

**DEPARTMENT OF LOCAL GOVERNMENT FINANCE
100 NORTH SENATE AVENUE
IGC-N, ROOM N1058
INDIANAPOLIS, INDIANA 46204**

**IN THE MATTER OF THE REVIEW OF PROPOSED)
LANGUAGE AND ESTIMATED RATE CERTIFICATION)
FOR A BALLOT QUESTION REGARDING THE HARTFORD) No. 12-002-REF
CITY PUBLIC LIBRARY, BLACKFORD COUNTY)**

**FINDINGS AND FINAL DETERMINATION ON PROPOSED QUESTION SUBMITTED
JANUARY 19, 2012**

1. The Hartford City Public Library (“Library”) proposes to borrow money for a \$6,175,000 project to renovate and improve its facility.
2. Under Indiana law, the voters in the area served by the Library will vote in a referendum to approve or deny borrowing for the project and raise property taxes to support it.
3. Indiana law governs the format and wording of the ballot question for the referendum. Indiana Code 6-1.1-20-3.6(c).
4. Under Indiana law, “the **following question shall** be submitted to the eligible voters at the election”:

“Shall _____ (insert the name of the political subdivision) issue bonds or enter into a lease to finance _____ (insert a brief description of the controlled project), which is estimated to cost not more than _____ (insert the total cost of the project) and is estimated to increase the property tax rate for debt service by _____ (insert increase in tax rate as determined by the department of local government finance)?”

Indiana Code 6-1.1-20-3.6(c) (emphasis added).

5. The ballot question then must contain three parts:
 - a brief description of the project;
 - the estimated total project cost; and
 - the estimated tax rate increase for the project.
6. The law requires the Department of Local Government Finance (“Department”) to determine the estimate of the tax rate increase.

7. The law also requires the Department to either approve the ballot language or recommend that it be modified to ensure that the description of the controlled project is accurate and not biased.
8. On January 19, 2012, the Department received a fax from the Blackford County Election Board ("Board") enclosing a proposed ballot question for the referendum sought by the Library.
9. The Board requested that the Department review this proposed question:

"Shall Hartford City Public Library issue bonds to finance the renovation of and improvements to the Hartford City Public Library (the "Project"), which Project is estimated to cost not more than \$6,175,000 and is estimated to increase the property tax rate for debt service by a maximum of \$0.4256 per \$100 assessed value?"

Determination of Tax Rate Increase

10. The Department estimates the tax rate increase in reliance on the Library's proposed debt from the project, assessed valuation of the property in the area served by the Library, and an amortization schedule submitted by the Library. Based on this information, the Department determines the estimated tax rate increase of the project to be \$0.4256 per \$100 of assessed valuation.

Accuracy and Bias

11. Based on the Department's calculations, the Library would not be able to issue \$6,175,000 in bonds without exceeding the constitutional 2% debt limit.
12. Counsel for the Library confirmed on January 20, 2012, that "Hartford City Public Library is being issued as a Lease so the debt limit shouldn't be affected." *E-mail from Colette Irwin-Knott, Library Counsel, to Michael Duffy, Staff Attorney, Dep't of Local Gov't Fin. (Jan. 20, 2012, 11:57 a.m. EDT) (on file with Dep't).*
13. The Department must review the language of the public question to evaluate whether the description of the controlled project is accurate and is not biased against either a vote in favor of or a vote against the controlled project. The Department concludes that because the Library intends to enter into a lease, the proposed question incorrectly and inaccurately suggests that the Library will only "issue bonds to finance" the controlled project if approved by voters. Thus, while the description of the controlled project is not biased against either a vote in favor of or a vote against the controlled project, the description inaccurately portrays the method of financing the controlled project. Furthermore, IC 6-1.1-20-3.6(c) prescribes the phrase "issue bonds or enter into a lease" and does not permit modification of this language.

Final Determination

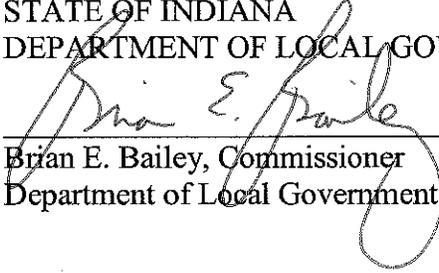
WHEREFORE, based on the above findings and applicable law, the Department recommends the following language for the public question to be presented to voters:

“Shall Hartford City Public Library issue bonds or enter into a lease to finance the renovation of and improvements to the Hartford City Public Library (the “Project”), which Project is estimated to cost not more than \$6,175,000 and is estimated to increase the property tax rate for debt service by a maximum of \$0.4256 per \$100 assessed value?”

For any resubmitted question, the Department certifies the proposed rate of \$0.4256 per \$100 of assessed valuation.

Dated this 24th day of January, 2012.

STATE OF INDIANA
DEPARTMENT OF LOCAL GOVERNMENT FINANCE



Brian E. Bailey, Commissioner
Department of Local Government Finance

STATE OF INDIANA
DEPARTMENT OF LOCAL GOVERNMENT FINANCE

I, Micah G. Vincent, General Counsel for the Department of Local Government Finance, hereby certify that the above is an order of the Commissioner of the Department of Local Government Finance made this date in the above-entitled matter and that the Commissioner has personally signed the same under his statutory authority.

WITNESS MY HAND AND SEAL of the Commissioner on this the 24th day of January, 2012.



Micah G. Vincent, General Counsel
Department of Local Government Finance