

Public Mandates and Priorities

PMAP - 4: Increasing Fiscal Oversight

Recommendation #19 of the Indiana Commission on Local Government Reform in their final report entitled *Streamlining of Local Government* requires that the budgets and bonds of library and other special districts be approved by the fiscal body of the municipal or county government containing the greatest proportion of assessed value in the unit seeking approval.

IC 6-1.1-17-20.3 states that if a civil taxing unit imposes property taxes due and payable in the ensuing calendar year, the civil taxing unit shall file with the fiscal body of the county in which the civil taxing unit is located a statement of the proposed or estimated tax rate and a copy of the unit's proposed budget for the ensuing year. The county fiscal body will review any tax rate, levy, and proposed budget and issue a nonbinding recommendation to the civil taxing unit comparing the budget levy increases to growth in the state and county personal income.

IC 6-1.1-17-20.3 legislates fiscal oversight of any effort by a Library Board to issue bonds or enter into a lease payable in whole or part from property taxes. It modifies the minimum cost for a controlled project from at least \$2M to the lesser of \$2M or 1% of the gross assessed valuation for the taxing unit. Once approval of the fiscal body is obtained the bond issuance is then subject to the petition and remonstrance process as defined in the current code if the total cost for the project is the lesser of \$12M or 1% of the assessed valuation. The project is subject to referendum if the total cost of the project is greater than the lesser of \$12M or 1% of the assessed valuation. For civil units with non-elected Boards, non-binding fiscal review became effective July 1, 2008.

Implications for JCPL

- Beginning June 30, 2008 JCPL became subject to fiscal review of all budgets and any issuance of any bonds or lease payment agreements.
- JCPL will need to monitor legislative developments to ensure that the code citation which clarifies the fiscal body is the County Council (and not the City of Franklin) for both bonds and the annual budgets remains constant.
- JCPL senior staff and board members should maintain ongoing communication and education with city and county fiscal bodies to ensure all parties understand the fiscal process.

- Administration and Finance will have to make sure that the presentations for budgets are done with more illustrations and in-depth support documentation.