

STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



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TO: All Counties, Cities, Towns, and Public Libraries
FROM: Brian E. Bailey, Commissioner 
RE: Review and Adoption of Budgets and Levies of Certain Public Libraries
DATE: May 11, 2012

Introduction

On March 19, 2012, Governor Mitch Daniels signed into law House Enrolled Act 1072 ("HEA 1072"). Section 28 (effective July 1, 2012) adds IC 6-1.1-17-20.3 to govern the review and approval of the budgets, tax levies, and tax rates of certain public libraries.

Indiana Code 6-1.1-17-20.3 applies only to the governing body of a public library that:

- (1) is not comprised of a majority of officials who are elected to serve on the governing body; and
- (2) has a percentage increase in the proposed budget for the library for the ensuing calendar year that is more than the result of:
 - A) the assessed value growth quotient determined under IC 6-1.1-18.5-2 for the ensuing calendar year; minus
 - B) one.¹

Please note that an individual who qualifies to be appointed to a governing body or serves on a governing body because of the individual's status as an elected official of another taxing unit is treated as an official who was not elected to serve on the governing body.

Submission of Information to Fiscal Body

If the assessed valuation of a public library is entirely contained within a city or town or the assessed valuation of a public library is not entirely contained within a city or town but the public library was originally established by the city or town, the governing body must, before September 2, submit its proposed budget and property tax levy to the city or town fiscal body in the manner prescribed by the Department of Local Government Finance ("Department").

¹ Indiana Code 6-1.1-17-20.3 does not apply to an entity whose tax levies are subject to review and modification by a city-county legislative body under IC 36-3-6-9.

However, if more than 50% of the parcels of real property within the jurisdiction of the public library are located outside the city or town, the governing body must, before September 2 and in the manner prescribed by the Department, submit its proposed budget and property tax levy to the county fiscal body of the county where the public library has the most assessed valuation.

Review and Adoption by Fiscal Body

The fiscal body of the city, town, or county must review each budget and proposed tax levy and adopt a final budget and tax levy for the public library. The fiscal body may reduce or modify but not increase the proposed budget or tax levy. This review and adoption must be completed by the **November 1** adoption deadline prescribed by IC 6-1.1-17-5.

Failure to Timely Submit Information or Perform Review and Adoption

If a public library fails to timely file the required information with the appropriate fiscal body, the most recent annual appropriations and annual tax levy of that public library are continued for the ensuing budget year.

If the fiscal body fails to timely review and adopt a final budget and tax levy for a public library subject to IC 6-1.1-17-20.3, the most recent annual appropriations and annual tax levy of the city, town, or county, as applicable, are continued for the ensuing budget year.

Questions may be directed to Staff Attorney Mike Duffy at (317) 233-9219 or mduffy@dlgf.in.gov.