

**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) No. 12-007-REF
NORTHERN WELLS COMMUNITY SCHOOL)
CORPORATION, WELLS COUNTY)**

**FINDINGS AND FINAL DETERMINATION ON PROPOSED QUESTION SUBMITTED
JANUARY 27, 2012**

1. Northern Wells Community School Corporation (“Corporation”) proposes to borrow money for a \$14,980,000 project to finance the renovation of and improvements to Norwell High School.
2. Under Indiana law, the voters in the area served by the Corporation will vote in a referendum to approve or deny borrowing for the project and raise property taxes to support it.
3. Indiana law governs the format and wording of the ballot question for the referendum. Indiana Code 6-1.1-20-3.6(c).
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;
 - the 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 January 30, 2012, the Department received a letter from the Wells County Election Board (“Board”) enclosing a proposed ballot question for the referendum sought by the Corporation.
9. The Board requested that the Department review this proposed question:

“Shall Northern Wells Community Schools issue bonds to finance the renovation of and improvements to Norwell High School (the “Project”), which Project is estimated to cost not more than \$14,980,000 and is estimated to increase the property tax rate for debt service by a maximum of \$0.1772 per \$100 of assessed value?”

Determination of Tax Rate Increase

10. The Department estimates the tax rate increase in reliance on the Corporation’s proposed debt from the project, assessed valuation of the property in the area served by the Corporation, and an amortization schedule submitted by the Corporation. Based on this information, the Department determines the estimated tax rate increase of the project to be \$0.1772 per \$100 of assessed valuation.

Accuracy and Bias

11. The Department must 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.
12. The Department notes that the Corporation’s initial language proposed that it would “enter into a lease” to finance the project but the Board’s recommended language replaces this phrase with “issue bonds.”
13. According to its financial consultant, the Corporation intends to finance its project through a lease. *E-mail from James E. Elizondo, Corp. Fin. Consultant, to Michael E. Duffy, Staff Att’y, Dep’t of Local Gov’t Fin., (Feb. 2, 2012, 3:06 p.m. EDT) (on file with Dep’t).*
14. Thus, while the description of the controlled project is not biased against either a vote in favor of or a vote against the controlled project, the description inaccurately portrays the method of financing the controlled project. Furthermore, IC 6-1.1-20-3.6(c) prescribes the phrase “issue bonds or enter into a lease” and does not permit modification of this language.

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 Northern Wells Community Schools issue bonds or enter into a lease to finance the renovation of and improvements to Norwell High School (the “Project”), which Project is estimated to cost not more than \$14,980,000 and is estimated to increase the property tax rate for debt service by a maximum of \$0.1772 per \$100 of assessed value?”

For any resubmitted question, the Department certifies the proposed rate of \$0.1772 per \$100 of assessed valuation.

Dated this 2nd day of February, 2012.

STATE OF INDIANA
DEPARTMENT OF LOCAL GOVERNMENT FINANCE




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 2nd day of February, 2012.



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