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FISCAL IMPACT STATEMENT

LS 6341

BILL NUMBER: SB 384

NOTE PREPARED: Dec 21, 2010

BILL AMENDED:

SUBJECT: Local Referenda and Petition and Remonstrances.

FIRST AUTHOR: Sen. Charbonneau

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: This bill specifies that a school corporation may not adopt a resolution to place an operating levy referendum on the ballot if the property tax levy to be imposed under that referendum would be imposed in one or more years in which another property tax levy is imposed under a previously approved operating levy referendum.

The bill provides that during the period beginning with the adoption of a resolution by a school corporation to place an operating levy referendum on the ballot and continuing through the day on which the referendum is submitted to the voters, the school corporation may not promote a position on the referendum by taking certain actions. It also specifies that a person or an organization that has a contract or arrangement with a school corporation for the use of any of the school corporation's facilities may not spend any money to promote a position on a referendum.

The bill specifies that in the case of a school operating levy referendum or a referendum or petition and remonstrance on a capital project, an elected or appointed official of the political subdivision (including a school corporation) may at any time: (1) personally advocate for or against a position on the referendum or petition or remonstrance; or (2) discuss the referendum or petition or remonstrance with any individual, group, or organization or personally advocate for or against a position on the referendum or petition or remonstrance before any individual, group, or organization; so long as it is not done by using public funds.

Effective Date: July 1, 2011.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures: The provision that does not allow a school to promote a position on the referendum by taking certain actions could reduce school expenditures. The disallowed actions include:

1. Allowing school facilities or equipment to be used for public relations purposes to promote the referendum unless equal access is given to persons opposing the referendum.
2. Making expenditures from funds controlled by the corporation to promote the referendum.
3. Using employees to promote the referendum during normal working hours or paid overtime, or otherwise compelling employees to promote the referendum.
4. Promote the referendum by:
 - a. Using students to transport written materials in promotion of a position; or
 - b. Including a statement within other communications sent to a student's residence.

The provision allowing a school board member or superintendent to advocate a position and discuss the referendum with individuals or groups so long as it is not done with public funds should have no fiscal impact.

Explanation of Local Revenues: The provision not allowing an operating levy referendum if the property tax levy to be imposed under that referendum would be imposed in one or more years in which another property tax levy is imposed under a previously approved operating levy referendum could reduce school revenue. The amount of the reduction is unknown. Since 1976, about 34 operating referendums have been passed. Currently, about 11 schools have operating referendums as separate levies and the other 23 schools had their General Fund levies increased.

Background: Since 1976, about 78 operating referendums have been placed on ballots. About 34 (44%) have passed, and 44 (56%) have failed. During CY 2010, 13 operating referendums were on the ballot with 4 (30%) passing, and 9 (70%) failing. School Referendum Fund levies are estimated to be about \$30 M in CY 2011.

State Agencies Affected:

Local Agencies Affected: All.

Information Sources:

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