

# HOUSE BILL No. 1027

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-1.1-20-3.6; IC 20-46-1.

**Synopsis:** Referenda for controlled projects and school levies. Provides that a referendum on a controlled project may be held only at a general election, if the preliminary determination to issue bonds or enter into a lease for the controlled project is made after June 30, 2015. Provides that a referendum for a referendum tax levy of a school corporation may be held only at a general election, if the resolution to hold the referendum is adopted after June 30, 2015.

**Effective:** July 1, 2015.

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## Frizzell

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January 6, 2015, read first time and referred to Committee on Elections and Apportionment.

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First Regular Session of the 119th General Assembly (2015)

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 2014 Regular Session and 2014 Second Regular Technical Session of the General Assembly.

# HOUSE BILL No. 1027

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 6-1.1-20-3.6, AS AMENDED BY P.L.219-2013,  
2 SECTION 73, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2015]: Sec. 3.6. (a) ~~Except as provided in sections 3.7 and 3.8~~  
4 ~~of this chapter, this section applies only to a controlled project~~  
5 ~~described in section 3.5(a) of this chapter.~~  
6 (b) (a) If:  
7 (1) a sufficient petition requesting the application of the local  
8 public question process has been filed as set forth in section 3.5  
9 of this chapter; **or**  
10 (2) **a resolution specifying the application of the local public**  
11 **question process has been adopted under section 3.7 or 3.8 of**  
12 **this chapter;**  
13 a political subdivision may not impose property taxes to pay debt  
14 service on bonds or lease rentals on a lease for a controlled project  
15 unless the political subdivision's proposed debt service or lease rental



1 is approved in an election on a local public question held under this  
2 section.

3 **(b) If a preliminary determination to issue bonds or enter into**  
4 **a lease for a controlled project subject to this section is made after**  
5 **June 30, 2015, the election on the local public question for the**  
6 **controlled project may be held only at a general election.**

7 (c) Except as provided in subsection ~~(k)~~, (l), the following question  
8 shall be submitted to the eligible voters at the election conducted under  
9 this section:

10 "Shall \_\_\_\_\_ (insert the name of the political subdivision)  
11 issue bonds or enter into a lease to finance \_\_\_\_\_ (insert  
12 a brief description of the controlled project), which is estimated  
13 to cost not more than \_\_\_\_\_ (insert the total cost of the project)  
14 and is estimated to increase the property tax rate for debt service  
15 by \_\_\_\_\_ (insert increase in tax rate as determined by the  
16 department of local government finance)?"

17 The public question must appear on the ballot in the form approved by  
18 the county election board. If the political subdivision proposing to issue  
19 bonds or enter into a lease is located in more than one (1) county, the  
20 county election board of each county shall jointly approve the form of  
21 the public question that will appear on the ballot in each county. The  
22 form approved by the county election board may differ from the  
23 language certified to the county election board by the county auditor.  
24 If the county election board approves the language of a public question  
25 under this subsection, the county election board shall submit the  
26 language to the department of local government finance for review.

27 (d) The department of local government finance shall review the  
28 language of the public question to evaluate whether the description of  
29 the controlled project is accurate and is not biased against either a vote  
30 in favor of the controlled project or a vote against the controlled  
31 project. The department of local government finance may either  
32 approve the ballot language as submitted or recommend that the ballot  
33 language be modified as necessary to ensure that the description of the  
34 controlled project is accurate and is not biased. The department of local  
35 government finance shall certify its approval or recommendations to  
36 the county auditor and the county election board not more than ten (10)  
37 days after the language of the public question is submitted to the  
38 department for review. If the department of local government finance  
39 recommends a modification to the ballot language, the county election  
40 board shall, after reviewing the recommendations of the department of  
41 local government finance, submit modified ballot language to the  
42 department for the department's approval or recommendation of any



1 additional modifications. The public question may not be certified by  
 2 the county auditor under subsection (e) **or (f), as applicable**, unless the  
 3 department of local government finance has first certified the  
 4 department's final approval of the ballot language for the public  
 5 question.

6 **(e) This subsection applies only to the certification of a local**  
 7 **public question concerning a controlled project for which a**  
 8 **preliminary determination to issue bonds or enter into a lease is**  
 9 **made before July 1, 2015.** The county auditor shall certify the finally  
 10 approved public question under IC 3-10-9-3 to the county election  
 11 board of each county in which the political subdivision is located. The  
 12 certification must occur not later than noon:

- 13 (1) seventy-four (74) days before a primary election if the public  
 14 question is to be placed on the primary or municipal primary  
 15 election ballot; or  
 16 (2) August 1 if the public question is to be placed on the general  
 17 or municipal election ballot.

18 Subject to the certification requirements and deadlines under this  
 19 subsection and except as provided in subsection ~~(k)~~; **(l)**, the public  
 20 question shall be placed on the ballot at the next primary election,  
 21 general election, or municipal election in which all voters of the  
 22 political subdivision are entitled to vote. However, if a primary  
 23 election, general election, or municipal election will not be held during  
 24 the first year in which the public question is eligible to be placed on the  
 25 ballot under this section and if the political subdivision requests the  
 26 public question to be placed on the ballot at a special election, the  
 27 public question shall be placed on the ballot at a special election to be  
 28 held on the first Tuesday after the first Monday in May or November  
 29 of the year. The certification must occur not later than noon  
 30 seventy-four (74) days before a special election to be held in May (if  
 31 the special election is to be held in May) or noon on August 1 (if the  
 32 special election is to be held in November). The fiscal body of the  
 33 political subdivision that requests the special election shall pay the  
 34 costs of holding the special election. The county election board shall  
 35 give notice under IC 5-3-1 of a special election conducted under this  
 36 subsection. A special election conducted under this subsection is under  
 37 the direction of the county election board. The county election board  
 38 shall take all steps necessary to carry out the special election.

39 **(f) This subsection applies only to the certification of a local**  
 40 **public question concerning a controlled project for which a**  
 41 **preliminary determination to issue bonds or enter into a lease is**  
 42 **made after June 30, 2015.** The county auditor shall certify the



1 finally approved public question under IC 3-10-9-3 to the county  
 2 election board of each county in which the political subdivision is  
 3 located. The certification must occur not later than noon on August  
 4 1 of the year in which the public question is to be placed on the  
 5 general election ballot. Subject to the certification requirements  
 6 and deadlines under this subsection and except as provided in  
 7 subsection (l), the public question shall be placed on the ballot at  
 8 the next general election in which all voters of the political  
 9 subdivision are entitled to vote.

10 (f) (g) The circuit court clerk shall certify the results of the public  
 11 question to the following:

12 (1) The county auditor of each county in which the political  
 13 subdivision is located.

14 (2) The department of local government finance.

15 (g) (h) Subject to the requirements of IC 6-1.1-18.5-8, the political  
 16 subdivision may issue the proposed bonds or enter into the proposed  
 17 lease rental if a majority of the eligible voters voting on the public  
 18 question vote in favor of the public question.

19 (h) (i) If a majority of the eligible voters voting on the public  
 20 question vote in opposition to the public question, both of the following  
 21 apply:

22 (1) The political subdivision may not issue the proposed bonds or  
 23 enter into the proposed lease rental.

24 (2) Another public question under this section on the same or a  
 25 substantially similar project may not be submitted to the voters  
 26 earlier than one (1) year after the date of the election.

27 (i) (j) IC 3, to the extent not inconsistent with this section, applies  
 28 to an election held under this section.

29 (j) (k) A political subdivision may not artificially divide a capital  
 30 project into multiple capital projects in order to avoid the requirements  
 31 of this section and section 3.5 of this chapter.

32 (k) (l) This subsection applies to a political subdivision for which a  
 33 petition requesting a public question has been submitted under section  
 34 3.5 of this chapter. The legislative body (as defined in IC 36-1-2-9) of  
 35 the political subdivision may adopt a resolution to withdraw a  
 36 controlled project from consideration in a public question. If the  
 37 legislative body provides a certified copy of the resolution to the county  
 38 auditor and the county election board not later than sixty-three (63)  
 39 days before the election at which the public question would be on the  
 40 ballot, the public question on the controlled project shall not be placed  
 41 on the ballot and the public question on the controlled project shall not  
 42 be held, regardless of whether the county auditor has certified the



1 public question to the county election board. If the withdrawal of a  
 2 public question under this subsection requires the county election  
 3 board to reprint ballots, the political subdivision withdrawing the  
 4 public question shall pay the costs of reprinting the ballots. If a political  
 5 subdivision withdraws a public question under this subsection that  
 6 would have been held at a special election and the county election  
 7 board has printed the ballots before the legislative body of the political  
 8 subdivision provides a certified copy of the withdrawal resolution to  
 9 the county auditor and the county election board, the political  
 10 subdivision withdrawing the public question shall pay the costs  
 11 incurred by the county in printing the ballots. If a public question on a  
 12 controlled project is withdrawn under this subsection, a public question  
 13 under this section on the same controlled project or a substantially  
 14 similar controlled project may not be submitted to the voters earlier  
 15 than one (1) year after the date the resolution withdrawing the public  
 16 question is adopted.

17 (†) (m) If a public question regarding a controlled project is placed  
 18 on the ballot to be voted on at a public question under this section, the  
 19 political subdivision shall submit to the department of local  
 20 government finance, at least thirty (30) days before the election, the  
 21 following information regarding the proposed controlled project for  
 22 posting on the department's Internet web site:

- 23 (1) The cost per square foot of any buildings being constructed as  
 24 part of the controlled project.
- 25 (2) The effect that approval of the controlled project would have  
 26 on the political subdivision's property tax rate.
- 27 (3) The maximum term of the bonds or lease.
- 28 (4) The maximum principal amount of the bonds or the maximum  
 29 lease rental for the lease.
- 30 (5) The estimated interest rates that will be paid and the total  
 31 interest costs associated with the bonds or lease.
- 32 (6) The purpose of the bonds or lease.
- 33 (7) In the case of a controlled project proposed by a school  
 34 corporation:
  - 35 (A) the current and proposed square footage of school building  
 36 space per student;
  - 37 (B) enrollment patterns within the school corporation; and
  - 38 (C) the age and condition of the current school facilities.

39 SECTION 2. IC 20-46-1-14, AS AMENDED BY P.L.166-2014,  
 40 SECTION 42, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 41 JULY 1, 2015]: Sec. 14. (a) **This section applies only to a  
 42 referendum specified in a resolution adopted under section 8 of this**



1 **chapter before July 1, 2015.**

2 ~~(a)~~ (b) The referendum shall be held in the next primary election,  
3 general election, or municipal election in which all the registered voters  
4 who are residents of the appellant school corporation are entitled to  
5 vote after certification of the question under IC 3-10-9-3. The  
6 certification of the question must occur not later than noon:

7 (1) sixty (60) days before a primary election if the question is to  
8 be placed on the primary or municipal primary election ballot; or

9 (2) August 1 if the question is to be placed on the general or  
10 municipal election ballot.

11 However, if a primary election, general election, or municipal election  
12 will not be held during the first year in which the public question is  
13 eligible to be placed on the ballot under this chapter and if the  
14 appellant school corporation requests the public question to be placed  
15 on the ballot at a special election, the public question shall be placed  
16 on the ballot at a special election to be held on the first Tuesday after  
17 the first Monday in May or November of the year. The certification  
18 must occur not later than noon:

19 (1) sixty (60) days before a special election to be held in May (if  
20 the special election is to be held in May); or

21 (2) on August 1 (if the special election is to be held in  
22 November).

23 ~~(b)~~ (c) If the referendum is not conducted at a primary election,  
24 general election, or municipal election, the appellant school  
25 corporation in which the referendum is to be held shall pay all the costs  
26 of holding the referendum.

27 SECTION 3. IC 20-46-1-14.5 IS ADDED TO THE INDIANA  
28 CODE AS A NEW SECTION TO READ AS FOLLOWS  
29 [EFFECTIVE JULY 1, 2015]: **Sec. 14.5. (a) This section applies only  
30 to a referendum specified in a resolution adopted under section 8  
31 of this chapter after June 30, 2015.**

32 (b) The referendum shall be held in the next general election in  
33 which all the registered voters who are residents of the appellant  
34 school corporation are entitled to vote after certification of the  
35 question under IC 3-10-9-3. The certification of the question must  
36 occur not later than noon on August 1 of the year in which the  
37 referendum is held.

