
HOUSE BILL No. 1401

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1-17; IC 6-1.1-18-5.

Synopsis: Approval of public library budgets. Provides that a public library in Lake County is not required to have its budget and tax levy approved by a city or town council or by the county council, if the public library's budget does not increase by a percentage greater than the percentage that is used to increase the maximum property tax levies of local taxing units in counties other than Lake County. Deletes a reference to public libraries in a statute that no longer applies to public libraries.

Effective: Upon passage.

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January 22, 2013, read first time and referred to Committee on Government and Regulatory Reform.

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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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HOUSE BILL No. 1401



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 UPON PASSAGE]: 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 UPON PASSAGE]: 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:

42 (A) the result of:

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1 (A) (i) **except as provided in item (ii)**, the assessed value
 2 growth quotient determined under IC 6-1.1-18.5-2 for the
 3 ensuing calendar year; **or**

4 (ii) **in the case of a public library in Lake County, the**
 5 **assessed value growth quotient determined under**
 6 **IC 6-1.1-18.5-2 for the ensuing calendar year for those**
 7 **civil taxing units that are not located in Lake County;**
 8 minus

9 (B) one (1).

10 For purposes of this section, an individual who qualifies to be
 11 appointed to a governing body or serves on a governing body because
 12 of the individual's status as an elected official of another taxing unit
 13 shall be treated as an official who was not elected to serve on the
 14 governing body.

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

18 (c) If:

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

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

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

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

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

42 (f) If a public library fails to file the information required in

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1 subsection (c) or (d), whichever applies, with the appropriate fiscal
 2 body by the time prescribed by this section, the most recent annual
 3 appropriations and annual tax levy of that public library are continued
 4 for the ensuing budget year.

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

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

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

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

24 (2) revenue from property taxes levied under IC 6-1.1;
 25 the political subdivision must report the additional appropriation to the
 26 department of local government finance. If the additional appropriation
 27 is made from a fund described under this subsection, subsections (f),
 28 (g), (h), and (i) apply to the political subdivision.

29 (c) However, if the additional appropriation is not made from a fund
 30 described under subsection (b), subsections (f), (g), (h), and (i) do not
 31 apply to the political subdivision. Subsections (f), (g), (h), and (i) do
 32 not apply to an additional appropriation made from the cumulative
 33 bridge fund if the appropriation meets the requirements under
 34 IC 8-16-3-3(c).

35 (d) A political subdivision may make an additional appropriation
 36 without approval of the department of local government finance if the
 37 additional appropriation is made from a fund that is not described
 38 under subsection (b). However, the fiscal officer of the political
 39 subdivision shall report the additional appropriation to the department
 40 of local government finance.

41 (e) After the public hearing, the proper officers of the political
 42 subdivision shall file a certified copy of their final proposal and any

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1 other relevant information to the department of local government
2 finance.

3 (f) When the department of local government finance receives a
4 certified copy of a proposal for an additional appropriation under
5 subsection (e), the department shall determine whether sufficient funds
6 are available or will be available for the proposal. The determination
7 shall be made in writing and sent to the political subdivision not more
8 than fifteen (15) days after the department of local government finance
9 receives the proposal.

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

14 (h) If the department of local government finance disapproves an
15 additional appropriation under subsection (f), the department shall
16 specify the reason for its disapproval on the determination sent to the
17 political subdivision.

18 (i) A political subdivision may request a reconsideration of a
19 determination of the department of local government finance under this
20 section by filing a written request for reconsideration. A request for
21 reconsideration must:

- 22 (1) be filed with the department of local government finance
23 within fifteen (15) days of the receipt of the determination by the
24 political subdivision; and
- 25 (2) state with reasonable specificity the reason for the request.

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

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

37 (k) This subsection applies to a public library that:

- 38 (1) is required to submit the public library's budgets, tax rates, and
39 tax levies for nonbinding review under IC 6-1.1-17-3.5; and
- 40 (2) is not required to submit the public library's budgets, tax rates,
41 and tax levies for binding review and approval under
42 IC 6-1.1-17-20 or **IC 6-1.1-17-20.3.**

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1 If a public library subject to this subsection proposes to make an
2 additional appropriation for a year, and the additional appropriation
3 would result in the budget for the library for that year increasing (as
4 compared to the previous year) by a percentage that is greater than the
5 result of the assessed value growth quotient determined under
6 ~~IC 6-1.1-18.5-2~~ for the calendar year minus one (1), **percentage**
7 **determined under IC 6-1.1-17-20.3(a)(2)**, the additional
8 appropriation must first be approved by the city, town, or county fiscal
9 body described in IC 6-1.1-17-20.3(c) or ~~IC 6-1.1-17-20(d)~~;
10 **IC 6-1.1-17-20.3(d)**, as appropriate.

11 SECTION 4. **An emergency is declared for this act.**

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