

**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) No. 18-029-REF
QUESTION REGARDING DEKALB COUNTY)
CENTRAL UNITED SCHOOL DISTRICT)**

**FINDINGS AND FINAL DETERMINATION ON PROPOSED QUESTION SUBMITTED
NOVEMBER 14, 2018**

1. DeKalb County Central United School District (“District”) proposes to issue bonds or enter into a lease to finance renovation of and improvements to James R. Watson Elementary School, DeKalb High School and DeKalb Middle School, including site improvements, and which is estimated to cost not more than \$37,600,000 and is estimated to increase the property tax rate for debt service by \$0.3391 per \$100 of assessed valuation.
2. Under Indiana law, the voters in the area served by the District 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. The District is a cross-county school corporation located in DeKalb County and Steuben County. Therefore, per IC 6-1.1-20-3.6(c), the DeKalb County Election Board (“DeKalb Board”) and the Steuben County Election Board (“Steuben Board”) must jointly adopt the proposed question and obtain approval from the Department.
9. On July 24, 2018, the Department received an e-mail from the DeKalb County Clerk containing the District’s proposed question. On November 14, 2018, the Department received an e-mail from the Steuben County Clerk containing the District’s proposed question. On November 16, 2018, the Department received an e-mail from the DeKalb County Clerk containing a revision to the DeKalb Board’s July 24 submission of the District’s proposed question.

10. The DeKalb Board requested that the Department review this proposed question:

“Shall DeKalb County Central United School District issue bonds or enter into a lease to finance renovation of an improvements to James R. Watson Elementary School, DeKalb High School and DeKalb Middle School, including site improvements (the “Projects”), which is estimated to cost not more than \$37,600,000 and is estimated to increase the property tax rate for debt service by \$0.3391?”

11. The Steuben Board requested that the Department review this proposed question:

“Shall DeKalb County Central United School District issue bonds or enter into a lease to finance renovation of an improvements to James R. Watson Elementary School, DeKalb High School and DeKalb Middle School, including site improvements (the “Projects”), which is estimated to cost not more than \$37,600,000 and is estimated to increase the property tax rate for debt service by \$0.0000?”

Determination of Tax Rate Increase

12. The Department notes that the question proposed by the DeKalb Board states that the estimated tax rate increase is “\$0.3391”. The District has provided to the Department information regarding the proposed debt from the project, assessed valuation of the property in the area served by the District, an amortization schedule submitted by the District, and estimated miscellaneous revenue of \$240,800 in the year in which the District will incur its highest debt payment. Therefore, the Department certifies a tax rate of \$0.3391.

13. The Department also finds that the question proposed by the Steuben Board purports that the proposed projects for which the public question is being proposed will have a zero tax rate impact. As described above, the Department finds that the proposed project will have an estimated tax rate impact of \$0.3391. Therefore, the proposed question adopted by the Steuben Board will need to be revised to include the certified rate.

Accuracy and Bias

14. 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 in the proposed question adopted by the DeKalb Board and Steuben Board, the description of the controlled project is not biased against either a vote in favor of or a vote against the controlled project. However, the proposed question adopted by the Steuben Board, as previously mentioned, omits a tax rate that is greater than zero. Therefore, the Department finds that the proposed question adopted by the Steuben Board is not accurate.

15. The Department concludes that the proposed question adopted by the DeKalb Board is accurate with respect to the proposed project.

Final Determination

WHEREFORE, based on the above findings and applicable law, the Department finds the following. First, that the proposed language adopted by the Steuben Board is not in compliance with IC 6-1.1-20-3.6(c). The Department therefore recommends that the Steuben Board make revisions to its proposed question in accordance with this determination. Second, that the proposed language adopted by the DeKalb Board is in compliance with IC 6-1.1-20-3.6(c) and approves that language as proposed.

Dated this 26th day of November, 2018.

STATE OF INDIANA
DEPARTMENT OF LOCAL GOVERNMENT FINANCE

Matthew L. Parkerson FOR
Wesley R. Bennett, Commissioner
Department of Local Government Finance