



January 27, 2012

# SENATE BILL No. 285

DIGEST OF SB 285 (Updated January 25, 2012 4:03 pm - DI 87)

**Citations Affected:** IC 6-1.1; IC 36-3.

**Synopsis:** Review of local government budgets. Requires all civil taxing units subject to nonbinding review to file the information required for the nonbinding review with the county fiscal body on or before September 1 of each year. Requires a county fiscal body to complete the reviews and issue nonbinding recommendations on or before October 1 of each year. Requires a taxing unit that is subject to binding review to submit its budget and levies for final approval on or before September 1 of each year. Requires a taxing unit submitting its budget and tax levies for either nonbinding review or final approval to also submit to the reviewing body a copy of the notice of budget estimates and tax levies published by the taxing unit. Provides that a political subdivision that is required to submit its proposed budget and property tax levy for final approval may make an additional appropriation only if the additional appropriation is also approved by the body that approved the political subdivision's proposed budget and property tax levy. Authorizes the department of local government finance (DLGF) to establish a three year pilot program concerning nonbinding review of budgets, property tax rates, and property tax levies. Provides that for a county to be eligible for designation as a pilot county, the county fiscal body must adopt a resolution and submit an application to the DLGF. Allows the DLGF to designate not more than three counties as pilot counties. Specifies that the following apply in 2013 and thereafter in a pilot county: (1) Each taxing unit in the pilot county must file with the DLGF the taxing unit's proposed budgets,

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**Effective:** July 1, 2012.

## Lawson C

January 5, 2012, read first time and referred to Committee on Local Government.  
January 26, 2012, amended, reported favorably — Do Pass.

SB 285—LS 6734/DI 73+



Digest Continued

property tax rates, and property tax levies. (2) When formulating the taxing unit's estimated budget, property tax rate, and property tax levy, each taxing unit shall consider estimated consequences of the circuit breaker property tax credits. (3) The DLGF shall prepare an analysis of the proposed budgets, property tax rates, and property tax levies submitted by taxing units in the pilot county and provide the analysis to the county fiscal body and to the fiscal body of each taxing unit in the pilot county. (4) Upon request by the county fiscal body, representatives of the DLGF shall appear before the county fiscal body to review the analysis. (5) The county fiscal body shall review the proposed budgets, property tax rates, and property tax levies of each taxing unit in the county and the total tax rate of each taxing district in the county, and shall issue a nonbinding recommendation to each taxing unit.

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January 27, 2012

Second Regular Session 117th General Assembly (2012)

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 2011 Regular Session of the General Assembly.

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## SENATE BILL No. 285

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 6-1.1-17-3.5, AS AMENDED BY  
2 P.L.182-2009(ss), SECTION 115, IS AMENDED TO READ AS  
3 FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 3.5. (a) This section  
4 does not apply to civil taxing units located in a county in which a  
5 county board of tax adjustment reviews budgets, tax rates, and tax  
6 levies. This section does not apply to a civil taxing unit that has its  
7 proposed budget and proposed property tax levy approved under  
8 section 20 of this chapter or IC 36-3-6-9.  
9 (b) This section applies to a civil taxing unit other than a county.  
10 **Except as provided in section 3.7 of this chapter**, if a civil taxing unit  
11 will impose property taxes due and payable in the ensuing calendar  
12 year, the civil taxing unit shall file with the fiscal body of the county in  
13 which the civil taxing unit is located:  
14 (1) a statement of the proposed or estimated tax rate and tax levy  
15 for the civil taxing unit for the ensuing budget year; ~~and~~  
16 (2) a copy of the civil taxing unit's proposed budget for the  
17 ensuing budget year; **and**

SB 285—LS 6734/DI 73+



- 1           **(3) a copy of the notice to taxpayers published under section**  
 2           **3(a) of this chapter that specifies the civil taxing unit's**  
 3           **estimated budget, estimated maximum permissible tax levy,**  
 4           **current and proposed tax levies of each fund, and amounts of**  
 5           **excessive levy appeals to be requested.**
- 6           (c) In the case of a civil taxing unit located in more than one (1)  
 7 county, the civil taxing unit shall file the information under subsection  
 8 (b) with the fiscal body of the county in which the greatest part of the  
 9 civil taxing unit's net assessed valuation is located.
- 10          (d) A civil taxing unit must file the information under subsection (b)  
 11 ~~at least forty-five (45) days before the civil taxing unit fixes its tax rate~~  
 12 ~~and tax levy and adopts its budget under this chapter: on or before~~  
 13 **September 1 of each year.**
- 14          (e) A county fiscal body shall complete the following ~~at least fifteen~~  
 15 ~~(15) days before the civil taxing unit fixes its tax rate and tax levy and~~  
 16 ~~adopts its budget under this chapter: on or before October 1 of each~~  
 17 **year:**
- 18           (1) Review any proposed or estimated tax rate or tax levy or  
 19 proposed budget filed by a civil taxing unit with the county fiscal  
 20 body under this section.
- 21           (2) Issue a nonbinding recommendation to a civil taxing unit  
 22 regarding the civil taxing unit's proposed or estimated tax rate or  
 23 tax levy or proposed budget.
- 24          (f) The recommendation under subsection (e) must include a  
 25 comparison of any increase in the civil taxing unit's budget or tax levy  
 26 to:
- 27           (1) the average increase in Indiana nonfarm personal income for  
 28 the preceding six (6) calendar years and the average increase in  
 29 nonfarm personal income for the county for the preceding six (6)  
 30 calendar years; and
- 31           (2) increases in the budgets and tax levies of other civil taxing  
 32 units in the county.
- 33          (g) The department of local government finance must provide each  
 34 county fiscal body with the most recent available information  
 35 concerning increases in Indiana nonfarm personal income and  
 36 increases in county nonfarm personal income.
- 37          (h) If a civil taxing unit fails to file the information required by  
 38 subsection (b) with the fiscal body of the county in which the civil  
 39 taxing unit is located by the time prescribed in subsection (d), the most  
 40 recent annual appropriations and annual tax levy of that civil taxing  
 41 unit are continued for the ensuing budget year.
- 42          (i) If a county fiscal body fails to complete the requirements of

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1 subsection (e) before the **October 1** deadline in subsection (e) for any  
 2 civil taxing unit subject to this section, the most recent annual  
 3 appropriations and annual tax levy of the county are continued for the  
 4 ensuing budget year.

5 SECTION 2. IC 6-1.1-17-3.7 IS ADDED TO THE INDIANA  
 6 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 7 [EFFECTIVE JULY 1, 2012]: **Sec. 3.7. (a) The purpose of this**  
 8 **section is to authorize a three (3) year pilot program to allow**  
 9 **county fiscal bodies of designated counties to carry out a more**  
 10 **thorough nonbinding review of the proposed budgets, property tax**  
 11 **rates, and property tax levies of all taxing units in those counties.**  
 12 **The general assembly finds that, because of the enactment of**  
 13 **property tax credits under IC 6-1.1-20.6, there is an even greater**  
 14 **need for taxing units to cooperate in the adoption of their budgets,**  
 15 **property tax rates, and property tax levies.**

16 (b) The department of local government finance may establish  
 17 a pilot program concerning nonbinding review of budgets,  
 18 property tax rates, and property tax levies as provided in this  
 19 section. The role of the department of local government finance in  
 20 the pilot program is to develop the framework for the continuation  
 21 of a more thorough nonbinding review in all counties without the  
 22 direct involvement of the department of local government finance.

23 (c) For a county to be eligible for designation as a pilot county  
 24 participating in the pilot program:

25 (1) the county fiscal body must adopt a resolution approving  
 26 the submission of an application to be designated as a pilot  
 27 county; and

28 (2) the county fiscal body must submit to the department of  
 29 local government finance before the date specified by the  
 30 department:

31 (A) an application in the form and containing the  
 32 information prescribed by the department; and

33 (B) a copy of the resolution adopted under subdivision (1).

34 (d) After reviewing applications submitted under subsection (c),  
 35 the department of local government finance may designate not  
 36 more than three (3) counties that submit an application under  
 37 subsection (c) as pilot counties under this section. In determining  
 38 which counties shall be designated as pilot counties, the department  
 39 of local government finance shall attempt to achieve diversity  
 40 among designated counties based on:

41 (1) the geographical location of the counties;

42 (2) the population of the counties; and

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- 1           (3) whether the counties are primarily rural or urban.
- 2           (e) The department of local government finance shall notify
- 3 each taxing unit in a pilot county of:
- 4           (1) the designation of the county as a pilot county; and
- 5           (2) the duties of the taxing unit under this section.
- 6           (f) The following apply in 2013 and thereafter:
- 7           (1) Each taxing unit in a pilot county shall before September
- 8           1 of each year file with the department of local government
- 9           finance and with the county fiscal body:
- 10           (A) the taxing unit's proposed budgets, property tax rates,
- 11           and property tax levies for the following calendar year;
- 12           (B) a statement of whether:
- 13           (i) a petition and remonstrance process has been initiated
- 14           under IC 6-1.1-20 concerning a controlled project of the
- 15           taxing unit;
- 16           (ii) a public question under IC 6-1.1-20 concerning a
- 17           controlled project of the taxing unit has been certified
- 18           and will be on the election ballot;
- 19           (iii) a referendum tax levy question under IC 20-46-1 has
- 20           been certified and will be on the election ballot; or
- 21           (iv) the taxing unit anticipates that it will during the
- 22           following eighteen (18) months either adopt a resolution
- 23           or ordinance under IC 6-1.1-20 making a preliminary
- 24           determination to issue bonds or enter into a lease
- 25           concerning a controlled project of the taxing unit or
- 26           adopt a resolution under IC 20-46-1 to place a
- 27           referendum tax levy question on the election ballot; and
- 28           (C) any additional information required by the department
- 29           to prepare the analysis required under subdivision (4).
- 30           A school corporation providing information to the
- 31           department of local government finance shall provide the
- 32           information through the department's interactive and
- 33           searchable Internet web site containing local government
- 34           information (the Indiana gateway for governmental units).
- 35           When formulating the taxing unit's estimated budget,
- 36           property tax rate, and property tax levy under section 3 of
- 37           this chapter, the proper officers of the taxing unit shall
- 38           consider the estimated consequences of the property tax
- 39           credits under IC 6-1.1-20.6 on the property taxes that will be
- 40           collected by the taxing unit and the calculation of fund
- 41           balances.
- 42           (2) A taxing unit in a pilot county that would otherwise be

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1 required to submit its proposed budgets, property tax rates,  
 2 and property tax levies for nonbinding review under section  
 3 3.5 of this chapter is not required to do so, but the taxing unit  
 4 must instead submit the information required by subdivision  
 5 (1) to the department of local government finance.

6 (3) A taxing unit that is located in a pilot county and that is  
 7 subject to binding review and approval of the taxing unit's  
 8 budgets, property tax rates, and property tax levies under  
 9 IC 6-1.1-17-20 or IC 36-3-6-9:

10 (A) remains subject to binding review and approval under  
 11 those statutes and must submit the information required  
 12 under those statutes to the appropriate fiscal body; and

13 (B) must also submit the information required by  
 14 subdivision (1) to the department of local government  
 15 finance.

16 (4) The department shall prepare an analysis of the proposed  
 17 budgets, property tax rates, and property tax levies submitted  
 18 by taxing units in each pilot county. The department of local  
 19 government finance may establish appropriate procedures  
 20 and conduct the appropriate analysis that meets the  
 21 department's requirements for the review of a unit's budget  
 22 under IC 6-1.1-17. The analysis prepared by the department  
 23 must include at least the following:

24 (A) The estimated total property tax rate for each taxing  
 25 district in the pilot county.

26 (B) The estimated total amount of property taxes to be  
 27 levied in the pilot county.

28 (C) The estimated consequences of the property tax credits  
 29 under IC 6-1.1-20.6 on:

30 (i) the property tax rates of each taxing unit and taxing  
 31 district in the pilot county;

32 (ii) the expected total tax rate of each taxing district in  
 33 the county; and

34 (iii) the property taxes that will be collected by each  
 35 taxing unit in the pilot county.

36 (5) The department of local government finance shall before  
 37 October 1 of each year provide the analysis prepared under  
 38 subdivision (4) for a pilot county to the county fiscal body of  
 39 the pilot county and to the fiscal body of each taxing unit in  
 40 the pilot county. Upon request by the county fiscal body,  
 41 representatives of the department of local government finance  
 42 shall appear before the county fiscal body to review the

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1 analysis.

2 (6) The county fiscal body of a pilot county shall on or before  
3 October 15 of each year:

4 (A) review the proposed budgets, property tax rates, and  
5 property tax levies of each taxing unit in the pilot county;

6 (B) review the expected total tax rate of each taxing district  
7 in the county; and

8 (C) issue a nonbinding recommendation to each taxing unit  
9 in the pilot county regarding the taxing unit's proposed  
10 budgets, property tax rates, and property tax levies.

11 The review and recommendation required to be carried out  
12 under this subdivision may be carried out by the full county  
13 fiscal body or by a committee appointed by the county fiscal  
14 body for that purpose.

15 (7) A recommendation by a county fiscal body must include a  
16 comparison of any increase in a taxing unit's budgets,  
17 property tax rates, and property tax levies to:

18 (A) the average increase in Indiana nonfarm personal  
19 income for the preceding six (6) calendar years and the  
20 average increase in nonfarm personal income for the  
21 county for the preceding six (6) calendar years; and

22 (B) increases in the budgets, property tax rates, and  
23 property tax levies of other taxing units in the county.

24 (8) After review under this section, a taxing unit must adopt  
25 its budget, property tax rates, and property tax levies by the  
26 date required under IC 6-1.1-17-5.

27 (g) The county fiscal body of a pilot county may before July 1 of  
28 a year adopt a resolution discontinuing the county's participation  
29 in the pilot program. If a county fiscal body adopts such a  
30 resolution:

31 (1) the county fiscal body shall certify a copy of the resolution  
32 to the department of local government finance;

33 (2) the county's participation in the pilot program is  
34 terminated; and

35 (3) the department of local government finance shall attempt  
36 to replace the county with another county that has applied to  
37 be designated as a pilot county.

38 (h) The department of local government finance shall, before  
39 November 1, 2013, and each year thereafter, report to the  
40 commission on state tax and financing policy concerning the pilot  
41 program and whether the nonbinding review under the pilot  
42 program is fostering cooperation among taxing units in the

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1 **adoption of their budgets, property tax rates, and property tax**  
 2 **levies.**

3 **(i) This section expires January 1, 2016.**

4 SECTION 3. IC 6-1.1-17-20, AS AMENDED BY P.L.113-2010,  
 5 SECTION 29, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 6 JULY 1, 2012]: Sec. 20. (a) This section applies to each governing  
 7 body of a taxing unit that:

8 (1) is not comprised of a majority of officials who are elected to  
 9 serve on the governing body; and

10 (2) either:

11 (A) is:

12 (i) a conservancy district subject to IC 14-33-9;

13 (ii) a solid waste management district subject to IC 13-21;

14 or

15 (iii) a fire protection district subject to IC 36-8-11-18; or

16 (B) has a percentage increase in the proposed budget for the  
 17 taxing unit for the ensuing calendar year that is more than the  
 18 result of:

19 (i) the assessed value growth quotient determined under  
 20 IC 6-1.1-18.5-2 for the ensuing calendar year; minus

21 (ii) one (1).

22 For purposes of this section, an individual who qualifies to be  
 23 appointed to a governing body or serves on a governing body because  
 24 of the individual's status as an elected official of another taxing unit  
 25 shall be treated as an official who was not elected to serve on the  
 26 governing body.

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

29 (1) a school corporation; or

30 (2) an entity whose tax levies are subject to review and  
 31 modification by a city-county legislative body **or a city or town**  
 32 **fiscal body** under IC 36-3-6-9.

33 (c) If:

34 (1) the assessed valuation of a taxing unit is entirely contained  
 35 within a city or town; or

36 (2) the assessed valuation of a taxing unit is not entirely contained  
 37 within a city or town but the taxing unit was originally established  
 38 by the city or town;

39 the governing body **of the taxing unit** shall submit its proposed budget  
 40 and property tax levy to the city or town fiscal body. The proposed  
 41 budget and levy shall be submitted ~~at least thirty (30) days before the~~  
 42 ~~city or town fiscal body is required to hold budget approval hearings~~

SB 285—LS 6734/DI 73+



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1 ~~under this chapter. on or before September 1 of each year.~~ However,  
 2 in the case of a public library that is subject to this section and is  
 3 described in subdivision (2), the public library shall submit its  
 4 proposed budget and property tax levy to the county fiscal body in the  
 5 manner provided in subsection (d), rather than to the city or town fiscal  
 6 body, if more than fifty percent (50%) of the parcels of real property  
 7 within the jurisdiction of the public library are located outside the city  
 8 or town.

9 (d) If subsection (c) does not apply, the governing body of the taxing  
 10 unit shall submit its proposed budget and property tax levy to the  
 11 county fiscal body in the county where the taxing unit has the most  
 12 assessed valuation. The proposed budget and levy shall be submitted  
 13 at least thirty (30) days before the county fiscal body is required to hold  
 14 budget approval hearings ~~under this chapter. on or before September~~  
 15 **1 of each year.**

16 (e) **The governing body of a taxing unit that submits its**  
 17 **proposed budget and property tax levy to a fiscal body under**  
 18 **subsection (c) or (d) must also submit to the fiscal body at the same**  
 19 **time a copy of the notice to taxpayers published under section 3(a)**  
 20 **of this chapter that specifies the taxing unit's estimated budget,**  
 21 **estimated maximum permissible tax levy, current and proposed tax**  
 22 **levies of each fund, and amounts of excessive levy appeals to be**  
 23 **requested.**

24 ~~(e)~~ (f) The fiscal body of the city, town, or county (whichever  
 25 applies) shall review each budget and proposed tax levy and adopt a  
 26 final budget and tax levy for the taxing unit. The fiscal body may  
 27 reduce or modify but not increase the proposed budget or tax levy.

28 ~~(f)~~ (g) If a taxing unit fails to file the information required in  
 29 subsection (c) or (d), whichever applies, with the appropriate fiscal  
 30 body by the time prescribed by this section, the most recent annual  
 31 appropriations and annual tax levy of that taxing unit are continued for  
 32 the ensuing budget year.

33 ~~(g)~~ (h) If the appropriate fiscal body fails to complete the  
 34 requirements of subsection ~~(e)~~ (f) before the adoption deadline in  
 35 section 5 of this chapter for any taxing unit subject to this section, the  
 36 most recent annual appropriations and annual tax levy of the city, town,  
 37 or county, whichever applies, are continued for the ensuing budget  
 38 year.

39 SECTION 4. IC 6-1.1-18-5 IS AMENDED TO READ AS  
 40 FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 5. (a) If the proper  
 41 officers of a political subdivision desire to appropriate more money for  
 42 a particular year than the amount prescribed in the budget for that year

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1 as finally determined under this article, they shall give notice of their  
 2 proposed additional appropriation. The notice shall state the time and  
 3 place at which a public hearing will be held on the proposal. The notice  
 4 shall be given once in accordance with IC 5-3-1-2(b).

5 (b) If the additional appropriation by the political subdivision is  
 6 made from a fund that receives:

7 (1) distributions from the motor vehicle highway account  
 8 established under IC 8-14-1-1 or the local road and street account  
 9 established under IC 8-14-2-4; or

10 (2) revenue from property taxes levied under IC 6-1.1;

11 the political subdivision must report the additional appropriation to the  
 12 department of local government finance. If the additional appropriation  
 13 is made from a fund described under this subsection, subsections (f),  
 14 (g), (h), and (i) apply to the political subdivision.

15 (c) However, if the additional appropriation is not made from a fund  
 16 described under subsection (b), subsections (f), (g), (h), and (i) do not  
 17 apply to the political subdivision. Subsections (f), (g), (h), and (i) do  
 18 not apply to an additional appropriation made from the cumulative  
 19 bridge fund if the appropriation meets the requirements under  
 20 IC 8-16-3-3(c).

21 (d) A political subdivision may make an additional appropriation  
 22 without approval of the department of local government finance if the  
 23 additional appropriation is made from a fund that is not described  
 24 under subsection (b). However, the fiscal officer of the political  
 25 subdivision shall report the additional appropriation to the department  
 26 of local government finance.

27 (e) After the public hearing, the proper officers of the political  
 28 subdivision shall file a certified copy of their final proposal and any  
 29 other relevant information to the department of local government  
 30 finance.

31 (f) When the department of local government finance receives a  
 32 certified copy of a proposal for an additional appropriation under  
 33 subsection (e), the department shall determine whether sufficient funds  
 34 are available or will be available for the proposal. The determination  
 35 shall be made in writing and sent to the political subdivision not more  
 36 than fifteen (15) days after the department of local government finance  
 37 receives the proposal.

38 (g) In making the determination under subsection (f), the  
 39 department of local government finance shall limit the amount of the  
 40 additional appropriation to revenues available, or to be made available,  
 41 which have not been previously appropriated.

42 (h) If the department of local government finance disapproves an

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1 additional appropriation under subsection (f), the department shall  
2 specify the reason for its disapproval on the determination sent to the  
3 political subdivision.

4 (i) A political subdivision may request a reconsideration of a  
5 determination of the department of local government finance under this  
6 section by filing a written request for reconsideration. A request for  
7 reconsideration must:

8 (1) be filed with the department of local government finance  
9 within fifteen (15) days of the receipt of the determination by the  
10 political subdivision; and

11 (2) state with reasonable specificity the reason for the request.

12 The department of local government finance must act on a request for  
13 reconsideration within fifteen (15) days of receiving the request.

14 **(j) In addition to any other requirements under this section or**  
15 **any other law, a political subdivision that is required to submit its**  
16 **proposed budget and property tax levy to:**

17 **(1) a municipal fiscal body or county fiscal body for approval**  
18 **under IC 6-1.1-17-20; or**

19 **(2) the city-county legislative body or a city or town fiscal**  
20 **body for approval under IC 36-3-6-9;**

21 **may make an additional appropriation only if the additional**  
22 **appropriation is also approved by the fiscal body or legislative**  
23 **body that approved the political subdivision's proposed budget and**  
24 **property tax levy under IC 6-1.1-17-20 or IC 36-3-6-9.**

25 SECTION 5. IC 36-3-6-9, AS AMENDED BY P.L.182-2009(ss),  
26 SECTION 401, IS AMENDED TO READ AS FOLLOWS  
27 [EFFECTIVE JULY 1, 2012]: Sec. 9. (a) Except as provided in  
28 subsection (d), the city-county legislative body shall review the  
29 proposed operating and maintenance budgets and tax levies and adopt  
30 final operating and maintenance budgets and tax levies for each of the  
31 following entities in the county:

32 (1) An airport authority operating under IC 8-22-3.

33 (2) A public library operating under IC 36-12.

34 (3) A capital improvement board of managers operating under  
35 IC 36-10.

36 (4) A public transportation corporation operating under IC 36-9-4.

37 (5) A health and hospital corporation established under  
38 IC 16-22-8.

39 (6) Any other taxing unit (as defined in IC 6-1.1-1-21) that is  
40 located in the county and has a governing body that is not  
41 comprised of a majority of officials who are elected to serve on  
42 the governing body.

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1 Except as provided in subsection (c), the city-county legislative body  
2 may reduce or modify but not increase a proposed operating and  
3 maintenance budget or tax levy under this section.

4 (b) The board of each entity listed in subsection (a) shall, after  
5 adoption of its proposed budget and tax levies, submit them, along with  
6 detailed accounts, to the city clerk **on or** before the first day of  
7 September of each year.

8 (c) The city-county legislative body or, when subsection (d) applies,  
9 the fiscal body of an excluded city or town shall review the issuance of  
10 bonds of an entity listed in subsection (a). Approval of the city-county  
11 legislative body or, when subsection (d) applies, the fiscal body of an  
12 excluded city or town is required for the issuance of bonds. The  
13 city-county legislative body or the fiscal body of an excluded city or  
14 town may not reduce or modify a budget or tax levy of an entity listed  
15 in subsection (a) in a manner that would:

16 (1) limit or restrict the rights vested in the entity to fulfill the  
17 terms of any agreement made with the holders of the entity's  
18 bonds; or

19 (2) in any way impair the rights or remedies of the holders of the  
20 entity's bonds.

21 (d) If the assessed valuation of a taxing unit is entirely contained  
22 within an excluded city or town (as described in IC 36-3-1-7) that is  
23 located in a county having a consolidated city, the governing body of  
24 the taxing unit shall submit its proposed operating and maintenance  
25 budget and tax levies to the city or town fiscal body for approval and  
26 not the city-county legislative body. Except as provided in subsection  
27 (c), the fiscal body of the excluded city or town may reduce or modify  
28 but not increase a proposed operating and maintenance budget or tax  
29 levy under this section.

30 **(e) The governing body of an entity that submits its proposed**  
31 **budget and property tax levy to the city-county legislative body or**  
32 **a city or town fiscal body for approval under this section shall also**  
33 **submit to the legislative body or fiscal body at the same time a copy**  
34 **of the notice to taxpayers published under IC 6-1.1-17-3(a) that**  
35 **specifies the entity's estimated budget, estimated maximum**  
36 **permissible tax levy, current and proposed tax levies of each fund,**  
37 **and amounts of excessive levy appeals to be requested.**

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COMMITTEE REPORT

Madam President: The Senate Committee on Local Government, to which was referred Senate Bill No. 285, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 3, line 8, after "a" insert "**three (3) year**".

Page 3, line 19, after "section." insert "**The role of the department of local government finance in the pilot program is to develop the framework for the continuation of a more thorough nonbinding review in all counties without the direct involvement of the department of local government finance.**".

Page 5, line 15, after "county." insert "**The department of local government finance may establish appropriate procedures and conduct the appropriate analysis that meets the department's requirements for the review of a unit's budget under IC 6-1.1-17.**".

and when so amended that said bill do pass.

(Reference is to SB 285 as introduced.)

LAWSON C, Chairperson

Committee Vote: Yeas 8, Nays 0.

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Y

