

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6347**

**BILL NUMBER: SB 55**

**NOTE PREPARED: Apr 5, 2021**

**BILL AMENDED: Mar 25, 2021**

**SUBJECT:** School Referenda.

**FIRST AUTHOR:** Sen. Bohacek

**FIRST SPONSOR:** Rep. Teshka

**BILL STATUS:** As Passed House

**FUNDS AFFECTED:  GENERAL  
 DEDICATED  
 FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** This 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.

The bill specifies requirements for a school corporation that adopts a revenue spending plan for a proposed referendum tax levy. It also provides that a school corporation shall specify in its proposed budget the school corporation's revenue spending plan and present the revenue spending plan at its public hearing on the proposed budget.

The bill also 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 on the approval of a public question concerning the imposition of a property tax levy.

**Effective Date:** July 1, 2021.

**Explanation of State Expenditures:** The bill requires schools to develop a revenue spending plan for an operating or school safety referendum tax levy. When conducting an examination of a school corporation's finances, the bill requires the State Board of Accounts to determine if the revenue from any operating referendum tax levy or school safety referendum tax levy is being utilized in the manner described in the revenue spending plan. This is a minor workload increase that will be accomplished with existing staff and resources.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** 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:** State Board of Accounts.

**Local Agencies Affected:** School corporations.

**Information Sources:**

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