

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

**IN THE MATTER OF THE REVIEW)
OF PROPOSED LANGUAGE FOR A)
BALLOT QUESTION REGARDING) No. 17-001-REF
SCHOOL TOWN OF MUNSTER)**

**FINDINGS AND FINAL DETERMINATION ON PROPOSED QUESTION SUBMITTED
JANUARY 10, 2017**

1. School Town of Munster (“Corporation”) proposes to place an operating referendum on the ballot for the purpose of establishing a referendum tax levy with a tax rate not to exceed forty-one and ninety-six hundredths cents (\$0.4196) per one hundred dollars (\$100) of assessed value.
2. Under Indiana law, voters in the area served by the Corporation will vote in a referendum to approve or deny the Corporation’s proposed tax rate.
3. Indiana law governs the format and wording of the ballot question for the referendum.
4. Under Indiana law, the “question to be submitted to the voters in the referendum **must read as follows**”:

“For the ___ (insert number) calendar year or years immediately following the holding of the referendum, shall the school corporation impose a property tax rate that does not exceed _____ (insert amount) cents (\$0. __) (insert amount) on each one hundred dollars (\$100) of assessed valuation and that is in addition to all other property taxes imposed by the school corporation for the purpose of funding _____ (insert short description of purposes)?”

Indiana Code 20-46-1-10 (emphasis added).

5. The ballot question then must contain three parts:
 - the number of calendar years for which the tax will be in effect;
 - the amount of the tax rate; and
 - the purpose of the funding.
6. The law requires the Department of Local Government Finance (“Department”) to review the language for compliance with IC 20-46-1-10. The Department may either approve or reject the language.
7. On January 10, 2017, the Department received an e-mail from the Corporation presenting the proposed ballot question for the referendum. The Corporation represents that it currently has an operating referendum in place that was approved by voters in 2013, and that if voters approve this

proposed referendum in 2017, the Corporation will repeal its existing operating referendum and impose only the one approved in 2017.

8. The Corporation requested that the Department review this proposed question:

“For the seven (7) calendar years immediately following the holding of the referendum, shall the School Town of Munster, Lake County, Indiana, impose a property tax rate that does not exceed forty-one and ninety-six hundredths cents (\$0.4196) on each one hundred dollars (\$100) of assessed valuation and that is in addition to all other property taxes imposed by the school corporation for the purpose of (a) repealing the existing referendum fund tax levy, and (b) replacing the existing referendum fund tax levy with a new referendum fund tax levy that will provide funding for current and anticipated educational programs that engage and develop students, additional staffing needs, including special education staffing, increasing employee compensation, increasing operational costs, debt service on obligations of the School Corporation after the expiration of the circuit breaker credit exemption and the re-establishment of reasonable fund balances?”

Compliance of Language

9. The Department must review the proposed language for compliance with IC 20-46-1-10. The Department may either approve or reject the language. The Department concludes that the language is not in compliance with IC 20-46-1-10 for the following reasons:

- The phrase “that engage and develop students” colors the question and creates a bias in favor of the referendum. Statute requires inclusion of a “short description of purposes” of the funding. The Corporation’s proposed language exceeds a “short description of purposes” by introducing phrasing that qualifies or editorializes the question.
- The Department understands the question as saying that one of the purposes of the referendum is to provide additional funding *in light of* “increasing operational costs,” but the question is phrased in a way that suggests the referendum funding will be used to *increase* operational costs. The Department recommends that the Corporation clarify its phrasing to more effectively convey its intent.
- The phrase “after the expiration of the circuit breaker credit exemption” is confusing. The Department presumes that the Corporation is referring to the expiration of exempt debt in Lake County beginning January 1, 2020. However, voters may not understand the Corporation’s intent and may instead be misled into believing that their homestead circuit breaker credit is being entirely terminated. The Department again recommends that the Corporation clarify its phrasing to more effectively convey its intent.

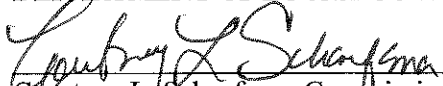
The Department notes that operating referendum revenue is to be used so that a school corporation can fulfill its “public educational duty” (IC 20-46-1-8). The Department encourages the Corporation to ensure that all of its intended uses of this revenue are consistent with this statutory prescription.

Final Determination

WHEREFORE, based on the above findings and applicable law, the Department finds that the proposed language is not in compliance with IC 20-46-1-10 and disapproves the language as proposed.

Dated this 10th day of January, 2017.

STATE OF INDIANA
DEPARTMENT OF LOCAL GOVERNMENT FINANCE

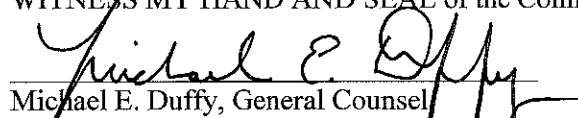


Courtney L. Schaafsma, Commissioner
Department of Local Government Finance

STATE OF INDIANA
DEPARTMENT OF LOCAL GOVERNMENT FINANCE

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

WITNESS MY HAND AND SEAL of the Commissioner on this the 10th day of January, 2017.



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