SENATE BILL No. 8

AM000802 has been incorporated into introduced printing.

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Synopsis: Library budgets.

Second Regular Session of the 124th General Assembly (2026)

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 2025 Regular Session of the General Assembly.

SENATE BILL No. 8

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

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

1   SECTION 1. IC 6-1.1-17-20, AS AMENDED BY P.L.230-2025,
2 SECTION 43, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2026]: Sec. 20. (a) This section applies to each governing
4 body of a taxing unit that is not comprised of a majority of officials
5 who are elected to serve on the governing body. For purposes of this
6 section, an individual who qualifies to be appointed to a governing
7 body or serves on a governing body because of the individual's status
8 as an elected official of another taxing unit shall be treated as an
9 official who was not elected to serve on the governing body.
10   (b) As used in this section, "taxing unit" has the meaning set forth
11 in IC 6-1.1-1-21, except that the term does not include a public library
12 or an entity whose tax levies are subject to review and modification by
13 a city-county legislative body under IC 36-3-6-9.
14   (c) If:
15   (1) the assessed valuation of a taxing unit is entirely contained

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1   within a city or town; or

2   (2) the assessed valuation of a taxing unit is not entirely

3   contained within a city or town but:

4   (A) the taxing unit was originally established by the city or

5   town; or

6   (B) the majority of the individuals serving on the governing

7   body of the taxing unit are appointed by the city or town;

8   the governing body shall submit its proposed budget and property tax

9   levy to the city or town fiscal body. The proposed budget and levy shall

10   be submitted to the city or town fiscal body in the manner prescribed

11   by the department of local government finance before September 2 of

12   a year.

13   (d) If subsection (c) does not apply, the governing body of the

14   taxing unit shall submit its proposed budget and property tax levy to the

15   county fiscal body in the county where the taxing unit has the most

16   assessed valuation. The proposed budget and levy shall be submitted

17   to the county fiscal body in the manner prescribed by the department

18   of local government finance before September 2 of a year.

19   (e) The fiscal body of the city, town, or county (whichever applies)

20   shall review each budget and proposed tax levy and adopt a final

21   budget and tax levy for the taxing unit. The fiscal body may reduce or

22   modify but not increase the proposed budget or tax levy.

23   (f) If a taxing unit fails to file the information required in

24   subsection (c) or (d), whichever applies, with the appropriate fiscal

25   body by the time prescribed by this section, when calculating the

26   maximum ad valorem property tax levy under IC 6-1.1-18.5-3(a) for

27   the taxing unit for the ensuing budget year, instead of multiplying the

28   maximum levy growth quotient determined under IC 6-1.1-18.5-2(b)

29   or IC 6-1.1-18.5-2(e) (as applicable) for the year by the taxing unit's

30   maximum permissible ad valorem property tax levy for the preceding

31   calendar year as prescribed in STEP TWO of IC 6-1.1-18.5-3(a), for

32   purposes of STEP TWO of IC 6-1.1-18.5-3(a), the taxing unit's

33   maximum permissible ad valorem property tax levy for the preceding

34   calendar year must instead be multiplied by the result of the following:

35   STEP ONE: Determine:

36   (A) the result of STEP FOUR of IC 6-1.1-18.5-2(b) or STEP

37   FIVE of IC 6-1.1-18.5-2(e) (as applicable); minus

38   (B) one (1).

39   STEP TWO: Multiply:

40   (A) the STEP ONE result; by

41   (B) eight-tenths (0.8).

1   STEP THREE: Add one (1) to the STEP TWO result.
2 However, if the taxing unit files the information as required in
3 subsection (c) or (d), whichever applies, for the budget year
4 immediately following the budget year for which the formula under this
5 subsection is applied, when calculating the maximum ad valorem
6 property tax levy under IC 6-1.1-18.5-3(a) for the taxing unit for the
7 subsequent budget year, the taxing unit's maximum permissible ad
8 valorem property tax levy must be calculated as if the formula under
9 this subsection had not been applied for the affected budget year.
10   (g) If the appropriate fiscal body fails to complete the requirements
11 of subsection (e) before the adoption deadline in section 5 of this
12 chapter for any taxing unit subject to this section, when calculating the
13 maximum ad valorem property tax levy under IC 6-1.1-18.5-3(a) for
14 the city, town, or county for the ensuing budget year, instead of
15 multiplying the maximum levy growth quotient determined under
16 IC 6-1.1-18.5-2(b) or IC 6-1.1-18.5-2(e) (as applicable) for the year by
17 the city's, town's, or county's maximum permissible ad valorem
18 property tax levy for the preceding calendar year as prescribed in STEP
19 TWO of IC 6-1.1-18.5-3(a), for purposes of STEP TWO of
20 IC 6-1.1-18.5-3(a), the city's, town's, or county's maximum permissible
21 ad valorem property tax levy for the preceding calendar year must
22 instead be multiplied by the result of the following:
23   STEP ONE: Determine:
24   (A) the result of STEP FOUR of IC 6-1.1-18.5-2(b) or STEP
25   FIVE of IC 6-1.1-18.5-2(e) (as applicable); minus
26   (B) one (1).
27   STEP TWO: Multiply:
28   (A) the STEP ONE result; by
29   (B) eight-tenths (0.8).
30   STEP THREE: Add one (1) to the STEP TWO result.
31 However, if the city, town, or county files the information as required
32 in subsection (e) for the budget year immediately following the budget
33 year for which the formula under this subsection is applied, when
34 calculating the maximum ad valorem property tax levy under
35 IC 6-1.1-18.5-3(a) for the city, town, or county for the subsequent
36 budget year, the unit's maximum permissible ad valorem property tax
37 levy must be calculated as if the formula under this subsection had not
38 been applied for the affected budget year.
39   SECTION 2. IC 6-1.1-17-20.3, AS AMENDED BY P.L.230-2025,
40 SECTION 44, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
41 JULY 1, 2026]: Sec. 20.3. (a) Except as provided in section 20.4 of this

1   chapter, this section applies only to the governing body of a public
2   library that:
3   (1) is not comprised of a majority of officials who are elected to
4   serve on the governing body; and
5   (2) has a percentage increase in the proposed budget for the
6   taxing unit for the ensuing calendar year that is ~~more than the~~
7   ~~result~~ **equal to or more than fifty percent (50%)** of
8   ~~(A)~~ the maximum levy growth quotient determined under
9   IC 6-1.1-18.5-2 for the ensuing calendar year, rounded to
10   the nearest thousandth (0.001). ~~minus~~
11   ~~(B) one (1).~~
12   For purposes of this section, an individual who qualifies to be
13   appointed to a governing body or serves on a governing body because
14   of the individual's status as an elected official of another taxing unit
15   shall be treated as an official who was not elected to serve on the
16   governing body.
17   (b) This section does not apply to an entity whose tax levies are
18   subject to review and modification by a city-county legislative body
19   under IC 36-3-6-9.
20   (c) If:
21   (1) the assessed valuation of a public library's territory is entirely
22   contained within a city or town; or
23   (2) the assessed valuation of a public library's territory is not
24   entirely contained within a city or town but more than fifty
25   percent (50%) of the assessed valuation of the public library's
26   territory is contained within the city or town;
27   the governing body shall submit its proposed budget and property tax
28   levy to the city or town fiscal body in the manner prescribed by the
29   department of local government finance before September 2 of a year.
30   However, the governing body shall submit its proposed budget and
31   property tax levy to the county fiscal body in the manner provided in
32   subsection (d), rather than to the city or town fiscal body, if more than
33   fifty percent (50%) of the parcels of real property within the
34   jurisdiction of the public library are located outside the city or town.
35   (d) If subsection (c) does not apply or the public library's territory
36   covers more than one (1) county, the governing body of the public
37   library shall submit its proposed budget and property tax levy to the
38   county fiscal body in the county where the public library has the most
39   assessed valuation. The proposed budget and levy shall be submitted
40   to the county fiscal body in the manner prescribed by the department
41   of local government finance before September 2 of a year.

1   (e) The fiscal body of the city, town, or county (whichever applies)
2 shall review each budget and proposed tax levy and adopt a final
3 budget and tax levy for the public library. The fiscal body may reduce
4 or modify but not increase the proposed budget or tax levy.
5   (f) If a public library fails to file the information required in
6 subsection (c) or (d), whichever applies, with the appropriate fiscal
7 body by the time prescribed by this section, when calculating the
8 maximum ad valorem property tax levy under IC 6-1.1-18.5-3(a) for
9 the public library for the ensuing budget year, instead of multiplying
10 the maximum levy growth quotient determined under
11 IC 6-1.1-18.5-2(b) or IC 6-1.1-18.5-2(e) (as applicable) for the year by
12 the public library's maximum permissible ad valorem property tax levy
13 for the preceding calendar year as prescribed in STEP TWO of
14 IC 6-1.1-18.5-3(a), for purposes of STEP TWO of IC 6-1.1-18.5-3(a),
15 the public library's maximum permissible ad valorem property tax levy
16 for the preceding calendar year must instead be multiplied by the result
17 of the following:
18   STEP ONE: Determine:
19   (A) the result of STEP FOUR of IC 6-1.1-18.5-2(b) or STEP
20   FIVE of IC 6-1.1-18.5-2(e) (as applicable); minus
21   (B) one (1).
22   STEP TWO: Multiply:
23   (A) the STEP ONE result; by
24   (B) eight-tenths (0.8).
25   STEP THREE: Add one (1) to the STEP TWO result.
26 However, if the public library files the information as required in
27 subsection (c) or (d), whichever applies, for the budget year
28 immediately following the budget year for which the formula under this
29 subsection is applied, when calculating the maximum ad valorem
30 property tax levy under IC 6-1.1-18.5-3(a) for the public library for the
31 subsequent budget year, the public library's maximum permissible ad
32 valorem property tax levy must be calculated as if the formula under
33 this subsection had not been applied for the affected budget year.
34   (g) If the appropriate fiscal body fails to complete the requirements
35 of subsection (e) before the adoption deadline in section 5 of this
36 chapter for any public library subject to this section, when calculating
37 the maximum ad valorem property tax levy under IC 6-1.1-18.5-3(a)
38 for the city, town, or county for the ensuing budget year, instead of
39 multiplying the maximum levy growth quotient determined under
40 IC 6-1.1-18.5-2(b) or IC 6-1.1-18.5-2(e) (as applicable) for the year by
41 the city's, town's, or county's maximum permissible ad valorem

1 property tax levy for the preceding calendar year as prescribed in STEP
2 TWO of IC 6-1.1-18.5-3(a), for purposes of STEP TWO of
3 IC 6-1.1-18.5-3(a), the city's, town's, or county's maximum permissible
4 ad valorem property tax levy for the preceding calendar year must
5 instead be multiplied by the result of the following:
6   STEP ONE: Determine:
7   (A) the result of STEP FOUR of IC 6-1.1-18.5-2(b) or STEP
8   FIVE of IC 6-1.1-18.5-2(e) (as applicable); minus
9   (B) one (1).
10   STEP TWO: Multiply:
11   (A) the STEP ONE result; by
12   (B) eight-tenths (0.8).
13   STEP THREE: Add one (1) to the STEP TWO result.
14 However, if the city, town, or county files the information as required
15 in subsection (e) for the budget year immediately following the budget
16 year for which the formula under this subsection is applied, when
17 calculating the maximum ad valorem property tax levy under
18 IC 6-1.1-18.5-3(a) for the city, town, or county for the subsequent
19 budget year, the unit's maximum permissible ad valorem property tax
20 levy must be calculated as if the formula under this subsection had not
21 been applied for the affected budget year.

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