

State Law and State Examiner Updates

Township Called Meeting

September 21, 2016

Indianapolis, IN



2016 State Law Changes

www.in.gov/legislative

Public Law 208-2016

Senate Enrolled Act 126

Political Subdivision Information on the Internet

Adds IC 5-14-3.9 and Amends IC 5-14-3.7-3; IC 5-14-3.8-3

Effective July 1, 2016

- Requires local government to provide information for posting on the Indiana transparency Internet web site as following: (1) Expenditures categorized by personal services, other operating expenses or total operating expenses, and debt service, including lease payments, related to accumulation of money for future capital needs. Requires the DLGF after July 31, 2017, to publish an annual financial and operational summary of each political subdivision on the transparency web site. Requires a political subdivision that has a public Internet web site to publish a link to the transparency web site. Requires the DLGF to determine the summary's form, content, and publishing dates.

Public Law 134-2016

Senate Enrolled Act 217

Township Assistance Payment of Electric Bills

Adds IC 12-20-16-3.5 and Amends IC 12-20-20-1

Effective July 1, 2016

- Allows the township trustee to deposit township assistance funds in an account of a township assistance recipient with an electric service provider for prepaid electric service. Excludes investor owned utilities from the definition of “electric service provider.” Provides that the provider holds the township assistance funds as a fiduciary for the township trustee. Established deadlines for the provider to remit township assistance funds to the township trustee if: (1) the township trustee demands remittance of any township assistance funds remaining in the recipient’s account; or (2) the recipient’s account with the provider is terminated. Requires the provider to provide a monthly accounting statement to the township trustee of any remaining balances of township assistance funds that are held by, expended by, or deposited with the provider.

Public Law 184-2016

Senate Enrolled Act 321

Local Government Budgeting

Adds and Amends numerous sections of IC 6-1.1 and IC 36-1

Effective July 1, 2016

- Provides that for each budget year after 2018, the department of local government finance (DLGF) shall certify a political subdivision's budget, tax rate, and tax levy not later than: (1) December 31 of the year preceding the budget year, unless a taxing unit in a county is issuing debt after December 1 in the year preceding the budget year or intends to file a shortfall appeal; or (2) January 15 of the budget year, if a taxing unit in a county is issuing debt after December 1 in the year preceding the budget year or intends to file a shortfall appeal. (Under current law, these certifications must be completed not later than February 15 of the budget year.) Retains the November 1 deadline for a political subdivision to adopt a budget for the following year....

Public Law 142-2016

Senate Enrolled Act 327

Transparency Portal

Adds IC 5-14-3.8-3.5

Effective July 1, 2016

- Requires a political subdivision to upload certain contracts to the Indiana transparency Internet web site during each year that the contract amount payable by the political subdivision for the year exceeds the lesser of: (1) 10% of the political subdivision's property tax levy; or (2) \$50,000. Contract must be uploaded within 60 days after it is executed

Public Law 147-2016

House Enrolled Act 1017

Publication of Notice by Political Subdivisions

Adds IC 5-3-1-0.2 and Amends IC 5-3-1-1; IC 5-3-1-1.5; IC 5-3-1-2; IC 5-3-1-4; IC 9-22-1-23; IC 16-8-2-301; IC 20-48-4-2; IC 36-12-5-3

Effective July 1, 2016

- Provides that in certain circumstances, a political subdivision (other than a county) may publish notice in a locality newspaper that circulates in the political subdivision instead of in a newspaper that is published in the county and circulates in the political subdivision. Establishes requirements for locality newspapers that may publish notice.

Public Law 188-2016

House Enrolled Act 1372

Public Personnel Bonds and State Board of Accounts

Amends IC 5-11-5-1 and IC 20-26-4-5

Effective July 1, 2016

- Amends the law requiring surety bonds for certain individuals having public fiscal responsibilities to: (3) set threshold amounts of public funds for which a bond is required; Allows, rather than requires, the commissioner of insurance to prescribe the form of public official surety bonds and crime insurance policies. Allows, in certain circumstances, the state examiner to issue an examination final report less than 45 days after an initial exit conference. Allows certain individuals who receive state board of accounts records to divulge the records in an action with respect to the misappropriation or diversion of public funds.

Other laws passed that could have an impact on Townships

- Public Law 120-2016, Senate Enrolled Act 20 – Workforce Policies
- Public Law 121-2016, Senate Enrolled Act 21 – Obsolete Statutes
- Public Law 122-2016, Senate Enrolled Act 23 – Technical Corrections
- Public Law 144-2016, Senate Enrolled Act 375 – Prequalification for Public Works Projects
- Public Law 60-2016, House Enrolled Act 1035 – Code Revision Corrections
- Public Law 149-2016, House Enrolled Act 1036 – Technical Corrections
- Public Law 150-2016, House Enrolled Act 1053 – Regulation of Packaging Materials
- Public Law 68-2016, House Enrolled Act 1090 – Local Emergency Planning Committees
- Public Law 203-2016, House Enrolled Act 1273 – Various Property Tax Matters



State Examiner Directives Update

www.in.gov/sboa/4445.htm

State Examiner Directive 2015-6

Amended and effective April 7, 2016

- Materiality threshold for reporting irregular variances, losses, shortages, and thefts
 - In general, each political subdivision must develop their own policy on materiality because the causes of irregular variances, losses, shortages, and thefts are as broad and varied as the political subdivisions in which the incidents occur.
 - The policy must be detailed, and it is essential that materiality thresholds distinguish between incidents involving cash and other types of assets. The policy needs to address maintenance of documentation and resolution of incidents that do not meet the materiality threshold.
 - If a political subdivision does not develop a policy on materiality, then the threshold is \$0.00 and the political subdivision is required to report all irregular variances, losses, shortages, and thefts to the State Board of Accounts.
 - On the State Board of Accounts' website there is a notification link, which allows public officials to report via e-mail material irregular variances, losses, shortages, or thefts. Telephone and in-person reporting is also acceptable. Reports will be followed up with a return e-mail or call to gather additional information as necessary. All reports of irregular variances, losses, shortages, or thefts are maintained by the State Board of Accounts.
- Must also consider the reporting requirements in IC 5-11-1-27(j) when it pertains to misappropriation of public funds.

State Examiner Directive 2016-1

Effective May 27, 2016

- GAAP Annual Financial Reports Required for Issuance of Bonds
 - Only applicable for Townships with populations over 75,000 and wish to issue “bonds”
 - In order for certain Townships to issue bonds starting with the Annual Financial Report filed in 2020, reports will have to be filed on a GAAP basis.
 - See IC 5-11-1-4(c) and (d) for further details.