

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6347

BILL NUMBER: SB 55

NOTE PREPARED: Feb 5, 2021

BILL AMENDED: Feb 4, 2021

SUBJECT: School Referenda.

FIRST AUTHOR: Sen. Bohacek

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

**FUNDS AFFECTED: GENERAL
 DEDICATED
 FEDERAL**

IMPACT: State & Local

Summary of Legislation: (Amended) This bill provides that a contract entered into between the governing body of a school corporation and a school administrator may not provide for the awarding of a monetary bonus or other incentive that is based solely on the approval of a public question concerning the imposition of a property tax levy.

The bill also requires a school corporation that adopts a resolution to place on the ballot an operating referendum tax levy or school safety referendum tax levy to adopt a revenue spending plan as part of the resolution. It provides requirements for a revenue spending plan and amending a revenue spending plan. The bill provides that an examination of the accounts and financial affairs of a school corporation must include an examination of any revenue spending plan and applicable fund for an operating referendum tax levy or school safety referendum tax levy to determine whether the school corporation is using the revenue collected from the levy in the amounts and for the purposes established in the applicable revenue spending plan.

Effective Date: July 1, 2021.

Explanation of State Expenditures: (Revised) The bill requires schools to develop a revenue spending plan for an operating or school safety referendum tax levy and requires the Department of Local Government Finance (DLGF) to review and either approve or reject the spending plans and any amended spending plans. This is a minor workload increase for the DLGF that should be completed with existing staff and resources.

Explanation of State Revenues:

Explanation of Local Expenditures: (Revised) The revenue spending plan for an operating or school safety

referendum tax levy required by the bill would consist of:

1. An estimate of the annual revenue that would be generated by the referendum tax levy.
2. The specific objectives for which the revenue will be used.
3. An estimate of the annual cost of each of the objectives.

School corporations should not experience a workload increase. They already include item number two above in the ballot questions, and likely already do items one and three when they are planning the referendum tax levy resolution.

Explanation of Local Revenues:

State Agencies Affected: Department of Local Government Finance.

Local Agencies Affected: School corporations.

Information Sources:

Fiscal Analyst: Austin Spears, 317-234-9454.