

# State Board of Accounts

## New Legislation

2025 Spring Auditor Quad Meetings



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## PAUL D. JOYCE, CPA STATE EXAMINER

Indiana's State Examiner and the agency head for the State Board of Accounts, Paul Joyce coordinates and manages the post-audits and examinations of over 4,000 state and local governmental entities in Indiana.

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With the 2025 Legislative session only just ending this is a brief summary of some of the changes. Some bills will need a thorough analysis and more guidance will come at a later date.



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## HEA 1033 Retainage requirements

▪ IC 36-1-12-14 effective 7-1-25

(c) To determine the amount of retainage to be withheld, the board shall:

- (1) withhold no more six percent (6%) of the dollar value of all work satisfactorily completed until the public work is fifty percent (50%) completed, and nothing further after that; or
- (2) withhold no more than three percent (3%) of the dollar value of all work satisfactorily completed until the public work is substantially completed.

If upon substantial completion of the public work minor items remain uncompleted, an amount computed under subsection (f) shall be withheld until those items are completed



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## **HB 1134** Executive sessions

- IC 5-14-1.5-6.1 effective 7-1-2025

(b) (16) To discuss either of the following:

- (A) Employee health care options with respect to special exceptions for coverage.
- (B) Employee handbook changes.



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## **HEA 1194** County coroners

- IC 36-2-14-20(c) effective 7-1-25

1) agree that an autopsy is needed:

- (A) the coroner of the county in which the incident occurred is responsible for the cost of the autopsy, including the physician fee under section 6(e) of this chapter; and
- (B) the coroner of the county where the death occurred shall bill the county in which the incident occurred for the costs in clause (A) not later than one hundred eighty (180) days after the death occurred; or



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## HEA 1194 County coroners

- IC 36-2-14-20(c) effective 7-1-25

**(2) disagree that an autopsy is needed, the coroner of the county that conducts the autopsy is responsible for the cost of the autopsy, including the physician fee under section 6(e) of this chapter**



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## HEA 1194 County coroners

- IC 36-2-14-20 (d) effective 7-1-25

(1) the coroner where the death occurred may perform an autopsy, if the coroner believes that an autopsy is warranted; and

**(2) the coroner of the county in which the incident occurred is responsible for the cost of the autopsy, including the physician fee under section 6(e) of this chapter; and**

(3) the coroner of the county where the death occurred shall bill the county in which the incident occurred for the **costs in subdivision (2) not later than one hundred eighty (180) days after the death occurred.**



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## HEA 1198 Local public work projects

### ▪ IC 36-1-12-3(a) effective 7-1-25

States in part: “The board may purchase or lease materials in the manner provided in IC 5-22 and perform any public work, by means of its own workforce, without awarding a contract when ever the cost of that public work project is estimated to be less than **three hundred seventy-five thousand dollars (\$375,000)**, ...”



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## HEA 1198 Local public work projects

### ▪ IC 36-1-12-4(a) effective 7-1-25

This section applies whenever the cost of a public work project will be at least three hundred thousand dollars (\$300,000).



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## HEA 1208 Local public work projects

### ▪ IC 36-8-10-21(e) effective 7-1-25

The sheriff shall maintain a record of the fund's receipts and disbursements. The state board of accounts shall prescribe the form for this record. The sheriff shall provide a copy of this record of receipts and disbursements to the county fiscal body not later than the following dates:

- (1) January 15, for the quarter ending December 31 of the preceding year.
- (2) April 15, for the quarter ending March 31 of a year.
- (3) July 15, for the quarter ending June 30 of a year.
- (4) October 15, for the quarter ending September 30 of a year.



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## HEA 1392 State comptroller matters

### ▪ IC 6-5.5-8-2 effective 7-1-25

(a) states in part....” **The state comptroller shall calculate the amounts of all distributions under this section.”**

**(c) A taxing unit may deposit a distribution received under subsection (a) in any fund maintained by the taxing unit, and the distribution may be used for any purpose allowed by law.**



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## HEA 1392 State comptroller matters

- IC 6-6-5.5-20 effective 7-1-25

(e) The state comptroller shall calculate the distribution amount for each taxing unit in a county and, when distributing the amounts under subsections (a) and (b), furnish to each county auditor the distribution amounts calculated for each taxing unit in the county. The county auditor shall distribute the amount so each taxing unit at the same time property taxes are apportioned and distributed.

(c) A taxing unit may deposit a distribution received under subsection (a) and (b) in any fund maintained by the taxing unit, and the distribution may be used for any purpose allowed by law.



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## HEA 1427 Fiscal and Administrative Matters

- IC 5-14-3.8-3.5 effective 7-1-25

(d) States in part: “The **fiscal officer** of a political subdivision shall upload a digital copy to the Indiana transparency website of any contract, regardless of the total cost, that is:...”

(e) The executive body of a political subdivision may, by ordinance or resolution, identify an individual **other than the fiscal officer of the political subdivision** that is required to upload contracts as required under subsection (d) this section and complete the attestation required under IC 6-1.1-17-5.4



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## HEA 1427 Fiscal and Administrative Matters

### ▪ IC 6-1.1-17-5.4 effective 7-1-25

(a) Not later than March 2 of each year, the **fiscal officer** of a political subdivision shall submit a statement to the department of local government finance attesting that the political subdivision uploaded any contract entered into during the immediately preceding year related to the provision of fire services or emergency medical services to the Indiana transparency website as required by IC 5-14-3.8-3.5(d).



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## HEA 1427 Fiscal and Administrative Matters

### ▪ IC 6-1.1-24-0.9 (NEW) effective Upon Passage

A tract or item of real property that a political subdivision owns may not be sold at a tax sale conducted under this chapter.



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## HEA 1427 Fiscal and Administrative Matters

### ▪ IC 6-1.1-30-18 effective 7-1-25

(a)(1) a consolidated financial statement that at a minimum contains total collections, total expenditures, the beginning year fund balance, and the end of year fund balance;

(b)(5) a consolidated financial statement for the previous calendar year that at a minimum contains total collections, total expenditures, the beginning year fund balance, and the end of year fund balance.



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## HEA 1427 Fiscal and Administrative Matters

### ▪ IC 6-3.6-6-8 effective Upon Passage

(d)(2) states in part: "...In the case of a volunteer fire department, **the application** under this subsection **must be made to the adopting body by the fiscal officer of the unit served** by the volunteer fire department."



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**HEA 1461****Road funding**

- IC 8-14-1-4.1 (NEW) effective 7-1-25

(c) If in the preceding calendar year:

(1) a county's highways have an average **PASER rating of at least six (6)**;

**and**

(2) **not more than fifteen percent (15%)** of the county's highways are in failed condition, as represented by a PASER rating of one (1) or two (2);

the county shall use **at least forty percent (40%)** of the money distributed from the motor vehicle highway account for the construction, reconstruction, and preservation of the county's highways



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**HEA 1515 Education and higher education matters**

- IC 36-2-6.5 (NEW) effective 7-1-25

Sec. 1. This chapter applies to a county having a population of more than one hundred thousand (100,000) and less than one hundred ten thousand (110,000) and that has not more than one (1) school corporation.

Sec. 2. Notwithstanding any other state law or rule, if a county transfers or gifts any unencumbered funds to a school corporation located in the county, the county executive may establish a local board to exercise oversight and manage the use of the funds

Sec. 3 (g) The expenses of the local board shall be paid by the county



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## **HEA 1641** County Government Matters

- IC 36-2-2.9-15 (NEW) effective 7-1-25

**A county employee may not take action on a county contract unless permitted by a county ordinance. This section does not apply to a county officer.**



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## **HB 1679** Various elections matters

- IC 3-5-4-15 (NEW) effective 7-1-2025

**(b) Except as provided in subsection (c), a county, city, town, township, or school shall provide to an employee of a local government office who requests leave to serve:**

**(1) on primary election day or general election day; and**

**(2) as a precinct election officer;**

**a paid day of leave to serve as a precinct election officer**



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**SEA 95****Law enforcement training cost reimbursement**

## ▪ IC 5-2-1.5 (NEW) effective 7-1-25

\*\*\*Outlines how to claim reimbursement of law enforcement officer employment and training costs, including definitions for basic training, claim, costs, etc....



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**SEA 95****Law enforcement training cost reimbursement**

## ▪ IC 5-2-1.6 (NEW) effective 7-1-25

\*\*\*Outlines how to contract for reimbursement of law enforcement officer employment and training costs, including the required written notice



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## **SEA 144** County police force pension trust and trust fund

### ▪ IC 5-11-20-7 (NEW) effective 7-1-25

(a) This section applies only to a county police force pension trust and trust fund authorized under IC 36-8.

(b) This section does not apply to a county having a consolidated city.

(c) The county police department or the department's designee **shall make an annual presentation** on the information contained in a report under section 3 of this chapter for the county's immediately preceding fiscal year **to the county council**.

(d) A presentation described in subsection (c) **must occur not later than two (2) months before the date of a public hearing on the proposed budget of the county**



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## **SEA 453** Various tax matters

### ▪ IC 6-8.1-3-7.1 effective Upon Passage

(b) The department **and the fiscal officer of an entity that has adopted an innkeeper's tax, a food and beverage tax, or an admissions tax under IC 6-9** shall enter into an agreement to furnish the fiscal officer annually with:



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**SEA 472****Cybersecurity**

- IC 4-13.1-4-2 effective 7-1-25

(b) The term does not include an acute care hospital licensed under IC 16-21 that is established and operated under IC 16-22-2, C16-22-8, or IC16-23, or a political subdivision established under IC 8-1-11.1.



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**SEA 472****Cybersecurity**

- IC 4-13.1-4-5 effective 7-1-25

(a) State in part: "The office shall:

(1) develop:

(A) standards and guidelines regarding cybersecurity for use by political subdivisions and state educational institutions; and

(B) a uniform cybersecurity policy for use by state agencies; and..."



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SEA 472

## Cybersecurity

- IC 4-13.1-4-5 effective 7-1-25

(b) State in part: “Not later than December 31, 2027, each public entity **shall** adopt the following:...

(2) A cybersecurity policy as follows:

(A) If the public entity is a political subdivision or state educational institution, the **public entity shall adopt a cybersecurity policy** based on standards and guidelines developed under subsection (a)(1)(A).



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SEA 1

## Local government finance

- 345 pages
- 242 statutes amended, repealed, or added (NEW)
- Became Public Law 68 on April 15<sup>th</sup>



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**SEA 1****Local government finance**

## ▪ Includes:

- Makes technical reference changes (updating a statute reference)
- Add expiration dates throughout
- Property tax deductions
- Referendum and Public question for schools
- Controlled Projects
- Referendum and School Safety Referendum Tax Levy
- Local Income Tax
- Charter School Distributions



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**SEA 1****Local government finance**

## ▪ Local Income Tax changes include:

- Changes throughout the Article  
(includes expiration dates & future effective dates)
- LIT Adopting Body is the Fiscal Body of the entity
- Expenditure Rate changes
- Municipality Rate
- Supplemental Distribution changes
- "General Purpose Revenue" replaces "additional revenue allocated for \_\_\_\_\_"



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# SEA 1 Local government finance

## ■ Distribution to Charter Schools

- Currently only 4 counties
- Expands language to all 92 counties
- IC 20-46-8



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Bill Number	Author	Effective Date	Status	Committee	Description	Purpose & Application				
83.6-1.1	A	91	07/02/27	04/15/22	0000	66-2025	S	Gov. Sign	Adds before expiration of property tax credits	PURPOSE & APPLICATION
83.6-1.15	A	92	07/02/27	04/15/22	0000	66-2025	S	Gov. Sign	Adds before expiration of property tax credits expires section January 1, 2028	
83.6-1.1	A	91	07/02/27	04/15/22	0000	66-2025	S	Gov. Sign	PTTC - adds expiration December 31, 2027	DEFINITIONS
83.6-1.4	A	94	07/02/27	04/15/22	0000	66-2025	S	Gov. Sign	Adds before expiration of property tax credits	
83.6-2.2	A	95	07/02/27	04/15/22	0000	66-2025	S	Gov. Sign	Re-defines adjusted gross income. Race team members adds municipality	LIT ADOPTING BODY
83.6-2.4	R	96	07/02/27	04/15/22	0000	66-2025	S	Gov. Sign	Removes attributed allocation amounts	
83.6-2.5	A	97	07/02/27	04/15/22	0000	66-2025	S	Gov. Sign	Technical reference changes	IMPOSITION OF TAX
83.6-2.7.4	A	98	04/15/22	04/15/22	0000	66-2025	S	Gov. Sign	Extended section expiration from 2025 to 2027 - County with single voting bloc	
83.6-2-12	R	99	07/02/27	04/15/22	0000	66-2025	S	Gov. Sign	Removes Local Income tax council	PERC
83.6-2-13	A	100	07/02/27	04/15/22	0000	66-2025	S	Gov. Sign	Expands Local Taxpayer definition	
83.6-2-15	A	101	07/02/27	04/15/22	0000	66-2025	S	Gov. Sign	Expands Residential Local Taxpayer definition	EXPENDITURE RATE
83.6-3.1	A	102	07/02/27	04/15/22	0000	66-2025	S	Gov. Sign	Names Fiscal body as Adopting body	
83.6-3.3	A	103	07/02/27	04/15/22	0000	66-2025	S	Gov. Sign	Outlines adoption of county ordinance 6-3-6-5 (LIT)	STATE BOARD OF ACCOUNTS
83.6-3.13	N	104	07/02/27	04/15/22	0000	66-2025	S	Gov. Sign	Outlines adoption of city/Town ordinance 6-3-6-5 (LIT)	
83.6-3.4	A	105	07/02/27	04/15/22	0000	66-2025	S	Gov. Sign	Requires an ordinance adopted before Oct. 1, 2027 to continue the LIT expenditure rate of Jan. 1, 2028	EST. 1909
83.6-3.5	A	106	07/02/27	04/15/22	0000	66-2025	S	Gov. Sign	Removes language requiring all votes on ordinance to have certified copies sent to DGLF and DOR	
83.6-3.6	R	107	07/02/27	04/15/22	0000	66-2025	S	Gov. Sign	Repealed - No more Local Income Tax Council - Effective July 1, 2027	
83.6-3.7	R	108	07/02/27	04/15/22	0000	66-2025	S	Gov. Sign	Repealed - No more Local Income Tax Council - Effective July 1, 2027	
83.6-3.8	R	109	07/02/27	04/15/22	0000	66-2025	S	Gov. Sign	Repealed - No more Local Income Tax Council - Effective July 1, 2027	
83.6-3.9	R	110	07/02/27	04/15/22	0000	66-2025	S	Gov. Sign	Repealed - No more Local Income Tax Council - Effective July 1, 2027	
83.6-3-15	A	111	04/15/22	04/15/22	0000	66-2025	S	Gov. Sign	Local Income Tax Council amends expiration date to 2027	
83.6-3-10	R	112	07/02/27	04/15/22	0000	66-2025	S	Gov. Sign	Repealed - No more Local Income Tax Council - Effective July 1, 2027	
83.6-4.1	A	113	07/02/27	04/15/22	0000	66-2025	S	Gov. Sign	Add technical language with "before Expiration", adds tax imposed by IC 6-3-6-6-22	
83.6-4.2	A	114	07/02/27	04/15/22	0000	66-2025	S	Gov. Sign	Technical changes	
83.6-4.3	A	115	07/02/27	04/15/22	0000	66-2025	S	Gov. Sign	Technical changes	
83.6-5.7	N	116	07/02/27	04/15/22	0000	66-2025	S	Gov. Sign	Expires Property Tax Relief on December 31, 2027	
83.6-6-5	N	117	07/02/27	04/15/22	0000	66-2025	S	Gov. Sign	Adds definition of "nonmunicipal civil taxing unit"	
83.6-6.2	A	118	07/02/27	04/15/22	0000	66-2025	S	Gov. Sign	Amends the tax rates and adds after Dec. 31, 2020 an ordinance must be passed yearly to continue or change	
83.6-6-23	R	119	07/02/27	04/15/22	0000	66-2025	S	Gov. Sign	Repeals PGAP tax rate - Effective January 1, 2028	
83.6-6-26	R	120	07/02/27	04/15/22	0000	66-2025	S	Gov. Sign	Repeals Acute Care Hospital tax rate - Effective January 1, 2028	
83.6-6-27	R	121	07/02/27	04/15/22	0000	66-2025	S	Gov. Sign	Repeals Correctional and rehabilitation facilities tax rate - Effective January 1, 2028	
83.6-6-28	R	122	07/02/27	04/15/22	0000	66-2025	S	Gov. Sign	Repeals Emergency Medical Services tax rate - Effective January 1, 2028	
83.6-6-29	R	123	07/02/27	04/15/22	0000	66-2025	S	Gov. Sign	Repeals Court Staff Costs tax rate - Effective January 1, 2028	
83.6-6.1	A	124	07/02/27	04/15/22	0000	66-2025	S	Gov. Sign	Removes language on how revenue is treated, make technical changes, adds Indiana Regional Devl Authority	
83.6-6-11	N	125	07/02/27	04/15/22	0000	66-2025	S	Gov. Sign	Adds Homestead Tax Rate to reduce property Tax Liability - Expires January 1, 2028	
83.6-6.4	A	126	07/02/27	04/15/22	0000	66-2025	S	Gov. Sign	Amends language that Tax Rate for general purposes may be used on PGAP, PG, CDOT, Correction, Court, PTTC	
83.6-6-43	N	127	07/02/27	04/15/22	0000	66-2025	S	Gov. Sign	Adds allocation of tax rate (IC 6-3-6-2 b 2) to Fire protection and EMS (along with township and volunteer Fire Dept)	
83.6-6-45	N	128	07/02/27	04/15/22	0000	66-2025	S	Gov. Sign	Adds language for nonmunicipal civil taxing unit distribution	
83.6-6-41	N	129	07/02/27	04/15/22	0000	66-2025	S	Gov. Sign	Add how to distribute tax rate adopted under IC 6-3-6-6-2	
83.6-6-8	A	130	07/02/27	04/15/22	0000	66-2025	S	Gov. Sign	Removed a few sections	
83.6-6-65	A	131	07/02/27	04/15/22	0000	66-2025	S	Gov. Sign	Removes certified share language and exchanges additional revenue for general purpose revenue	
83.6-6-9	R	132	07/02/27	04/15/22	0000	66-2025	S	Gov. Sign	Repeals allocation of EDIT/LIT	
83.6-6-15	A	133	07/02/27	04/15/22	0000	66-2025	S	Gov. Sign	Exchanges additional revenue for general purpose revenue	
83.6-6-10	R	134	07/02/27	04/15/22	0000	66-2025	S	Gov. Sign	Repeals allocation of Certified Shares	
83.6-6-11	R	135	07/02/27	04/15/22	0000	66-2025	S	Gov. Sign	Repeals Eligibility of certified shares	
83.6-6-12	R	136	07/02/27	04/15/22	0000	66-2025	S	Gov. Sign	Repeals allocation of Certified Shares to civil taxing units	
83.6-6-14	R	137	07/02/27	04/15/22	0000	66-2025	S	Gov. Sign	Repeals calculation of certified shares to civil taxing units	
83.6-6-15	R	138	07/02/27	04/15/22	0000	66-2025	S	Gov. Sign	Repeals allocation and distribution of certified share to fire protection territories	
83.6-6-16	R	139	07/02/27	04/15/22	0000	66-2025	S	Gov. Sign	Repeals Marion County Certified shares	
83.6-6-17	A	140	07/02/27	04/15/22	0000	66-2025	S	Gov. Sign	amended to revenue to be called general purpose revenue, use remains for any legal purpose	
83.6-6-18	A	141	07/02/27	04/15/22	0000	66-2025	S	Gov. Sign	amended to revenue to be called general purpose revenue, pledging for bond / lease payments	
83.6-6-19	A	142	07/02/27	04/15/22	0000	66-2025	S	Gov. Sign	Changed to general purpose revenue and replaced fiscal body with fiscal officer of unit	
83.6-6-20	R	143	07/02/27	04/15/22	0000	66-2025	S	Gov. Sign	Repeals PTTC allocation	
83.6-6-21	A	144	07/02/27	04/15/22	0000	66-2025	S	Gov. Sign	Changed to general purpose revenue	
83.6-6-212	R	145	07/02/27	04/15/22	0000	66-2025	S	Gov. Sign	Repeals school allocating to any fund	
83.6-6-213	A	146	07/02/27	04/15/22	0000	66-2025	S	Gov. Sign	Adds language for distributions of revenue before January 2, 2028	
83.6-6-22	N	147	07/02/27	04/15/22	0000	66-2025	S	Gov. Sign	Defines municipality, allows LIT rate by ordinance (L201207), will in future require ordinance yearly	
83.6-6-23	N	148	07/02/27	04/15/22	0000	66-2025	S	Gov. Sign	Adds determining population of a city or town	

STATE BOARD OF ACCOUNTS

EST. 1909



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# Thank You

Government Technical Assistance and  
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