

IC 36-12-3

Chapter 3. Powers and Duties of Class 1 Public Libraries

IC 36-12-3-1

Application of chapter

Sec. 1. This chapter applies only to Class 1 public libraries.
As added by P.L.1-2005, SEC.49.

IC 36-12-3-2

Board compliance with and participation in statewide library card program; reciprocal borrowing agreement

Sec. 2. The library board shall comply with and participate in the statewide library card program described in IC 4-23-7.1-5.1. However, the library board may enter into a reciprocal borrowing agreement with another library board under section 7 of this chapter or IC 36-1-7 to:

- (1) provide to; or
- (2) receive from;

the other library board library service.

As added by P.L.1-2005, SEC.49.

IC 36-12-3-3

Authority of library board

Sec. 3. The library board shall govern and set policy for all the affairs of the public library. The library board may:

- (1) make rules for the discharge of the library board's responsibilities; and
- (2) manage and insure all real and personal property belonging to the public library.

As added by P.L.1-2005, SEC.49.

IC 36-12-3-4

Establishment of libraries, branches, or stations; museum

Sec. 4. (a) The library board may establish a sufficient number of:

- (1) libraries;
- (2) branch libraries; or
- (3) stations;

that are conveniently located to serve the residents of the library district within the resources available.

(b) The library board may provide suitable rooms, structures, facilities, furniture, apparatus, and other articles necessary for the thorough organization and efficient management of the libraries.

(c) The library board may provide for the establishment and operation of a museum to serve the residents of the library district.

As added by P.L.1-2005, SEC.49.

IC 36-12-3-5

Real or personal property; acquisition; disposal

Sec. 5. (a) The library board may:

- (1) acquire real or personal property by purchase, devise, lease,

condemnation, or otherwise; and

(2) own any real or personal property for purposes of the public library.

(b) The library board may:

(1) sell;

(2) exchange; or

(3) otherwise dispose of;

real and personal property no longer needed for library purposes in accordance with IC 36-1-11 and IC 5-22.

(c) The library board may transfer personal property no longer needed for library purposes for no compensation or a nominal fee to an Indiana nonprofit library organization that is:

(1) tax exempt; and

(2) organized and operated for the exclusive benefit of the library disposing of the property;

without complying with IC 36-1-11 or IC 5-22.

(d) The library board may:

(1) accept gifts of real or personal property; and

(2) hold, mortgage, lease, or sell the property as directed by the terms of the grant, gift, bequest, or devise;

when the action is in the interest of the public library.

As added by P.L.1-2005, SEC.49. Amended by P.L.84-2012, SEC.23.

IC 36-12-3-6

Purchase and loan of books; dissemination of information

Sec. 6. The library board may provide for the:

(1) purchase and loan of books and other media of communication; and

(2) dissemination of information to the residents of the library district in any manner.

As added by P.L.1-2005, SEC.49.

IC 36-12-3-7

Contracts for library service; tax levy

Sec. 7. (a) A library board may contract to provide or receive library service from the following municipal corporations:

(1) Another public library.

(2) Any unit.

(b) A contract for library service between a public library and another municipal corporation must outline the:

(1) manner and extent of library service; and

(2) amount of compensation for the extension of library service.

(c) This subsection does not apply to municipal corporations described in section 8 of this chapter. A municipal corporation receiving library service shall:

(1) levy a tax sufficient to meet the amount of compensation agreed upon under the contract; and

(2) expend all funds received under a contract for library services chargeable to the contract.

As added by P.L.1-2005, SEC.49.

IC 36-12-3-8

Municipal corporations in certain counties; contracts for library services; tax levy or revenue from other tax

Sec. 8. (a) This section applies to municipal corporations located in a county having a population of more than thirty-five thousand (35,000) but less than thirty-seven thousand (37,000).

(b) A municipal corporation receiving library service under section 7 of this chapter shall:

- (1) levy a tax sufficient to meet the amount of compensation agreed on under the contract; or
- (2) make the contract payments with revenue derived from a tax being imposed before the contract is approved by the municipal corporation, including the part of local income tax revenue that is not required to be dedicated to providing property tax relief.

(c) A library board providing service shall expend all funds received under a contract for library services chargeable to the contract.

As added by P.L.1-2005, SEC.49. Amended by P.L.119-2012, SEC.250.

IC 36-12-3-9

Bonds; issuance; procedure; liability for indebtedness; tax exemption

Sec. 9. (a) A library board may, by resolution, issue bonds for one (1) or more of the following purposes:

- (1) The acquisition or improvement of library sites.
- (2) The acquisition, construction, extension, alteration, or improvement of structures and equipment necessary for the proper operation of a library.
- (3) To refund outstanding bonds and matured interest coupons and to issue and sell refunding bonds for that purpose.

(b) The library board shall advertise and sell bonds in compliance with IC 5-1-11 at any interest rate. The bonds are payable at the time the board fixes in the authorizing resolution, but all bonds must be payable within a period of not more than twenty (20) years from the date the bonds are issued.

(c) Bonds issued under this section do not constitute a corporate obligation or indebtedness of any other political subdivision. Bonds issued under this section constitute an indebtedness of the library district only. Bonds issued under this chapter, and the interest, are tax exempt. The board shall apply the proceeds from the sale of bonds only:

- (1) for the purpose for which the bonds were issued; and
- (2) to the extent necessary.

Any remaining balance shall be placed in a sinking fund for the payment of the bonds and the interest on the bonds.

As added by P.L.1-2005, SEC.49.

IC 36-12-3-10

Finances; powers

Sec. 10. The library board may do the following:

(1) Adopt a resolution to make loans or issue notes to refund the loans in anticipation of revenues of the library that are expected to be levied and collected during the term of the loans. The term of a loan made under this subdivision may not be more than five (5) years. Loans under this subdivision must be made in the following manner:

(A) The resolution authorizing the loans must appropriate and pledge to payment of the loans a sufficient amount of the revenues in anticipation of which the loans are issued and out of which the loans are payable.

(B) The loans must be evidenced by warrants or tax anticipation notes of the library in terms designating:

(i) the nature of the consideration;

(ii) the time and place payable; and

(iii) the revenues in anticipation of which the loans are issued and out of which the loans are payable.

(2) Borrow money from other persons.

(3) Issue, negotiate, and sell negotiable notes and bonds of the public library.

(4) Levy, assess, and collect, at the same time and in the same manner as other taxes of the public library are levied, assessed, and collected, a special tax in addition to the tax authorized by section 12 of this chapter, sufficient to pay all yearly interest on the bonded and note indebtedness of the public library.

(5) Provide a sinking fund for the liquidation of the principal of the bond when the principal of the bond becomes due.

As added by P.L.1-2005, SEC.49.

IC 36-12-3-11

Certain funds; establishment

Sec. 11. (a) A library board shall establish funds to keep money and securities of the public library as follows:

(1) All money collected from tax levies, interest on investments, fees, fines, rentals, and other revenues:

(A) shall be deposited into the library operating fund, except as otherwise provided in this section; and

(B) must be budgeted and expended in the manner required by law.

(2) All money received from the sale of bonds or other evidences of indebtedness for the purpose of construction, reconstruction, or alteration of library buildings, except the premium and accrued interest on the bonds, shall be deposited into the construction fund. The money shall be appropriated and expended solely for the purpose for which the indebtedness is created.

(3) All money derived from the taxes levied for the purpose of retiring bonds or other evidence of indebtedness, and any premium or accrued interest that may be received, shall be deposited into the bond and interest redemption fund. The fund

shall be used for no other purpose than the repayment of indebtedness.

(4) Money or securities may be accumulated in any library improvement reserve fund to anticipate necessary future capital expenditures, such as:

- (A) the purchase of land;
- (B) the purchase and construction of buildings or structures;
- (C) the construction of additions or improvements to existing structures;
- (D) the purchase of equipment; and
- (E) all repairs or replacement of buildings or equipment.

(5) Money or securities accepted and received by the library board as a grant, a gift, a donation, an endowment, a bequest, or a trust may be:

- (A) set aside in a separate fund or funds and shall be expended, without appropriation, in accordance with the conditions and purposes specified by the donor; or
- (B) set aside in an account with a nonprofit corporation established for the sole purpose of building permanent endowments within a community (referred to as a "community foundation"). The earnings on the funds in the account, either:
 - (i) deposited by the library; or
 - (ii) accepted by the community foundation on behalf of the library;

may be distributed back to the library for expenditure, without appropriation, in accordance with the conditions and purposes specified by the donor. A community foundation that distributes earnings under this clause is not required to make more than one (1) distribution of earnings in a calendar year.

(6) All money received in payment for library services or for library purchases made or to be made under the terms of a contract between two (2) or more public libraries under section 7 of this chapter shall be deposited into the contractual service fund. This money shall be:

- (A) expended solely for the purposes specified in the contract; and
- (B) disbursed without further appropriation.

(b) The library board may invest excess funds in accordance with IC 5-13-9.

As added by P.L.1-2005, SEC.49.

IC 36-12-3-12

Determination of tax rate; continuation of prior appropriation and levy upon failure to meet certain requirements

Sec. 12. (a) The library board shall determine the rate of taxation for the library district that is necessary for the proper operation of the library. The library board shall certify the rate to the county auditor. The county auditor shall certify the tax rate to the county tax

adjustment board in the manner provided in IC 6-1.1. An additional rate may be levied under section 10(4) of this chapter.

(b) If the library board fails to:

(1) give:

(A) a first published notice to the board's taxpayers of the board's proposed budget and tax levy for the ensuing year at least ten (10) days before the public hearing required under IC 6-1.1-17-3; and

(B) a second published notice to the board's taxpayers of the board's proposed budget and tax levy for the ensuing year at least three (3) days before the public hearing required under IC 6-1.1-17-3; or

(2) finally adopt the budget and fix the tax levy not later than September 30;

the last preceding annual appropriation made for the public library is renewed for the ensuing year, and the last preceding annual tax levy is continued. Under this subsection, the treasurer of the library board shall report the continued tax levy to the county auditor not later than September 30.

As added by P.L.1-2005, SEC.49. Amended by P.L.219-2007, SEC.148.

IC 36-12-3-13

Authorization of appropriations by units; deposit of funds

Sec. 13. A township may appropriate general revenue sharing funds that the township receives under the federal State and Local Fiscal Assistance Act of 1972, as amended, to a Class 1 public library. Other units have authority under IC 36-10-2-4 to aid public libraries through any means available. Any general revenue sharing funds received by a public library shall be deposited in any of the funds outlined in section 11 of this chapter.

As added by P.L.1-2005, SEC.49.

IC 36-12-3-14

Absence of library board member or employee; authorization; expenses

Sec. 14. When required by the interests of the library, the library board may authorize a member of the library board or an individual employed by the library to be absent from the public library. The library board may pay out of the library's funds the necessary hotel and board bills and transportation expenses of the member or individual while absent in the interest of the public library.

As added by P.L.1-2005, SEC.49.

IC 36-12-3-15

Funds for membership in certain associations; authority to appropriate

Sec. 15. The library board may appropriate funds necessary to provide membership of:

(1) the public library; and

(2) library employees;
in local, state, and national associations of a civic, an educational, a professional, or a governmental nature that have as their purpose the betterment and improvement of library operations.

As added by P.L.1-2005, SEC.49. Amended by P.L.63-2011, SEC.2.

IC 36-12-3-16

Authorization of disbursements; purchases

Sec. 16. (a) The library board may adopt a resolution allowing money to be disbursed under this section for lawful library purposes, including advertising and promoting the programs and services of the library.

(b) With the prior written approval of the library board and if the library board has adopted a resolution under subsection (a), claim payments may be made in advance of library board allowance for any of the following types of expenses:

(1) Property or services purchased or leased from the federal government or the federal government's agencies and the state, the state's agencies, or the state's political subdivisions.

(2) Dues, subscriptions, and publications.

(3) License or permit fees.

(4) Insurance premiums.

(5) Utility payments or connection charges.

(6) Federal grant programs where:

(A) advance funding is not prohibited; and

(B) the contracting party posts sufficient security to cover the amount advanced.

(7) Grants of state funds authorized by statute.

(8) Maintenance and service agreements.

(9) Legal retainer fees.

(10) Conference fees.

(11) Expenses related to the educational or professional development of an individual employed by the library board, including:

(A) inservice training;

(B) attending seminars or other special courses of instruction; and

(C) tuition reimbursement;

if the library board determines that the expenditures under this subdivision directly benefit the library.

(12) Leases or rental agreements.

(13) Bond or coupon payments.

(14) Payroll costs.

(15) State, federal, or county taxes.

(16) Expenses that must be paid because of emergency circumstances.

(17) Expenses incurred to advertise and promote the programs and services of the library.

(18) Other expenses described in a library board resolution.

The library board shall review and allow the claim at the library

board's first regular or special meeting following the payment of a claim under this section.

(c) Each payment of expenses lawfully incurred for library purposes must be supported by a fully itemized invoice or other documentation. The library director shall certify to the library board before payment that each claim for payment is true and correct. The certification must be on a form prescribed by the state board of accounts.

(d) Purchases of books, magazines, pamphlets, films, filmstrips, microforms, microfilms, slides, transparencies, phonodiscs, phonotapes, models, art reproductions, and all other forms of library and audiovisual materials are exempt from the restrictions imposed by IC 5-22.

(e) The purchase of library automation systems must meet the standards established by the Indiana library and historical board under IC 4-23-7.1-11(b).

As added by P.L.1-2005, SEC.49. Amended by P.L.130-2007, SEC.3; P.L.84-2012, SEC.24.

IC 36-12-3-16.5

Electronic funds transfer

Sec. 16.5. (a) As used in this section, "electronic funds transfer" means any transfer of funds, other than a transaction originated by check, draft, or similar paper instrument, that is initiated through an electronic terminal, telephone, or computer or magnetic tape for the purpose of ordering, instructing, or authorizing a financial institution to debit or credit an account.

(b) A library board may adopt a resolution to authorize an electronic funds transfer method of payment of claims. If a library board adopts a resolution under this subsection, the public library may pay money from its funds by electronic funds transfer.

(c) A public library that pays a claim by electronic funds transfer shall comply with all other requirements for the payment of claims by the public library.

As added by P.L.113-2010, SEC.162.

IC 36-12-3-17

Other powers not limited

Sec. 17. This chapter does not limit other powers granted by any other law not in conflict with this chapter.

As added by P.L.1-2005, SEC.49.

IC 36-12-3-18

Collections and claims

Sec. 18. (a) A library board or a person designated in writing by the library board may:

- (1) collect money or library property; or
- (2) compromise the amount of money;

that is owed to the library.

(b) A library board:

(1) shall determine the costs of collecting money or library property under this section; and

(2) may add the costs of collection, including reasonable attorney's fees, to money or library property that is owed and collected under this section.

(c) A library board or the library board's agent that collects money under this section shall deposit the money, less the costs of collection, in the account required by law.

(d) A library board may compromise claims made against the library.

As added by P.L.1-2005, SEC.49. Amended by P.L.113-2010, SEC.163.