

**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 FOR A BALLOT )  
QUESTION REGARDING NEW ALBANY- ) No. 16-016-REF  
FLOYD COUNTY CONSOLIDATED )  
SCHOOL CORPORATION )**

---

**FINDINGS AND FINAL DETERMINATION ON PROPOSED QUESTION SUBMITTED  
JULY 20, 2016**

---

1. New Albany-Floyd County Consolidated School Corporation (“Corporation”) proposes to issue bonds or enter into a lease to finance the construction and renovation of various school buildings, which is estimated to cost not more than \$87,000,000 and is estimated to increase the property tax rate for debt service by twenty and eighty-six hundredths cents (\$0.2086) per \$100 of assessed valuation.
2. Under Indiana law, the voters in the area served by the Corporation 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 July 20, 2016, the Department received an e-mail from the Floyd County Election Board containing the Corporation’s proposed question.
9. The Board requested that the Department review this proposed question:

“Shall the New Albany-Floyd County Consolidated School Corporation issue bonds or enter into a lease to construct a new Green Valley Elementary School and Slate Run Elementary School and renovation and equipping of Prosser Career Education Center, New Albany High School, Floyd Knobs Elementary School, Greenville Elementary School, Highland Hills Middle School, Scribner Middle School, and Hazelwood Middle School and which is estimated to cost not more than \$87,000,000 and is estimated to increase the property tax rate for debt service by 20.86 cent per \$100 assessed valuation; however, due to debt retirement and refinancing, the anticipated property tax rate is expected to remain the same or less than the tax rate currently in effect?”

#### **Determination of Tax Rate Increase**

10. The Department estimates the tax rate increase in reliance on the Corporation’s proposed debt from the project, assessed valuation of the property in the area served by the Corporation, an amortization schedule submitted by the Corporation, and anticipated miscellaneous revenues. The Department notes that the Corporation plans to contribute income tax revenue to this debt service. Based on this information, the Department certifies a rate of \$0.2086 per \$100 of assessed valuation.

#### **Accuracy and Bias**

11. 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 the proposed language creates a bias. Specifically, the phrase “however, due to debt retirement and refinancing, the anticipated property tax rate is expected to remain the same or less than the tax rate currently in effect” colors the question and creates a bias in favor of the referendum. Moreover, statute does not provide for this language. The Department also notes that the word “cent” as used in the proposed question should be plural.

**Final Determination**

WHEREFORE, based on the above findings and applicable law, the Department finds that the proposed language is not in compliance with IC 6-1.1-20-3.6(c) and disapproves the language as proposed. The Department certifies a rate of \$0.2086 per \$100 of assessed valuation.

Dated this 21<sup>st</sup> day of July, 2016.

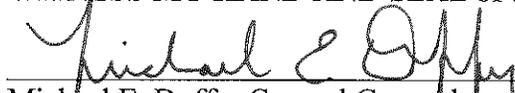
STATE OF INDIANA  
DEPARTMENT OF LOCAL GOVERNMENT FINANCE

  
\_\_\_\_\_  
Courtney L. Schaafsma, Commissioner  
Department of Local Government Finance

STATE OF INDIANA  
DEPARTMENT OF LOCAL GOVERNMENT FINANCE

I, Michael E. Duffy, 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 her statutory authority.

WITNESS MY HAND AND SEAL of the Commissioner on this the 21<sup>st</sup> day of July, 2016.

  
\_\_\_\_\_  
Michael E. Duffy, General Counsel  
Department of Local Government Finance