2012 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 7 – HOUSE ENROLLED ACT 1016 – EFFECTIVE JULY 1, 2012
DESIGN–BUILD PROJECTS – Amends IC 5-30-1-11 – Allows fire protection districts to enter into design–build contracts.

PUBLIC LAW 14 – HOUSE ENROLLED ACT 1052 – EFFECTIVE JULY 1, 2012
STATE QUANTITY PURCHASE AGREEMENTS – PUBLIC SAFETY EQUIPMENT
Adds IC 4-13-1-25 – Requires the State Department of Administration to award quantity purchase agreements for emergency services equipment.

PUBLIC LAW 17 – HOUSE ENROLLED ACT 1154 – EFFECTIVE JULY 1, 2012
PUBLIC WORKS PROJECTS – Amends IC 36-1-12-4, IC 36-1-12-4.7, and IC 36-1-12-5 - Repeals IC 36-1-12-22 – Requires preparation of general plans and specifications and advertising for sealed proposals for public works projects of at least $150,000 for all political subdivisions except boards of aviation commissioners and airport authorities. Requires advertising for proposals by boards of aviation commissioners and airport authorities for public works projects of at least $100,000. Raises the threshold for requiring a financial statement, statement of experience, proposed plan for the project, and the equipment that the bidder has available from $100,000 to $150,000. Allows bids to be opened after the time designated if the board makes a written determination that it is in the best interest of the board to delay the opening and the day, time and place of the rescheduled opening are announced at the originally scheduled opening. Eliminates the local Indiana businesses price preference requirement for public works projects.

PUBLIC PURCHASES LAW – Amends IC 15-22-15-20.9 – Requires an adjacent county who qualifies for a local Indiana business price preference to be an Indiana county.
PUBLIC LAW 30 - SENATE ENROLLED ACT 98 – EFFECTIVE JULY 1, 2012
CITY DEPARTMENTS – MULTI-YEAR INTERLOCAL AGREEMENTS – Amends IC 36-4-8-12 – Allows a city department, officer, or employee to obligate the city beyond the amount of money appropriated for that department, officer, or employee if:
1. the obligation is made under a multi-year interlocal agreement with another governmental entity, and
2. the agreement is approved by the city fiscal body.

PUBLIC LAW 31 – SENATE ENROLLED ACT 109 – EFFECTIVE JULY 1, 2012
DEPOSIT ACCOUNTS – Amends IC 5-13-9-5.3 – Allows a city or town council to pass an ordinance or resolution authorizing the investment in interest bearing deposit accounts 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 interest bearing deposit accounts 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 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 deposits.
5. On the same date that the city or town’s funds are deposited, 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.

PUBLIC LAW 33 - SENATE ENROLLED ACT 114 – EFFECTIVE MARCH 14, 2012
DRIVING WHILE SUSPENDED – Amends IC 9-24-19-2 – Makes a technical correction to the driving while suspended statute.

PUBLIC LAW 36 - SENATE ENROLLED ACT 128 – EFFECTIVE JULY 1, 2012
PENSION MANAGEMENT OVERSIGHT COMMISSION – NONCODE – Urges the State Legislative Council to assign the Commission the task of studying local retirement plans not administered or managed by the Indiana Public Retirement System.
2012 LAWS AFFECTING CITIES AND TOWNS

PUBLIC LAW 37 - SENATE ENROLLED ACT 131 – EFFECTIVE JULY 1, 2012
SOLID WASTE MANAGEMENT DISTRICTS – Amends IC 13-21-3-13.5 – Requires additional information on expenditures, solid waste disposal, and recycling be included on a solid waste management district’s annual report. Requires such report to be published on the Internet Website maintained by the district or counties that are members of the district.

PUBLIC LAW 43 - SENATE ENROLLED ACT 191 – EFFECTIVE JULY 1, 2012
INVESTMENTS – Adds IC 5-13-9-5.7 – Allows a city or town council to adopt an investment policy authorizing the investment of funds for more than two years and not more than five years.

The policy must:
1. be in writing;
2. be adopted at a public meeting;
3. provide for the investment of public funds with the approval of the investing officer;
4. provide that the investments must be made in accordance with IC 5-13;
5. limit the total investments outstanding to not more than twenty-five percent (25%) of the total portfolio of public funds invested by the city or town, including balances in transaction accounts; and
6. state a date on which the policy expires, which may not exceed four (4) years.

A policy adopted remains in effect only through the date of expiration established in the policy, which may not exceed four (4) years.

A fiscal body that has adopted a written investment policy may adopt an ordinance authorizing its investing officer to make investments having a stated final maturity that is:
1. more than two (2) years; but,
2. not more than five (5) years;

after the date of purchase or entry into a repurchase agreement.

An ordinance adopted and the power to make an investment expire on the date on which the policy expires, which may not exceed four (4) years.
After an investment of public funds is made by the investing officer, the total investments of the city or town outstanding may not exceed twenty-five percent (25%) of the total portfolio of public funds invested by the city or town, including balances in transaction accounts. However, an investment made in this manner when the investment is made remains legal if:

1. the investment policy has expired; or
2. a subsequent decrease in the total portfolio of public funds invested by the political subdivision, including balances in transaction accounts, causes the percentage of investments outstanding to exceed twenty-five percent (25%) of the total portfolio of public funds invested by the city or town.

An investing officer may contract with a federally regulated investment advisor or other institutional money manager to make investments under these provisions.

PUBLIC LAW 49 - SENATE ENROLLED ACT 307 – EFFECTIVE MARCH 14, 2012
FIRE PROTECTION TERRITORIES – Amends IC 36-8-19-6 – Clears up language dealing with the required ordinance or resolution to form a territory.

PUBLIC LAW 50 - SENATE ENROLLED ACT 329 – EFFECTIVE JULY 1, 2012
EMINENT DOMAIN – Amends IC 32-24-1-11 – Changes the filing deadlines for appeals and written exceptions.

PUBLIC LAW 52 - SENATE ENROLLED ACT 378 – EFFECTIVE JULY 1, 2012
CONSERVANCY DISTRICTS – Amends IC 14-33-6-13 – Allows conservancy districts to enter into contracts with local government agencies for security services.

PUBLIC LAW 56 – HOUSE ENROLLED ACT 1090 – EFFECTIVE MARCH 14, 2012
DELINQUENT PROPERTY TAXES - Amends several sections of IC 6-1.1-24 – Allows for real property to be removed from a tax sale if certain payment arrangements are made between a taxpayer and a county treasurer. Makes several changes to the minimum bid requirements on tax sale property. Provides for the waiver of penalties and interest in certain circumstances.
PUBLIC LAW 61 - SENATE ENROLLED ACT 173 – EFFECTIVE JULY 1, 2012
AIRPORT BOARDS – Amends IC 8-22-2-2, IC 8-22-2-18.5, IC 8-22-3-5, and IC 8-22-3-19 – Requires members of a board of aviation commissioners and members of an airport authority board to not be an owner, major shareholder, director, officer, or employee of any entity engaged in commercial aeronautics.

PUBLIC LAW 67 - SENATE ENROLLED ACT 309 – EFFECTIVE JULY 1, 2012
PUBLIC WORKS/PUBLIC PURCHASES – See Public Law 17 for similar provisions.

PUBLIC LAW 69 – HOUSE ENROLLED ACT 1033 – EFFECTIVE JULY 1, 2012
CRIMINAL HISTORY INFORMATION – Adds IC 24-4-18, IC 34-28-5-15, and IC 34-28-5-16 – Amends IC 35-38-8-7, IC 35-50-2-1, and IC 35-50-2-7 – Requires criminal history providers to update their records annually to remove inaccurate information and only disclose certain information relating to a conviction, as of July 1, 2013. Places restrictions on court clerks disclosing information on persons alleged to have committed an infraction.

PUBLIC LAW 74 – HOUSE ENROLLED ACT 1092 – EFFECTIVE JULY 1, 2012
WABASH CITY COURT – Adds IC 33-35-2-6.5 – Provides that the Wabash City Court has concurrent jurisdiction with the Wabash Circuit Court in civil cases in which the amount of the controversy does not exceed $1,500.

PUBLIC LAW 75 – HOUSE ENROLLED ACT 1163 – EFFECTIVE JULY 1, 2012
PUBLIC WORKS PROJECTS – RETAINAGE AND PAYMENT BONDS - Amends IC 36-1-12-12 and IC 36-1-12-13.1 – Makes technical corrections to the laws dealing with retainage and payment bonds.

PUBLIC LAW 77 – HOUSE ENROLLED ACT 1186 – EFFECTIVE JULY 1, 2012

PUBLIC LAW 84 – HOUSE ENROLLED ACT 1283 – EFFECTIVE JULY 1, 2012
RECORD RETENTION SCHEDULES - Amends IC 5-15-6-2.5 – Requires each county Commission of Public Records to implement local government record retention schedules not more than 30 days after adoption by the State’s Oversight Committee of the Indiana Commission on Public Records (ICPR).
2012 LAWS AFFECTING CITIES AND TOWNS

PUBLIC LAW 87 – SENATE ENROLLED ACT 132 – EFFECTIVE MARCH 16, 2012
WATER UTILITY RESOURCE DATA – Adds IC 8-1-30.5 – Requires all municipally owned water utilities, conservancy districts, and regional water districts and not-for-profit water utilities to submit an annual report to the Indiana Utility Regulatory Commission (IURC) beginning with the calendar year ending December 31, 2012, regardless of whether such utilities are under the jurisdiction of the IURC. Such report shall include the following:

1. The number of Indiana customers served by the water utility.
2. A description of the water utility’s service territory in Indiana.
3. The total utility plant in service with respect to the water utility’s Indiana customers.
4. The amount and location of the water resources used by the water utility to provide water service to the water utility’s Indiana customers.
5. The availability and location of additional water resources that could be used, if necessary, by the water utility to provide water service to Indiana customers.
6. The amount of funding received, including the purpose of the funding, from the following sources:
   A. A state revolving loan program under IC 13-18.
   B. The office of community and rural affairs established by IC 4-4-9.7-4.
   C. United States Department of Agriculture rural development loans and grants.
   D. The Indiana Bond Bank.
   E. The issuance of any debt instruments for the purpose of raising capital to fund infrastructure projects.

Requires the IURC to compile, organize and summarize the data and information contained in the reports and submit a summary and recommendations on the efficient use of water resources, necessary infrastructure investments by water utilities, and actions designed to minimize impacts on rates and charges imposed on customers to the Regulatory Flexibility Committee established under IC 8-1-2.6-4.

PUBLIC LAW 90 - SENATE ENROLLED ACT 193 – EFFECTIVE JANUARY 1, 2013
STATEMENT OF ECONOMIC INTERESTS FOR LOCAL AND SCHOOL BOARD OFFICES – Adds IC 3-8-9 – Requires candidates for local office to file a written statement of economic interests with the individual’s declaration of candidacy, petition of nomination, declaration of intent to be a write-in candidate, or certificate of candidate selection.
2012 LAWS AFFECTING CITIES AND TOWNS

PUBLIC LAW 92 - SENATE ENROLLED ACT 273 – EFFECTIVE MARCH 16, 2012
OUTDOOR STAGE EQUIPMENT – Adds IC 2-5-34.7, IC 22-12-1-17.5, IC 22-12-1-17.7, IC 22-13-2-8.5, and IC 22-15-3-8 – Amends IC 22-12-1-4 – States that a city or town that regulated outdoor stage equipment before March 15, 2012, under an ordinance adopted before March 15, 2012, may, if the ordinance is in effect on March 15, 2012, continue to regulate outdoor stage equipment under the ordinance after March 14, 2012, in the same manner that the city or town applied the ordinance before March 15, 2012. However, a statewide code of fire safety laws or building laws governing outdoor stage equipment that is adopted by the State Fair Commission after March 14, 2012, takes precedence over any part of a city or town ordinance that is in conflict with the commission’s adopted code. A city or town need not be certified or approved under IC 22-15-3-1 or another law to continue to regulate outdoor stage equipment after March 14, 2012.

If a city or town adopts an ordinance after March 14, 2012, the city or town shall require compliance with:

1. the rules adopted by the Outdoor Stage Safety Committee;
2. orders issued under IC 22-13-2-11 that grant a variance to the rules adopted;
3. orders issued under IC 22-12-7 that apply the rules adopted; and
4. a written interpretation of the rules adopted binding on the unit under IC 22-13-5-3 or IC 22-13-5-4;

on both private and public property located within the boundaries of the city or town, including, in the case of a consolidated city, the state fairgrounds. This does not limit the authority of a unit (as defined in IC 36-1-2-23) under IC 36-7-2-9 to enforce building laws and orders and written interpretations related to building laws.

PUBLIC LAW 97 – HOUSE ENROLLED ACT 1117 – EFFECTIVE JULY 1, 2012
REGIONAL WATER, SEWAGE AND WASTE DISTRICTS AND NOT-FOR-PROFIT UTILITIES – Adds IC 13-11-2-270, IC 13-26-2-2.5, IC 13-26-4-6.1, IC 13-26-4-8 and IC 13-26-5-2.6 – Amends IC 8-1-2-125, IC 8-1-8-1, IC 13-26-2-3, IC 13-26-5-2, IC 13-26-5-2.5, IC 13-26-11-2, IC 13-26-11-13, IC 13-26-11-15 and IC 13-26-14-4 – Provides that a district or utility may not require a property owner to connect to a system for ten years under certain conditions. Limits the daily penalty for failing to connect to a sewer system to $100 per day. States that if a flat rate is charged for sewer charges, the district must provide an explanation as to how the charge was calculated. Makes changes to the laws governing campground and camp billing.
PUBLIC LAW 103 – HOUSE ENROLLED ACT 1247 – EFFECTIVE MARCH 16, 2012
DRIVER’S LICENSES – Amends IC 9-24-12-1 and IC 9-29-9-2 – Provides for expiration
dates and sets fees for renewal of licenses set to expire in 2012.

PUBLIC LAW 112 - SENATE ENROLLED ACT 19 – EFFECTIVE VARIOUS DATES
REAL PROPERTY ASSESSMENT – Adds IC 6-1.1-4-4.2, IC 6-1.1-4-21.4, IC 6-1.1-22.6
and IC 36-7-15.1-36.3 – Amends several sections of IC 6-1.1 and IC 36-7-15.1 –
Requires county assessors to prepare and submit a reassessment plan to the
Department of Local Government Finance (DLGF) before July 1, 2013 and every fourth
year thereafter. Requires the DLGF to approve such plans before March 1 of the year
following the year in which the plan is submitted. Sets out procedures for resolving
multi-year delays in the issuance of tax bills for counties that are at least three years
behind in issuing tax bills.

PUBLIC LAW 113 – SENATE ENROLLED ACT 22 – EFFECTIVE JULY 1, 2012
CONSERVANCY DISTRICTS – DIRECTOR COMPENSATION - Amends IC 14-33-5-16
Allows directors of a conservancy district to receive an increase in compensation up to a
reasonable amount that is approved by a majority vote of the board and authorized by a
court order.

PUBLIC LAW 114 - SENATE ENROLLED ACT 26 – EFFECTIVE JULY 1, 2012
TITLE 35 REVISIONS – Adds IC 35-31.5 – Amends several sections of IC 35 –
Organizes definitions in Title 35.

PUBLIC LAW 117 - SENATE ENROLLED ACT 97 – EFFECTIVE JULY 1, 2012
PUBLIC INTOXICATION – Amends IC 7.1-5-1-3 and IC 7.1-5-1-6 – Provides that a
person may not be convicted of certain offenses relating to public intoxication unless the
person:
1. endangers the person’s life;
2. endangers the life of another person;
3. breaches the peace or is in imminent danger of breaching the peace; or
4. harasses, annoys, or alarms another person.
2012 LAWS AFFECTING CITIES AND TOWNS

PUBLIC LAW 118 - SENATE ENROLLED ACT 107 – EFFECTIVE JULY 1, 2012
CITY SALARY ORDINANCES – Amends IC 36-4-7-3 and IC 36-8-3-3 – Requires second and third class cities to adopt their salary ordinances by November 1 for the ensuing budget year.

PUBLIC LAW 119 - SENATE ENROLLED ACT 115 – EFFECTIVE VARIOUS DATES
CLASSIFICATIONS OF POLITICAL SUBDIVISIONS – Amends several sections of the Indiana Code – Changes population parameters in various statutes to reflect the 2010 decennial census count.

PUBLIC LAW 120 - SENATE ENROLLED ACT 147 – EFFECTIVE JULY 1, 2012
PROPERTY TAXES – Amends IC 6-1.1-22-8.1, IC 6-1.1-22-9.7, IC 6-1.1-26-5, IC 6-1.1-37-9, AND IC 36-2-7-19 – Allows counties to make certain property tax information available through electronic mail. Allows monthly property tax payments to be made electronically. Makes several other changes to the laws dealing with property tax collection.

PUBLIC LAW 124 - SENATE ENROLLED ACT 233 – EFFECTIVE MARCH 19, 2012
ELECTIONS – Amends several sections of Title 3 – Makes amendments to several municipal election laws.

PUBLIC LAW 126 - SENATE ENROLLED ACT 262 – EFFECTIVE JULY 1, 2012
TITLE 35 REVISIONS – Adds IC 35-44.1 – Reorganizes certain crimes by relocating and renumbering them as offenses against public administration (IC 35-44) into a new article (IC 35-44.1).

PUBLIC LAW 132 - SENATE ENROLLED ACT 345 – EFFECTIVE MARCH 19 AND JULY 1, 2012 – STATE WIDE 911 SYSTEM – Adds IC 36-8-16.7 – Requires the Indiana Advisory Commission on Intergovernmental Relations to study roles and responsibilities of the state and political subdivision in providing E-911 services and report its findings to the legislative council and the budget committee by November 1, 2012. Establishes a monthly statewide 911 fee to each standard user of ninety cents. Increases the prepaid wireless charge to fifty cents. Establishes a thirteen member statewide 911 board to administer a new E-911 system. Establishes a statewide 911 fund for deposit of monthly statewide 911 fees. Requires the State Board of Accounts to audit the fund. Provides for distributions to be made from the fund to local PSAPs. Requires the State Board of Accounts to review and report the use of the fees by PSAPs to the State Budget Committee.
2012 LAWS AFFECTING CITIES AND TOWNS

PUBLIC LAW 133 – HOUSE ENROLLED ACT 1002 – EFFECTIVE VARIOUS DATES
STATE COMMISSIONS AND BOARDS – Adds IC 2-5-1.6, IC 4-23-31, IC 4-23-32, IC 13-13-8 – Amends and repeals several sections of the Indiana Code dealing with state commissions and boards. Makes several changes to the laws dealing with the Indiana economic development corporation.

PUBLIC LAW 134 – HOUSE ENROLLED ACT 1003 – EFFECTIVE JULY 1, 2012 AND JANUARY 1, 2013 – PUBLIC RECORDS/PUBLIC ACCESS – Adds IC 5-14-1.5-3.5, IC 5-14-1.3-3.6, IC 5-14-1.5-7.5, IC 5-14-3-9.5 and IC 5-14-4-14 – Amends IC 5-14-1.5-3, IC 5-14-1.5-4, IC 5-14-1.5-5, IC 5-14-1.5-7, IC 5-14-3-3, IC 5-14-3-4, IC 5-14-3-9, and IC 5-15-5.1-1 – Allows a court to impose civil penalties to officers of a public agency or a public agency where an individual with specific intent to violate the law fails to perform a duty under IC 5-14-1.5 by:
1. failing to give proper notice of a regular meeting, special meeting, or executive session;
2. taking final action outside a regular meeting or special meeting;
3. participating in a secret ballot during a meeting;
4. discussing in an executive session subjects not eligible for discussion in an executive session;
5. failing to prepare a memorandum of a meeting, or
6. participating in at least one (1) gathering of a series of gatherings.

States a civil penalty may only be imposed as part of an action filed. A court may not impose a civil penalty unless the public access counselor has issued an advisory opinion:
1. to the complainant and the public agency;
2. that finds that the individual or public agency violated IC 5-14-1.5; and
3. before the action is filed.

If an individual:
1. continues to deny a request that complies with IC 5-14-3-3(b) for inspection or copying of a public record after the public access counselor has issued an advisory opinion:
   A. regarding the request for inspection or copying of the public record; and
   B. that instructs the public agency to allow access to the public record; and
2. denies the request with the specific intent to unlawfully withhold a public record that is subject to disclosure;
the individual and the public agency employing the individual are subject to a civil penalty.

If an individual intentionally charges a copying fee that the individual knows exceeds the amount set by statute, fee schedule, ordinance, or court order, the individual is subject to a civil penalty.
A civil penalty may only be imposed as part of an action filed. A court may not impose a civil penalty unless the public access counselor has issued an advisory opinion:
1. to the complainant and the public agency;
2. that instructs the public agency to allow access to the public record; and
3. before the action is filed.

Civil penalties imposed by a court may not be more than $100 for the first violation and not more than $500 for each additional violation. States that an individual is personally liable for a civil penalty that is imposed and that civil penalties imposed against a public agency shall be paid by the public agency's budget. Creates an education fund for the public access counselor where such civil penalties shall be deposited. Such fund is to be used to train elected officials and the public about public access laws.

PUBLIC LAW 135 – HOUSE ENROLLED ACT 1005 – EFFECTIVE JULY 1, 2012 AND JANUARY 1, 2013 – NEPOTISM, CONTRACTS, CONFLICTS OF INTEREST - Adds IC 3-5-9, IC 5-11-13.1.1, IC 36-1-20.2, and IC 36-1-21 – Amends IC 36-1-8-10.5, IC 36-4-4-2, IC 36-8-3-12 and IC 36-8-10-11 – States that an individual who is serving as a volunteer firefighter for a volunteer fire department or a fire department that provides fire protection services to a unit:
1. under a contract, excluding a mutual aid agreement; or
2. as the unit’s fire department;
may not assume or hold an elected office of a unit that receives fire protection services from the department in which the volunteer firefighter serves.

An individual who:
1. is an employee of a unit, serving as a full-time, paid firefighter; or
2. serves as a volunteer firefighter;
in a department that provides fire protection services to more than one (1) unit, excluding fire protection services provided under mutual aid agreements, may not assume or hold an elected office of any unit that receives fire protection services from the department.

The provisions of IC 3-5-9 do not prohibit:
1. a government employee from assuming or holding an elected office of a unit other than the unit that employs the government employee;
2. a full-time, paid firefighter or volunteer firefighter from assuming or holding an elected office of a unit other than a unit that receives fire protection services from the department in which the volunteer firefighter serves; or
3. an individual who assumes or holds an elected office from also being appointed to and serving on a board, commission, or committee of the unit.

Provides that:
1. a volunteer firefighter who assumes or holds an elected office on January 1, 2013, may continue to hold the elected office and serve as a volunteer firefighter; and
2. a government employee who assumes or holds an elected office on January 1, 2013, may continue to hold the elected office and be employed as a government employee;
until the term of the elected office that the volunteer firefighter or government employee is serving on January 1, 2013, expires.
PUBLIC LAW 135 (Continued)

NEPOTISM – Adds IC 36-1-20.2 that applies to counties, cities and towns, and townships. Prohibits individuals who are relatives from being employed in a position that results in one relative being in the direct line of supervision of the other relative. Defines “relative” to mean a spouse, parent or stepparent, child or stepchild, brother, sister, stepbrother, stepsister, niece or nephew, aunt or uncle or daughter-in-law or son-in-law.

Exempts individuals employed on July 1, 2012 unless the individual has a break in employment. Exempts precinct election officers and volunteer firefighters as being considered employed. Defines “employed” to mean an individual who is employed full-time, part-time, temporary, intermittent, or hourly. Requires the legislative body to adopt a nepotism policy that includes, at a minimum, the requirements in IC 36-1-20.2. Requires a statement by the executive to be included in the Gateway Annual Report stating whether such policy has been implemented. Requires that if the State Board of Accounts finds that such policy has not been implemented, it shall forward such information to the Department of Local Government Finance (DLGF). The DLGF may not approve a unit of government’s budget if the unit has not implemented a nepotism policy.

CONTRACTING – Creates IC 36-1-21 – A unit may enter into a contract or renew a contract for the procurement of goods or services or a contract for public works with a relative of an elected official or a business entity that is owned wholly or partially by a relative of an elected official only if the requirements of IC 36-1-21 are met and the elected official does not violate IC 35-44-1-8.

A unit may enter into a contract or renew a contract with an individual or business entity if:

1. the elected official files with the unit a full disclosure, which must:
   A. be in writing;
   B. describe the contract or purchase to be made by the unit;
   C. describe the relationship that the elected official has to the individual or business entity that contracts or purchases;
   D. be affirmed under penalty of perjury;
   E. be submitted to the legislative body of the unit and be accepted by the legislative body in a public meeting of the unit prior to final action on the contract or purchase; and
   F. be filed, not later than fifteen (15) days after final action on the contract or purchase, with:
      i. the state board of accounts; and
      ii. the clerk of the circuit court in the county where the unit takes final action on the contract or purchase;

2. the appropriate agency of the unit:
   A. makes a certified statement that the contract amount or purchase price was the lowest amount or price bid or offered; or
   B. makes a certified statement of the reasons why the vendor or contractor was selected; and

3. the unit satisfies any other requirements under IC 5-22 or IC 36-1-12.
An elected official shall also comply with the disclosure provisions of IC 35-44-1-3, if applicable.

This does not affect the initial term of a contract in existence at the time the term of office of the elected official of the unit begins.

Each elected officer of the unit shall annually certify in writing, subject to the penalties for perjury, that the officer is in compliance. An officer shall submit the certification to the executive of the unit not later than December 31 of each year.

If the state board of accounts finds that a unit has not implemented a policy under this chapter, the state board of accounts shall forward the information to the department of local government finance.

If a unit has not implemented a policy under this chapter, the department of local government finance may not approve:
1. the unit’s budget; or
2. any additional appropriations for the unit;
for the ensuing calendar year until the state board of accounts certifies to the department of local government finance that the unit has adopted a policy.

Requires units of government to adopt a policy that includes, at a minimum, the contracting requirements set out in IC 36-1-21. Requires a statement in the Gateway Annual Report by the unit’s executive stating whether the unit has implemented such policy. Defines elected official to mean the executive or a member of the executive body, a member of the legislative body, or a member of the fiscal body. Defines relative to mean a parent or stepparent, child or stepchild, brother, sister, stepsister, stepbrother, niece or nephew, aunt or uncle, or daughter-in-law or sister-in-law.

PUBLIC LAW 136 – HOUSE ENROLLED ACT 1049 – EFFECTIVE JULY 1, 2012
STATE INSPECTOR GENERAL – Amends IC 5-11-6-1 and IC 5-11-6-3 – Requires the State Board of Accounts to file certain examination reports with the Inspector General.

CIVIL FILING FEES – Adds IC 33-37-5-31 – Amends IC 33-37-4-4 – Requires a city or town court to collect a pro bono service fee of one dollar ($1) on a civil action. Such fee shall be distributed to the Auditor of State semiannually.
PUBLIC LAW 137 – HOUSE ENROLLED ACT 1072 – EFFECTIVE VARIOUS DATES

TAXATION – Amends and adds sections of IC 6-1.1-17 – Changes dates for adoption of budgets and levies for certain taxing units without elected board members.

ADDITIONAL APPROPRIATIONS – EFFECTIVE JULY 1, 2012 - Amends IC 6-1.1-18-5
States that IC 6-1.1-18-5 applies to an additional appropriation by a political subdivision that must have the political subdivision’s annual appropriations and annual tax levy adopted by a city, town, or county fiscal body under IC 6-1.1-17-20 or by a legislative or fiscal body under IC 36-3-6-9. The fiscal or legislative body of the city, town, or county that adopted the political subdivision’s annual appropriation and annual tax levy must adopt the additional appropriation by ordinance before the department of local government finance may approve the additional appropriation.

If a public library that:
1. is required to submit the public library’s budgets, tax rates, and tax levies for nonbinding review under IC 6-1.1-17-3.5; and
2. is not required to submit the public library’s budgets, tax rates, and tax levies for binding review and approval under IC 6-1.1-17-20,

proposes to make an additional appropriation for a year, and the additional appropriation would result in the budget for the library for that year increasing (as compared to the previous year) by a percentage that is greater than the result of the assessed value growth quotient determined under IC 6-1.1-18.5-2 for the calendar year minus one (1), the additional appropriation must first be approved by the city, town, or county fiscal body described in IC 6-1.1-17-20.3(c) or IC 6-1.1-17-20(d), as appropriate.

CUMULATIVE AND CAPITAL PROJECTS FUNDS – Adds IC 6-1.1-18-12.5 – Changes the formula for calculating adjustments to the minimum permissible tax rate for cumulative and capital projects funds to reflect changes in total assessed value in a taxing unit. Allows for loans from the State general fund to certain eligible local units with cumulative or capital projects funds.

CREDIT CARD TRANSACTION CHARGES OR DISCOUNT FEES – EFFECTIVE MARCH 19, 2012 – Amends IC 36-1.8-11 – States that if there is a vendor transaction charge or discount fee, whether billed to the political subdivision or municipally owned utility or charged directly to the political subdivision’s or municipally owned utility’s account, the political subdivision or municipally owned utility may collect from the person using the card an official fee that may not exceed the transaction charge or discount fee charged to the political subdivision or municipally owned utility by bank or credit card vendors. The fee is a permitted additional charge under IC 24-4.5-3-202.
PUBLIC LAW 137  (Continued)
PAYMENT OF CLAIMS BY EFT – EFFECTIVE MARCH 19, 2012 – Adds IC 36-1-8-11.5
Allows a city or town to adopt a resolution to authorize an electronic funds transfer
method of payment of claims. If a city or town adopts a resolution, the city or town may
pay money from its funds by electronic funds transfer. A city or town that pays a claim
by electronic funds transfer shall comply with all other requirements for the payment of
claims by the city or town.

WEED LIENS – EFFECTIVE JULY 1, 2012 - Amends IC 36-7-10.1-3 – States that if
an initial notice of the violation of an ordinance adopted was provided by certified mail or
equivalent service, a continuous abatement notice may be posted at the property at the
time of abatement instead of by certified mail or equivalent service as required by IC 36-
7-10.1-3. A continuous abatement notice serves as notice to the real property owner
that each subsequent violation during the same year for which the initial notice of the
violation was provided may be abated by the municipally or county, or its contractors.

ANNUAL REPORTS/100-R REPORTS – EFFECTIVE MARCH 19, 2012
Amends IC 5-11-1-4, IC 5-11-13-1, and IC 5-14-3.8-7 – States that the annual report
must be in the form and content prescribed by the state examiner and filed electronically
in the manner prescribed in IC 5-14-3.8-7. Requires all 100-R reports to be filed
electronically and to include a statement indicating whether the political subdivision
offers a health plan, a pension plan and other benefits to full-time and part-time
employees.

PUBLIC LAW 138 – HOUSE ENROLLED ACT 1123 – EFFECTIVE JULY 1, 2012
PUBLIC EMPLOYEES RETIREMENT FUND (PERF) – Provides for a thirteenth check to
certain members of PERF and the teachers’ retirement fund.
PUBLIC LAW 139 – HOUSE ENROLLED ACT 1126 – EFFECTIVE MARCH 19, 2012
WATER AND WASTEWATER UTILITIES – RATES AND CHARGES – Adds IC 8-1.5-3-8.3 – Amends IC 8-1.5-3-8.1, IC 8-1.5-3-8.2, IC 36-9-23-26 and IC 36-9-23-26.1 – States that an ordinance adopted after March 31, 2012, that imposes different rates and charges for service to property located outside the corporate boundaries of a municipality as compared to property located within the corporate boundaries of a municipality must state in plain language the percentage difference between the rates and charges. Requires rate increase notices to customers located outside a municipality’s corporate boundaries to include a statement that the customers may be entitled to petition the Indiana Regulatory Commission (IURC) to review and adjust the rates and charges outside the corporate boundaries if they are more than 15% higher. Allows a municipal water or wastewater utility to petition the IURC to approve the percentage difference if it is more than 15% but not more than 50%.

PUBLIC LAW 141 – HOUSE ENROLLED ACT 1149 – EFFECTIVE JULY 1, 2012
SMOKING BAN – Adds IC 7.1-5-12 – Prohibits smoking in public places, places of employment, State vehicles, or areas within 8 feet of a public place or place of employment. Allows smoking in certain gaming facilities, cigar and hookah bars, fraternal, social and veteran’s clubs, tobacco stores, bars and taverns, cigar manufacturing and specialty stores if certain requirements are met. Makes it a Class B Infraction for a violation and a Class A Infraction if a person has been adjudged to have committed 3 prior unrelated violations. Requires certain signs to be posted.

PUBLIC LAW 145 – HOUSE ENROLLED ACT 1192 – EFFECTIVE MARCH 19, 2012
DISTRESSED UNIT APPEAL BOARD (DUAB) – Adds several new sections to IC 6-1.1-20.3 – Allows political subdivisions to apply to the DUAB Board to become designated as a distressed political subdivision. Provides that the DUAB Board can designate an emergency manager of the political subdivision.

PUBLIC LAW 152 - HOUSE ENROLLED ACT 1280 – EFFECTIVE MARCH 19 AND JULY 1, 2012 – FRANCHISE FEES – Adds IC 8-1-34-24.5 – Requires cities and towns who receive franchise fees from an entity providing video services to submit an annual report of such fees to the Indiana Utility Regulatory Commission (IURC) beginning with the calendar year ending December 31, 2012.

PUBLIC LAW 158 - SENATE ENROLLED ACT 302 – EFFECTIVE JULY 1, 2012
TAX EXEMPTION – QUALIFIED ENTERPRISE INFORMATION TECHNOLOGY EQUIPMENT – Amends IC 6-1.1-10-44 – Provides that such exemption is only available to property located in a high technology district area designated by a city or town council.
FORFEITED BONDS – CITY AND TOWN COURTS

IC 35-33-8-7 states that if a defendant:

1. was admitted to bail under IC 35-33-8-3.2(a)(2); and
2. has failed to appear before the court as ordered;

the court shall declare the bond forfeited not earlier than one hundred twenty (120) days after the defendant’s failure to appear and issue a warrant for the defendant’s arrest.

In a criminal case, if the court having jurisdiction over the criminal case receives written notice of a pending civil action or unsatisfied judgment against the criminal defendant arising out of the same transaction or occurrence forming the basis of the criminal case, funds deposited with the clerk of the court under IC 35-33-8-3.2(a)(2) may not be declared forfeited by the court, and the court shall order the deposited funds to be held by the clerk. If there is an entry of final judgment in favor of the plaintiff in the civil action, and if the deposit and the bond are subject to forfeiture, the criminal court shall order payment of all or any part of the deposit to the plaintiff in the action, as is necessary to satisfy the judgment. The court shall then order the remainder of the deposit, if any, and the bond forfeited.

Any proceedings concerning the bond, or its forfeiture, judgment, or execution of judgment, shall be held in the court that admitted the defendant to bail.

After a bond has been forfeited, the clerk shall mail notice of forfeiture to the defendant. In addition, unless the court finds that there was justification for the defendant’s failure to appear, the court shall immediately enter judgment, without pleadings and without change of judge or change of venue, against the defendant for the amount of the bail bond, and the clerk shall record the judgment.

If a bond is forfeited and the court has entered a judgment, the clerk shall transfer to the state common school fund:

(1) any amount remaining on deposit with the court (less the fees retained by the clerk); and
(2) any amount collected in satisfaction of the judgment.

The clerk shall return a deposit, less the administrative fee, made under IC 35-33-8-3.2(a)(2) to the defendant, if the defendant appeared at trial and the other critical stages of the legal proceedings.

The amount transferred to the State Common School Fund shall be sent to the county auditor on a monthly basis as Bond Forfeitures.
PUBLIC NOTICE ADVERTISING

The statute governing the publication of legal notices and annual reports may be found in IC 5-3-1. IC 5-3-1-1 details the method of calculating the compensation of the publisher which may be claimed after the notice or report has been published. After December 31, 1995, and before December 31, 2005, a newspaper or qualified publication may, effective January 1 of any year, increase the basic charges that were in effect the previous year by five percent (5%). The statute also describes the specifications which the publisher is to follow in setting the type of the notice or report.

If the notice is in relation to a public hearing or meeting, IC 5-3-1-2 requires the notice to be published one (1) time, at least ten (10) days before the date of the hearing or meeting.

If the notice is in relation to an election, the notice shall be published one (1) time, at least ten (10) days before the date of the election.

If the notice is in relation to the sale of bonds, notes or warrants, the notice shall be published two (2) times, at least one week apart, with the first publication made at least fifteen (15) days before the date of the sale and the second publication made at least three (3) days before the date of the sale.

If the notice is in relation to the receiving of bids, the notice shall be published two (2) times, at least one week apart, with the second publication made at least seven (7) days before the date bids will be received.

If the event is the establishment of a cumulative or sinking fund, notice of the proposal and of the public hearing that is required to be held shall be published two (2) times, at least one (1) week apart, with the second publication made at least three (3) days before the date of the hearing.

If the event is the submission of a proposal adopted by a city or town for a cumulative or sinking fund for the approval of the Department of Local Government Finance, the notice of the submission shall be published one (1) time. The city or town shall publish the notice when directed to do so by the Department of Local Government Finance.

If the event is required publication of an ordinance, notice of the passage of the ordinance shall be published one (1) time within thirty (30) days after the passage of the ordinance.

If the event is one about which notice is required to be published after the event, notice shall be published one (1) time within thirty (30) days after the date of the event.

If the event is anything else, the notice shall be published two (2) times, at least one week apart, with the second publication made at least three (3) days before the event.
PUBLIC NOTICE ADVERTISING (Continued)

In case any officer charged with the duty of publishing any notice required by law is unable to procure advertisement at the price fixed by law, or the newspaper refuses to publish an advertisement, or the newspaper refuses to post the advertisement on the newspaper's Internet website, it is sufficient for the official to post printed notices in three (3) prominent places in the city or town, in lieu of such advertisement in a newspaper.

If a notice of budget estimates for a city or town is published as required in IC 6-1.1-17-3, and the published notice contains an error due to the fault of a newspaper, the notice as presented for publication is a valid notice.

If a notice of budget estimates for a city or town is published as required in IC 6-1.1-17-3, and if the notice is not published at least ten (10) days before the date fixed for the public hearing on the budget estimate due to the fault of a newspaper, the notice is a valid notice if it is published one (1) time at least three (3) days before the hearing.

IC 5-3-1-0.4 defines “newspaper” as a newspaper: (1) that: (A) is a daily, weekly, semiweekly, or triweekly newspaper of general circulation; (B) that has been published for at least three (3) consecutive years in the same city or town; (C) has been entered, authorized and accepted by the United States Postal Service for three (3) consecutive years as mailable matter of the periodicals class; and (D) has at least fifty percent (50%) of all copies circulated paid for by subscribers or other purchasers at a rate that is not nominal; or (2) that: (A) is a daily, weekly, semiweekly, or triweekly newspaper of general circulation; has been entered, authorized, and accepted by the United States Postal Service as mailable matter of the periodicals class; (C) has at least fifty percent (50%) of all copies circulated paid for by subscribers or other purchasers at a rate that is not nominal; and (D) meets the greater of the following conditions:

1. The newspaper’s paid circulation during the preceding year is equal to at least fifty percent (50%) of the paid circulation for the largest newspaper with a periodicals class permit located in the county in which the newspaper is published, based on the average paid or requested circulation for the preceding twelve (12) months reported in the newspaper’s United States Postal Service Statement of Ownership published by the newspaper in October of each year or based on the newspaper’s initial application for a permit from the United States Postal Service.

2. The newspaper has an average daily paid circulation of one thousand five hundred (1,500) based on the average paid or requested circulation for the preceding twelve (12) months reported in the newspaper’s United States Postal Service Statement of Ownership published by the newspaper in October of each year or based on the newspaper’s initial application for a permit from the United States Postal Service.

IC 5-3-1-4(f) allows a city or town, at its discretion, to publish public notices in a qualified publication or additional newspapers to provide supplementary notification to the public.
POLICE AND FIRE PENSION PLANS – RECORDS

The secretary of the pension fund should keep records for the board which would include the minute record and a statement of each member’s account on General Form No. 315, General Ledger Sheet. A separate sheet should be opened up for each member and assessments deducted from the payroll each month should be posted as credits to this form. General Form No. 315 should also be used for posting payments of pensions and a separate sheet should be opened up for each pensioner. Pensions should be posted as debits on General Form No. 315.

The secretary should prepare a schedule of pensions to be paid from the fund on General Form No. 355, Schedule of Pension and Disability Payments, and each schedule should be signed by the President and Secretary of the fund. Claims other than for pensions should be filed on the prescribed claim form, City Form No. 201 or Town Form No. 39.

All pension fund receipts and disbursements should be posted by the secretary on General Form No. 358, Ledger of Receipts, Disbursements and Balances. The balance at the close of each month as shown on this form should be reconciled with the Clerk-Treasurer or Controller.

The actual payroll deductions will be handled by the Clerk-Treasurer or Controller and the total of such deductions receipted monthly to the Pension Fund on the Clerk-Treasurer’s or Controller’s records as well as the secretary’s record.

LUCRATIVE OFFICES

Official Opinion No. 13 (June 4, 1970) of the Attorney General points out that dual office-holding involves at least six major questions and three particular sections of the Indiana Constitution. The questions are:

1. Is each position a lucrative office within the meaning of the Indiana Constitution? (Article 2, Section 9 of the Indiana Constitution)

2. Is such office-holding in violation of the doctrine of the separation of powers? (Article 3, Section 1 of the Indiana Constitution)

3. Does such office-holding involve a judicial office, and another office of trust and profit under the State? (Article 7, Section 16 of the Constitution of Indiana)

4. Are such offices incompatible with each other?

5. Is there a conflict of interest?

6. Would such office-holding be against public policy?
LUCRATIVE OFFICES (Continued)

This article is not intended to pass upon which offices are lucrative nor to discourage allowing one person to perform services for more than one department or office if such is permissible. It is intended to suggest a test through which any particular applicable situation should favorably pass before the same person is employed in more than one capacity or enters upon the holding of more than one office.

If a question arises concerning this matter, the city or town attorney should be consulted.

Some city and town offices have been determined to be lucrative by the Office of the Attorney General. Official Opinions No. 88-2 and No. 89-4 both concluded that the position of town board member (presently town council member) would be a lucrative office. Furthermore, Official Opinion No. 91-14 held that the position of a city council member was also a lucrative office.

SPREADSHEET SOFTWARE UTILIZATION TO GENERATE EXACT REPLICAS OF PRESCRIBED FORMS

The Indiana State Board of Accounts prescribes the forms to be utilized in accounting systems, but does not specify the source from which the prescribed forms must be obtained. With the current capabilities of spreadsheet software, the use of spreadsheet software may, in some instances, be an acceptable method of generating exact replicas of prescribed forms.

Spreadsheets may not be utilized to replace functionality that should be an integral function of a computerized accounting system or replace a controlled document for the entry of accounting information. Examples of this type of form include forms that are required to be either prenumbered by an outside printing supplier or numbered by the accounting system with sufficient controls to prevent unauthorized generation of the form or duplication of control numbers on the forms. These forms include receipts, checks, purchase orders and material receiving documents. In addition, spreadsheets should not be utilized to generate control documents such as ledgers, receipt registers, check registers, outstanding check lists and similar reports.

Under no circumstances is it acceptable to implement an electronic interface from spreadsheet software directly to the information files of an accounting system without being processed through the same edit and control features as are utilized to ensure the accuracy of information entered manually into the accounting system.

Exact replicas of prescribed forms generated by spreadsheet software may be utilized for forms incidental to the computerized accounting system. Examples of these forms include travel vouchers, attendance records, and fixed asset records.

If you have any questions on the utilization of spreadsheet software to replicate a specific prescribed form, please contact our Information Technology Services department at (317) 232-4964.
PRIMARY AND ELECTION EXPENSES

ALL CITIES AND ALL TOWNS WITH A POPULATION OF 3,500 AND OVER

The expenses of city or town primaries and elections are paid by the county with each city or town conducting a primary or election being billed for its share of the expenses. Each city and town should include an item under "Other Services and Charges" (Account No. 439.07, Election Expense) 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.

Your City or Town Attorney and the State Election Board should be consulted for guidance on questions related to city or town elections.

TOWNS UNDER 3,500

The expenses of a town primary and election in a town with less 3,500 population are to be paid directly by the town. It is recommended that the total amount of such expenses be budgeted as one item under "Other Services and Charges" (Account No. 439.07, Election Expense) in the General Fund. [IC 3-10-7-16 and IC 3-10-7-17]

A county election board and a town may enter into a written agreement providing that the county election board will conduct a municipal primary or a municipal election, or both, in the town. A town that enters into an agreement shall continue to nominate candidates by convention conducted under IC 3-8-5 or by petition filed under IC 3-8-6 unless the town nominates candidates in a primary election as provided in IC 3-8-5-2. An agreement may not be entered into after September 21 of a year in which a municipal election is to be held in the town. A county election board that enters into such agreement shall conduct the municipal election in the same manner as it conducts a general election in a town that has a population of three thousand five hundred (3,500) or more. (IC 3-10-7-4)

IC 3-5-3-8 and IC 3-5-3-9 provide the procedure for the county to charge direct expense and a portion of indirect expense to towns with 3,500 or more population. IC 3-8-5 and IC 3-8-6 list procedures to be followed in nominating candidates in towns with less than 3,500 population.
PRIMARY AND ELECTION EXPENSES (Continued)

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 3-10-7-16 - 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

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

RECORD OF HOURS WORKED

For officers and employees of cities and towns who are employed by more than one (1) public agency or in more than one (1) position by the same public agency, detailed time records are to be maintained for the hours worked for each public agency or each position at the same public agency. (IC 5-11-9-4)

An employee who works for more than one (1) governmental unit should not be paid by more than one (1) governmental unit for the same period of time worked. Such employee should use his/her accumulated leave time from one (1) governmental unit while serving the other governmental unit when there is an overlap in a work schedule. For example, a city police officer, who is also a member of a school board, attends a school board meeting during his/her normal police work shift. The police officer would be expected to use his/her leave time accumulated at the city while attending such meeting.

In cities and towns where time cards are not used, this requirement can be met by preparing an endorsement on the payroll claim form showing the general work schedule and listing the specific affected employees who worked hours different from the general work schedule. Each elected office or head of each department would be responsible for preparing such endorsement on the payroll claim for their office or department.

Another alternative is to add a statement on each affected Employee’s Service Record, General Form 99A (1985) and/or Employee’s Earning’s Record, General Form 99B (1993) indicating the specific hours to be worked daily by that employee or official. (Example: 8 a.m. to 4 p.m.)

In cities and towns where time cards are used, each elected officer or head of each department should be approving the time cards of each of the employees that they are responsible for.