



April 10, 2019

ENGROSSED HOUSE BILL No. 1034

DIGEST OF HB 1034 (Updated April 9, 2019 11:45 am - DI 125)

Citations Affected: IC 6-1.1.

Synopsis: Political subdivision controlled projects and debt. Amends the definition of a "controlled project" to exclude projects for: (1) roads; (2) streets; (3) bridges; and (4) road, street, or bridge appurtenances. Provides that, for purposes of the petition and remonstrance process, a controlled project includes any project: (1) that is not otherwise a controlled project; but (2) the cost of which, when added to the cost of all other projects adopted by the political subdivision in the preceding five years, exceeds 1% of the political subdivision's gross assessed value but does not exceed 2% of the political subdivision's gross assessed value. Provides that, for purposes of the referendum process, a controlled project includes any project: (1)

(Continued next page)

Effective: July 1, 2019.

Thompson, Clere

(SENATE SPONSORS — HOLDMAN, TAYLOR G, HOUCHIN)

January 3, 2019, read first time and referred to Committee on Ways and Means.
January 22, 2019, amended, reported — Do Pass.
January 24, 2019, read second time, ordered engrossed. Engrossed.
January 28, 2019, read third time, passed. Yeas 96, nays 1.

SENATE ACTION

February 27, 2019, read first time and referred to Committee on Tax and Fiscal Policy.
April 9, 2019, amended, reported favorably — Do Pass.

EH 1034—LS 6540/DI 58



Digest Continued

that is not otherwise a controlled project; but (2) the cost of which, when added to the cost of all other projects adopted by the political subdivision in the preceding five years, exceeds 2% of the political subdivision's gross assessed value. Provides that the notice of the preliminary determination of the political subdivision to issue bonds or enter into a lease for a controlled project must include a statement that a person may file a petition with the department of local government finance objecting that the political subdivision has unlawfully divided a controlled project in order to avoid the petition and remonstrance or referendum requirements. Provides that if the estimated increase in a political subdivision's property tax levy for debt service for a proposed controlled project will be offset in whole or in part because of the retirement of existing debt of the political subdivision, the proper officers of the political subdivision may adopt a resolution that includes certain information and statements. Provides that if a political subdivision experiences a decrease in net assessed value it may be stated as an exception to a political subdivision's statement about maintaining its property tax rate to fund a new controlled project because of the retirement of debt. Specifies the ballot language for the referendum on such a proposed controlled project. Provides that the restrictions on supporting a position on a controlled project apply to any political subdivision that has assessed value within the same taxing district as the political subdivision proposing the project.



April 10, 2019

First Regular Session of the 121st General Assembly (2019)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2018 Regular and Special Session of the General Assembly.

ENGROSSED HOUSE BILL No. 1034

A BILL FOR AN ACT to amend the Indiana Code concerning
taxation.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 6-1.1-20-1.1, AS AMENDED BY P.L.246-2017,
2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2019]: Sec. 1.1. As used in this chapter, "controlled project"
4 means any project financed by bonds or a lease, except for the
5 following:
6 (1) A project for which the political subdivision reasonably
7 expects to pay:
8 (A) debt service; or
9 (B) lease rentals;
10 from funds other than property taxes that are exempt from the
11 levy limitations of IC 6-1.1-18.5 or (before January 1, 2009)
12 IC 20-45-3. A project is not a controlled project even though the
13 political subdivision has pledged to levy property taxes to pay the
14 debt service or lease rentals if those other funds are insufficient.
15 (2) A project that will not cost the political subdivision more than
16 the lesser of the following:
17 (A) An amount equal to the following:

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- 1 (i) In the case of an ordinance or resolution adopted before
 2 January 1, 2018, making a preliminary determination to
 3 issue bonds or enter into a lease for the project, two million
 4 dollars (\$2,000,000).
 5 (ii) In the case of an ordinance or resolution adopted after
 6 December 31, 2017, and before January 1, 2019, making a
 7 preliminary determination to issue bonds or enter into a
 8 lease for the project, five million dollars (\$5,000,000).
 9 (iii) In the case of an ordinance or resolution adopted in a
 10 calendar year after December 31, 2018, making a
 11 preliminary determination to issue bonds or enter into a
 12 lease for the project, an amount (as determined by the
 13 department of local government finance) equal to the result
 14 of the assessed value growth quotient determined under
 15 IC 6-1.1-18.5-2 for the year multiplied by the amount
 16 determined under this clause for the preceding calendar
 17 year.
 18 The department of local government finance shall publish the
 19 threshold determined under item (iii) in the Indiana Register
 20 under IC 4-22-7-7 not more than sixty (60) days after the date
 21 the budget agency releases the growth quotient for the ensuing
 22 year under IC 6-1.1-18.5-2.
 23 (B) An amount equal to the following:
 24 (i) One percent (1%) of the total gross assessed value of
 25 property within the political subdivision on the last
 26 assessment date, if that total gross assessed value is more
 27 than one hundred million dollars (\$100,000,000).
 28 (ii) One million dollars (\$1,000,000), if the total gross
 29 assessed value of property within the political subdivision
 30 on the last assessment date is not more than one hundred
 31 million dollars (\$100,000,000).
 32 (3) A project that is being refinanced for the purpose of providing
 33 gross or net present value savings to taxpayers.
 34 (4) A project for which bonds were issued or leases were entered
 35 into before January 1, 1996, or where the state board of tax
 36 commissioners has approved the issuance of bonds or the
 37 execution of leases before January 1, 1996.
 38 (5) A project that is required by a court order holding that a
 39 federal law mandates the project.
 40 (6) A project that is in response to:
 41 (A) a natural disaster;
 42 (B) an accident; or



- 1 (C) an emergency;
 2 in the political subdivision that makes a building or facility
 3 unavailable for its intended use.
 4 (7) A project that was not a controlled project under this section
 5 as in effect on June 30, 2008, and for which:
 6 (A) the bonds or lease for the project were issued or entered
 7 into before July 1, 2008; or
 8 (B) the issuance of the bonds or the execution of the lease for
 9 the project was approved by the department of local
 10 government finance before July 1, 2008.
 11 (8) A project of the Little Calumet River basin development
 12 commission for which bonds are payable from special
 13 assessments collected under IC 14-13-2-18.6.
 14 **(9) A project for engineering, land and right-of-way**
 15 **acquisition, construction, reconstruction, resurfacing,**
 16 **maintenance, repair, restoration, and rehabilitation for or of:**
 17 **(A) roads;**
 18 **(B) streets;**
 19 **(C) bridges; and**
 20 **(D) road, street, or bridge appurtenances.**
 21 SECTION 2. IC 6-1.1-20-3.1, AS AMENDED BY P.L.246-2017,
 22 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 23 JULY 1, 2019]: Sec. 3.1. (a) Subject to section 3.5(a)(1)(C) of this
 24 chapter, this section applies only to the following:
 25 (1) A controlled project (as defined in section 1.1 of this chapter
 26 as in effect June 30, 2008) for which the proper officers of a
 27 political subdivision make a preliminary determination in the
 28 manner described in subsection (b) before July 1, 2008.
 29 (2) An elementary school building, middle school building, high
 30 school building, or other school building for academic instruction
 31 that:
 32 (A) is a controlled project;
 33 (B) will be used for any combination of kindergarten through
 34 grade 12; and
 35 (C) will not cost more than the lesser of the following:
 36 (i) The threshold amount determined under this item. In the
 37 case of an ordinance or resolution adopted before January 1,
 38 2018, making a preliminary determination to issue bonds or
 39 enter into a lease for the project, the threshold amount is ten
 40 million dollars (\$10,000,000). In the case of an ordinance or
 41 resolution adopted after December 31, 2017, and before
 42 January 1, 2019, making a preliminary determination to



1 issue bonds or enter into a lease for the project, the threshold
 2 amount is fifteen million dollars (\$15,000,000). In the case
 3 of an ordinance or resolution adopted in a calendar year after
 4 December 31, 2018, making a preliminary determination to
 5 issue bonds or enter into a lease for the project, the threshold
 6 amount is an amount (as determined by the department of
 7 local government finance) equal to the result of the assessed
 8 value growth quotient determined under IC 6-1.1-18.5-2 for
 9 the year multiplied by the threshold amount determined
 10 under this item for the preceding calendar year. In the case
 11 of a threshold amount determined under this item that
 12 applies for a calendar year after December 31, 2018, the
 13 department of local government finance shall publish the
 14 threshold in the Indiana Register under IC 4-22-7-7 not more
 15 than sixty (60) days after the date the budget agency releases
 16 the assessed value growth quotient for the ensuing year
 17 under IC 6-1.1-18.5-2.

18 (ii) An amount equal to one percent (1%) of the total gross
 19 assessed value of property within the political subdivision
 20 on the last assessment date, if that total gross assessed value
 21 is more than one billion dollars (\$1,000,000,000), or ten
 22 million dollars (\$10,000,000), if the total gross assessed
 23 value of property within the political subdivision on the last
 24 assessment date is not more than one billion dollars
 25 (\$1,000,000,000).

26 (3) Any other controlled project that:
 27 (A) is not a controlled project described in subdivision (1) or
 28 (2); and
 29 (B) will not cost the political subdivision more than the lesser
 30 of the following:

31 (i) The threshold amount determined under this item. In the
 32 case of an ordinance or resolution adopted before January 1,
 33 2018, making a preliminary determination to issue bonds or
 34 enter into a lease for the project, the threshold amount is
 35 twelve million dollars (\$12,000,000). In the case of an
 36 ordinance or resolution adopted after December 31, 2017,
 37 and before January 1, 2019, making a preliminary
 38 determination to issue bonds or enter into a lease for the
 39 project, the threshold amount is fifteen million dollars
 40 (\$15,000,000). In the case of an ordinance or resolution
 41 adopted in a calendar year after December 31, 2018, making
 42 a preliminary determination to issue bonds or enter into a



1 lease for the project, the threshold amount is an amount (as
 2 determined by the department of local government finance)
 3 equal to the result of the assessed value growth quotient
 4 determined under IC 6-1.1-18.5-2 for the year multiplied by
 5 the threshold amount determined under this item for the
 6 preceding calendar year. In the case of a threshold amount
 7 determined under this item that applies for a calendar year
 8 after December 31, 2018, the department of local
 9 government finance shall publish the threshold in the
 10 Indiana Register under IC 4-22-7-7 not more than sixty (60)
 11 days after the date the budget agency releases the assessed
 12 value growth quotient for the ensuing year under
 13 IC 6-1.1-18.5-2.

14 (ii) An amount equal to one percent (1%) of the total gross
 15 assessed value of property within the political subdivision
 16 on the last assessment date, if that total gross assessed value
 17 is more than one hundred million dollars (\$100,000,000), or
 18 one million dollars (\$1,000,000), if the total gross assessed
 19 value of property within the political subdivision on the last
 20 assessment date is not more than one hundred million
 21 dollars (\$100,000,000).

22 **(4) After June 30, 2019, any other project:**

23 **(A) that is not a controlled project described in**
 24 **subdivisions (1) through (3); and**

25 **(B) for which a political subdivision adopts an ordinance**
 26 **or resolution making a preliminary determination to issue**
 27 **bonds or enter into a lease for the project, if the sum of:**

28 **(i) the cost of that project; plus**

29 **(ii) the cost of all other projects described in clause (A)**
 30 **for which the political subdivision has previously**
 31 **adopted within the preceding five (5) years an ordinance**
 32 **or resolution making a preliminary determination to**
 33 **issue bonds or enter into a lease for the project, but not**
 34 **including an ordinance or resolution adopted before July**
 35 **1, 2019;**

36 **exceeds one percent (1%) of the political subdivision's**
 37 **gross assessed value for the calendar year but does not**
 38 **exceed two percent (2%) of the political subdivision's gross**
 39 **assessed value for the calendar year.**

40 (b) A political subdivision may not impose property taxes to pay
 41 debt service on bonds or lease rentals on a lease for a controlled project
 42 without completing the following procedures:



1 (1) The proper officers of a political subdivision shall publish
 2 notice in accordance with IC 5-3-1 and send notice by first class
 3 mail to the circuit court clerk and to any organization that delivers
 4 to the officers, before January 1 of that year, an annual written
 5 request for such notices of any meeting to consider adoption of a
 6 resolution or an ordinance making a preliminary determination to
 7 issue bonds or enter into a lease and shall conduct at least two (2)
 8 public hearings on a preliminary determination before adoption
 9 of the resolution or ordinance. The political subdivision must at
 10 each of the public hearings on the preliminary determination
 11 allow the public to testify regarding the preliminary determination
 12 and must make the following information available to the public
 13 at each of the public hearings on the preliminary determination,
 14 in addition to any other information required by law:

15 (A) The result of the political subdivision's current and
 16 projected annual debt service payments divided by the net
 17 assessed value of taxable property within the political
 18 subdivision.

19 (B) The result of:

20 (i) the sum of the political subdivision's outstanding long
 21 term debt plus the outstanding long term debt of other taxing
 22 units that include any of the territory of the political
 23 subdivision; divided by

24 (ii) the net assessed value of taxable property within the
 25 political subdivision.

26 (C) The information specified in subdivision (3)(A) through
 27 (3)(H).

28 (2) When the proper officers of a political subdivision make a
 29 preliminary determination to issue bonds or enter into a lease for
 30 a controlled project, the officers shall give notice of the
 31 preliminary determination by:

32 (A) publication in accordance with IC 5-3-1; and

33 (B) first class mail to the circuit court clerk and to the
 34 organizations described in subdivision (1).

35 (3) A notice under subdivision (2) of the preliminary
 36 determination of the political subdivision to issue bonds or enter
 37 into a lease for a controlled project must include the following
 38 information:

39 (A) The maximum term of the bonds or lease.

40 (B) The maximum principal amount of the bonds or the
 41 maximum lease rental for the lease.

42 (C) The estimated interest rates that will be paid and the total



- 1 interest costs associated with the bonds or lease.
 2 (D) The purpose of the bonds or lease.
 3 (E) A statement that any owners of property within the
 4 political subdivision or registered voters residing within the
 5 political subdivision who want to initiate a petition and
 6 remonstrance process against the proposed debt service or
 7 lease payments must file a petition that complies with
 8 subdivisions (4) and (5) not later than thirty (30) days after
 9 publication in accordance with IC 5-3-1.
 10 (F) With respect to bonds issued or a lease entered into to
 11 open:
 12 (i) a new school facility; or
 13 (ii) an existing facility that has not been used for at least
 14 three (3) years and that is being reopened to provide
 15 additional classroom space;
 16 the estimated costs the school corporation expects to incur
 17 annually to operate the facility.
 18 (G) A statement of whether the school corporation expects to
 19 appeal for a new facility adjustment (as defined in
 20 IC 20-45-1-16 (repealed) before January 1, 2009) for an
 21 increased maximum permissible tuition support levy to pay the
 22 estimated costs described in clause (F).
 23 (H) The following information:
 24 (i) The political subdivision's current debt service levy and
 25 rate.
 26 (ii) The estimated increase to the political subdivision's debt
 27 service levy and rate that will result if the political
 28 subdivision issues the bonds or enters into the lease.
 29 (iii) The estimated amount of the political subdivision's debt
 30 service levy and rate that will result during the following ten
 31 (10) years if the political subdivision issues the bonds or
 32 enters into the lease, after also considering any changes that
 33 will occur to the debt service levy and rate during that
 34 period on account of any outstanding bonds or lease
 35 obligations that will mature or terminate during that period.
 36 (I) The information specified in subdivision (1)(A) through
 37 (1)(B).
 38 **(J) A statement that a person that owns property within a**
 39 **political subdivision or a person that is a registered voter**
 40 **residing within a political subdivision may file a petition**
 41 **with the department of local government finance as set**
 42 **forth in subsection (c) objecting that the political**



- 1 **subdivision has unlawfully divided a controlled project in**
 2 **order to avoid the requirements of this section and section**
 3 **3.2 of this chapter.**
- 4 (4) After notice is given, a petition requesting the application of
 5 a petition and remonstrance process may be filed by the lesser of:
 6 (A) five hundred (500) persons who are either owners of
 7 property within the political subdivision or registered voters
 8 residing within the political subdivision; or
 9 (B) five percent (5%) of the registered voters residing within
 10 the political subdivision.
- 11 (5) The state board of accounts shall design and, upon request by
 12 the county voter registration office, deliver to the county voter
 13 registration office or the county voter registration office's
 14 designated printer the petition forms to be used solely in the
 15 petition process described in this section. The county voter
 16 registration office shall issue to an owner or owners of property
 17 within the political subdivision or a registered voter residing
 18 within the political subdivision the number of petition forms
 19 requested by the owner or owners or the registered voter. Each
 20 form must be accompanied by instructions detailing the
 21 requirements that:
 22 (A) the carrier and signers must be owners of property or
 23 registered voters;
 24 (B) the carrier must be a signatory on at least one (1) petition;
 25 (C) after the signatures have been collected, the carrier must
 26 swear or affirm before a notary public that the carrier
 27 witnessed each signature; and
 28 (D) govern the closing date for the petition period.
- 29 Persons requesting forms may be required to identify themselves
 30 as owners of property or registered voters and may be allowed to
 31 pick up additional copies to distribute to other owners of property
 32 or registered voters. Each person signing a petition must indicate
 33 whether the person is signing the petition as a registered voter
 34 within the political subdivision or is signing the petition as the
 35 owner of property within the political subdivision. A person who
 36 signs a petition as a registered voter must indicate the address at
 37 which the person is registered to vote. A person who signs a
 38 petition as an owner of property must indicate the address of the
 39 property owned by the person in the political subdivision.
- 40 (6) Each petition must be verified under oath by at least one (1)
 41 qualified petitioner in a manner prescribed by the state board of
 42 accounts before the petition is filed with the county voter



1 registration office under subdivision (7).
 2 (7) Each petition must be filed with the county voter registration
 3 office not more than thirty (30) days after publication under
 4 subdivision (2) of the notice of the preliminary determination.
 5 (8) The county voter registration office shall determine whether
 6 each person who signed the petition is a registered voter.
 7 However, after the county voter registration office has determined
 8 that at least five hundred twenty-five (525) persons who signed
 9 the petition are registered voters within the political subdivision,
 10 the county voter registration office is not required to verify
 11 whether the remaining persons who signed the petition are
 12 registered voters. If the county voter registration office does not
 13 determine that at least five hundred twenty-five (525) persons
 14 who signed the petition are registered voters, the county voter
 15 registration office shall, not more than fifteen (15) business days
 16 after receiving a petition, forward a copy of the petition to the
 17 county auditor. Not more than ten (10) business days after
 18 receiving the copy of the petition, the county auditor shall provide
 19 to the county voter registration office a statement verifying:
 20 (A) whether a person who signed the petition as a registered
 21 voter but is not a registered voter, as determined by the county
 22 voter registration office, is the owner of property in the
 23 political subdivision; and
 24 (B) whether a person who signed the petition as an owner of
 25 property within the political subdivision does in fact own
 26 property within the political subdivision.
 27 (9) The county voter registration office, not more than ten (10)
 28 business days after determining that at least five hundred
 29 twenty-five (525) persons who signed the petition are registered
 30 voters or receiving the statement from the county auditor under
 31 subdivision (8), as applicable, shall make the final determination
 32 of the number of petitioners that are registered voters in the
 33 political subdivision and, based on the statement provided by the
 34 county auditor, the number of petitioners that own property within
 35 the political subdivision. Whenever the name of an individual
 36 who signs a petition form as a registered voter contains a minor
 37 variation from the name of the registered voter as set forth in the
 38 records of the county voter registration office, the signature is
 39 presumed to be valid, and there is a presumption that the
 40 individual is entitled to sign the petition under this section. Except
 41 as otherwise provided in this chapter, in determining whether an
 42 individual is a registered voter, the county voter registration office



1 shall apply the requirements and procedures used under IC 3 to
 2 determine whether a person is a registered voter for purposes of
 3 voting in an election governed by IC 3. However, an individual is
 4 not required to comply with the provisions concerning providing
 5 proof of identification to be considered a registered voter for
 6 purposes of this chapter. A person is entitled to sign a petition
 7 only one (1) time in a particular petition and remonstrance
 8 process under this chapter, regardless of whether the person owns
 9 more than one (1) parcel of real property, mobile home assessed
 10 as personal property, or manufactured home assessed as personal
 11 property, or a combination of those types of property within the
 12 subdivision and regardless of whether the person is both a
 13 registered voter in the political subdivision and the owner of
 14 property within the political subdivision. Notwithstanding any
 15 other provision of this section, if a petition is presented to the
 16 county voter registration office within forty-five (45) days before
 17 an election, the county voter registration office may defer acting
 18 on the petition, and the time requirements under this section for
 19 action by the county voter registration office do not begin to run
 20 until five (5) days after the date of the election.

21 (10) The county voter registration office must file a certificate and
 22 each petition with:

23 (A) the township trustee, if the political subdivision is a
 24 township, who shall present the petition or petitions to the
 25 township board; or

26 (B) the body that has the authority to authorize the issuance of
 27 the bonds or the execution of a lease, if the political
 28 subdivision is not a township;

29 within thirty-five (35) business days of the filing of the petition
 30 requesting a petition and remonstrance process. The certificate
 31 must state the number of petitioners that are owners of property
 32 within the political subdivision and the number of petitioners who
 33 are registered voters residing within the political subdivision.

34 If a sufficient petition requesting a petition and remonstrance process
 35 is not filed by owners of property or registered voters as set forth in this
 36 section, the political subdivision may issue bonds or enter into a lease
 37 by following the provisions of law relating to the bonds to be issued or
 38 lease to be entered into.

39 (c) A political subdivision may not divide a controlled project in
 40 order to avoid the requirements of this section and section 3.2 of this
 41 chapter. A person that owns property within a political subdivision or
 42 a person that is a registered voter residing within a political subdivision



1 may file a petition with the department of local government finance
 2 objecting that the political subdivision has divided a controlled project
 3 in order to avoid the requirements of this section and section 3.2 of this
 4 chapter. The petition must be filed not more than ten (10) days after the
 5 political subdivision gives notice of the political subdivision's decision
 6 to issue bonds or enter into leases for a capital project that the person
 7 believes is the result of a division of a controlled project that is
 8 prohibited by this subsection. If the department of local government
 9 finance receives a petition under this subsection, the department shall
 10 not later than thirty (30) days after receiving the petition make a final
 11 determination on the issue of whether the political subdivision divided
 12 a controlled project in order to avoid the requirements of this section
 13 and section 3.2 of this chapter. If the department of local government
 14 finance determines that a political subdivision divided a controlled
 15 project in order to avoid the requirements of this section and section
 16 3.2 of this chapter and the political subdivision continues to desire to
 17 proceed with the project, the political subdivision shall fulfill the
 18 requirements of this section and section 3.2 of this chapter, if
 19 applicable, regardless of the cost of the project in dispute. A political
 20 subdivision shall be considered to have divided a capital project in
 21 order to avoid the requirements of this section and section 3.2 of this
 22 chapter if the result of one (1) or more of the subprojects cannot
 23 reasonably be considered an independently desirable end in itself
 24 without reference to another capital project. This subsection does not
 25 prohibit a political subdivision from undertaking a series of capital
 26 projects in which the result of each capital project can reasonably be
 27 considered an independently desirable end in itself without reference
 28 to another capital project.

29 SECTION 3. IC 6-1.1-20-3.5, AS AMENDED BY P.L.246-2017,
 30 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 31 JULY 1, 2019]: Sec. 3.5. (a) This section applies only to a controlled
 32 project that meets the following conditions:

33 (1) The controlled project is described in one (1) of the following
 34 categories:

35 (A) An elementary school building, middle school building,
 36 high school building, or other school building for academic
 37 instruction that will be used for any combination of
 38 kindergarten through grade 12 and will cost more than the
 39 lesser of the following:

40 (i) The threshold amount determined under this item. In the
 41 case of an ordinance or resolution adopted before January 1,
 42 2018, making a preliminary determination to issue bonds or



1 enter into a lease for the project, the threshold amount is ten
 2 million dollars (\$10,000,000). In the case of an ordinance or
 3 resolution adopted after December 31, 2017, and before
 4 January 1, 2019, making a preliminary determination to
 5 issue bonds or enter into a lease for the project, the threshold
 6 amount is fifteen million dollars (\$15,000,000). In the case
 7 of an ordinance or resolution adopted in a calendar year after
 8 December 31, 2018, making a preliminary determination to
 9 issue bonds or enter into a lease for the project, the threshold
 10 amount is an amount (as determined by the department of
 11 local government finance) equal to the result of the assessed
 12 value growth quotient determined under IC 6-1.1-18.5-2 for
 13 the year multiplied by the threshold amount determined
 14 under this item for the preceding calendar year. In the case
 15 of a threshold amount determined under this item that
 16 applies for a calendar year after December 31, 2018, the
 17 department of local government finance shall publish the
 18 threshold in the Indiana Register under IC 4-22-7-7 not more
 19 than sixty (60) days after the date the budget agency releases
 20 the assessed value growth quotient for the ensuing year
 21 under IC 6-1.1-18.5-2.

22 (ii) An amount equal to one percent (1%) of the total gross
 23 assessed value of property within the political subdivision
 24 on the last assessment date, if that total gross assessed value
 25 is more than one billion dollars (\$1,000,000,000), or ten
 26 million dollars (\$10,000,000), if the total gross assessed
 27 value of property within the political subdivision on the last
 28 assessment date is not more than one billion dollars
 29 (\$1,000,000,000).

30 (B) Any other controlled project that is not a controlled project
 31 described in clause (A) and will cost the political subdivision
 32 more than the lesser of the following:

33 (i) The threshold amount determined under this item. In the
 34 case of an ordinance or resolution adopted before January 1,
 35 2018, making a preliminary determination to issue bonds or
 36 enter into a lease for the project, the threshold amount is
 37 twelve million dollars (\$12,000,000). In the case of an
 38 ordinance or resolution adopted after December 31, 2017,
 39 and before January 1, 2019, making a preliminary
 40 determination to issue bonds or enter into a lease for the
 41 project, the threshold amount is fifteen million dollars
 42 (\$15,000,000). In the case of an ordinance or resolution



1 adopted in a calendar year after December 31, 2018, making
 2 a preliminary determination to issue bonds or enter into a
 3 lease for the project, the threshold amount is an amount (as
 4 determined by the department of local government finance)
 5 equal to the result of the assessed value growth quotient
 6 determined under IC 6-1.1-18.5-2 for the year multiplied by
 7 the threshold amount determined under this item for the
 8 preceding calendar year. In the case of a threshold amount
 9 determined under this item that applies for a calendar year
 10 after December 31, 2018, the department of local
 11 government finance shall publish the threshold in the
 12 Indiana Register under IC 4-22-7-7 not more than sixty (60)
 13 days after the date the budget agency releases the assessed
 14 value growth quotient for the ensuing year under
 15 IC 6-1.1-18.5-2.

16 (ii) An amount equal to one percent (1%) of the total gross
 17 assessed value of property within the political subdivision
 18 on the last assessment date, if that total gross assessed value
 19 is more than one hundred million dollars (\$100,000,000), or
 20 one million dollars (\$1,000,000), if the total gross assessed
 21 value of property within the political subdivision on the last
 22 assessment date is not more than one hundred million
 23 dollars (\$100,000,000).

24 (C) Any other controlled project for which a political
 25 subdivision adopts an ordinance or resolution making a
 26 preliminary determination to issue bonds or enter into a lease
 27 for the project, if the sum of:

28 (i) the cost of that controlled project; plus

29 (ii) the costs of all other controlled projects for which the
 30 political subdivision has previously adopted within the
 31 preceding three hundred sixty-five (365) days an ordinance
 32 or resolution making a preliminary determination to issue
 33 bonds or enter into a lease for those other controlled
 34 projects;

35 exceeds twenty-five million dollars (\$25,000,000).

36 **(D) After June 30, 2019, any other project that is not a**
 37 **controlled project described in clauses (A) through (C),**
 38 **and for which a political subdivision adopts an ordinance**
 39 **or resolution making a preliminary determination to issue**
 40 **bonds or enter into a lease for the project, if the sum of:**

41 **(i) the cost of that project; plus**

42 **(ii) the cost of all other projects that were not controlled**



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projects described in clauses (A) through (C) for which the political subdivision has previously adopted within the preceding five (5) years an ordinance or resolution making a preliminary determination to issue bonds or enter into a lease for the project, but not including an ordinance or resolution adopted before July 1, 2019; exceeds two percent (2%) of the political subdivision's gross assessed value for the calendar year.

(2) The proper officers of the political subdivision make a preliminary determination after June 30, 2008, in the manner described in subsection (b) to issue bonds or enter into a lease for the controlled project.

(b) A political subdivision may not impose property taxes to pay debt service on bonds or lease rentals on a lease for a controlled project without completing the following procedures:

(1) The proper officers of a political subdivision shall publish notice in accordance with IC 5-3-1 and send notice by first class mail to the circuit court clerk and to any organization that delivers to the officers, before January 1 of that year, an annual written request for notices of any meeting to consider the adoption of an ordinance or a resolution making a preliminary determination to issue bonds or enter into a lease and shall conduct at least two (2) public hearings on the preliminary determination before adoption of the ordinance or resolution. The political subdivision must at each of the public hearings on the preliminary determination allow the public to testify regarding the preliminary determination and must make the following information available to the public at each of the public hearings on the preliminary determination, in addition to any other information required by law:

(A) The result of the political subdivision's current and projected annual debt service payments divided by the net assessed value of taxable property within the political subdivision.

(B) The result of:
(i) the sum of the political subdivision's outstanding long term debt plus the outstanding long term debt of other taxing units that include any of the territory of the political subdivision; divided by
(ii) the net assessed value of taxable property within the political subdivision.

(C) The information specified in subdivision (3)(A) through (3)(G).



- 1 (2) If the proper officers of a political subdivision make a
- 2 preliminary determination to issue bonds or enter into a lease, the
- 3 officers shall give notice of the preliminary determination by:
- 4 (A) publication in accordance with IC 5-3-1; and
- 5 (B) first class mail to the circuit court clerk and to the
- 6 organizations described in subdivision (1).
- 7 (3) A notice under subdivision (2) of the preliminary
- 8 determination of the political subdivision to issue bonds or enter
- 9 into a lease must include the following information:
- 10 (A) The maximum term of the bonds or lease.
- 11 (B) The maximum principal amount of the bonds or the
- 12 maximum lease rental for the lease.
- 13 (C) The estimated interest rates that will be paid and the total
- 14 interest costs associated with the bonds or lease.
- 15 (D) The purpose of the bonds or lease.
- 16 (E) A statement that the proposed debt service or lease
- 17 payments must be approved in an election on a local public
- 18 question held under section 3.6 of this chapter.
- 19 (F) With respect to bonds issued or a lease entered into to
- 20 open:
- 21 (i) a new school facility; or
- 22 (ii) an existing facility that has not been used for at least
- 23 three (3) years and that is being reopened to provide
- 24 additional classroom space;
- 25 the estimated costs the school corporation expects to annually
- 26 incur to operate the facility.
- 27 (G) The following information:
- 28 (i) The political subdivision's current debt service levy and
- 29 rate.
- 30 (ii) The estimated increase to the political subdivision's debt
- 31 service levy and rate that will result if the political
- 32 subdivision issues the bonds or enters into the lease.
- 33 (iii) The estimated amount of the political subdivision's debt
- 34 service levy and rate that will result during the following ten
- 35 (10) years if the political subdivision issues the bonds or
- 36 enters into the lease, after also considering any changes that
- 37 will occur to the debt service levy and rate during that
- 38 period on account of any outstanding bonds or lease
- 39 obligations that will mature or terminate during that period.
- 40 (H) The information specified in subdivision (1)(A) through
- 41 (1)(B).
- 42 **(I) A statement that a person that owns property within a**



- 1 **political subdivision or a person that is a registered voter**
 2 **residing within a political subdivision may file a petition**
 3 **with the department of local government finance as set**
 4 **forth in section 3.6(k) of this chapter objecting that the**
 5 **political subdivision has unlawfully divided a controlled**
 6 **project in order to avoid the requirements of this section**
 7 **and section 3.6 of this chapter.**
- 8 (4) After notice is given, a petition requesting the application of
 9 the local public question process under section 3.6 of this chapter
 10 may be filed by the lesser of:
- 11 (A) five hundred (500) persons who are either owners of
 12 property within the political subdivision or registered voters
 13 residing within the political subdivision; or
- 14 (B) five percent (5%) of the registered voters residing within
 15 the political subdivision.
- 16 (5) The state board of accounts shall design and, upon request by
 17 the county voter registration office, deliver to the county voter
 18 registration office or the county voter registration office's
 19 designated printer the petition forms to be used solely in the
 20 petition process described in this section. The county voter
 21 registration office shall issue to an owner or owners of property
 22 within the political subdivision or a registered voter residing
 23 within the political subdivision the number of petition forms
 24 requested by the owner or owners or the registered voter. Each
 25 form must be accompanied by instructions detailing the
 26 requirements that:
- 27 (A) the carrier and signers must be owners of property or
 28 registered voters;
- 29 (B) the carrier must be a signatory on at least one (1) petition;
- 30 (C) after the signatures have been collected, the carrier must
 31 swear or affirm before a notary public that the carrier
 32 witnessed each signature; and
- 33 (D) govern the closing date for the petition period.
- 34 Persons requesting forms may be required to identify themselves
 35 as owners of property or registered voters and may be allowed to
 36 pick up additional copies to distribute to other owners of property
 37 or registered voters. Each person signing a petition must indicate
 38 whether the person is signing the petition as a registered voter
 39 within the political subdivision or is signing the petition as the
 40 owner of property within the political subdivision. A person who
 41 signs a petition as a registered voter must indicate the address at
 42 which the person is registered to vote. A person who signs a



- 1 petition as an owner of property must indicate the address of the
 2 property owned by the person in the political subdivision.
- 3 (6) Each petition must be verified under oath by at least one (1)
 4 qualified petitioner in a manner prescribed by the state board of
 5 accounts before the petition is filed with the county voter
 6 registration office under subdivision (7).
- 7 (7) Each petition must be filed with the county voter registration
 8 office not more than thirty (30) days after publication under
 9 subdivision (2) of the notice of the preliminary determination.
- 10 (8) The county voter registration office shall determine whether
 11 each person who signed the petition is a registered voter.
 12 However, after the county voter registration office has determined
 13 that at least five hundred twenty-five (525) persons who signed
 14 the petition are registered voters within the political subdivision,
 15 the county voter registration office is not required to verify
 16 whether the remaining persons who signed the petition are
 17 registered voters. If the county voter registration office does not
 18 determine that at least five hundred twenty-five (525) persons
 19 who signed the petition are registered voters, the county voter
 20 registration office, not more than fifteen (15) business days after
 21 receiving a petition, shall forward a copy of the petition to the
 22 county auditor. Not more than ten (10) business days after
 23 receiving the copy of the petition, the county auditor shall provide
 24 to the county voter registration office a statement verifying:
- 25 (A) whether a person who signed the petition as a registered
 26 voter but is not a registered voter, as determined by the county
 27 voter registration office, is the owner of property in the
 28 political subdivision; and
- 29 (B) whether a person who signed the petition as an owner of
 30 property within the political subdivision does in fact own
 31 property within the political subdivision.
- 32 (9) The county voter registration office, not more than ten (10)
 33 business days after determining that at least five hundred
 34 twenty-five (525) persons who signed the petition are registered
 35 voters or after receiving the statement from the county auditor
 36 under subdivision (8), as applicable, shall make the final
 37 determination of whether a sufficient number of persons have
 38 signed the petition. Whenever the name of an individual who
 39 signs a petition form as a registered voter contains a minor
 40 variation from the name of the registered voter as set forth in the
 41 records of the county voter registration office, the signature is
 42 presumed to be valid, and there is a presumption that the



1 individual is entitled to sign the petition under this section. Except
 2 as otherwise provided in this chapter, in determining whether an
 3 individual is a registered voter, the county voter registration office
 4 shall apply the requirements and procedures used under IC 3 to
 5 determine whether a person is a registered voter for purposes of
 6 voting in an election governed by IC 3. However, an individual is
 7 not required to comply with the provisions concerning providing
 8 proof of identification to be considered a registered voter for
 9 purposes of this chapter. A person is entitled to sign a petition
 10 only one (1) time in a particular referendum process under this
 11 chapter, regardless of whether the person owns more than one (1)
 12 parcel of real property, mobile home assessed as personal
 13 property, or manufactured home assessed as personal property or
 14 a combination of those types of property within the political
 15 subdivision and regardless of whether the person is both a
 16 registered voter in the political subdivision and the owner of
 17 property within the political subdivision. Notwithstanding any
 18 other provision of this section, if a petition is presented to the
 19 county voter registration office within forty-five (45) days before
 20 an election, the county voter registration office may defer acting
 21 on the petition, and the time requirements under this section for
 22 action by the county voter registration office do not begin to run
 23 until five (5) days after the date of the election.

24 (10) The county voter registration office must file a certificate and
 25 each petition with:

26 (A) the township trustee, if the political subdivision is a
 27 township, who shall present the petition or petitions to the
 28 township board; or

29 (B) the body that has the authority to authorize the issuance of
 30 the bonds or the execution of a lease, if the political
 31 subdivision is not a township;

32 within thirty-five (35) business days of the filing of the petition
 33 requesting the referendum process. The certificate must state the
 34 number of petitioners who are owners of property within the
 35 political subdivision and the number of petitioners who are
 36 registered voters residing within the political subdivision.

37 (11) If a sufficient petition requesting the local public question
 38 process is not filed by owners of property or registered voters as
 39 set forth in this section, the political subdivision may issue bonds
 40 or enter into a lease by following the provisions of law relating to
 41 the bonds to be issued or lease to be entered into.

42 (c) If the proper officers of a political subdivision make a



1 preliminary determination to issue bonds or enter into a lease, the
 2 officers shall provide to the county auditor:

- 3 (1) a copy of the notice required by subsection (b)(2); and
- 4 (2) any other information the county auditor requires to fulfill the
 5 county auditor's duties under section 3.6 of this chapter.

6 SECTION 4. IC 6-1.1-20-3.6, AS AMENDED BY P.L.246-2017,
 7 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 8 JULY 1, 2019]: Sec. 3.6. (a) Except as provided in sections 3.7 and 3.8
 9 of this chapter, this section applies only to a controlled project
 10 described in section 3.5(a) of this chapter.

11 (b) If a sufficient petition requesting the application of the local
 12 public question process has been filed as set forth in section 3.5 of this
 13 chapter, a political subdivision may not impose property taxes to pay
 14 debt service on bonds or lease rentals on a lease for a controlled project
 15 unless the political subdivision's proposed debt service or lease rental
 16 is approved in an election on a local public question held under this
 17 section.

18 (c) Except as provided in ~~subsection (k)~~, **subsections (d) and (l)**,
 19 the following question shall be submitted to the eligible voters at the
 20 election conducted under this section:

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

28 The public question must appear on the ballot in the form approved by
 29 the county election board. If the political subdivision proposing to issue
 30 bonds or enter into a lease is located in more than one (1) county, the
 31 county election board of each county shall jointly approve the form of
 32 the public question that will appear on the ballot in each county. The
 33 form approved by the county election board may differ from the
 34 language certified to the county election board by the county auditor.
 35 If the county election board approves the language of a public question
 36 under this subsection, the county election board shall submit the
 37 language to the department of local government finance for review.

38 **(d) If the estimated increase in a political subdivision's property**
 39 **tax levy for debt service for a controlled project will be offset in**
 40 **whole or in part because of the retirement of existing debt of the**
 41 **political subdivision, the proper officers of the political subdivision**
 42 **may adopt a resolution that does the following:**



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- (1) Includes a schedule that specifies:**
 - (A) the maximum annual debt service for the controlled project for each year in which such debt service will be paid;**
 - (B) the information described in section 3.5(b)(3)(G)(iii) of this chapter concerning the estimated amount of the political subdivision's debt service levy and tax rate that will result during the following ten (10) years if the political subdivision issues the bonds or enters into the lease for the controlled project, after also considering any changes that will occur to the debt service levy and tax rate during that period on account of any outstanding bonds or lease obligations that will mature or terminate during that period; and**
 - (C) whether:**
 - (i) the outstanding bonds or lease obligations that will mature or terminate during the following ten (10) years were approved in a public question under this chapter; and**
 - (ii) the property taxes imposed to pay the outstanding bonds or lease obligations described in item (i) are excluded from consideration in calculating tax credits for purposes of the property tax caps under IC 6-1.1-20.6.**
- (2) States that the proper officers of the political subdivision intend to maintain the political subdivision's total debt service property tax rate (including debt service for the controlled project and for all other debt of the political subdivision) at or below a specified property tax rate. The political subdivision's statement that it intends to maintain its total debt service property tax rate at or below such a specified property tax rate may include exceptions for the following:**
 - (A) Specified projects or purposes, including any projects that the proper officers of the political subdivision declare are required by an emergency or are required for the safety and security of citizens or students.**
 - (B) The political subdivision experiences a decrease in net assessed value and its rate may not be maintained as a result of the decrease.**

If a political subdivision adopts a resolution under this subsection, the proper officers of the political subdivision shall submit to the department of local government finance a copy of the resolution,



1 information specifying the amount of existing debt that will be
 2 retired, and a calculation showing the effect that the retirement of
 3 the existing debt will have on the political subdivision's overall debt
 4 service tax rates and levies. Except as provided in subsection (l), if
 5 a political subdivision adopts a resolution under this subsection, the
 6 following question shall be submitted to the eligible voters at the
 7 election conducted under this section:

8 "Shall _____ (insert the name of the political subdivision)
 9 issue bonds or enter into a lease to finance _____
 10 (insert a brief description of the controlled project), which is
 11 estimated to cost not more than _____ (insert the total cost
 12 of the project), with an estimated property tax rate for the
 13 project of _____ (insert the property tax rate for the
 14 controlled project as determined by the department of local
 15 government finance) but with the following estimated net
 16 change in the total debt service property tax rate, after
 17 accounting for the retirement of existing debt: _____
 18 (insert net change in the political subdivision's total debt
 19 service property tax rate, as determined by the department of
 20 local government finance, after accounting for the retirement
 21 of existing debt)?".

22 The public question must appear on the ballot in the form
 23 approved by the county election board. If the political subdivision
 24 proposing to issue bonds or enter into a lease is located in more
 25 than one (1) county, the county election board of each county shall
 26 jointly approve the form of the public question that will appear on
 27 the ballot in each county. The form approved by the county
 28 election board may differ from the language certified to the county
 29 election board by the county auditor. If the county election board
 30 approves the language of a public question under this subsection,
 31 the county election board shall submit the language to the
 32 department of local government finance for review.

33 (d) (e) The department of local government finance shall review the
 34 language of the public question to evaluate whether the description of
 35 the controlled project is accurate and is not biased against either a vote
 36 in favor of the controlled project or a vote against the controlled
 37 project. The department of local government finance may either
 38 approve the ballot language as submitted or recommend that the ballot
 39 language be modified as necessary to ensure that the description of the
 40 controlled project is accurate and is not biased. The department of local
 41 government finance shall certify its approval or recommendations to
 42 the county auditor and the county election board not more than ten (10)



1 days after the language of the public question is submitted to the
 2 department for review. If the department of local government finance
 3 recommends a modification to the ballot language, the county election
 4 board shall, after reviewing the recommendations of the department of
 5 local government finance, submit modified ballot language to the
 6 department for the department's approval or recommendation of any
 7 additional modifications. The public question may not be certified by
 8 the county auditor under subsection ~~(e)~~ (f) unless the department of
 9 local government finance has first certified the department's final
 10 approval of the ballot language for the public question.

11 ~~(e)~~ (f) The county auditor shall certify the finally approved public
 12 question under IC 3-10-9-3 to the county election board of each county
 13 in which the political subdivision is located. The certification must
 14 occur not later than noon:

15 (1) seventy-four (74) days before a primary election if the public
 16 question is to be placed on the primary or municipal primary
 17 election ballot; or

18 (2) August 1 if the public question is to be placed on the general
 19 or municipal election ballot.

20 Subject to the certification requirements and deadlines under this
 21 subsection and except as provided in subsection ~~(j)~~ (l), the public
 22 question shall be placed on the ballot at the next primary election,
 23 general election, or municipal election in which all voters of the
 24 political subdivision are entitled to vote. However, if a primary
 25 election, general election, or municipal election will not be held during
 26 the first year in which the public question is eligible to be placed on the
 27 ballot under this section and if the political subdivision requests the
 28 public question to be placed on the ballot at a special election, the
 29 public question shall be placed on the ballot at a special election to be
 30 held on the first Tuesday after the first Monday in May or November
 31 of the year. The certification must occur not later than noon
 32 seventy-four (74) days before a special election to be held in May (if
 33 the special election is to be held in May) or noon on August 1 (if the
 34 special election is to be held in November). The fiscal body of the
 35 political subdivision that requests the special election shall pay the
 36 costs of holding the special election. The county election board shall
 37 give notice under IC 5-3-1 of a special election conducted under this
 38 subsection. A special election conducted under this subsection is under
 39 the direction of the county election board. The county election board
 40 shall take all steps necessary to carry out the special election.

41 ~~(f)~~ (g) The circuit court clerk shall certify the results of the public
 42 question to the following:

EH 1034—LS 6540/DI 58



- 1 (1) The county auditor of each county in which the political
 2 subdivision is located.
- 3 (2) The department of local government finance.
- 4 ~~(g)~~ **(h)** Subject to the requirements of IC 6-1.1-18.5-8, the political
 5 subdivision may issue the proposed bonds or enter into the proposed
 6 lease rental if a majority of the eligible voters voting on the public
 7 question vote in favor of the public question.
- 8 ~~(h)~~ **(i)** If a majority of the eligible voters voting on the public
 9 question vote in opposition to the public question, both of the following
 10 apply:
- 11 (1) The political subdivision may not issue the proposed bonds or
 12 enter into the proposed lease rental.
- 13 (2) Another public question under this section on the same or a
 14 substantially similar project may not be submitted to the voters
 15 earlier than:
- 16 (A) except as provided in clause (B), seven hundred (700)
 17 days after the date of the public question; or
- 18 (B) three hundred fifty (350) days after the date of the election,
 19 if a petition that meets the requirements of subsection ~~(m)~~ **(n)**
 20 is submitted to the county auditor.
- 21 ~~(i)~~ **(j)** IC 3, to the extent not inconsistent with this section, applies
 22 to an election held under this section.
- 23 ~~(j)~~ **(k)** A political subdivision may not divide a controlled project in
 24 order to avoid the requirements of this section and section 3.5 of this
 25 chapter. A person that owns property within a political subdivision or
 26 a person that is a registered voter residing within a political subdivision
 27 may file a petition with the department of local government finance
 28 objecting that the political subdivision has divided a controlled project
 29 into two (2) or more capital projects in order to avoid the requirements
 30 of this section and section 3.5 of this chapter. The petition must be filed
 31 not more than ten (10) days after the political subdivision gives notice
 32 of the political subdivision's decision under section 3.5 of this chapter
 33 or a determination under section 5 of this chapter to issue bonds or
 34 enter into leases for a capital project that the person believes is the
 35 result of a division of a controlled project that is prohibited by this
 36 subsection. If the department of local government finance receives a
 37 petition under this subsection, the department shall not later than thirty
 38 (30) days after receiving the petition make a final determination on the
 39 issue of whether the political subdivision divided a controlled project
 40 in order to avoid the requirements of this section and section 3.5 of this
 41 chapter. If the department of local government finance determines that
 42 a political subdivision divided a controlled project in order to avoid the



1 requirements of this section and section 3.5 of this chapter and the
 2 political subdivision continues to desire to proceed with the project, the
 3 political subdivision may appeal the determination of the department
 4 of local government finance to the Indiana board of tax review. A
 5 political subdivision shall be considered to have divided a capital
 6 project in order to avoid the requirements of this section and section
 7 3.5 of this chapter if the result of one (1) or more of the subprojects
 8 cannot reasonably be considered an independently desirable end in
 9 itself without reference to another capital project. This subsection does
 10 not prohibit a political subdivision from undertaking a series of capital
 11 projects in which the result of each capital project can reasonably be
 12 considered an independently desirable end in itself without reference
 13 to another capital project.

14 ~~(k)~~ **(l)** This subsection applies to a political subdivision for which a
 15 petition requesting a public question has been submitted under section
 16 3.5 of this chapter. The legislative body (as defined in IC 36-1-2-9) of
 17 the political subdivision may adopt a resolution to withdraw a
 18 controlled project from consideration in a public question. If the
 19 legislative body provides a certified copy of the resolution to the county
 20 auditor and the county election board not later than sixty-three (63)
 21 days before the election at which the public question would be on the
 22 ballot, the public question on the controlled project shall not be placed
 23 on the ballot and the public question on the controlled project shall not
 24 be held, regardless of whether the county auditor has certified the
 25 public question to the county election board. If the withdrawal of a
 26 public question under this subsection requires the county election
 27 board to reprint ballots, the political subdivision withdrawing the
 28 public question shall pay the costs of reprinting the ballots. If a political
 29 subdivision withdraws a public question under this subsection that
 30 would have been held at a special election and the county election
 31 board has printed the ballots before the legislative body of the political
 32 subdivision provides a certified copy of the withdrawal resolution to
 33 the county auditor and the county election board, the political
 34 subdivision withdrawing the public question shall pay the costs
 35 incurred by the county in printing the ballots. If a public question on a
 36 controlled project is withdrawn under this subsection, a public question
 37 under this section on the same controlled project or a substantially
 38 similar controlled project may not be submitted to the voters earlier
 39 than three hundred fifty (350) days after the date the resolution
 40 withdrawing the public question is adopted.

41 ~~(l)~~ **(m)** If a public question regarding a controlled project is placed
 42 on the ballot to be voted on at an election under this section, the



1 political subdivision shall submit to the department of local
 2 government finance, at least thirty (30) days before the election, the
 3 following information regarding the proposed controlled project for
 4 posting on the department's Internet web site:

5 (1) The cost per square foot of any buildings being constructed as
 6 part of the controlled project.

7 (2) The effect that approval of the controlled project would have
 8 on the political subdivision's property tax rate. **If the retirement**
 9 **of existing debt of the political subdivision will affect the**
 10 **political subdivision's tax rate, the political subdivision must**
 11 **provide information specifying:**

12 (A) the amount of the debt that will be retired;

13 (B) the impact that the retirement of the debt will have on
 14 the political subdivision's property tax rate; and

15 (C) the net change in the political subdivision's total debt
 16 service property tax rate, after accounting for the
 17 retirement of the existing debt.

18 (3) The maximum term of the bonds or lease.

19 (4) The maximum principal amount of the bonds or the maximum
 20 lease rental for the lease.

21 (5) The estimated interest rates that will be paid and the total
 22 interest costs associated with the bonds or lease.

23 (6) The purpose of the bonds or lease.

24 (7) In the case of a controlled project proposed by a school
 25 corporation:

26 (A) the current and proposed square footage of school building
 27 space per student;

28 (B) enrollment patterns within the school corporation; and

29 (C) the age and condition of the current school facilities.

30 ~~(m)~~ (n) If a majority of the eligible voters voting on the public
 31 question vote in opposition to the public question, a petition may be
 32 submitted to the county auditor to request that the limit under
 33 subsection ~~(h)(2)(B)~~ (i)(2)(B) apply to the holding of a subsequent
 34 public question by the political subdivision. If such a petition is
 35 submitted to the county auditor and is signed by the lesser of:

36 (1) five hundred (500) persons who are either owners of property
 37 within the political subdivision or registered voters residing
 38 within the political subdivision; or

39 (2) five percent (5%) of the registered voters residing within the
 40 political subdivision;

41 the limit under subsection ~~(h)(2)(B)~~ (i)(2)(B) applies to the holding of
 42 a second public question by the political subdivision and the limit



1 under subsection ~~(h)(2)(A)~~ **(i)(2)(A)** does not apply to the holding of
 2 a second public question by the political subdivision.

3 SECTION 5. IC 6-1.1-20-10, AS AMENDED BY P.L.198-2011,
 4 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 5 JULY 1, 2019]: Sec. 10. (a) This section applies to:

6 **(1)** a political subdivision that adopts an ordinance or a resolution
 7 making a preliminary determination to issue bonds or enter into
 8 a lease; **and**

9 **(2) any other political subdivision that has assessed value**
 10 **within the same taxing district as the political subdivision**
 11 **described in subdivision (1).**

12 Except as otherwise provided in this section, during the period
 13 commencing with the adoption of the ordinance or resolution and, if a
 14 petition and remonstrance process is commenced under section 3.2 of
 15 this chapter, continuing through the sixty (60) day period commencing
 16 with the notice under section 3.2(b)(1) of this chapter, the political
 17 subdivision seeking to issue bonds or enter into a lease for the proposed
 18 controlled project, **or any other political subdivision that has**
 19 **assessed value within the same taxing district**, may not promote a
 20 position on the petition or remonstrance by doing any of the following:

21 (1) Using facilities or equipment, including mail and messaging
 22 systems, owned by the political subdivision to promote a position
 23 on the petition or remonstrance, unless equal access to the
 24 facilities or equipment is given to persons with a position opposite
 25 to that of the political subdivision.

26 (2) Making an expenditure of money from a fund controlled by
 27 the political subdivision to promote a position on the petition or
 28 remonstrance or to pay for the gathering of signatures on a
 29 petition or remonstrance. This subdivision does not prohibit a
 30 political subdivision from making an expenditure of money to an
 31 attorney, an architect, registered professional engineer, a
 32 construction manager, or a financial adviser for professional
 33 services provided with respect to a controlled project.

34 (3) Using an employee to promote a position on the petition or
 35 remonstrance during the employee's normal working hours or paid
 36 overtime, or otherwise compelling an employee to promote a
 37 position on the petition or remonstrance at any time. However, if
 38 a person described in subsection (f) is advocating for or against
 39 a position on the petition or remonstrance or discussing the
 40 petition or remonstrance as authorized under subsection (f), an
 41 employee of the political subdivision may assist the person in
 42 presenting information on the petition or remonstrance, if



1 requested to do so by the person described in subsection (f).

2 (4) In the case of a school corporation, promoting a position on a
3 petition or remonstrance by:

4 (A) using students to transport written materials to their
5 residences or in any way involving students in a school
6 organized promotion of a position;

7 (B) including a statement within another communication sent
8 to the students' residences; or

9 (C) initiating discussion of the petition and remonstrance
10 process at a meeting between a teacher and parents of a
11 student regarding the student's performance or behavior at
12 school. However, if the parents initiate a discussion of the
13 petition and remonstrance process at the meeting, the teacher
14 may acknowledge the issue and direct the parents to a source
15 of factual information on the petition and remonstrance
16 process.

17 However, this section does not prohibit an official or employee of the
18 political subdivision from carrying out duties with respect to a petition
19 or remonstrance that are part of the normal and regular conduct of the
20 official's or employee's office or agency, including the furnishing of
21 factual information regarding the petition and remonstrance in response
22 to inquiries from any person.

23 (b) A person may not solicit or collect signatures for a petition or
24 remonstrance on property owned or controlled by the political
25 subdivision.

26 (c) The staff and employees of a school corporation may not
27 personally identify a student as the child of a parent or guardian who
28 supports or opposes a petition or remonstrance.

29 (d) This subsection does not apply to:

30 (1) a personal expenditure to promote a position on a petition and
31 remonstrance by an employee of a school corporation whose
32 employment is governed by a collective bargaining contract or an
33 employment contract; or

34 (2) an expenditure to promote a position on a petition and
35 remonstrance by a person or an organization that has a contract or
36 an arrangement with the school corporation solely for the use of
37 the school corporation's facilities.

38 A person or an organization that has a contract or an arrangement
39 (whether formal or informal) with a school corporation to provide
40 goods or services to the school corporation may not spend any money
41 to promote a position on the petition or remonstrance. A person or an
42 organization that violates this subsection commits a Class A infraction.



1 (e) An attorney, an architect, registered professional engineer, a
 2 construction manager, or a financial adviser for professional services
 3 provided with respect to a controlled project may not spend any money
 4 to promote a position on the petition or remonstrance. A person who
 5 violates this subsection:

- 6 (1) commits a Class A infraction; and
 7 (2) is barred from performing any services with respect to the
 8 controlled project.

9 (f) Notwithstanding any other law, an elected or appointed public
 10 official of the political subdivision (including any school board
 11 member and school corporation superintendent), a school corporation
 12 assistant superintendent, or a chief school business official of a school
 13 corporation may at any time:

- 14 (1) personally advocate for or against a position on the petition or
 15 remonstrance; or
 16 (2) discuss the petition or remonstrance with any individual,
 17 group, or organization or personally advocate for or against a
 18 position on the petition or remonstrance before any individual,
 19 group, or organization;

20 so long as it is not done by using public funds. Advocacy or discussion
 21 allowed under this subsection is not considered a use of public funds.
 22 However, this subsection does not authorize or apply to advocacy or
 23 discussion by a school board member, superintendent, assistant
 24 superintendent, or school business official to or with students that
 25 occurs during the regular school day.

26 SECTION 6. IC 6-1.1-20-10.1, AS AMENDED BY P.L.198-2011,
 27 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 28 JULY 1, 2019]: Sec. 10.1. (a) This section applies only to:

- 29 (1) a political subdivision that ~~after June 30, 2008~~, adopts an
 30 ordinance or a resolution making a preliminary determination to
 31 issue bonds or enter into a lease subject to sections 3.5 and 3.6 of
 32 this chapter; **and**
 33 (2) **any other political subdivision that has assessed value**
 34 **within the same taxing district as the political subdivision**
 35 **described in subdivision (1).**

36 (b) Except as otherwise provided in this section, during the period
 37 beginning with the adoption of the ordinance or resolution and
 38 continuing through the day on which a local public question is
 39 submitted to the voters of the political subdivision under section 3.6 of
 40 this chapter, the political subdivision seeking to issue bonds or enter
 41 into a lease for the proposed controlled project, **or any other political**
 42 **subdivision that has assessed value within the same taxing district,**



1 may not promote a position on the local public question by doing any
2 of the following:

3 (1) Using facilities or equipment, including mail and messaging
4 systems, owned by the political subdivision to promote a position
5 on the local public question, unless equal access to the facilities
6 or equipment is given to persons with a position opposite to that
7 of the political subdivision.

8 (2) Making an expenditure of money from a fund controlled by
9 the political subdivision to promote a position on the local public
10 question. This subdivision does not prohibit a political
11 subdivision from making an expenditure of money to an attorney,
12 an architect, a registered professional engineer, a construction
13 manager, or a financial adviser for professional services provided
14 with respect to a controlled project.

15 (3) Using an employee to promote a position on the local public
16 question during the employee's normal working hours or paid
17 overtime, or otherwise compelling an employee to promote a
18 position on the local public question at any time. However, if a
19 person described in subsection (f) is advocating for or against a
20 position on the local public question or discussing the local public
21 question as authorized under subsection (f), an employee of the
22 political subdivision may assist the person in presenting
23 information on the local public question, if requested to do so by
24 the person described in subsection (f).

25 (4) In the case of a school corporation, promoting a position on a
26 local public question by:

27 (A) using students to transport written materials to their
28 residences or in any way involving students in a school
29 organized promotion of a position;

30 (B) including a statement within another communication sent
31 to the students' residences; or

32 (C) initiating discussion of the local public question at a
33 meeting between a teacher and parents of a student regarding
34 the student's performance or behavior at school. However, if
35 the parents initiate a discussion of the local public question at
36 the meeting, the teacher may acknowledge the issue and direct
37 the parents to a source of factual information on the local
38 public question.

39 However, this section does not prohibit an official or employee of the
40 political subdivision from carrying out duties with respect to a local
41 public question that are part of the normal and regular conduct of the
42 official's or employee's office or agency, including the furnishing of



1 factual information regarding the local public question in response to
2 inquiries from any person.

3 (c) The staff and employees of a school corporation may not
4 personally identify a student as the child of a parent or guardian who
5 supports or opposes a controlled project subject to a local public
6 question held under section 3.6 of this chapter.

7 (d) This subsection does not apply to:

8 (1) a personal expenditure to promote a position on a local public
9 question by an employee of a school corporation whose
10 employment is governed by a collective bargaining contract or an
11 employment contract; or

12 (2) an expenditure to promote a position on a local public
13 question by a person or an organization that has a contract or an
14 arrangement (whether formal or informal) with the school
15 corporation solely for the use of the school corporation's facilities.

16 A person or an organization that has a contract or an arrangement
17 (whether formal or informal) with a school corporation to provide
18 goods or services to the school corporation may not spend any money
19 to promote a position on a local public question. A person or an
20 organization that violates this subsection commits a Class A infraction.

21 (e) An attorney, an architect, a registered professional engineer, a
22 construction manager, or a financial adviser for professional services
23 provided with respect to a controlled project may not spend any money
24 to promote a position on a local public question. A person who violates
25 this subsection:

26 (1) commits a Class A infraction; and

27 (2) is barred from performing any services with respect to the
28 controlled project.

29 (f) Notwithstanding any other law, an elected or appointed public
30 official of the political subdivision (including any school board
31 member and school corporation superintendent), a school corporation
32 assistant superintendent, or a chief school business official of a school
33 corporation may at any time:

34 (1) personally advocate for or against a position on the local
35 public question; or

36 (2) discuss the public question with any individual, group, or
37 organization or otherwise personally advocate for or against a
38 position on the public question before any individual, group, or
39 organization;

40 so long as it is not done by using public funds. Advocacy or discussion
41 allowed under this subsection is not considered a use of public funds.
42 However, this subsection does not authorize or apply to advocacy or



1 discussion by a school board member, superintendent, assistant
2 superintendent, or school business official to or with students that
3 occurs during the regular school day.

4 (g) A student may use school equipment or facilities to report or
5 editorialize about a local public question as part of the news coverage
6 of the referendum by student newspaper or broadcast.



COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1034, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, delete lines 1 through 13.

Page 2, line 4, delete ";" and insert "**, including bridges that are designated as being in a local road and street system;**".

Page 2, line 5, delete ";" and insert "**, including bridges that are designated as being in an arterial road and street system;**".

Page 2, line 7, delete "." and insert "**, including designated bridges.**".

Page 16, line 4, after "." insert "**For purposes of this clause, the cost of the controlled project includes only the costs for the project that will be paid from property taxes.**".

Page 22, delete lines 20 through 23, and insert:

"rate may include exceptions for the following:

(A) Specified projects or purposes, including any projects that the proper officers of the political subdivision declare are required by an emergency or are required for the safety and security of citizens or students.

(B) The political subdivision experiences a decrease in net assessed value and its rate may not be maintained as a result of the decrease."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1034 as introduced.)

HUSTON

Committee Vote: yeas 22, nays 1.



COMMITTEE REPORT

Madam President: The Senate Committee on Tax and Fiscal Policy, to which was referred House Bill No. 1034, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 1, delete lines 1 through 17, begin a new paragraph and insert:

"SECTION 1. IC 6-1.1-20-1.1, AS AMENDED BY P.L.246-2017, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 1.1. As used in this chapter, "controlled project" means any project financed by bonds or a lease, except for the following:

(1) A project for which the political subdivision reasonably expects to pay:

(A) debt service; or

(B) lease rentals;

from funds other than property taxes that are exempt from the levy limitations of IC 6-1.1-18.5 or (before January 1, 2009) IC 20-45-3. A project is not a controlled project even though the political subdivision has pledged to levy property taxes to pay the debt service or lease rentals if those other funds are insufficient.

(2) A project that will not cost the political subdivision more than the lesser of the following:

(A) An amount equal to the following:

(i) In the case of an ordinance or resolution adopted before January 1, 2018, making a preliminary determination to issue bonds or enter into a lease for the project, two million dollars (\$2,000,000).

(ii) In the case of an ordinance or resolution adopted after December 31, 2017, and before January 1, 2019, making a preliminary determination to issue bonds or enter into a lease for the project, five million dollars (\$5,000,000).

(iii) In the case of an ordinance or resolution adopted in a calendar year after December 31, 2018, making a preliminary determination to issue bonds or enter into a lease for the project, an amount (as determined by the department of local government finance) equal to the result of the assessed value growth quotient determined under IC 6-1.1-18.5-2 for the year multiplied by the amount determined under this clause for the preceding calendar year.

The department of local government finance shall publish the



threshold determined under item (iii) in the Indiana Register under IC 4-22-7-7 not more than sixty (60) days after the date the budget agency releases the growth quotient for the ensuing year under IC 6-1.1-18.5-2.

(B) An amount equal to the following:

(i) One percent (1%) of the total gross assessed value of property within the political subdivision on the last assessment date, if that total gross assessed value is more than one hundred million dollars (\$100,000,000).

(ii) One million dollars (\$1,000,000), if the total gross assessed value of property within the political subdivision on the last assessment date is not more than one hundred million dollars (\$100,000,000).

(3) A project that is being refinanced for the purpose of providing gross or net present value savings to taxpayers.

(4) A project for which bonds were issued or leases were entered into before January 1, 1996, or where the state board of tax commissioners has approved the issuance of bonds or the execution of leases before January 1, 1996.

(5) A project that is required by a court order holding that a federal law mandates the project.

(6) A project that is in response to:

(A) a natural disaster;

(B) an accident; or

(C) an emergency;

in the political subdivision that makes a building or facility unavailable for its intended use.

(7) A project that was not a controlled project under this section as in effect on June 30, 2008, and for which:

(A) the bonds or lease for the project were issued or entered into before July 1, 2008; or

(B) the issuance of the bonds or the execution of the lease for the project was approved by the department of local government finance before July 1, 2008.

(8) A project of the Little Calumet River basin development commission for which bonds are payable from special assessments collected under IC 14-13-2-18.6.

(9) A project for engineering, land and right-of-way acquisition, construction, reconstruction, resurfacing, maintenance, repair, restoration, and rehabilitation for or of:

(A) roads;

(B) streets;



**(C) bridges; and
(D) road, street, or bridge appurtenances.**

SECTION 2. IC 6-1.1-20-3.1, AS AMENDED BY P.L.246-2017, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 3.1. (a) Subject to section 3.5(a)(1)(C) of this chapter, this section applies only to the following:

(1) A controlled project (as defined in section 1.1 of this chapter as in effect June 30, 2008) for which the proper officers of a political subdivision make a preliminary determination in the manner described in subsection (b) before July 1, 2008.

(2) An elementary school building, middle school building, high school building, or other school building for academic instruction that:

(A) is a controlled project;

(B) will be used for any combination of kindergarten through grade 12; and

(C) will not cost more than the lesser of the following:

(i) The threshold amount determined under this item. In the case of an ordinance or resolution adopted before January 1, 2018, making a preliminary determination to issue bonds or enter into a lease for the project, the threshold amount is ten million dollars (\$10,000,000). In the case of an ordinance or resolution adopted after December 31, 2017, and before January 1, 2019, making a preliminary determination to issue bonds or enter into a lease for the project, the threshold amount is fifteen million dollars (\$15,000,000). In the case of an ordinance or resolution adopted in a calendar year after December 31, 2018, making a preliminary determination to issue bonds or enter into a lease for the project, the threshold amount is an amount (as determined by the department of local government finance) equal to the result of the assessed value growth quotient determined under IC 6-1.1-18.5-2 for the year multiplied by the threshold amount determined under this item for the preceding calendar year. In the case of a threshold amount determined under this item that applies for a calendar year after December 31, 2018, the department of local government finance shall publish the threshold in the Indiana Register under IC 4-22-7-7 not more than sixty (60) days after the date the budget agency releases the assessed value growth quotient for the ensuing year under IC 6-1.1-18.5-2.

(ii) An amount equal to one percent (1%) of the total gross



assessed value of property within the political subdivision on the last assessment date, if that total gross assessed value is more than one billion dollars (\$1,000,000,000), or ten million dollars (\$10,000,000), if the total gross assessed value of property within the political subdivision on the last assessment date is not more than one billion dollars (\$1,000,000,000).

(3) Any other controlled project that:

(A) is not a controlled project described in subdivision (1) or (2); and

(B) will not cost the political subdivision more than the lesser of the following:

(i) The threshold amount determined under this item. In the case of an ordinance or resolution adopted before January 1, 2018, making a preliminary determination to issue bonds or enter into a lease for the project, the threshold amount is twelve million dollars (\$12,000,000). In the case of an ordinance or resolution adopted after December 31, 2017, and before January 1, 2019, making a preliminary determination to issue bonds or enter into a lease for the project, the threshold amount is fifteen million dollars (\$15,000,000). In the case of an ordinance or resolution adopted in a calendar year after December 31, 2018, making a preliminary determination to issue bonds or enter into a lease for the project, the threshold amount is an amount (as determined by the department of local government finance) equal to the result of the assessed value growth quotient determined under IC 6-1.1-18.5-2 for the year multiplied by the threshold amount determined under this item for the preceding calendar year. In the case of a threshold amount determined under this item that applies for a calendar year after December 31, 2018, the department of local government finance shall publish the threshold in the Indiana Register under IC 4-22-7-7 not more than sixty (60) days after the date the budget agency releases the assessed value growth quotient for the ensuing year under IC 6-1.1-18.5-2.

(ii) An amount equal to one percent (1%) of the total gross assessed value of property within the political subdivision on the last assessment date, if that total gross assessed value is more than one hundred million dollars (\$100,000,000), or one million dollars (\$1,000,000), if the total gross assessed



value of property within the political subdivision on the last assessment date is not more than one hundred million dollars (\$100,000,000).

(4) After June 30, 2019, any other project:

(A) that is not a controlled project described in subdivisions (1) through (3); and

(B) for which a political subdivision adopts an ordinance or resolution making a preliminary determination to issue bonds or enter into a lease for the project, if the sum of:

(i) the cost of that project; plus

(ii) the cost of all other projects described in clause (A) for which the political subdivision has previously adopted within the preceding five (5) years an ordinance or resolution making a preliminary determination to issue bonds or enter into a lease for the project, but not including an ordinance or resolution adopted before July 1, 2019;

exceeds one percent (1%) of the political subdivision's gross assessed value for the calendar year but does not exceed two percent (2%) of the political subdivision's gross assessed value for the calendar year.

(b) A political subdivision may not impose property taxes to pay debt service on bonds or lease rentals on a lease for a controlled project without completing the following procedures:

(1) The proper officers of a political subdivision shall publish notice in accordance with IC 5-3-1 and send notice by first class mail to the circuit court clerk and to any organization that delivers to the officers, before January 1 of that year, an annual written request for such notices of any meeting to consider adoption of a resolution or an ordinance making a preliminary determination to issue bonds or enter into a lease and shall conduct at least two (2) public hearings on a preliminary determination before adoption of the resolution or ordinance. The political subdivision must at each of the public hearings on the preliminary determination allow the public to testify regarding the preliminary determination and must make the following information available to the public at each of the public hearings on the preliminary determination, in addition to any other information required by law:

(A) The result of the political subdivision's current and projected annual debt service payments divided by the net assessed value of taxable property within the political subdivision.



- (B) The result of:
- (i) the sum of the political subdivision's outstanding long term debt plus the outstanding long term debt of other taxing units that include any of the territory of the political subdivision; divided by
 - (ii) the net assessed value of taxable property within the political subdivision.
- (C) The information specified in subdivision (3)(A) through (3)(H).
- (2) When the proper officers of a political subdivision make a preliminary determination to issue bonds or enter into a lease for a controlled project, the officers shall give notice of the preliminary determination by:
- (A) publication in accordance with IC 5-3-1; and
 - (B) first class mail to the circuit court clerk and to the organizations described in subdivision (1).
- (3) A notice under subdivision (2) of the preliminary determination of the political subdivision to issue bonds or enter into a lease for a controlled project must include the following information:
- (A) The maximum term of the bonds or lease.
 - (B) The maximum principal amount of the bonds or the maximum lease rental for the lease.
 - (C) The estimated interest rates that will be paid and the total interest costs associated with the bonds or lease.
 - (D) The purpose of the bonds or lease.
 - (E) A statement that any owners of property within the political subdivision or registered voters residing within the political subdivision who want to initiate a petition and remonstrance process against the proposed debt service or lease payments must file a petition that complies with subdivisions (4) and (5) not later than thirty (30) days after publication in accordance with IC 5-3-1.
 - (F) With respect to bonds issued or a lease entered into to open:
 - (i) a new school facility; or
 - (ii) an existing facility that has not been used for at least three (3) years and that is being reopened to provide additional classroom space;
 the estimated costs the school corporation expects to incur annually to operate the facility.
 - (G) A statement of whether the school corporation expects to



appeal for a new facility adjustment (as defined in IC 20-45-1-16 (repealed) before January 1, 2009) for an increased maximum permissible tuition support levy to pay the estimated costs described in clause (F).

(H) The following information:

(i) The political subdivision's current debt service levy and rate.

(ii) The estimated increase to the political subdivision's debt service levy and rate that will result if the political subdivision issues the bonds or enters into the lease.

(iii) The estimated amount of the political subdivision's debt service levy and rate that will result during the following ten (10) years if the political subdivision issues the bonds or enters into the lease, after also considering any changes that will occur to the debt service levy and rate during that period on account of any outstanding bonds or lease obligations that will mature or terminate during that period.

(I) The information specified in subdivision (1)(A) through (1)(B).

(J) A statement that a person that owns property within a political subdivision or a person that is a registered voter residing within a political subdivision may file a petition with the department of local government finance as set forth in subsection (c) objecting that the political subdivision has unlawfully divided a controlled project in order to avoid the requirements of this section and section 3.2 of this chapter.

(4) After notice is given, a petition requesting the application of a petition and remonstrance process may be filed by the lesser of:

(A) five hundred (500) persons who are either owners of property within the political subdivision or registered voters residing within the political subdivision; or

(B) five percent (5%) of the registered voters residing within the political subdivision.

(5) The state board of accounts shall design and, upon request by the county voter registration office, deliver to the county voter registration office or the county voter registration office's designated printer the petition forms to be used solely in the petition process described in this section. The county voter registration office shall issue to an owner or owners of property within the political subdivision or a registered voter residing within the political subdivision the number of petition forms



requested by the owner or owners or the registered voter. Each form must be accompanied by instructions detailing the requirements that:

- (A) the carrier and signers must be owners of property or registered voters;
- (B) the carrier must be a signatory on at least one (1) petition;
- (C) after the signatures have been collected, the carrier must swear or affirm before a notary public that the carrier witnessed each signature; and
- (D) govern the closing date for the petition period.

Persons requesting forms may be required to identify themselves as owners of property or registered voters and may be allowed to pick up additional copies to distribute to other owners of property or registered voters. Each person signing a petition must indicate whether the person is signing the petition as a registered voter within the political subdivision or is signing the petition as the owner of property within the political subdivision. A person who signs a petition as a registered voter must indicate the address at which the person is registered to vote. A person who signs a petition as an owner of property must indicate the address of the property owned by the person in the political subdivision.

(6) Each petition must be verified under oath by at least one (1) qualified petitioner in a manner prescribed by the state board of accounts before the petition is filed with the county voter registration office under subdivision (7).

(7) Each petition must be filed with the county voter registration office not more than thirty (30) days after publication under subdivision (2) of the notice of the preliminary determination.

(8) The county voter registration office shall determine whether each person who signed the petition is a registered voter. However, after the county voter registration office has determined that at least five hundred twenty-five (525) persons who signed the petition are registered voters within the political subdivision, the county voter registration office is not required to verify whether the remaining persons who signed the petition are registered voters. If the county voter registration office does not determine that at least five hundred twenty-five (525) persons who signed the petition are registered voters, the county voter registration office shall, not more than fifteen (15) business days after receiving a petition, forward a copy of the petition to the county auditor. Not more than ten (10) business days after receiving the copy of the petition, the county auditor shall provide



to the county voter registration office a statement verifying:

(A) whether a person who signed the petition as a registered voter but is not a registered voter, as determined by the county voter registration office, is the owner of property in the political subdivision; and

(B) whether a person who signed the petition as an owner of property within the political subdivision does in fact own property within the political subdivision.

(9) The county voter registration office, not more than ten (10) business days after determining that at least five hundred twenty-five (525) persons who signed the petition are registered voters or receiving the statement from the county auditor under subdivision (8), as applicable, shall make the final determination of the number of petitioners that are registered voters in the political subdivision and, based on the statement provided by the county auditor, the number of petitioners that own property within the political subdivision. Whenever the name of an individual who signs a petition form as a registered voter contains a minor variation from the name of the registered voter as set forth in the records of the county voter registration office, the signature is presumed to be valid, and there is a presumption that the individual is entitled to sign the petition under this section. Except as otherwise provided in this chapter, in determining whether an individual is a registered voter, the county voter registration office shall apply the requirements and procedures used under IC 3 to determine whether a person is a registered voter for purposes of voting in an election governed by IC 3. However, an individual is not required to comply with the provisions concerning providing proof of identification to be considered a registered voter for purposes of this chapter. A person is entitled to sign a petition only one (1) time in a particular petition and remonstrance process under this chapter, regardless of whether the person owns more than one (1) parcel of real property, mobile home assessed as personal property, or manufactured home assessed as personal property, or a combination of those types of property within the subdivision and regardless of whether the person is both a registered voter in the political subdivision and the owner of property within the political subdivision. Notwithstanding any other provision of this section, if a petition is presented to the county voter registration office within forty-five (45) days before an election, the county voter registration office may defer acting on the petition, and the time requirements under this section for



action by the county voter registration office do not begin to run until five (5) days after the date of the election.

(10) The county voter registration office must file a certificate and each petition with:

(A) the township trustee, if the political subdivision is a township, who shall present the petition or petitions to the township board; or

(B) the body that has the authority to authorize the issuance of the bonds or the execution of a lease, if the political subdivision is not a township;

within thirty-five (35) business days of the filing of the petition requesting a petition and remonstrance process. The certificate must state the number of petitioners that are owners of property within the political subdivision and the number of petitioners who are registered voters residing within the political subdivision.

If a sufficient petition requesting a petition and remonstrance process is not filed by owners of property or registered voters as set forth in this section, the political subdivision may issue bonds or enter into a lease by following the provisions of law relating to the bonds to be issued or lease to be entered into.

(c) A political subdivision may not divide a controlled project in order to avoid the requirements of this section and section 3.2 of this chapter. A person that owns property within a political subdivision or a person that is a registered voter residing within a political subdivision may file a petition with the department of local government finance objecting that the political subdivision has divided a controlled project in order to avoid the requirements of this section and section 3.2 of this chapter. The petition must be filed not more than ten (10) days after the political subdivision gives notice of the political subdivision's decision to issue bonds or enter into leases for a capital project that the person believes is the result of a division of a controlled project that is prohibited by this subsection. If the department of local government finance receives a petition under this subsection, the department shall not later than thirty (30) days after receiving the petition make a final determination on the issue of whether the political subdivision divided a controlled project in order to avoid the requirements of this section and section 3.2 of this chapter. If the department of local government finance determines that a political subdivision divided a controlled project in order to avoid the requirements of this section and section 3.2 of this chapter and the political subdivision continues to desire to proceed with the project, the political subdivision shall fulfill the requirements of this section and section 3.2 of this chapter, if



applicable, regardless of the cost of the project in dispute. A political subdivision shall be considered to have divided a capital project in order to avoid the requirements of this section and section 3.2 of this chapter if the result of one (1) or more of the subprojects cannot reasonably be considered an independently desirable end in itself without reference to another capital project. This subsection does not prohibit a political subdivision from undertaking a series of capital projects in which the result of each capital project can reasonably be considered an independently desirable end in itself without reference to another capital project.

SECTION 3. IC 6-1.1-20-3.5, AS AMENDED BY P.L.246-2017, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 3.5. (a) This section applies only to a controlled project that meets the following conditions:

(1) The controlled project is described in one (1) of the following categories:

(A) An elementary school building, middle school building, high school building, or other school building for academic instruction that will be used for any combination of kindergarten through grade 12 and will cost more than the lesser of the following:

(i) The threshold amount determined under this item. In the case of an ordinance or resolution adopted before January 1, 2018, making a preliminary determination to issue bonds or enter into a lease for the project, the threshold amount is ten million dollars (\$10,000,000). In the case of an ordinance or resolution adopted after December 31, 2017, and before January 1, 2019, making a preliminary determination to issue bonds or enter into a lease for the project, the threshold amount is fifteen million dollars (\$15,000,000). In the case of an ordinance or resolution adopted in a calendar year after December 31, 2018, making a preliminary determination to issue bonds or enter into a lease for the project, the threshold amount is an amount (as determined by the department of local government finance) equal to the result of the assessed value growth quotient determined under IC 6-1.1-18.5-2 for the year multiplied by the threshold amount determined under this item for the preceding calendar year. In the case of a threshold amount determined under this item that applies for a calendar year after December 31, 2018, the department of local government finance shall publish the threshold in the Indiana Register under IC 4-22-7-7 not more



than sixty (60) days after the date the budget agency releases the assessed value growth quotient for the ensuing year under IC 6-1.1-18.5-2.

(ii) An amount equal to one percent (1%) of the total gross assessed value of property within the political subdivision on the last assessment date, if that total gross assessed value is more than one billion dollars (\$1,000,000,000), or ten million dollars (\$10,000,000), if the total gross assessed value of property within the political subdivision on the last assessment date is not more than one billion dollars (\$1,000,000,000).

(B) Any other controlled project that is not a controlled project described in clause (A) and will cost the political subdivision more than the lesser of the following:

(i) The threshold amount determined under this item. In the case of an ordinance or resolution adopted before January 1, 2018, making a preliminary determination to issue bonds or enter into a lease for the project, the threshold amount is twelve million dollars (\$12,000,000). In the case of an ordinance or resolution adopted after December 31, 2017, and before January 1, 2019, making a preliminary determination to issue bonds or enter into a lease for the project, the threshold amount is fifteen million dollars (\$15,000,000). In the case of an ordinance or resolution adopted in a calendar year after December 31, 2018, making a preliminary determination to issue bonds or enter into a lease for the project, the threshold amount is an amount (as determined by the department of local government finance) equal to the result of the assessed value growth quotient determined under IC 6-1.1-18.5-2 for the year multiplied by the threshold amount determined under this item for the preceding calendar year. In the case of a threshold amount determined under this item that applies for a calendar year after December 31, 2018, the department of local government finance shall publish the threshold in the Indiana Register under IC 4-22-7-7 not more than sixty (60) days after the date the budget agency releases the assessed value growth quotient for the ensuing year under IC 6-1.1-18.5-2.

(ii) An amount equal to one percent (1%) of the total gross assessed value of property within the political subdivision on the last assessment date, if that total gross assessed value



is more than one hundred million dollars (\$100,000,000), or one million dollars (\$1,000,000), if the total gross assessed value of property within the political subdivision on the last assessment date is not more than one hundred million dollars (\$100,000,000).

(C) Any other controlled project for which a political subdivision adopts an ordinance or resolution making a preliminary determination to issue bonds or enter into a lease for the project, if the sum of:

- (i) the cost of that controlled project; plus
- (ii) the costs of all other controlled projects for which the political subdivision has previously adopted within the preceding three hundred sixty-five (365) days an ordinance or resolution making a preliminary determination to issue bonds or enter into a lease for those other controlled projects;

exceeds twenty-five million dollars (\$25,000,000).

(D) After June 30, 2019, any other project that is not a controlled project described in clauses (A) through (C), and for which a political subdivision adopts an ordinance or resolution making a preliminary determination to issue bonds or enter into a lease for the project, if the sum of:

- (i) the cost of that project; plus**
- (ii) the cost of all other projects that were not controlled projects described in clauses (A) through (C) for which the political subdivision has previously adopted within the preceding five (5) years an ordinance or resolution making a preliminary determination to issue bonds or enter into a lease for the project, but not including an ordinance or resolution adopted before July 1, 2019;**

exceeds two percent (2%) of the political subdivision's gross assessed value for the calendar year.

(2) The proper officers of the political subdivision make a preliminary determination after June 30, 2008, in the manner described in subsection (b) to issue bonds or enter into a lease for the controlled project.

(b) A political subdivision may not impose property taxes to pay debt service on bonds or lease rentals on a lease for a controlled project without completing the following procedures:

- (1) The proper officers of a political subdivision shall publish notice in accordance with IC 5-3-1 and send notice by first class mail to the circuit court clerk and to any organization that delivers



to the officers, before January 1 of that year, an annual written request for notices of any meeting to consider the adoption of an ordinance or a resolution making a preliminary determination to issue bonds or enter into a lease and shall conduct at least two (2) public hearings on the preliminary determination before adoption of the ordinance or resolution. The political subdivision must at each of the public hearings on the preliminary determination allow the public to testify regarding the preliminary determination and must make the following information available to the public at each of the public hearings on the preliminary determination, in addition to any other information required by law:

- (A) The result of the political subdivision's current and projected annual debt service payments divided by the net assessed value of taxable property within the political subdivision.
 - (B) The result of:
 - (i) the sum of the political subdivision's outstanding long term debt plus the outstanding long term debt of other taxing units that include any of the territory of the political subdivision; divided by
 - (ii) the net assessed value of taxable property within the political subdivision.
 - (C) The information specified in subdivision (3)(A) through (3)(G).
- (2) If the proper officers of a political subdivision make a preliminary determination to issue bonds or enter into a lease, the officers shall give notice of the preliminary determination by:
- (A) publication in accordance with IC 5-3-1; and
 - (B) first class mail to the circuit court clerk and to the organizations described in subdivision (1).
- (3) A notice under subdivision (2) of the preliminary determination of the political subdivision to issue bonds or enter into a lease must include the following information:
- (A) The maximum term of the bonds or lease.
 - (B) The maximum principal amount of the bonds or the maximum lease rental for the lease.
 - (C) The estimated interest rates that will be paid and the total interest costs associated with the bonds or lease.
 - (D) The purpose of the bonds or lease.
 - (E) A statement that the proposed debt service or lease payments must be approved in an election on a local public question held under section 3.6 of this chapter.



(F) With respect to bonds issued or a lease entered into to open:

- (i) a new school facility; or
- (ii) an existing facility that has not been used for at least three (3) years and that is being reopened to provide additional classroom space;

the estimated costs the school corporation expects to annually incur to operate the facility.

(G) The following information:

(i) The political subdivision's current debt service levy and rate.

(ii) The estimated increase to the political subdivision's debt service levy and rate that will result if the political subdivision issues the bonds or enters into the lease.

(iii) The estimated amount of the political subdivision's debt service levy and rate that will result during the following ten (10) years if the political subdivision issues the bonds or enters into the lease, after also considering any changes that will occur to the debt service levy and rate during that period on account of any outstanding bonds or lease obligations that will mature or terminate during that period.

(H) The information specified in subdivision (1)(A) through (1)(B).

(I) A statement that a person that owns property within a political subdivision or a person that is a registered voter residing within a political subdivision may file a petition with the department of local government finance as set forth in section 3.6(k) of this chapter objecting that the political subdivision has unlawfully divided a controlled project in order to avoid the requirements of this section and section 3.6 of this chapter.

(4) After notice is given, a petition requesting the application of the local public question process under section 3.6 of this chapter may be filed by the lesser of:

(A) five hundred (500) persons who are either owners of property within the political subdivision or registered voters residing within the political subdivision; or

(B) five percent (5%) of the registered voters residing within the political subdivision.

(5) The state board of accounts shall design and, upon request by the county voter registration office, deliver to the county voter registration office or the county voter registration office's



designated printer the petition forms to be used solely in the petition process described in this section. The county voter registration office shall issue to an owner or owners of property within the political subdivision or a registered voter residing within the political subdivision the number of petition forms requested by the owner or owners or the registered voter. Each form must be accompanied by instructions detailing the requirements that:

- (A) the carrier and signers must be owners of property or registered voters;
- (B) the carrier must be a signatory on at least one (1) petition;
- (C) after the signatures have been collected, the carrier must swear or affirm before a notary public that the carrier witnessed each signature; and
- (D) govern the closing date for the petition period.

Persons requesting forms may be required to identify themselves as owners of property or registered voters and may be allowed to pick up additional copies to distribute to other owners of property or registered voters. Each person signing a petition must indicate whether the person is signing the petition as a registered voter within the political subdivision or is signing the petition as the owner of property within the political subdivision. A person who signs a petition as a registered voter must indicate the address at which the person is registered to vote. A person who signs a petition as an owner of property must indicate the address of the property owned by the person in the political subdivision.

(6) Each petition must be verified under oath by at least one (1) qualified petitioner in a manner prescribed by the state board of accounts before the petition is filed with the county voter registration office under subdivision (7).

(7) Each petition must be filed with the county voter registration office not more than thirty (30) days after publication under subdivision (2) of the notice of the preliminary determination.

(8) The county voter registration office shall determine whether each person who signed the petition is a registered voter. However, after the county voter registration office has determined that at least five hundred twenty-five (525) persons who signed the petition are registered voters within the political subdivision, the county voter registration office is not required to verify whether the remaining persons who signed the petition are registered voters. If the county voter registration office does not determine that at least five hundred twenty-five (525) persons



who signed the petition are registered voters, the county voter registration office, not more than fifteen (15) business days after receiving a petition, shall forward a copy of the petition to the county auditor. Not more than ten (10) business days after receiving the copy of the petition, the county auditor shall provide to the county voter registration office a statement verifying:

(A) whether a person who signed the petition as a registered voter but is not a registered voter, as determined by the county voter registration office, is the owner of property in the political subdivision; and

(B) whether a person who signed the petition as an owner of property within the political subdivision does in fact own property within the political subdivision.

(9) The county voter registration office, not more than ten (10) business days after determining that at least five hundred twenty-five (525) persons who signed the petition are registered voters or after receiving the statement from the county auditor under subdivision (8), as applicable, shall make the final determination of whether a sufficient number of persons have signed the petition. Whenever the name of an individual who signs a petition form as a registered voter contains a minor variation from the name of the registered voter as set forth in the records of the county voter registration office, the signature is presumed to be valid, and there is a presumption that the individual is entitled to sign the petition under this section. Except as otherwise provided in this chapter, in determining whether an individual is a registered voter, the county voter registration office shall apply the requirements and procedures used under IC 3 to determine whether a person is a registered voter for purposes of voting in an election governed by IC 3. However, an individual is not required to comply with the provisions concerning providing proof of identification to be considered a registered voter for purposes of this chapter. A person is entitled to sign a petition only one (1) time in a particular referendum process under this chapter, regardless of whether the person owns more than one (1) parcel of real property, mobile home assessed as personal property, or manufactured home assessed as personal property or a combination of those types of property within the political subdivision and regardless of whether the person is both a registered voter in the political subdivision and the owner of property within the political subdivision. Notwithstanding any other provision of this section, if a petition is presented to the



county voter registration office within forty-five (45) days before an election, the county voter registration office may defer acting on the petition, and the time requirements under this section for action by the county voter registration office do not begin to run until five (5) days after the date of the election.

(10) The county voter registration office must file a certificate and each petition with:

(A) the township trustee, if the political subdivision is a township, who shall present the petition or petitions to the township board; or

(B) the body that has the authority to authorize the issuance of the bonds or the execution of a lease, if the political subdivision is not a township;

within thirty-five (35) business days of the filing of the petition requesting the referendum process. The certificate must state the number of petitioners who are owners of property within the political subdivision and the number of petitioners who are registered voters residing within the political subdivision.

(11) If a sufficient petition requesting the local public question process is not filed by owners of property or registered voters as set forth in this section, the political subdivision may issue bonds or enter into a lease by following the provisions of law relating to the bonds to be issued or lease to be entered into.

(c) If the proper officers of a political subdivision make a preliminary determination to issue bonds or enter into a lease, the officers shall provide to the county auditor:

(1) a copy of the notice required by subsection (b)(2); and

(2) any other information the county auditor requires to fulfill the county auditor's duties under section 3.6 of this chapter."

Delete pages 2 through 19.

Page 20, delete lines 1 through 26.

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1034 as printed January 22, 2019.)

HOLDMAN, Chairperson

Committee Vote: Yeas 11, Nays 0.

EH 1034—LS 6540/DI 58

