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# SENATE BILL No. 322

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-1.1.

**Synopsis:** Library boards. Provides that a public library outside Marion County, the library board of which is comprised of a majority of officials who are not elected, is subject to binding review and approval of the public library's budget by a county, city, or town fiscal body, as appropriate. (Current law requires binding review and approval only if the library's budget is increasing faster than the assessed value growth quotient.) Provides that if a public library that is required to submit the library's budget for binding review and approval wants to make an additional appropriation, the additional appropriation must first be approved by a city, town, or county fiscal body, as appropriate under the binding review and approval statute. (Current law requires that the additional appropriation must be approved only if the additional appropriation would result in the budget for the library for that year increasing, as compared to the previous year, by a percentage that is greater than the assessed value growth quotient percentage.)

**Effective:** July 1, 2013.

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January 8, 2013, read first time and referred to Committee on Local Government.

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First Regular Session 118th General Assembly (2013)

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 2012 Regular Session of the General Assembly.

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# SENATE BILL No. 322



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.137-2012,
- 2 SECTION 27, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 3 JULY 1, 2013]: Sec. 20. (a) This section applies to each governing
- 4 body of a taxing unit that is not comprised of a majority of officials
- 5 who are elected to serve on the governing body. For purposes of this
- 6 section, an individual who qualifies to be appointed to a governing
- 7 body or serves on a governing body because of the individual's status
- 8 as an elected official of another taxing unit shall be treated as an
- 9 official who was not elected to serve on the governing body.
- 10 (b) As used in this section, "taxing unit" has the meaning set forth
- 11 in IC 6-1.1-1-21, except that the term does not include a public library
- 12 or an entity whose tax levies are subject to review and modification by
- 13 a city-county legislative body under IC 36-3-6-9.
- 14 (c) If:
- 15 (1) the assessed valuation of a taxing unit is entirely contained
- 16 within a city or town; or
- 17 (2) the assessed valuation of a taxing unit is not entirely contained



1           within a city or town but the taxing unit was originally established  
 2           by the city or town;  
 3           the governing body shall submit its proposed budget and property tax  
 4           levy to the city or town fiscal body. The proposed budget and levy shall  
 5           be submitted to the city or town fiscal body in the manner prescribed  
 6           by the department of local government finance before September 2 of  
 7           a year. ~~However, in the case of a public library that is subject to this~~  
 8           ~~section and is described in subdivision (2), the public library shall~~  
 9           ~~submit its proposed budget and property tax levy to the county fiscal~~  
 10          ~~body in the manner provided in subsection (d); rather than to the city~~  
 11          ~~or town fiscal body, if more than fifty percent (50%) of the parcels of~~  
 12          ~~real property within the jurisdiction of the public library are located~~  
 13          ~~outside the city or town.~~

14          (d) If subsection (c) does not apply, the governing body of the taxing  
 15          unit shall submit its proposed budget and property tax levy to the  
 16          county fiscal body in the county where the taxing unit has the most  
 17          assessed valuation. The proposed budget and levy shall be submitted  
 18          to the county fiscal body in the manner prescribed by the department  
 19          of local government finance before September 2 of a year.

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

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

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

34          SECTION 2. IC 6-1.1-17-20.3, AS ADDED BY P.L.137-2012,  
 35          SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 36          JULY 1, 2013]: Sec. 20.3. (a) This section applies only to the  
 37          governing body of a public library that

38                 (1) is not comprised of a majority of officials who are elected to  
 39                 serve on the governing body. and

40                 (2) has a percentage increase in the proposed budget for the  
 41                 taxing unit for the ensuing calendar year that is more than the  
 42                 result of:

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1           (A) the assessed value growth quotient determined under  
 2           IC 6-1.1-18.5-2 for the ensuing calendar year; minus  
 3           (B) one (1).

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

9           (b) This section does not apply to an entity whose tax levies are  
 10          subject to review and modification by a city-county legislative body  
 11          under IC 36-3-6-9.

12          (c) If:

13           (1) the assessed valuation of a public library is entirely contained  
 14           within a city or town; or

15           (2) the assessed valuation of a public library is not entirely  
 16           contained within a city or town but the public library was  
 17           originally established by the city or town;

18          the governing body shall submit its proposed budget and property tax  
 19          levy to the city or town fiscal body in the manner prescribed by the  
 20          department of local government finance before September 2 of a year.  
 21          However, the governing body shall submit its proposed budget and  
 22          property tax levy to the county fiscal body in the manner provided in  
 23          subsection (d), rather than to the city or town fiscal body, if more than  
 24          fifty percent (50%) of the parcels of real property within the  
 25          jurisdiction of the public library are located outside the city or town.

26          (d) If subsection (c) does not apply, the governing body of the public  
 27          library shall submit its proposed budget and property tax levy to the  
 28          county fiscal body in the county where the public library has the most  
 29          assessed valuation. The proposed budget and levy shall be submitted  
 30          to the county fiscal body in the manner prescribed by the department  
 31          of local government finance before September 2 of a year.

32          (e) The fiscal body of the city, town, or county (whichever applies)  
 33          shall review each budget and proposed tax levy and adopt a final  
 34          budget and tax levy for the public library. The fiscal body may reduce  
 35          or modify but not increase the proposed budget or tax levy.

36          (f) If a public library fails to file the information required in  
 37          subsection (c) or (d), whichever applies, with the appropriate fiscal  
 38          body by the time prescribed by this section, the most recent annual  
 39          appropriations and annual tax levy of that public library are continued  
 40          for the ensuing budget year.

41          (g) If the appropriate fiscal body fails to complete the requirements  
 42          of subsection (e) before the adoption deadline in section 5 of this

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1 chapter for any public library subject to this section, the most recent  
 2 annual appropriations and annual tax levy of the city, town, or county,  
 3 whichever applies, are continued for the ensuing budget year.

4 SECTION 3. IC 6-1.1-18-5, AS AMENDED BY P.L.137-2012,  
 5 SECTION 29, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 6 JULY 1, 2013]: Sec. 5. (a) If the proper officers of a political  
 7 subdivision desire to appropriate more money for a particular year than  
 8 the amount prescribed in the budget for that year as finally determined  
 9 under this article, they shall give notice of their proposed additional  
 10 appropriation. The notice shall state the time and place at which a  
 11 public hearing will be held on the proposal. The notice shall be given  
 12 once in accordance with IC 5-3-1-2(b).

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

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

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

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

23 (c) However, if the additional appropriation is not made from a fund  
 24 described under subsection (b), subsections (f), (g), (h), and (i) do not  
 25 apply to the political subdivision. Subsections (f), (g), (h), and (i) do  
 26 not apply to an additional appropriation made from the cumulative  
 27 bridge fund if the appropriation meets the requirements under  
 28 IC 8-16-3-3(c).

29 (d) A political subdivision may make an additional appropriation  
 30 without approval of the department of local government finance if the  
 31 additional appropriation is made from a fund that is not described  
 32 under subsection (b). However, the fiscal officer of the political  
 33 subdivision shall report the additional appropriation to the department  
 34 of local government finance.

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

39 (f) When the department of local government finance receives a  
 40 certified copy of a proposal for an additional appropriation under  
 41 subsection (e), the department shall determine whether sufficient funds  
 42 are available or will be available for the proposal. The determination

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1 shall be made in writing and sent to the political subdivision not more  
 2 than fifteen (15) days after the department of local government finance  
 3 receives the proposal.

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

8 (h) If the department of local government finance disapproves an  
 9 additional appropriation under subsection (f), the department shall  
 10 specify the reason for its disapproval on the determination sent to the  
 11 political subdivision.

12 (i) A political subdivision may request a reconsideration of a  
 13 determination of the department of local government finance under this  
 14 section by filing a written request for reconsideration. A request for  
 15 reconsideration must:

16 (1) be filed with the department of local government finance  
 17 within fifteen (15) days of the receipt of the determination by the  
 18 political subdivision; and

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

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

22 (j) This subsection applies to an additional appropriation by a  
 23 political subdivision that must have the political subdivision's annual  
 24 appropriations and annual tax levy adopted by a city, town, or county  
 25 fiscal body under IC 6-1.1-17-20 or by a legislative or fiscal body under  
 26 IC 36-3-6-9. The fiscal or legislative body of the city, town, or county  
 27 that adopted the political subdivision's annual appropriation and annual  
 28 tax levy must adopt the additional appropriation by ordinance before  
 29 the department of local government finance may approve the additional  
 30 appropriation.

31 (k) This subsection applies to a public library that

32 ~~(1) is required to submit the public library's budgets, tax rates, and~~  
 33 ~~tax levies for nonbinding review under IC 6-1.1-17-3.5; and~~

34 ~~(2) is not required to submit the public library's budgets, tax rates,~~  
 35 ~~and tax levies for binding review and approval under~~  
 36 ~~IC 6-1.1-17-20. IC 6-1.1-17-20.3.~~

37 If a public library subject to this subsection proposes to make an  
 38 additional appropriation for a year, ~~and the additional appropriation~~  
 39 ~~would result in the budget for the library for that year increasing (as~~  
 40 ~~compared to the previous year) by a percentage that is greater than the~~  
 41 ~~result of the assessed value growth quotient determined under~~  
 42 ~~IC 6-1.1-18.5-2 for the calendar year minus one (1); the additional~~

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1 appropriation must first be approved by the city, town, or county fiscal  
2 body described in IC 6-1.1-17-20.3(c) or ~~IC 6-1.1-17-20(d)~~;  
3 **IC 6-1.1-17-20.3(d)**, as appropriate.

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