



January 31, 2020

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## SENATE BILL No. 410

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DIGEST OF SB 410 (Updated January 30, 2020 11:44 am - DI 87)

**Citations Affected:** IC 6-1.1; IC 10-13; IC 36-12.

**Synopsis:** Libraries. Makes changes to statutes applicable to the review of budgets of certain public libraries. Establishes a procedure for public libraries to identify the applicable city, town, or county fiscal body to receive a public library's proposed budget. Includes public libraries in the definition of "qualified entities" for purposes of criminal background checks. Requires, before December 31, 2020, a public library to adopt a policy regarding conducting criminal background checks for individuals who are more than 18 years of age and who: (1) apply to the public library for employment or volunteer work; or (2) are currently employed by or perform volunteer work for the public library. Provides that a library board may issue a local library card without charge or for a reduced fee to an individual who is not a resident of the library district and who is a child receiving foster care services.

**Effective:** July 1, 2020.

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**Glick, Zay, Rogers, Lanane, Tomes**

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January 14, 2020, read first time and referred to Committee on Local Government.  
January 30, 2020, amended, reported favorably — Do Pass.

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January 31, 2020

Second Regular Session of the 121st General Assembly (2020)

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 2019 Regular Session of the General Assembly.

## SENATE BILL No. 410

A BILL FOR AN ACT to amend the Indiana Code concerning local government.

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

1 SECTION 1. IC 6-1.1-17-20.3, AS AMENDED BY P.L.252-2019,  
2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2020]: Sec. 20.3. (a) Except as provided in section 20.4 of this  
4 chapter, this section applies only to the governing body of a public  
5 library that:  
6 (1) is not comprised of a majority of officials who are elected to  
7 serve on the governing body; and  
8 (2) has a percentage increase in the proposed budget for the  
9 taxing unit for the ensuing calendar year that is more than the  
10 result of:  
11 (A) the assessed value growth quotient determined under  
12 IC 6-1.1-18.5-2 for the ensuing calendar year; minus  
13 (B) one (1).  
14 For purposes of this section, an individual who qualifies to be  
15 appointed to a governing body or serves on a governing body because  
16 of the individual's status as an elected official of another taxing unit  
17 shall be treated as an official who was not elected to serve on the

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1 governing body.

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

5 (c) If:

6 (1) the assessed valuation of a public ~~library~~ **library's territory**  
7 is entirely contained within a city or town; or

8 (2) the assessed valuation of a public ~~library~~ **library's territory**  
9 is not entirely contained within a city or town but **more than fifty**  
10 **percent (50%) of the assessed valuation of the public library**  
11 **was originally established by the city or town; library's territory**  
12 **is contained within the city or town;**

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

21 (d) If subsection (c) does not apply **or the public library's**  
22 **territory covers more than one (1) county**, the governing body of the  
23 public library shall submit its proposed budget and property tax levy to  
24 the county fiscal body in the county where the public library has the  
25 most assessed valuation. The proposed budget and levy shall be  
26 submitted to the county fiscal body in the manner prescribed by the  
27 department of local government finance before September 2 of a year.

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

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

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

42 SECTION 2. IC 6-1.1-17-20.4, AS ADDED BY P.L.252-2019,

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1 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 2 JULY 1, 2020]: Sec. 20.4. (a) This section applies only if a public  
 3 library's cash on hand plus its expected revenues on December 31, as  
 4 reported in the public library's annual report under IC 5-11-1-4,  
 5 the cash balance of all funds of the public library derived from tax  
 6 revenue is greater than one hundred fifty percent (150%) of the public  
 7 library's proposed certified budget for the ensuing year.

8 (b) As used in this section, "cash on hand" refers to the public  
 9 library's cash and investments balance in nondebt funds as of the date  
 10 the public library proposes a budget for the following budget year. The  
 11 term does not include cash derived from gifts, bequests, or  
 12 philanthropic funds.

13 (c) As used in this section, "expected revenues" refers to the total of  
 14 a public library's expected revenues in the public library's nondebt  
 15 funds in the following budget year.

16 (d) ~~(b)~~ Notwithstanding If section 20.3(a)(2) of this chapter does  
 17 not apply, the fiscal body of a city, town, or county that established a  
 18 public library described in section 20.3(a)(1) of this chapter may adopt  
 19 a resolution to require the public library to submit its proposed budget  
 20 and property tax levy to the city, town, or county fiscal body as set forth  
 21 in section 20.3(c) or 20.3(d) of this chapter (whichever is applicable)  
 22 for binding review and approval as set forth under section 20.3 of this  
 23 chapter. However, the fiscal body of the city, town, or county may not  
 24 reduce a public library's proposed budget or tax levy in a budget year  
 25 under this section by more than ten percent (10%) of the public  
 26 library's operating levy in the immediately preceding budget year.

27 (e) (c) A resolution may be adopted under this section not later than  
 28 July 1. A resolution adopted under this section remains in full force and  
 29 effect until repealed by the fiscal body: **the December 31 cash balance  
 30 of all funds of the public library derived from tax revenue, as  
 31 reported in the public library's annual report under IC 5-11-1-4,  
 32 no longer exceed one hundred fifty percent (150%) of the public  
 33 library's certified budget for the ensuing year.**

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



1            ~~(g)~~ **(e)** A resolution adopted by a fiscal body under this section shall  
2 be submitted to:

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

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

6            SECTION 3. IC 6-1.1-17-20.6 IS ADDED TO THE INDIANA  
7 CODE AS A NEW SECTION TO READ AS FOLLOWS  
8 [EFFECTIVE JULY 1, 2020]: **Sec. 20.6. (a) Each public library shall**  
9 **identify the applicable city, town, or county fiscal body that**  
10 **receives a public library's proposed budget as provided in section**  
11 **20.3(c) or 20.3(d) of this chapter.**

12            **(b) Not later than October 1, 2020, a public library shall report**  
13 **the applicable city, town, or county fiscal body identified under**  
14 **subsection (a) to the Indiana state library. The report submitted to**  
15 **the state library must contain:**

- 16            (1) the name of the public library;  
17            (2) the appropriate fiscal body of a city, town, or county to  
18            review a library budget under section 20.3(c) or 20.3(d) of this  
19            chapter; and  
20            (3) after adoption by the respective board, the signatures of  
21            the public library board president and the appropriate fiscal  
22            body president.

23            **The Indiana state library shall provide the information submitted**  
24 **to the Indiana state library under this subsection to the department**  
25 **of local government finance by not later than November 1, 2020.**

26            **(c) If a fiscal body, other than the fiscal body identified by the**  
27 **public library under subsection (a), objects to the public library's**  
28 **determination under subsection (a), the objecting fiscal body may**  
29 **submit a formal objection to:**

- 30            (1) the Indiana state library;  
31            (2) the public library; and  
32            (3) the fiscal body identified under subsection (a) by the public  
33            library.

34            **(d) If a public library:**

- 35            (1) is unable to identify the applicable fiscal body under  
36            subsection (a);  
37            (2) does not complete the reporting requirements established  
38            in subsection (b); or  
39            (3) has a formal objection filed under subsection (c) against  
40            the public library's fiscal body designation under subsection  
41            (a);

42            **the public library shall file an original action seeking a declaratory**



1 judgment in a court with jurisdiction to identify the appropriate  
 2 fiscal body. The public library shall file a copy of the declaratory  
 3 judgment with the Indiana state library within thirty (30) days of  
 4 the court's entry of judgment.

5 (e) The Indiana state library shall provide the information  
 6 submitted to the Indiana state library under subsection (b) to the  
 7 department of local government finance by not later than  
 8 November 1, 2020.

9 (f) If there is a change in the territory of the public library:

10 (1) the public library shall submit a report under subsection

11 (b) to the Indiana state library not later than October 1; and

12 (2) the Indiana state library shall report the information  
 13 under subsection (b) to the department of local government

14 finance not later than November 1;

15 in the year the change in territory becomes effective. Subsections  
 16 (c) and (d) apply to the public library and to any fiscal body that  
 17 objects to the public library's designation under subsection (a).

18 SECTION 4. IC 10-13-3-16, AS AMENDED BY P.L.197-2007,  
 19 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 20 JULY 1, 2020]: Sec. 16. (a) As used in this chapter, "qualified entity"  
 21 means a business or an organization, whether public, private, for-profit,  
 22 nonprofit, or voluntary, that provides care or care placement services.

23 (b) The term includes the following:

24 (1) A business or an organization that licenses or certifies others  
 25 to provide care or care placement services.

26 (2) A home health agency licensed under IC 16-27-1.

27 (3) A personal services agency licensed under IC 16-27-4.

28 (4) A public library (as defined in IC 36-12-1-5).

29 SECTION 5. IC 36-12-1-14 IS ADDED TO THE INDIANA CODE  
 30 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
 31 1, 2020]: Sec. 14. A public library shall adopt a policy, not later  
 32 than December 31, 2020, regarding conducting criminal history  
 33 checks for individuals who are more than eighteen (18) years of age  
 34 and who:

35 (1) apply to the public library for employment or volunteer  
 36 work; or

37 (2) are employed by the public library or perform volunteer  
 38 work for the public library.

39 SECTION 6. IC 36-12-2-25, AS AMENDED BY P.L.42-2018,  
 40 SECTION 32, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 41 JULY 1, 2020]: Sec. 25. (a) The residents or real property taxpayers of  
 42 the library district taxed for the support of the library may use the



1 facilities and services of the public library without charge for library or  
2 related purposes. However, the library board may:

- 3 (1) fix and collect fees and rental charges; and  
4 (2) assess fines, penalties, and damages for the:  
5 (A) loss of;  
6 (B) damage to; or  
7 (C) failure to return;

8 any library property or material.

9 (b) A library board may issue local library cards to:

- 10 (1) residents and real property taxpayers of the library district;  
11 and  
12 (2) individuals who are not residents of the library district.

13 (c) Except as provided in subsection (e), a library board must set  
14 and charge a fee for a local library card issued under subsection (b)(2).

15 (d) The minimum fee that the board may set under subsection (c) is  
16 the greater of the following:

- 17 (1) The library district's operating fund expenditure per capita in  
18 the most recent year for which that information is available in the  
19 Indiana state library's annual "Statistics of Indiana Libraries".  
20 (2) Twenty-five dollars (\$25).

21 (e) A library board may issue a local library card without charge or  
22 for a reduced fee to an individual who is not a resident of the library  
23 district and who is:

- 24 (1) a student enrolled in or a teacher in a public school  
25 corporation or nonpublic school:  
26 (A) that is located at least in part in the library district; and  
27 (B) in which students in any grade from preschool through  
28 grade 12 are educated;

29 **(2) a child receiving foster care services;**

30 ~~(3)~~ **(3)** a library employee of the district; or

31 ~~(4)~~ **(4)** a student enrolled in a college or university that is located  
32 at least in part of the library district;

33 if the board adopts a resolution that is approved by an affirmative vote  
34 of a majority of the members appointed to the library board.

35 (f) A library card issued under subsection (b)(2) or (e) may be valid  
36 for a maximum of one (1) year after issuance. A card issued under  
37 subsection (b)(2) that is valid for less than one (1) year must be sold at  
38 a fee prorated to the equivalent of the annual fee prescribed under  
39 subsection (d).

40 SECTION 7. IC 36-12-7-3, AS AMENDED BY P.L.42-2018,  
41 SECTION 46, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
42 JULY 1, 2020]: Sec. 3. (a) The residents or real property taxpayers of

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1 the library district taxed for the support of the library may use the  
 2 facilities and services of the public library without charge for library or  
 3 related purposes. However, the library board may:

- 4 (1) fix and collect fees and rental charges; and  
 5 (2) assess fines, penalties, and damages for the:  
 6 (A) loss of;  
 7 (B) damage to; or  
 8 (C) failure to return;  
 9 any library property or material.

10 (b) A library board may issue local library cards to:

- 11 (1) residents and real property taxpayers of the library district;  
 12 and  
 13 (2) individuals who are not residents of the library district.

14 (c) Except as provided in subsection (d), a library board must set  
 15 and charge a fee for a local library card issued under subsection (b)(2).  
 16 The minimum fee that the board may set under this subsection is the  
 17 greater of the following:

- 18 (1) The library district's operating fund expenditure per capita in  
 19 the most recent year for which that information is available in the  
 20 Indiana state library's annual "Statistics of Indiana Libraries".  
 21 (2) Twenty-five dollars (\$25).

22 (d) A library board may issue a local library card without charge or  
 23 for a reduced fee to an individual who is not a resident of the library  
 24 district and who is:

- 25 (1) a student enrolled in or a teacher in a public school  
 26 corporation or nonpublic school:  
 27 (A) that is located at least in part in the library district; and  
 28 (B) in which students in any grade preschool through grade 12  
 29 are educated;

30 **(2) a child receiving foster care services;**

31 ~~(3)~~ **(3)** a library employee of the district; or

32 ~~(4)~~ **(4)** a student enrolled in a college or university that is located  
 33 in the library district;

34 if the board adopts a resolution that is approved by an affirmative vote  
 35 of a majority of the members appointed to the library board.

36 (e) A library card issued under subsection (b)(2) or (d) expires one  
 37 (1) year after issuance of the card.



## COMMITTEE REPORT

Madam President: The Senate Committee on Local Government, to which was referred Senate Bill No. 410, 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 line 42, begin a new paragraph and insert:

"SECTION 2. IC 6-1.1-17-20.4, AS ADDED BY P.L.252-2019, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2020]: Sec. 20.4. (a) This section applies only if a **public library's cash on hand plus its expected revenues on December 31, as reported in the public library's annual report under IC 5-11-1-4, the cash balance of all funds of the public library derived from tax revenue** is greater than one hundred fifty percent (150%) of the public library's proposed **certified budget for the ensuing year.**

(b) As used in this section, "cash on hand" refers to the public library's cash and investments balance in nondebt funds as of the date the public library proposes a budget for the following budget year. The term does not include cash derived from gifts, bequests, or philanthropic funds.

(c) As used in this section, "expected revenues" refers to the total of a public library's expected revenues in the public library's nondebt funds in the following budget year.

(d) **Notwithstanding** If section 20.3(a)(2) of this chapter **does not apply**, the fiscal body of a city, town, or county ~~that established a public library described in section 20.3(a)(1) of this chapter~~ 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 section 20.3(c) or 20.3(d) of this chapter (whichever is applicable) for binding review and approval as set forth under section 20.3 of this chapter. 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 section by more than ten percent (10%) of the public library's operating levy in the immediately preceding budget year.

(e) (c) A resolution may be adopted under this section not later than July 1. A resolution adopted under this section remains in full force and effect until ~~repealed by the fiscal body:~~ **the December 31 cash balance of all funds of the public library derived from tax revenue, as reported in the public library's annual report under IC 5-11-1-4, no longer exceed one hundred fifty percent (150%) of the public library's certified budget for the ensuing year.**

(f) (d) Before a fiscal body may adopt a resolution under this



section, 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.

~~(g)~~ **(e)** A resolution adopted by a fiscal body under this section 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."

Delete page 3.

Page 4, delete line 1.

Page 4, line 8, delete "(b) The" and insert "**(b) Not later than October 1, 2020, a**".

Page 4, line 10, delete "not later than October 1 of a year." and insert ".".

Page 4, between lines 18 and 19, begin a new line blocked left and insert:

**"The Indiana state library shall provide the information submitted to the Indiana state library under this subsection to the department of local government finance by not later than November 1, 2020."**

Page 5, delete line 1 and insert "**November 1, 2020**".

Page 5, delete lines 2 through 5, begin a new paragraph and insert:

**"(f) If there is a change in the territory of the public library:**

- (1) the public library shall submit a report under subsection (b) to the Indiana state library not later than October 1; and**
- (2) the Indiana state library shall report the information under subsection (b) to the department of local government finance not later than November 1;**

**in the year the change in territory becomes effective. Subsections (c) and (d) apply to the public library and to any fiscal body that objects to the public library's designation under subsection (a)."**

and when so amended that said bill do pass.

(Reference is to SB 410 as introduced.)

BUCK, Chairperson

Committee Vote: Yeas 10, Nays 0.

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