
STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



INDIANA GOVERNMENT CENTER NORTH
100 NORTH SENATE AVENUE N1058(B)
INDIANAPOLIS, IN 46204
PHONE (317) 232-3777
FAX (317) 974-1629

TO: Counties, Municipalities, Court Clerks, and Public Libraries

FROM: Wesley R. Bennett, Commissioner

RE: New Legislation Concerning Public Libraries, Senate Enrolled Act 410-2020

DATE: June 19, 2020

This is a revision of the June 12, 2020 memorandum to clarify Section III. This supersedes the June 12, 2020 memorandum on the same subject matter.

On March 18, 2020, Governor Eric Holcomb signed Senate Enrolled Act 410-2020 (“SEA 410”), which amends several provisions in the Indiana Code concerning public libraries. The Department of Local Government Finance (“Department”) issues this memorandum to outline the changes made by SEA 410 that pertain to budgeting. This memorandum is for informational purposes only and is not a substitute for reading the law.

I. Assessed Valuation Threshold for Applicable Fiscal Body

Section 1 of SEA 410 amends IC 6-1.1-17-20.3 to determine the appropriate fiscal body that must review a public library’s budget, rate, and levy that is subject to binding review.

- For a public library that has all of its assessed valuation entirely contained within a city or town, it is the city or town fiscal body.
- For a public library that has more than fifty percent (50%) of its assessed valuation contained within a city or town, it is the city or town fiscal body.
- For a public library that is either (1) cross-county or (2) has more than fifty percent (50%) of its parcels contained outside a city or a town, it is the county council of the county where the public library has the most assessed valuation.

II. Public Library Eligibility for Binding Review by Fiscal Body Resolution

Section 2 of SEA 410 amends IC 6-1.1-17-20.4 to make the following revisions to the process for a local fiscal body requiring a public library to be subject to binding review. These changes are effective July 1, 2020, meaning they will first apply for the pay-2021 budget cycle.

- A public library may be subject to binding review under this statute if the cash balance as of December 31 for all funds derived from tax revenue is greater than one hundred fifty percent (150%) of the library’s certified budget for the ensuing year. The December 31 cash balance will be what is reported in the public library’s annual financial report pursuant to IC 5-11-1-4. The current condition for eligibility, that cash on hand plus

expected revenues exceeds 150% of the public library's proposed budget, is no longer in effect.

- The city or town fiscal body that may adopt a resolution to subject a public library to binding review will be the fiscal body identified in IC 6-1.1-17-20.6, described below.
- A resolution to subject a public library to binding review will remain in effect until the cash balance as of December 31, reported in the public library's annual financial report pursuant to IC 5-11-1-4, for all funds derived from tax revenue no longer exceeds one hundred fifty percent (150%) of the public library's certified budget for the ensuing year.

The current process for adopting a resolution under IC 6-1.1-17-20.4 still applies. The appropriate fiscal body of a city, town, or county must hold a public hearing on the proposed resolution and provide notice to the public of the hearing in accordance with IC 5-3-1. The notice must include the proposed resolution. The fiscal body must also provide a copy of the notice to all taxing units in the city, town, or county at least thirty (30) days before the hearing. Once a resolution is adopted, the fiscal body must be submitted to the Department and the public library no later than five (5) days after adoption. To submit to the Department, the fiscal body shall submit the resolution directly to the Budget Field Representative for the fiscal body's unit.

III. Reporting of Applicable Fiscal Body by Public Library

Section 3 of SEA 410 adds IC 6-1.1-17-20.6, effective July 1, 2020. This new section requires each public library to identify the applicable fiscal body that receives the public library's budget and report this information to the Indiana State Library. This report must occur no later than October 1, 2020, but must also occur no later than October 1 for any year thereafter whenever the territory of the public library changes. This report must contain the following information:

- The name of the public library.
- The appropriate fiscal body of a city, town, or county to review a library budget.
- The signatures of the public library board president and the appropriate fiscal body president, after adoption by the respective board.

The Indiana State Library shall forward this information to the Department no later than November 1, 2020, and by no later than November 1 in any year that the territory of a public library changes.

A fiscal body may object to the public library's determination that another fiscal body is the reviewing body of the public library's budget, rate, and levy. The objecting fiscal body must submit a formal objection to the Indiana State Library, the public library, and the fiscal body the public library identified as the reviewing body.

A court action must be filed in a court with jurisdiction if any of the following happens:

- The public library is unable to identify the applicable fiscal body.
- The public library does not complete its reporting requirements to the Indiana State Library, either as required for the 2020 budget season or thereafter when the territory of the public library changes.
- A fiscal body files a formal objection against the public library's fiscal body designation.

The court action must seek a declaratory judgment to identify the appropriate fiscal body. The public library must file a copy of the declaratory judgment with the Indiana State Library within thirty (30) days after the court's entry of judgment.

Contact Information

Questions may be directed to David Marusarz, Deputy General Counsel, at (317) 233-6770 or dmarusarz@dlgf.in.gov.