

HOUSE BILL No. 1209

DIGEST OF INTRODUCED BILL

Citations Affected: IC 36-1.

Synopsis: Municipal collection protocols. Effective January 1, 2027, establishes requirements for the provision of invoices and delinquency notices for certain municipal accounts. Requires the state board of accounts to prescribe forms for an invoice and a notice of a delinquent account. Requires municipal officers and employees with oversight responsibilities or access to the municipality's financial payment system to be segregated from the responsibilities of reporting or recording payments received. Requires a municipal officer whose official duties include oversight of reporting, recording, or monitoring of the municipality's accounts to not have access to the officer's own personal account.

Effective: July 1, 2026.

Olthoff

January 5, 2026, read first time and referred to Committee on Local Government.



Second Regular Session of the 124th General Assembly (2026)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2025 Regular Session of the General Assembly.

HOUSE BILL No. 1209

A BILL FOR AN ACT to amend the Indiana Code concerning local government.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 36-1-8.6 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2026]:

4 **Chapter 8.6. Municipal Collections**

5 **Sec. 1. This chapter applies to a municipality after December 31,**
6 **2026.**

7 **Sec. 2. Notwithstanding any other law, this chapter establishes**
8 **requirements for invoices and delinquency notices issued by a**
9 **municipality. However, this chapter does not apply to invoices and**
10 **notices for collection of:**

11 (1) a tax, special assessment, or other fee or debt for which a
12 procedure for invoicing or collection is established by statute;
13 or

14 (2) payments under the terms of a contract.

15 **Sec. 3. A municipality must invoice monthly.**

16 **Sec. 4. A municipality shall invoice a person on a form**
17 **prescribed by the state board of accounts.**



1 **Sec. 5. An invoice must include at least the following**
2 **information:**

- 3 (1) The person's name and address.
4 (2) The invoice number and date issued.
5 (3) A description of the goods or services provided for which
6 payment is requested.
7 (4) The date the municipality provided the goods or services
8 for which payment is requested.
9 (5) The payment due date, which must be thirty (30) calendar
10 days after the date of the invoice.
11 (6) The amount due.
12 (7) Acceptable methods of payment.
13 (8) The payment address.
14 (9) The amount of any fee or interest assessed if full payment
15 is not received by the due date.
16 (10) A contact and telephone number the person may call if
17 there are questions.
18 (11) A reference to:
19 (A) the ordinance or statute authorizing the charge; and
20 (B) the fund that the payment will be deposited into.
21 (12) If the amount of the invoice is disputed, contact
22 information of an officer or employee of the municipality to
23 call before the payment due date.
24 (13) If unable to pay, contact information of an officer or
25 employee of the municipality to call before the payment due
26 date, to discuss a payment plan.

27 **Sec. 6. If an invoice is unpaid by the payment due date specified**
28 **under section 5(5) of this chapter, a delinquency notice, on a form**
29 **prescribed by the state board of accounts, must accompany the**
30 **next monthly invoice. The reminder notice must contain at least the**
31 **following information:**

- 32 (1) The person's, name, address, and account number.
33 (2) The date of the reminder notice and accompanying
34 invoice.
35 (3) The number of days that payment is overdue, the amount
36 of the overdue balance, plus any accrued late payment fees or
37 interest on the overdue balance as of the date provided in
38 subdivision (2).
39 (4) The acceptable methods of payment.
40 (5) The payment address.
41 (6) A statement that if not paid in full within thirty (30) days
42 after the date of the notice in subdivision (2):



(A) late fees or interest will continue to accrue and the formal collections process will begin;

(B) the invoice will be referred to a municipal collections officer, municipal collections department, legal department, or collection agency, if applicable;

(C) adverse information regarding the payor may be reported to consumer credit reporting agencies; and

(D) a civil action may be filed that may result in garnishment of wages, bank accounts, or other personal property, judgment liens, or other legal collection activity.

(7) The notice must be signed by the appropriate fiscal officer (as defined in IC 36-1-2-7). If the notice concerns a delinquency of a fiscal officer, the notice must be signed by the president of the legislative body of the municipality.

Sec. 7. Nothing in this chapter prohibits a municipality from resolving a delinquency through mediation.

Sec. 8. If a person believes that a charge or fee is erroneous, the person shall notify the municipality in writing. The person shall include the person's address, the invoice number, and a description of the error asserted by the person, and any other information that the municipality reasonably requires to process the request.

SECTION 2. IC 36-1-8.7 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]:

Chapter 8.7. Separation of Responsibilities and Activities

Sec. 1. This chapter applies to the invoicing and collection of fees and charges by a municipality that are owed by an officer or employee of the municipality.

Sec. 2. Except as provided in sections 3 and 4 of this chapter, a municipal officer or employee is subject to IC 36-1-8.6 regarding deadlines for payment, invoicing, and collection of overdue balances with regard to fees and charges owed by the officer or employee to the municipality.

Sec. 3. A municipal officer or employee who has access to or oversight of the municipality's payment system may not have the responsibility of reporting or recording payments received.

Sec. 4. A municipal officer whose official duties include oversight of reporting, recording, or monitoring of municipal accounts, may not have access to the municipal officer's own account with the municipality.

Sec. 5. If a municipal officer or employee is delinquent more than sixty (60) days on an invoice, the delinquency must be



1 reported to the fiscal officer of the municipality. However, if the
2 personal account of the fiscal officer of the municipality or the
3 municipal executive is delinquent, the delinquency must be
4 reported to the legislative body of the municipality.

