

HOUSE BILL No. 1267

DIGEST OF INTRODUCED BILL

Citations Affected: IC 5-11-1-1.

Synopsis: State board of accounts. Provides that the state board of accounts is subject to applicable professional auditing standards. Requires the governor to appoint two deputy examiners, one of whom must be a certified public accountant, and the other of whom must be either a certified public accountant or an attorney licensed in Indiana.

Effective: Upon passage.

Lehman

January 6, 2026, read first time and referred to Committee on Government and Regulatory Reform.



Introduced

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. 1267

A BILL FOR AN ACT to amend the Indiana Code concerning state and local administration.

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

1 SECTION 1. IC 5-11-1-1, AS AMENDED BY P.L.59-2023,
2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 UPON PASSAGE]: Sec. 1. (a) There is established a state board of
4 accounts. The state board of accounts is designated as the independent
5 external auditor of audited entities and is subject to applicable
6 professional **accounting auditing** standards.

7 (b) The board is accountable to the legislative council and consists
8 of the state examiner and two (2) deputy examiners, as provided in this
9 section.

10 (c) The principal officer of the board is the state examiner. To hold
11 the office of state examiner, an individual must:

12 (1) be appointed by the governor;
13 (2) have the individual's appointment accepted by the legislative
14 council in conformity with subsection (f); and
15 (3) be a certified public accountant with at least five (5) years of
16 accounting experience, including at least three (3) years of single
17 audit experience in the public or private sector.



3 (1) be appointed by the governor, and

8 A deputy examiner is subordinate to the state examiner. At least one
9 (1) of the deputy examiners must have at least three (3) years of
10 experience with the state board of accounts at the time of appointment.

18 (f) The governor shall submit to the executive director of the
19 legislative services agency in an electronic format under IC 5-14-6 the
20 name of an individual who the governor recommends for appointment
21 under subsection (c) along with any supporting information that the
22 governor determines is appropriate. The executive director of the
23 legislative services agency shall submit the governor's recommendation
24 along with any submitted supporting information to the members of the
25 legislative council and place the information on the website maintained
26 by the general assembly. At a meeting open to the public, the
27 legislative council may adopt a resolution to accept or reject a
28 recommendation of the governor. The legislative council may reject a
29 recommendation with or without cause. If the legislative council fails
30 to adopt a resolution accepting or rejecting a recommendation within
31 forty-five (45) days after the recommendation is submitted to the
32 executive director of the legislative services agency in an electronic
33 format under IC 5-14-6, the recommendation shall be treated as
34 accepted by the legislative council.

35 (g) IC 4-21.5 applies to an action under this subsection. The state
36 examiner and the deputy examiners are subject to removal by the
37 governor for incompetency (including failure to maintain the
38 individual's status as a certified public accountant) or for misconduct
39 of the office. If the governor seeks to remove the state examiner under
40 this subsection, the governor shall notify the state examiner in writing
41 of the governor's proposed action in conformity with IC 4-21.5-3-4 and
42 submit a copy of the notice to the executive director of the legislative



1 services agency in an electronic format under IC 5-14-6. The notice
2 must state the reasons for the proposed action and indicate that the state
3 examiner has fifteen (15) days after being given notice to petition for
4 review of the proposed action. The notice must specify that a petition
5 for review of the proposed action must be made in writing and be
6 submitted to the executive director of the legislative services agency in
7 accordance with IC 4-21.5-3-7. The notice must also state that the state
8 examiner may petition the legislative council under IC 4-21.5-3-4 for
9 a stay of the proposed action pending final resolution of the matter. If
10 a timely petition is filed with the executive director of the legislative
11 services agency, the legislative council shall conduct a proceeding
12 under IC 4-21.5 to review the petition. The determination by the
13 legislative council is a final order. A state examiner removed from
14 office under this subsection may petition for judicial review of a final
15 action of the legislative council under IC 4-21.5-5 in the circuit or a
16 superior court of Marion County. A deputy examiner removed from
17 office under this subsection may petition for judicial review regarding
18 the removal in the circuit or a superior court of Marion County.

19 (h) A vacancy in the office of state examiner or deputy examiner
20 must be filled in the same manner provided under this section for the
21 appointment of the vacating officer. An individual appointed to fill a
22 vacancy serves for the remainder of the vacating individual's term.

23 **SECTION 2. An emergency is declared for this act.**

