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**FISCAL IMPACT STATEMENT**

**LS 6106**  
**BILL NUMBER: HB 1032**

**NOTE PREPARED: Nov 24, 2012**  
**BILL AMENDED:**

**SUBJECT:** Referenda for Projects and School Levies.

**FIRST AUTHOR:** Rep. Frizzell  
**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:**     **GENERAL**  
                              **DEDICATED**  
                              **FEDERAL**

**IMPACT:** Local

**Summary of Legislation:** This bill 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, 2013. The bill also 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, 2013.

**Effective Date:** July 1, 2013.

**Explanation of State Expenditures:**

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** *Summary-* Currently, a public question on a controlled project may be placed on the ballot of a general election, municipal election, or primary election. A special election may be held at the taxing unit's expense. This bill would restrict public questions regarding capital projects or referendum operating levies to general elections.

Taxing units that would have otherwise requested a special election would save the cost of the election under this bill. In some cases, this bill would delay a vote on the question. Construction and borrowing costs could be affected by a delay.

Background Information - Under current law, a capital project is considered a controlled project if it will cost the taxing unit more than the lesser of (1) \$2 M or (2) an amount equal to 1% of the taxing unit's total gross assessed value (AV) (if that amount is at least \$1 M).

A controlled project for a school building for kindergarten through Grade 8 is subject to a referendum if the cost is more than \$10 M. A controlled project for a school building for Grade 9 through Grade 12 is subject to a referendum if the cost is more than \$20 M. Other controlled projects with a cost that exceeds the lesser of (1) \$12 M or (2) 1% of AV (if that amount is at least \$1 M) are also subject to a referendum. In addition, a taxing unit may specify that the public question process applies even if the referendum is not required.

**Explanation of Local Revenues:**

**State Agencies Affected:**

**Local Agencies Affected:** Civil taxing units and school corporations.

**Information Sources:**

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