

## SENATE BILL No. 356

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### DIGEST OF INTRODUCED BILL

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

**Synopsis:** Referendum 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, 2016. Requires a political subdivision that intends to hold a referendum on a controlled project to post examples on the Internet web site of the department of local government finance (department) that illustrate the effect on the annual property tax liabilities of hypothetical taxpayers if the referendum question were to be approved. 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, 2016. Requires a school corporation that intends to hold a referendum for a referendum levy to post examples on the department's Internet web site that illustrate the effect on the annual property tax liabilities of hypothetical taxpayers if the referendum question were to be approved.

**Effective:** July 1, 2016.

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## Niemeyer

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January 11, 2016, read first time and referred to Committee on Elections.

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Second Regular Session 119th General Assembly (2016)

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 2015 Regular Session of the General Assembly.

# SENATE BILL No. 356

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 THE  
2 TECHNICAL CORRECTIONS BILL OF THE 2016 GENERAL  
3 ASSEMBLY, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
4 JULY 1, 2016]: Sec. 3.6. ~~(a) Except as provided in sections 3.7 and 3.8~~  
5 ~~of this chapter, this section applies only to a controlled project~~  
6 ~~described in section 3.5(a) of this chapter.~~

7 ~~(b) (a) If:~~  
8 ~~(1) a sufficient petition requesting the application of the local~~  
9 ~~public question process has been filed as set forth in section 3.5~~  
10 ~~of this chapter; or~~

11 ~~(2) a resolution specifying the application of the local public~~  
12 ~~question process has been adopted under section 3.7 or 3.8 of~~  
13 ~~this chapter;~~

14 a political subdivision may not impose property taxes to pay debt  
15 service on bonds or lease rentals on a lease for a controlled project  
16 unless the political subdivision's proposed debt service or lease rental  
17 is approved in an election on a local public question held under this



1 section.

2 **(b) If a preliminary determination to issue bonds or enter into**  
 3 **a lease for a controlled project subject to this section is made after**  
 4 **June 30, 2016, the election on the local public question for the**  
 5 **controlled project may be held only at a general election.**

6 (c) Except as provided in subsection ~~(\*)~~ (1), the following question  
 7 shall be submitted to the eligible voters at the election conducted under  
 8 this section:

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

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

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



1 the county auditor under subsection (e) **or (f), as applicable**, unless the  
 2 department of local government finance has first certified the  
 3 department's final approval of the ballot language for the public  
 4 question.

5 **(e) This subsection applies only to the certification of a local**  
 6 **public question concerning a controlled project for which a**  
 7 **preliminary determination to issue bonds or enter into a lease is**  
 8 **made before July 1, 2016.** The county auditor shall certify the finally  
 9 approved public question under IC 3-10-9-3 to the county election  
 10 board of each county in which the political subdivision is located. The  
 11 certification must occur not later than noon:

12 (1) seventy-four (74) days before a primary election if the public  
 13 question is to be placed on the primary or municipal primary  
 14 election ballot; or

15 (2) August 1 if the public question is to be placed on the general  
 16 or municipal election ballot.

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

38 **(f) This subsection applies only to the certification of a local**  
 39 **public question concerning a controlled project for which a**  
 40 **preliminary determination to issue bonds or enter into a lease is**  
 41 **made after June 30, 2016.** The county auditor shall certify the  
 42 finally approved public question under IC 3-10-9-3 to the county



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

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

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

13 (2) The department of local government finance.

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

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

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

23 (2) Another public question under this section on the same or a  
 24 substantially similar project may not be submitted to the voters  
 25 earlier than three hundred fifty (350) days after the date of the  
 26 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. A person that owns  
 32 property within a political subdivision or a person that is a registered  
 33 voter residing within a political subdivision may file a petition with the  
 34 department of local government finance objecting that the political  
 35 subdivision has artificially divided a capital project into multiple  
 36 capital projects in order to avoid the requirements of this section and  
 37 section 3.5 of this chapter. The petition must be filed not more than ten  
 38 (10) days after the political subdivision makes the preliminary  
 39 determination to issue the bonds or enter into the lease for the project.  
 40 If the department of local government finance receives a petition under  
 41 this subsection, the department shall not later than thirty (30) days after  
 42 receiving the petition make a final determination on the issue of



1 whether the capital projects were artificially divided.

2 ~~(k)~~ **(l)** This subsection applies to a political subdivision for which a  
 3 petition requesting a public question has been submitted under section  
 4 3.5 of this chapter. The legislative body (as defined in IC 36-1-2-9) of  
 5 the political subdivision may adopt a resolution to withdraw a  
 6 controlled project from consideration in a public question. If the  
 7 legislative body provides a certified copy of the resolution to the county  
 8 auditor and the county election board not later than sixty-three (63)  
 9 days before the election at which the public question would be on the  
 10 ballot, the public question on the controlled project shall not be placed  
 11 on the ballot and the public question on the controlled project shall not  
 12 be held, regardless of whether the county auditor has certified the  
 13 public question to the county election board. If the withdrawal of a  
 14 public question under this subsection requires the county election  
 15 board to reprint ballots, the political subdivision withdrawing the  
 16 public question shall pay the costs of reprinting the ballots. If a political  
 17 subdivision withdraws a public question under this subsection that  
 18 would have been held at a special election and the county election  
 19 board has printed the ballots before the legislative body of the political  
 20 subdivision provides a certified copy of the withdrawal resolution to  
 21 the county auditor and the county election board, the political  
 22 subdivision withdrawing the public question shall pay the costs  
 23 incurred by the county in printing the ballots. If a public question on a  
 24 controlled project is withdrawn under this subsection, a public question  
 25 under this section on the same controlled project or a substantially  
 26 similar controlled project may not be submitted to the voters earlier  
 27 than three hundred fifty (350) days after the date the resolution  
 28 withdrawing the public question is adopted.

29 ~~(l)~~ **(m)** If a public question regarding a controlled project is placed  
 30 on the ballot to be voted on at a ~~public question~~ **an election** under this  
 31 section, the political subdivision shall submit to the department of local  
 32 government finance, at least thirty (30) days before the election, the  
 33 following information regarding the proposed controlled project for  
 34 posting on the department's Internet web site:

- 35 (1) The cost per square foot of any buildings being constructed as  
 36 part of the controlled project.
- 37 (2) The effect that approval of the controlled project would have  
 38 on the political subdivision's property tax rate.
- 39 (3) The maximum term of the bonds or lease.
- 40 (4) The maximum principal amount of the bonds or the maximum  
 41 lease rental for the lease.
- 42 (5) The estimated interest rates that will be paid and the total



1 interest costs associated with the bonds or lease.

2 (6) The purpose of the bonds or lease.

3 (7) In the case of a controlled project proposed by a school  
4 corporation:

5 (A) the current and proposed square footage of school building  
6 space per student;

7 (B) enrollment patterns within the school corporation; and

8 (C) the age and condition of the current school facilities.

9 **(8) This subdivision applies only to the certification of a local**  
10 **public question concerning a controlled project for which a**  
11 **preliminary determination to issue bonds or enter into a lease**  
12 **is made after June 30, 2016. At least one (1) example from**  
13 **each of the following property classes that illustrates the**  
14 **amount by which a hypothetical taxpayer's annual property**  
15 **tax liability would be expected to increase if the voters in the**  
16 **referendum were to approve the local public question, using**  
17 **statistically representative net assessed values:**

18 (A) Single family residential real property.

19 (B) Agricultural land.

20 (C) Commercial property.

21 **An example for the property class listed in clause (C) must**  
22 **show separate amounts for the hypothetical net assessed value**  
23 **of the business's real property and the hypothetical net**  
24 **assessed value of the business's tangible personal property.**

25 SECTION 2. IC 20-46-1-14, AS AMENDED BY P.L.166-2014,  
26 SECTION 42, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
27 JULY 1, 2016]: Sec. 14. **(a) This section applies only to a**  
28 **referendum specified in a resolution adopted under section 8 of this**  
29 **chapter before July 1, 2016.**

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

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

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

39 However, if a primary election, general election, or municipal election  
40 will not be held during the first year in which the public question is  
41 eligible to be placed on the ballot under this chapter and if the  
42 appellant school corporation requests the public question to be placed



1 on the ballot at a special election, the public question shall be placed  
 2 on the ballot at a special election to be held on the first Tuesday after  
 3 the first Monday in May or November of the year. The certification  
 4 must occur not later than noon:

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

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

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

13 SECTION 3. IC 20-46-1-14.5 IS ADDED TO THE INDIANA  
 14 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 15 [EFFECTIVE JULY 1, 2016]: **Sec. 14.5. (a) This section applies only**  
 16 **to a referendum specified in a resolution adopted under section 8**  
 17 **of this chapter after June 30, 2016.**

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

24 (c) If a school corporation places a question on the ballot to be  
 25 voted on at a referendum under this chapter, the school  
 26 corporation shall submit to the department of local government  
 27 finance, at least thirty (30) days before the election, the following  
 28 information regarding the question for posting on the department's  
 29 Internet web site:

30 (1) The effect that approval of the question would have on the  
 31 school corporation's property tax rate.

32 (2) At least one (1) example from each of the following  
 33 property classes that illustrates the amount by which a  
 34 hypothetical taxpayer's annual property tax liability would be  
 35 expected to increase if the voters in the referendum were to  
 36 approve the question, using statistically representative net  
 37 assessed values:

38 (A) Single family residential real property.

39 (B) Agricultural land.

40 (C) Commercial property.

41 An example for the property class listed in clause (C) must  
 42 show separate amounts for the hypothetical net assessed value





1           **of the business's real property and the hypothetical net**  
2           **assessed value of the business's tangible personal property.**

