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# HOUSE BILL No. 1225

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-1.1-17-20; IC 36-12-1-14.

**Synopsis:** Approval of library budgets and tax levies. Specifies that a public library with a governing body that is not comprised of a majority of officials who are elected must in all cases have the public library's proposed budget and property tax levy approved by the appropriate county or municipal fiscal body. (Under current law, the budget and levy of such a public library must be approved by the county or municipal fiscal body only if the public library's budget is increasing by more than the percentage used in the assessed value growth quotient.)

**Effective:** July 1, 2011.

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January 12, 2011, read first time and referred to Committee on Government and Regulatory Reform.

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First Regular Session 117th General Assembly (2011)

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 2010 Regular Session of the General Assembly.

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# HOUSE BILL No. 1225



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

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

1 SECTION 1. IC 6-1.1-17-20, AS AMENDED BY P.L.113-2010,  
 2 SECTION 29, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 3 JULY 1, 2011]: Sec. 20. (a) This section applies to each governing  
 4 body of a taxing unit that:

- 5 (1) is not comprised of a majority of officials who are elected to
- 6 serve on the governing body; and
- 7 (2) either:
- 8 (A) is:
- 9 (i) a conservancy district subject to IC 14-33-9;
- 10 (ii) a solid waste management district subject to IC 13-21;
- 11 **or**
- 12 (iii) a fire protection district subject to IC 36-8-11-18; **or**
- 13 (iv) **a public library**; or
- 14 (B) has a percentage increase in the proposed budget for the
- 15 taxing unit for the ensuing calendar year that is more than the
- 16 result of:
- 17 (i) the assessed value growth quotient determined under



1 IC 6-1.1-18.5-2 for the ensuing calendar year; minus  
2 (ii) one (1).

3 For purposes of this section, an individual who qualifies to be  
4 appointed to a governing body or serves on a governing body because  
5 of the individual's status as an elected official of another taxing unit  
6 shall be treated as an official who was not elected to serve on the  
7 governing body.

8 (b) As used in this section, "taxing unit" has the meaning set forth  
9 in IC 6-1.1-1-21, except that the term does not include:

- 10 (1) a school corporation; or
- 11 (2) an entity whose tax levies are subject to review and
- 12 modification by a city-county legislative body under IC 36-3-6-9.

- 13 (c) If:
  - 14 (1) the assessed valuation of a taxing unit is entirely contained
  - 15 within a city or town; or
  - 16 (2) the assessed valuation of a taxing unit is not entirely contained
  - 17 within a city or town but the taxing unit was originally established
  - 18 by the city or town;

19 the governing body shall submit its proposed budget and property tax  
20 levy to the city or town fiscal body. The proposed budget and levy shall  
21 be submitted at least thirty (30) days before the city or town fiscal body  
22 is required to hold budget approval hearings under this chapter.  
23 However, in the case of a public library that is subject to this section  
24 and is described in subdivision (2), the public library shall submit its  
25 proposed budget and property tax levy to the county fiscal body in the  
26 manner provided in subsection (d), rather than to the city or town fiscal  
27 body, if more than fifty percent (50%) of the parcels of real property  
28 within the jurisdiction of the public library are located outside the city  
29 or town.

30 (d) If subsection (c) does not apply, the governing body of the taxing  
31 unit shall submit its proposed budget and property tax levy to the  
32 county fiscal body in the county where the taxing unit has the most  
33 assessed valuation. The proposed budget and levy shall be submitted  
34 at least thirty (30) days before the county fiscal body is required to hold  
35 budget approval hearings under this chapter.

36 (e) The fiscal body of the city, town, or county (whichever applies)  
37 shall review each budget and proposed tax levy and adopt a final  
38 budget and tax levy for the taxing unit. The fiscal body may reduce or  
39 modify but not increase the proposed budget or tax levy.

40 (f) If a taxing unit fails to file the information required in subsection  
41 (c) or (d), whichever applies, with the appropriate fiscal body by the  
42 time prescribed by this section, the most recent annual appropriations

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1 and annual tax levy of that taxing unit are continued for the ensuing  
2 budget year.

3 (g) If the appropriate fiscal body fails to complete the requirements  
4 of subsection (e) before the adoption deadline in section 5 of this  
5 chapter for any taxing unit subject to this section, the most recent  
6 annual appropriations and annual tax levy of the city, town, or county,  
7 whichever applies, are continued for the ensuing budget year.

8 SECTION 2. IC 36-12-1-14 IS ADDED TO THE INDIANA CODE  
9 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
10 1, 2011]: **Sec. 14. A public library with a governing body that is not**  
11 **comprised of a majority of officials who are elected to serve on the**  
12 **governing body must have the public library's proposed budget**  
13 **and property tax levy approved under IC 6-1.1-17-20 by the**  
14 **appropriate fiscal body.**

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