



April 2, 2019

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# ENGROSSED HOUSE BILL No. 1343

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DIGEST OF HB 1343 (Updated March 28, 2019 1:18 pm - DI 87)

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

**Synopsis:** Libraries. Allows a city, town, or county fiscal body to have binding review and approval of the budget of a public library located outside Marion County (even if the public library's proposed budget has not increased by a percentage exceeding the assessed value growth quotient requiring binding review and approval under current law) if any of the following apply: (1) The public library's proposed operating budget that is based on tax revenue (and excluding gifts, bequests, and philanthropic funds) exceeds the public library's certified operating budget from tax revenue (and excluding gifts, bequests, and philanthropic funds) in the immediately preceding budget year by more than 10%. (2) The public library's proposed property tax levy exceeds the public library's certified property tax levy in the immediately preceding year by more than 10%. (3) The public library's unallocated funds exceed 200% of the public library's proposed budget. Provides that the fiscal body may not reduce a public library's proposed budget or tax levy in a budget year by more than 10% of the public library's operating levy in the immediately preceding budget year.

**Effective:** July 1, 2019.

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## Leonard, Sullivan, Frye R

(SENATE SPONSORS — ZAY, TOMES, BOHACEK)

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January 14, 2019, read first time and referred to Committee on Local Government.  
February 14, 2019, amended, reported — Do Pass.  
February 18, 2019, read second time, amended, ordered engrossed.  
February 19, 2019, engrossed. Read third time, passed. Yeas 62, nays 34.

SENATE ACTION

March 4, 2019, read first time and referred to Committee on Local Government.  
April 1, 2019, amended, reported favorably — Do Pass.

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EH 1343—LS 7012/DI 120





April 2, 2019

First Regular Session of the 121st General Assembly (2019)

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 2018 Regular and Special Session of the General Assembly.

## ENGROSSED HOUSE BILL No. 1343

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A BILL FOR AN ACT to amend the Indiana Code concerning state and local administration.

*Be it enacted by the General Assembly of the State of Indiana:*

1 SECTION 1. IC 6-1.1-17-20.3, AS ADDED BY P.L.137-2012,  
2 SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2019]: Sec. 20.3. (a) **Except as provided in subsection (h)**,  
4 this section applies only to the governing body of a public library that:  
5 (1) is not comprised of a majority of officials who are elected to  
6 serve on the governing body; and  
7 (2) has a percentage increase in the proposed budget for the  
8 taxing unit for the ensuing calendar year that is more than the  
9 result of:  
10 (A) the assessed value growth quotient determined under  
11 IC 6-1.1-18.5-2 for the ensuing calendar year; minus  
12 (B) one (1).  
13 For purposes of this section, an individual who qualifies to be  
14 appointed to a governing body or serves on a governing body because  
15 of the individual's status as an elected official of another taxing unit  
16 shall be treated as an official who was not elected to serve on the  
17 governing body.

**EH 1343—LS 7012/DI 120**



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

4 (c) If:

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

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

10 the governing body shall submit its proposed budget and property tax  
 11 levy to the city or town fiscal body in the manner prescribed by the  
 12 department of local government finance before September 2 of a year.  
 13 However, the governing body shall submit its proposed budget and  
 14 property tax levy to the county fiscal body in the manner provided in  
 15 subsection (d), rather than to the city or town fiscal body, if more than  
 16 fifty percent (50%) of the parcels of real property within the  
 17 jurisdiction of the public library are located outside the city or town.

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

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

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

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

38 (h) **The fiscal body to which a public library described in**  
 39 **subsection (a)(1) would be required to submit its proposed budget**  
 40 **and property tax levy as set forth in subsection (c) or (d)**  
 41 **(whichever is applicable) if the public library had the percentage**  
 42 **increase described in subsection (a)(2) for the ensuing calendar**



1 year may adopt a resolution to require the public library in a year  
 2 in which its proposed budget does not otherwise have the  
 3 percentage increase described in subsection (a)(2) for the ensuing  
 4 calendar year to nevertheless submit its proposed budget and  
 5 property tax levy to the fiscal body as set forth in subsection (c) or  
 6 (d) (whichever is applicable) for binding review and approval as set  
 7 forth under this section if any of the following apply:

8 (1) The public library's proposed operating budget that is  
 9 based on tax revenue (and excluding gifts, bequests, and  
 10 philanthropic funds) exceeds the public library's certified  
 11 operating budget from tax revenue (and excluding gifts,  
 12 bequests, and philanthropic funds) in the immediately  
 13 preceding budget year by more than ten percent (10%).

14 (2) The public library's proposed property tax levy exceeds  
 15 the public library's certified property tax levy in the  
 16 immediately preceding year by more than ten percent (10%).

17 (3) The public library's unallocated funds exceed two hundred  
 18 percent (200%) of the public library's proposed budget.  
 19 Unallocated funds for purposes of this subdivision do not  
 20 include:

21 (A) gifts, bequests, and philanthropic funds;

22 (B) funds used for debt service obligations; or

23 (C) reserves for debt service.

24 A resolution may be adopted under this subsection on or before  
 25 September 1. A resolution adopted under this subsection remains  
 26 in full force and effect until repealed by the fiscal body. However,  
 27 the fiscal body of the city, town, or county may not reduce a public  
 28 library's proposed budget or tax levy in a budget year under this  
 29 subsection by more than ten percent (10%) of the public library's  
 30 operating levy in the immediately preceding budget year.

31 (i) Before a fiscal body may adopt a resolution under subsection  
 32 (h), the fiscal body must hold a public hearing on the proposed  
 33 resolution and provide the public with notice of the time and place  
 34 where the public hearing will be held. The notice required by this  
 35 subsection must be given in accordance with IC 5-3-1 and include  
 36 the proposed resolution. In addition to the notice required by this  
 37 subsection, the fiscal body shall also provide a copy of the notice to  
 38 all taxing units in the city, town, or county at least thirty (30) days  
 39 before the public hearing.

40 (j) A resolution adopted by a fiscal body under subsection (h)  
 41 shall be submitted to:

42 (1) the department of local government finance; and



1           **(2) the public library;**  
 2           **not later than five (5) days after the date the resolution is adopted.**

3           SECTION 2. IC 6-1.1-18-5, AS AMENDED BY P.L.184-2016,  
 4           SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 5           JULY 1, 2019]: Sec. 5. (a) If the proper officers of a political  
 6           subdivision desire to appropriate more money for a particular year than  
 7           the amount prescribed in the budget for that year as finally determined  
 8           under this article, they shall give notice of their proposed additional  
 9           appropriation. The notice shall state the time and place at which a  
 10          public hearing will be held on the proposal. The notice shall be given  
 11          once in accordance with IC 5-3-1-2(b).

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

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

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

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

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

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

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

38          (f) When the department of local government finance receives a  
 39          certified copy of a proposal for an additional appropriation under  
 40          subsection (e), the department shall determine whether sufficient funds  
 41          are available or will be available for the proposal. The determination  
 42          shall be made in writing and sent to the political subdivision not more



1 than fifteen (15) days after the department of local government finance  
2 receives the proposal.

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

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

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

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

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

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

21 (j) This subsection applies to an additional appropriation by a  
22 political subdivision that must have the political subdivision's annual  
23 appropriations and annual tax levy adopted by a city, town, or county  
24 fiscal body under IC 6-1.1-17-20 or IC 36-1-23 or by a legislative or  
25 fiscal body under IC 36-3-6-9. The fiscal or legislative body of the city,  
26 town, or county that adopted the political subdivision's annual  
27 appropriation and annual tax levy must adopt the additional  
28 appropriation by ordinance before the department of local government  
29 finance may approve the additional appropriation.

30 (k) This subsection applies to a public library that is not required to  
31 submit the public library's budgets, tax rates, and tax levies for binding  
32 review and approval under IC 6-1.1-17-20 or **IC 6-1.1-17-20.3(h)**. If  
33 a public library subject to this subsection proposes to make an  
34 additional appropriation for a year, and the additional appropriation  
35 would result in the budget for the library for that year increasing (as  
36 compared to the previous year) by a percentage that is greater than the  
37 result of the assessed value growth quotient determined under  
38 IC 6-1.1-18.5-2 for the calendar year minus one (1), the additional  
39 appropriation must first be approved by the city, town, or county fiscal  
40 body described in IC 6-1.1-17-20.3(c) or ~~IC 6-1.1-17-20(d)~~,  
41 **IC 6-1.1-17-20.3(d)**, as appropriate.



## COMMITTEE REPORT

Mr. Speaker: Your Committee on Local Government, to which was referred House Bill 1343, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, line 3, delete "This" and insert "**Except as provided in subsection (h), this**".

Page 1, line 4, after "that" insert ":".

Page 1, line 5, reset in roman "(1)".

Page 1, line 6, delete "body." and insert "body;"

Page 1, line 6, reset in roman "and".

Page 1, reset in roman lines 7 through 12.

Page 2, between lines 37 and 38, begin a new paragraph and insert:

**"(h) Notwithstanding subsection (a)(2), the fiscal body of a city, town, or county that established a public library the governing body of which is not comprised of a majority of officials who are elected to serve on the governing body may adopt a resolution to require the public library to submit its proposed budget and property tax levy to the city, town, or county fiscal body as set forth in subsection (c) or (d) (whichever is applicable) for binding review and approval as set forth under this section. A resolution may not be adopted under this subsection later than sixty (60) days before the date on which the governing body is required to submit its proposed budget and property tax levy under this section. A resolution adopted under this subsection remains in full force and effect until repealed by the fiscal body."**

Page 4, line 25, delete "IC 6-1.1-17-20." and insert "IC 6-1.1-17-20 or **IC 6-1.1-17-20.3(h)**".

Page 4, line 27, reset in roman "and the additional appropriation would result in the budget for the".

Page 4, reset in roman lines 28 through 30.

Page 4, line 31, reset in roman "one (1)".

and when so amended that said bill do pass.

(Reference is to HB 1343 as introduced.)

ZENT

Committee Vote: yeas 6, nays 5.

EH 1343—LS 7012/DI 120





## HOUSE MOTION

Mr. Speaker: I move that House Bill 1343 be amended to read as follows:

Page 3, line 3, after "section." insert **"However, the fiscal body of the city, town, or county may not reduce a public library's proposed operating budget in a budget year under this subsection by a greater percentage than the percentage reduction of any other taxing unit's operating budget over which the fiscal body of the city, town, or county has oversight for the budget year."**

(Reference is to HB 1343 as printed February 15, 2019.)

LEONARD

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 COMMITTEE REPORT

Madam President: The Senate Committee on Local Government, to which was referred House Bill No. 1343, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 2, delete lines 38 through 42, begin a new paragraph and insert:

**"(h) The fiscal body to which a public library described in subsection (a)(1) would be required to submit its proposed budget and property tax levy as set forth in subsection (c) or (d) (whichever is applicable) if the public library had the percentage increase described in subsection (a)(2) for the ensuing calendar year may adopt a resolution to require the public library in a year in which its proposed budget does not otherwise have the percentage increase described in subsection (a)(2) for the ensuing calendar year to nevertheless submit its proposed budget and property tax levy to the fiscal body as set forth in subsection (c) or (d) (whichever is applicable) for binding review and approval as set forth under this section if any of the following apply:**

- (1) The public library's proposed operating budget that is based on tax revenue (and excluding gifts, bequests, and philanthropic funds) exceeds the public library's certified operating budget from tax revenue (and excluding gifts, bequests, and philanthropic funds) in the immediately preceding budget year by more than ten percent (10%).**
- (2) The public library's proposed property tax levy exceeds**



the public library's certified property tax levy in the immediately preceding year by more than ten percent (10%).  
**(3) The public library's unallocated funds exceed two hundred percent (200%) of the public library's proposed budget. Unallocated funds for purposes of this subdivision do not include:**

- (A) gifts, bequests, and philanthropic funds;**
- (B) funds used for debt service obligations; or**
- (C) reserves for debt service.**

A resolution may be adopted under this subsection on or before September 1. A resolution adopted under this subsection remains in full force and effect until repealed by the fiscal body. However, the fiscal body of the city, town, or county may not reduce a public library's proposed budget or tax levy in a budget year under this subsection by more than ten percent (10%) of the public library's operating levy in the immediately preceding budget year.

**(i) Before a fiscal body may adopt a resolution under subsection (h), the fiscal body must hold a public hearing on the proposed resolution and provide the public with notice of the time and place where the public hearing will be held. The notice required by this subsection must be given in accordance with IC 5-3-1 and include the proposed resolution. In addition to the notice required by this subsection, the fiscal body shall also provide a copy of the notice to all taxing units in the city, town, or county at least thirty (30) days before the public hearing.**

**(j) A resolution adopted by a fiscal body under subsection (h) shall be submitted to:**

- (1) the department of local government finance; and**
- (2) the public library;**

**not later than five (5) days after the date the resolution is adopted."**

Page 3, delete lines 1 through 13.

and when so amended that said bill do pass.

(Reference is to HB 1343 as reprinted February 19, 2019.)

BUCK, Chairperson

Committee Vote: Yeas 5, Nays 4.

EH 1343—LS 7012/DI 120

