

DEPARTMENT OF LOCAL GOVERNMENT FINANCE

**Nonrule Policy Document #2019-1:
Controlled Project Amount Thresholds For Calendar Year 2020**

NOTICE: Under [IC 4-22-7-7](#), this document is required to be published in the Indiana Register and is effective on its date of publication. It shall remain in effect until the date it is superseded or deleted by the publication of a new document in the Indiana Register.

DISCLAIMER: This nonrule policy document is intended to supplement applicable rules and laws. It does not replace applicable rules and laws and, if it conflicts with these rules or laws, the rules or laws shall control. This nonrule policy document supersedes Nonrule Policy Document #2018-1: Controlled Project Amount Thresholds For Calendar Year 2019 (DIN: [20180919-IR-050180405NRA](#)).

SUBJECT: The purpose of this nonrule policy is to determine the threshold amounts under the following situations:

- Whether a capital project is a "controlled project" as defined in [IC 6-1.1-20-1.1](#).
- Whether a proposed controlled project must be approved by registered voters through a petition and remonstrance under [IC 6-1.1-20-3.1](#) and [IC 6-1.1-20-3.2](#).
- Whether a proposed controlled project must be approved by registered voters through a referendum under [IC 6-1.1-20-3.5](#) and [IC 6-1.1-20-3.6](#).

BACKGROUND:

As required by House Enrolled Act 1043-2017, the Department of Local Government Finance (Department) must promulgate and publish the threshold amounts for a controlled project as defined in [IC 6-1.1-20-1.1](#), for triggering a petition and remonstrance on a controlled project under [IC 6-1.1-20-3.1](#), and for triggering a referendum on a controlled project under [IC 6-1.1-20-3.5](#). In the case of an ordinance or resolution to initiate a controlled project adopted in 2019, and for every year thereafter, the threshold amounts must increase annually by the assessed value growth quotient (AVGQ) determined by the State Budget Agency under [IC 6-1.1-18.5-2](#) for that year. The State Budget Agency has determined the AVGQ for 2020 to be 1.035.

The increase of the threshold amount is determined by taking the threshold amount from the previous year (the "base amount") and multiplying it by the AVGQ. The Department identifies the following base amounts for each threshold:

- For a project to be a controlled project, the base amount is \$5,170,000, as provided in [IC 6-1.1-20-1.1\(2\)\(A\)\(ii\)](#) for 2019.
- For a controlled project to trigger the petition and remonstrance process, the base amount is \$15,510,000, as provided in [IC 6-1.1-20-3.1\(a\)\(2\)\(C\)\(i\)](#) for 2019.
- For a controlled project to trigger the referendum process, the base amount is \$15,510,000, as provided in [IC 6-1.1-20-3.5\(a\)\(1\)\(A\)\(i\)](#) and [IC 6-1.1-20-3.5\(a\)\(1\)\(B\)\(i\)](#) for 2019.

EFFECT OF HEA 1021-2019:

Section 8 of House Enrolled Act 1021-2019 (HEA 1021) requires a school corporation to determine whether its average assessed value growth from the immediately preceding three (3) calendar years. If the average assessed value growth in the school corporation from the immediately preceding three (3) calendar years is at least 0.02 more than the AVGQ, the school corporation must use that value instead of the AVGQ, but not to exceed 0.04 more than the AVGQ.

The Department does not believe the alternative AVGQ created by HEA 1021 was intended by the legislature to be used in lieu of the AVGQ certified by the State Budget Agency. Therefore, the threshold amounts determined below shall apply to all civil taxing units and school corporations, including those school corporations eligible to use the alternative AVGQ under HEA 1021.

DETERMINATION: The threshold amounts determined for 2020 are as follows:

1. For a project to be a controlled project, the threshold amount is \$5,350,950 ($\$5,170,000 \times 1.035$).
2. For a controlled project to trigger the petition and remonstrance process, the threshold amount is \$16,052,850 ($\$15,510,000 \times 1.035$).
3. For a controlled project to trigger the referendum process, the threshold amount is \$16,052,850

(\$15,510,000 * 1.035).

Posted: 08/28/2019 by Legislative Services Agency
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