Questions and Comments in the Chat for Department of Local Government Finance Presentation

Budget Calendar

The due date is November 1, but the timetable for Department of Local Government Finance Budget Approval is reduced. Whereas they had until February 15 in the New Year, the deadline now is December 31. And this December 14 deadline butts up against additional appropriations approval for the current budget year.

Department of Local Government Finance appreciates your consideration in the timing of your budget approval submission. If you can move your dates earlier, that would be great.

The comments that follow are related to the timing of the budget submission where it can be controlled by tasks outside the library such as Circuit Breakers, Average Growth Quotient and Certified Net Assessed Value (CNAV)

Comment: Impact of waiting on CNAV has impact and holds up the process.

Due to Department of Local Government Finance certifying budgets by December 31st, the 1782 will arrive earlier.

When counting days for example, the ten days before the public hearing after the notice of the proposed budget, those are not business days but calendar dates.

Budget Notice Links on Website

The Form 3 must be submitted electronically through Gateway to fulfill your budget advertising requirements.

IC 6-1.1-17-3 requires online advertisement of the Notice to Taxpayers to be submitted at least 10 calendar days before the public hearing. Online advertisement will only be completed by submitting the Form 3 from the Budget Form Menu in the Budget application of Gateway. Once submitted, notices will be available online at www.budgetnotices.in.gov or by calling (888) 739-9826.

If your unit has its own website, according to Indiana’s notice requirements you must also supply your Notice to Taxpayers here. (Indiana’s Public Access Counselor can verify what your unit’s requirements are.) Our Department can provide a link for you to display on your page. Send your email request for the link to our Communications Director, Jenny Banks, at jbanks@dlgf.in.gov.

Additional Appropriations

Q: Once you do additional appropriations, is the new amount what you use for the next year total budget or do you use the original total budget certified?

A: It is the budget on the budget order.
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Q: Is it possible to offset circuit breaker losses (in part) with Rainy Day Funds? And if so, what effect does that have on the following year’s budget?

A: Units can offset budget reductions due to Circuit Breaker application with expenditures from the Rainy Day Fund.

The effects on the following year’s budget could have several answers. First, spending from the Rainy Day Fund will reduce the amount of cash available which could affect the amount of future spending from the fund. Second, you must also take into consideration that spending from the Rainy Day Fund in the ensuing year, may take your total expenditures above the growth quotient amount, which could cause you to become a binding review unit.

Budget Forms in Gateway

Q: Question on form 4B line 7 (expected property taxes in December): what should we enter? Certified levy minus June distribution OR Certified levy minus June distribution minus circuit breaker losses?

A: For non-debt Funds it is the lesser of Certified Levy minus June Distribution or Post Circuit Breaker Abstract Levy minus June Distribution. For Debt Funds and CPF it is Certified Levy minus June Distribution.

Q: Should we account for debt circuit breaker loss in general fund?

A: Do not need to reflect in Gateway.

Q: Do we use the AVGQ against our approved levy, not our approved budget.

A: AVGQ is figured into max levy by DLGF. For your total budget you can increase previous year’s total budget by the average growth quotient and not be subject to binding review.

Q: The body that has the authority to change LIT, are they required to tell the units that are impacted?

A: No, they don’t always tell the units that are impacted. Fred encourages every council that is considering a LIT change to share that information.

Q: Circuit breakers only applies to Operating Fund?

A: Circuit breakers may impact any fund with a levy.

A: Debt funds are protected.

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Q: If there is an objection filed, how does the library find out about it?

A: IC 6-1.1-17-5 Time for meetings to set local budget, rate, and levy; taxpayer objections; information to be filed with the county auditor by civil taxing units; presentation of information to county board of tax adjustment; carryover of appropriations if budget, rate, and levy not set

Sec. 5. ...
(b) Ten (10) or more taxpayers may object to a budget, tax rate, or tax levy of a political subdivision fixed under subsection (a) by filing an objection petition with the proper officers of the political subdivision not more than seven (7) days after the hearing. The objection petition must specifically identify the provisions of the budget, tax rate, and tax levy to which the taxpayers object.
(c) If a petition is filed under subsection (b), the fiscal body of the political subdivision shall adopt with its budget a finding concerning the objections in the petition and any testimony presented at the adoption hearing.

Q: How is it determined who is subject to a binding review?

A: A Public Library is only subject to a binding review if it meets two criteria: One an appointed board. And two if your current total budget exceeds the previous year’s total budget plus the average growth quotient. If it exceeds then it is a binding approval process where an elected fiscal body approves the budget.