

STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



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TO: Political Subdivisions (as Defined by IC 5-11-10.5-1)
FROM: Courtney L. Schaafsma, Commissioner
RE: Contract Reporting Requirements
DATE: May 24, 2016

On March 23, 2016, Governor Pence signed into law Senate Enrolled Act 327 (“SEA 327-2016”), which introduces IC 5-14-3.8-3.5, effective July 1, 2016, concerning contract reporting.

Indiana Code 5-14-3.8-3.5 requires each political subdivision to scan and upload to Gateway the digital image of a contract (all of its pages and any attachments) during each year that the contract amount to be paid by the political subdivision for that year exceeds the lesser of:

- (1) 10% of the political subdivision’s property tax levy for that year; or
- (2) \$50,000.

For purposes of this statute, “political subdivision” includes every county, township, city, town, school corporation, library district, fire protection district, public transportation corporation, local hospital authority or corporation, local airport authority district, special service district, special taxing district, or other separate local governmental entity that may sue and be sued.

Each political subdivision must scan and upload the contract not later than 60 days after the date the contract is executed. The contract as uploaded should reflect the original contract as signed, including the signatures and date or dates of signing.

Please note that it is the political subdivision’s exclusive responsibility to redact the contracts if applicable and to the extent permitted by state law. The Department of Local Government Finance (“Department”) will not review or redact political subdivision contracts before they are posted to Gateway. **Political subdivisions should confer with their attorneys, as well as their contractors, in fulfilling this reporting requirement.** The Department **cannot** provide legal advice to political subdivisions concerning their contract management. Political subdivisions may benefit from contacting the Indiana Public Access Counselor at (317) 233-9435 for additional guidance on the disclosure of public information.

Contracts already in existence as of July 1, 2016 and for which the amount to be paid by the political subdivision for 2016 exceeds the lesser of 10% of the political subdivision’s property tax levy for 2016 or \$50,000 should be scanned and uploaded even if they were signed more than 60 days prior to July 1, 2016.

If a political subdivision enters into a contract and believes in good faith at the outset of the contract that it will not meet the dollar threshold under IC 5-14-3.8-3.5 and so the political subdivision does not upload it, the political subdivision should upload a scan of the contract as soon as the political subdivision determines that the contract does in fact meet the reporting criteria. The Department understands that the total cost of a contract is not always clear at the outset.

The Department realizes that some political subdivisions, especially counties and school corporations, may have hundreds of contracts to report, including employment contracts. Because IC 5-14-3.8-3.5 does not define or restrict the term “contract,” the Department believes that any type or number of contracts could be subject to reporting. The Department appreciates the cooperation of political subdivisions in complying with this statutory obligation.

The Department will be developing an upload application for the contracts through Gateway. The Department will release more information on this application in mid-June 2016. The Department intends for the application to enable a unit that uploads a contract in year one that is still in effect in year two to utilize a one-click resubmission feature so the contract does not need to be fully scanned and uploaded each year of the contract’s duration. The Department asks that this “re-affirmation” take place no later than April 15 of each subsequent year.

Questions about reporting compliance should be directed to the political subdivision’s attorney. Questions about the legislation can be directed to Mike Duffy, General Counsel, at (317) 233-9219 or MDuffy@dlgf.in.gov (**the Department reiterates that it cannot offer legal advice concerning contract management or redaction**). Technical questions about the Gateway upload should be directed to Geoff Kuester, Data Analysis Division Director, at (317) 233-8347 or GKuester@dlgf.in.gov.