

**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)	No. 25-008-REF-A
CANNELTON CITY SCHOOLS,)	
PERRY COUNTY)	

**FINDINGS AND FINAL DETERMINATION ON PROPOSED QUESTION SUBMITTED
MAY 16, 2025**

1. On April 1, 2025, the Department of Local Government Finance (“Department”) rejected a proposed ballot question of Cannelton City School Corporation (“Corporation”) for the purpose of continuing a referendum tax levy. Subsequently, the Corporation submitted a revised ballot question. This Order amends the April 1, 2025 order.
2. Cannelton City School Corporation (“Corporation”) proposes to place an operating referendum on the ballot for the purpose of continuing a referendum tax levy.
3. Under Indiana law, voters in the area served by the Corporation will vote in a referendum to approve or deny the Corporation’s proposed tax rate. Pursuant to IC 20-46-1-8.5, a resolution to extend a referendum levy must be adopted by the governing body of a school corporation and approved in a referendum before December 31 of the final calendar year in which the school corporation’s previously approved referendum levy is imposed.
4. IC 20-46-1-23, as added by House Enrolled Act 1427-2025 (“HEA 1427”), provides that notwithstanding amendments made by Senate Enrolled Act 1-2025 (“SEA 1”) that limit property tax referenda to a general election, a school corporation may pursue an operating referendum in the fall of calendar year 2025 if the school board adopts a resolution on or before June 30, 2025.¹
5. Indiana law governs the format and wording of the ballot question for the referendum.

¹ The addition of IC 20-46-1-23 is effective upon the passage of HEA 1427. Other amendments made by sections 215 through 219 of SEA 1 also modify the ballot question to be used for an operating referendum under IC 20-46-1, as well as the duties of the county auditor, the school corporation, and the Department (the “SEA 1 ballot question changes”). The SEA 1 ballot question changes are effective July 1, 2025. It is unclear in IC 20-46-1-23 which form of the ballot question the school board is required to use for the referendum when adopting its resolution pursuant to IC 20-46-1-23 on or before June 30, the form as it reads in IC 20-46-1-10.1 prior to or as of the effective date of the SEA 1 ballot question changes. Therefore, the Department will not reject a ballot question that follows the form by, and meets all the requirements of, the law prior to the effective date of the SEA 1 ballot question changes.

6. Under Indiana law, the “question to be submitted to the voters in the referendum **must read as follows**”:

"Shall the school corporation continue to impose increased property taxes paid to the school corporation by homeowners and businesses for _____ (insert number of years) years immediately following the holding of the referendum for the purpose of funding _____ (insert short description of purposes)? The property tax increase requested in this referendum was originally approved by the voters in _____ (insert the year in which the referendum tax levy was approved) and if extended will increase the average property tax paid to the school corporation per year on a residence within the school corporation by _____% (insert the estimated average percentage of property tax increase on a residence within the school corporation) and if extended will increase the average property tax paid to the school corporation per year on a business property within the school corporation by _____% (insert the estimated average percentage of property tax increase on a business within the school corporation)."

Indiana Code 20-46-1-10.1 (emphasis added). The number of years for which a referendum tax levy may be extended if the public question under this section is approved may not exceed eight (8) years.

7. The ballot question then must contain five parts:

- The number of calendar years for which the tax will be in effect.
- The purpose of the funding.
- The name of the school corporation.
- The year in which the initial referendum was originally approved.
- The estimated average percent increase of taxes paid to the school corporation on residential and business property if the taxes are approved in the referendum, as certified by the county auditor under IC 20-46-1-10.1(d).

8. The law requires the Department of Local Government Finance (“Department”) to review the language for compliance with IC 20-46-1-10.1. The Department may either approve or reject the language.
9. On May 16, 2025, the Department received a resolution from the Corporation presenting the proposed ballot question for the referendum. Subsequently, on June 9, 2025, the Department received from the Corporation a revised question which includes the estimated tax impact certified by the Perry County Auditor.

10. The proposed ballot question is as follows:

"Shall the school corporation continue to impose increased property taxes paid to the school corporation by homeowners and businesses for seven (7) years immediately following the holding of the referendum for the purpose of funding operating costs and to provide programs and learning opportunities for children?

The property tax increase requested in this referendum was originally approved by the voters in 2018 and if extended will increase the average property tax paid to the school corporation per year on a residence within the school corporation by 27.07% and if extended will increase the average property tax paid to the school corporation per year on a business property within the school corporation by 35.00%."

11. The Corporation previously held a referendum in November, 2018, which passed.
12. On June 12, 2025, the Department received from the Corporation, pursuant to IC 20-46-1-10.1(f), the estimated average percent increase to homesteads and business property, respectively, of the property taxes that would be imposed by the Corporation if the referendum passes, as certified by the Perry County Auditor.

Estimate of Average Percent Increase in Taxes

13. The estimated average percent increase in taxes, as certified by the Perry County Auditor under IC 20-46-1-10(e), is **27.07%** for homesteads and **35.00%** for business property.

Compliance of Language

14. The Department must review the proposed language for compliance with IC 20-46-1-10.1. The Department may either approve or reject the language. The Department finds that the proposed language complies with IC 20-46-1-10.1.

Final Determination

WHEREFORE, based on the above findings and applicable law, the Department finds that the proposed language is in compliance with IC 20-46-1-10.1 and approves the language as proposed.

Dated this 16th day of June, 2025.

STATE OF INDIANA
DEPARTMENT OF LOCAL GOVERNMENT FINANCE



Jason Cockerill, Commissioner
Department of Local Government Finance