify the maker or drawer of the returned check. We recommend you develop a form letter detailing the procedures and consequences of not making the returned check good. Contact by telephone is usually more expedient; however, you should probably follow up your verbal conversation with the form letter. If the drawer comes in to pay make sure you only accept cash, certified check, or money order.

Concerning whether or not it would be proper for a city or town to enact an ordinance establishing a returned check charge, IC 35-43-5-5 (e) states that it is a defense under subsection (a) if a person who: (1) Has an account with a credit institution but does not have sufficient funds in the accounts; and (2) Issues or delivers a check, a draft, or an order for payment on that credit institution; Pays the payee or holder the amount due, together with protest fees and any service fee or charge, which may not exceed the greater of twenty-seven dollars and fifty cents ($27.50) or five percent (5%) [but not more than two hundred fifty dollars ($250)] of the amount due, within ten (10) days after mailing notice to the person that the check has not been paid.

Based upon the foregoing, it is our audit position that a city or town could enact a bad check service charge by local home rule ordinance if the amount of the charge did not exceed the amount listed in IC 35-43-5-5. We recommend the City or Town Attorney review IC 26-2-7-3 and include language in such ordinance for pursuing returned checks not paid within ten (10) days.

Furthermore, IC 36-1-8-13 requires cities and towns to refer all dishonored checks for which they are not able to obtain payment to the prosecuting attorney for the county where the dishonored check was initially received not later than 90 ninety days after receipt of the check.

When it is determined that the returned item is uncollectible, the clerk-treasurer or controller shall attach all related documents to an accounts payable voucher to be presented to the appropriate board (Board of Works, or Council) with an explanation. Upon board approval of payment from the general fund, without appropriation, the city or town warrant is to be placed in the cash drawer to replace the uncollectible item and deposited as other checks. If the returned item was for payment of a utility bill, a utility warrant would be issued to the utility clerk from the utility operating fund and placed in the cash drawer to replace the uncollectible item and deposited as other checks. Such amount would be recharged to the customer's account.
ESTABLISHING THE ESTIMATED COST OF CAPITAL ASSETS

When it is not possible to determine the historical cost of capital assets owned by a governmental unit, the following procedure should be followed.

Develop an inventory of all capital assets which are significant for which records of the historical costs are not available. Obtain an estimate of the replacement costs of these assets. Through inquiry determine the year or approximate year of acquisition. Then multiply the estimated replacement cost by the factor for the year of acquisition from the Table of Cost Indexes. The resulting amount will be the estimated cost of the asset.

In some cases estimated replacement cost can be obtained from insurance policies; however, if estimated replacement costs are not available from insurance policies, you should obtain or make an estimate of the replacement costs.

If the replacement cost is estimated to be $76,000.00 and the asset was constructed about 1930, then the estimated cost of the asset should be reported as $6,080.00.

$76,000.00 \times .08 = $6,080.00

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