

**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. 24-005-REF
KOKOMO SCHOOL CORPORATION,)
HOWARD COUNTY)**

**FINDINGS AND FINAL DETERMINATION ON PROPOSED QUESTION SUBMITTED
JULY 11, 2024**

1. Kokomo Schools Corporation (“Corporation”) proposes to place an operating referendum on the ballot for the purpose of imposing a referendum tax levy.
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**”:

"Shall the school corporation increase property taxes paid to schools by homeowners and businesses for _____ (insert number of years) years immediately following the holding of the referendum for the purpose of funding _____ (insert short description of purposes)? If this public question is approved by the voters, the average property tax paid to schools per year on a residence would increase by _____% (insert the estimated average percentage of property tax increase paid to schools on a residence within the school corporation as determined under subsection (c)) and the average property tax paid to schools per year on a business property would increase by _____% (insert the estimated average percentage of property tax increase paid to schools on a business property within the school corporation as determined under subsection (d)). The most recent property tax referendum proposed by the school corporation was held in _____ (insert year) and _____ (insert whether the measure passed or failed)."

Indiana Code 20-46-1-10 (emphasis added). The number of years for which a referendum tax levy may be extended if the public question under this section is approved may not exceed eight (8) years.

5. The ballot question then must contain five parts:

- The number of calendar years for which the tax will be in effect.
 - The purpose of the funding.
 - The name of the school corporation.
 - The year in which the most recent referendum was held and whether the referendum passed or failed.
 - The estimated average percent increase of taxes paid to the school corporation on residential and business property if the taxes are approved in the referendum, as certified by the county auditor under IC 20-46-1-10(e).
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 July 11, 2024, the Department received a resolution from the Corporation presenting the proposed ballot question for the referendum. The proposed ballot question is as follows:
- "Shall Kokomo School Corporation increase property taxes paid to schools by homeowners and businesses for eight (8) years immediately following the holding of the referendum for the purpose of investing in students by enhancing learning opportunities and academic programs; retaining, recruiting, and supporting teachers and staff through professional development to improve student learning outcomes; and upgrading technology infrastructure and software for teachers, staff, and students, at a maximum referendum property tax rate of \$0.26? If this public question is approved by the voters, the average property tax paid to schools per year on a residence would increase by 31.04% and the average property tax paid to schools per year on a business property would increase by 23.95%."
8. The Corporation has not previously held a referendum.
9. On July 11, 2024, the Department received from the Corporation, pursuant to IC 20-46-1-10(e), the estimated average percent increase to homesteads and business property, respectively, of the property taxes that would be imposed by the Corporation if the referendum passes, as certified by the Howard County Auditor.

Compliance of Language

10. 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 recommends removing the phrase “investing in students” as that phrase exceeds the short description of purposes required by IC 20-46-1-10. The Department believes this phrase unduly invites an emotional response to the proposed question and biases the proposed question in favor of approving the referendum levy. Therefore, the Department finds that the proposed language is not in compliance with IC 20-46-1-10.

Estimate of Average Percent Increase in Taxes

11. The estimated average percent increase in taxes, as certified by the Howard County Auditor under IC 20-46-1-10(e), is **31.04%** for homesteads and **23.95%** for business property.

Final Determination

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

Dated this 17 day of July, 2024.

STATE OF INDIANA
DEPARTMENT OF LOCAL GOVERNMENT FINANCE



Daniel Shackle, Commissioner
Department of Local Government Finance