

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 AND ESTIMATED RATE CERTIFICATION )  
FOR A BALLOT QUESTION REGARDING THE RANDOLPH ) No. 11-008-REF  
CENTRAL SCHOOL CORPORATION, RANDOLPH COUNTY )

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FINDINGS AND FINAL DETERMINATION ON PROPOSED QUESTION SUBMITTED  
JULY 14, 2011

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1. Randolph Central School Corporation (“School Corporation”) proposes to enter into a lease at a cost of not more than \$18,900,000 for the purpose of renovating and making improvements to Winchester Community High School, including construction of a new Driver Middle School addition thereto.
2. Under Indiana law, voters within the School Corporation district will vote in a referendum to approve or deny the School Corporation’s proposed tax increase to pay the lease.
3. Indiana law governs the format and wording of the ballot question for the referendum.
4. Under Indiana law, “the **following question shall** be submitted to the eligible voters at the election”:

“Shall \_\_\_\_\_ (insert the name of the political subdivision) issue bonds or enter into a lease to finance \_\_\_\_\_ (insert a brief description of the controlled project), which is estimated to cost not more than \_\_\_\_\_ (insert the total cost of the project) and is estimated to increase the property tax rate for debt service by \_\_\_\_\_ (insert increase in tax rate as determined by the department of local government finance)?”

Indiana Code 6-1.1-20-3.6(c) (emphasis added).

5. The ballot question then must contain three parts:
  - a brief description of the project;
  - estimated total project cost; and
  - the estimated tax rate increase for the project.
6. The law requires the Department of Local Government Finance (“Department”) to determine the estimate of the tax rate increase.

7. The law also requires the Department to either approve the ballot language or recommend that it be modified to ensure that the description of the controlled project is accurate and not biased.
8. On July 14, 2011, the Department received a fax from the Randolph County Election Board (“Election Board”) presenting the proposed ballot question for the referendum.
9. The Election Board requested that the Department review this proposed question:

“Shall Randolph Central School Corporation enter into a lease to finance the renovation of and improvements to the Winchester Community High School, including the construction of a new Driver Middle School addition thereto, which is estimated to cost not more than \$18,900,000 and is estimated to increase the property tax rate for debt service by a maximum of \$0.4704 per \$100 of assessed value?”

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

10. The Department estimates the tax rate increase in reliance on the School Corporation’s fiscal data and proposed debt from the project, assessed valuation of the property in the area taxed by the School Corporation, an amortization schedule submitted by the School Corporation, and miscellaneous revenue amounts from the 2011 budget year. Based on this information, the Department determines the estimated tax rate increase of the project to be “a maximum of \$0.4816 per \$100 of assessed valuation.”
11. Under Indiana law, if the project is approved the entire tax rate attributable to the project will be paid by taxpayers outside the property tax caps. IC 6-1.1-20.6-7.5(b).

#### **Accuracy and Bias**

12. Indiana Code 6-1.1-20-3.6(c) requires use of the phrase “issue bonds or enter into a lease.” The School Corporation proposes to use only the phrase “enter into a lease.” Indiana Code 6-1.1-20-3.6(c) does not allow for modification of this phrase.
13. The Department must also review the language of the public question to evaluate whether the description of the controlled project is accurate and is not biased against either a vote in favor of or a vote against the controlled project. The Department concludes that the description of the controlled project is accurate and is not biased against either a vote in favor of or a vote against the controlled project, but that the rate proposed is to be adjusted as determined by the Department.

#### **Final Determination**

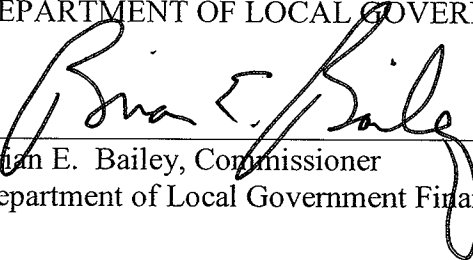
WHEREFORE, based on the above findings and applicable law, the Department recommends the following language for the public question to be presented to voters:

“Shall Randolph Central School Corporation issue bonds or enter into a lease to finance the renovation of and improvements to the Winchester Community High School, including the construction of a new Driver Middle School addition thereto, which is estimated to cost not more than \$18,900,000 and is estimated to increase the property tax rate for debt service by a maximum of \$0.4816 per \$100 of assessed value?”

For any resubmitted question, the Department certifies the proposed rate of “a maximum of \$0.4816 per \$100 of assessed valuation.” The Election Board must resubmit the public question to the Department using this rate and phrasing.

Dated this 21st day of July, 2011.


STATE OF INDIANA  
DEPARTMENT OF LOCAL GOVERNMENT FINANCE

  
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Brian E. Bailey, Commissioner  
Department of Local Government Finance

STATE OF INDIANA  
DEPARTMENT OF LOCAL GOVERNMENT FINANCE

I, Micah G. Vincent, 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 his statutory authority.

WITNESS MY HAND AND SEAL of the Commissioner on this the 21st day of July, 2011.

  
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Micah G. Vincent, General Counsel  
Department of Local Government Finance