**REVISIONS TO THE CAPITAL PROJECT PETITION-  
REMONSTRANCE/REFERENDUM LAW  
MADE BY PUBLIC LAW 246-2017 (HEA 1043)  
(EFFECTIVE JULY 1, 2017)**

# Changes to the Controlled Project Cost Thresholds

## With respect to a preliminary determination ordinance or resolution adopted before January 1, 2018, the project cost threshold is a project costing the political subdivision more than the lesser of (1) $2,000,000, or (2)(a) 1% of the grossed assessed value of the political subdivision if the total gross assessed value of the political subdivision is more than $100,000,000 or (b) $1,000,000 if the total gross assessed value of the political subdivision is not more than $100,000,000.

## With respect to a preliminary determination ordinance or resolution adopted between January 1, 2018 and December 31, 2018, the project cost threshold is a project costing the political subdivision more than the lesser of (1) $5,000,000, or (2)(a) 1% of the grossed assessed value of the political subdivision if the total gross assessed value of the political subdivision is more than $100,000,000 or (b) $1,000,000 if the total gross assessed value of the political subdivision is not more than $100,000,000.

## With respect to a preliminary determination ordinance or resolution adopted after December 31, 2018, the project cost threshold is a project costing the political subdivision more than the lesser of (1) $5,000,000 multiplied by the assessed value growth quotient for the preceding year, or (2)(a) 1% of the grossed assessed value of the political subdivision if the total gross assessed value of the political subdivision is more than $100,000,000 or (b) $1,000,000 if the total gross assessed value of the political subdivision is not more than $100,000,000. The DLGF is responsible for providing the new clause (1) thresholds no later than 60 days after the State Budget Agency releases the assessed value growth quotient for the following year.

# Changes to the Petition-Remonstrance Cost Thresholds

## With respect to a preliminary determination resolution adopted before January 1, 2018, the project cost threshold for a project involving a school building is a controlled project costing the school corporation no more than the lesser of (1) $10,000,000, or (2)(a) 1% of the grossed assessed value of the school corporation if the total gross assessed value of the school corporation is more than $1,000,000,000 or (b) $10,000,000 if the total gross assessed value of the school corporation is not more than $1,000,000,000.

## With respect to a preliminary determination ordinance or resolution adopted before January 1, 2018, the project cost threshold for any other project or multiple school buildings as one project is a controlled project costing the political subdivision no more than the lesser of (1) $12,000,000, or (2)(a) 1% of the grossed assessed value of the political subdivision if the total gross assessed value of the political subdivision is more than $100,000,000 or (b) $1,000,000 if the total gross assessed value of the political subdivision is not more than $100,000,000. **Note the lower 1% threshold versus A.**

## With respect to a preliminary determination resolution adopted between January 1, 2018 and December 31, 2018, the project threshold for a project involving a school building is a controlled project costing the school corporation no more than the lesser of (1) $15,000,000, or (2)(a) 1% of the grossed assessed value of the school corporation if the total gross assessed value of the school corporation is more than $1,000,000,000 or (b) $10,000,000 if the total gross assessed value of the school corporation is not more than $1,000,000,000.

## With respect to a preliminary determination ordinance or resolution adopted between January 1, 2018 and December 31, 2018, the project threshold for any other project or multiple school buildings as one project is a controlled project costing the political subdivision no more than the lesser of (1) $15,000,000, or (2)(a) 1% of the grossed assessed value of the political subdivision if the total gross assessed value of the political subdivision is more than $100,000,000 or (b) $1,000,000 if the total gross assessed value of the school corporation is not more than $100,000,000. **Note the lower 1% threshold versus C.**

## With respect to a preliminary determination resolution adopted after December 31, 2018, the project threshold for a project involving a school building is a controlled project costing the political subdivision no more than a project costing the school corporation no more than the lesser of (1) $15,000,000 multiplied by the assessed value growth quotient for the preceding year, or (2)(a) 1% of the grossed assessed value of the school corporation if the total gross assessed value of the school corporation is more than $1,000,000,000 or (b) $10,000,000 if the total gross assessed value of the school corporation is not more than $1,000,000,000. The DLGF is responsible for providing the new clause (1) thresholds no later than 60 days after the State Budget Agency releases the assessed value growth quotient for the following year.

## With respect to a preliminary determination ordinance or resolution adopted after December 31, 2018, the project threshold for any other project or multiple school buildings as one project is a controlled project costing the political subdivision no more than the lesser of (1) $15,000,000 multiplied by the assessed value growth quotient for the preceding year, or (2)(a) 1% of the grossed assessed value of the political subdivision if the total gross assessed value of the political subdivision is more than $100,000,000 or (b) $1,000,000 if the total gross assessed value of the political subdivision is not more than $100,000,000. **Note the lower 1% threshold versus E.** The DLGF is responsible for providing the new clause (1) thresholds no later than 60 days after the State Budget Agency releases the assessed value growth quotient for the following year.

# Changes to the Referendum Cost Thresholds

## With respect to a preliminary determination resolution adopted before January 1, 2018, the project cost threshold for a project involving a school building is a controlled project costing the school corporation more than the lesser of (1) $10,000,000, or (2)(a) 1% of the grossed assessed value of the school corporation if the total gross assessed value of the school corporation is more than $1,000,000,000 or (b) $10,000,000 if the total gross assessed value of the school corporation is not more than $1,000,000,000. See G below for one additional project cost threshold that may apply.

## With respect to a preliminary determination ordinance or resolution adopted before January 1, 2018, the project cost threshold for any other project or multiple school buildings as one project is a controlled project costing the political subdivision more than the lesser of (1) $12,000,000, or (2)(a) 1% of the grossed assessed value of the political subdivision if the total gross assessed value of the political subdivision is more than $100,000,000 or (b) $1,000,000 if the total gross assessed value of the political subdivision is not more than $100,000,000. **Note the lower 1% threshold versus A.** See G below for one additional project cost threshold that may apply.

## With respect to a preliminary determination resolution adopted between January 1, 2018 and December 31, 2018, the project threshold for a project involving a school building is a controlled project costing the school corporation more than the lesser of (1) $15,000,000, or (2)(a) 1% of the grossed assessed value of the school corporation if the total gross assessed value of the school corporation is more than $1,000,000,000 or (b) $10,000,000 if the total gross assessed value of the school corporation is not more than $1,000,000,000. See G below for one additional project cost threshold that may apply.

## With respect to a preliminary determination ordinance or resolution adopted between January 1, 2018 and December 31, 2018, the project threshold for any other project or multiple school buildings as one project is a controlled project costing the political subdivision more than the lesser of (1) $15,000,000, or (2)(a) 1% of the grossed assessed value of the political subdivision if the total gross assessed value of the political subdivision is more than $100,000,000 or (b) $1,000,000 if the total gross assessed value of the school corporation is not more than $100,000,000. **Note the lower 1% threshold versus C.** See G below for one additional project cost threshold that may apply.

## With respect to a preliminary determination resolution adopted after December 31, 2018, the project threshold for a project involving a school building is a controlled project costing the school corporation more than the lesser of (1) $15,000,000 multiplied by the assessed value growth quotient for the preceding year, or (2)(a) 1% of the grossed assessed value of the school corporation if the total gross assessed value of the school corporation is more than $1,000,000,000 or (b) $10,000,000 if the total gross assessed value of the school corporation is not more than $1,000,000,000. The DLGF is responsible for providing the new clause (1) thresholds no later than 60 days after the State Budget Agency releases the assessed value growth quotient for the following year. See G below for one additional project cost threshold that may apply.

## With respect to a preliminary determination ordinance or resolution adopted after December 31, 2018, the project threshold for any other project or multiple school buildings as one project is a controlled project costing the political subdivision more than the lesser of (1) $15,000,000 multiplied by the assessed value growth quotient for the preceding year, or (2)(a) 1% of the grossed assessed value of the political subdivision if the total gross assessed value of the political subdivision is more than $100,000,000 or (b) $1,000,000 if the total gross assessed value of the political subdivision is not more than $100,000,000. **Note the lower 1% threshold versus E.** The DLGF is responsible for providing the new clause (1) thresholds no later than 60 days after the State Budget Agency releases the assessed value growth quotient for the following year. See G below for one additional project cost threshold that may apply.

## In addition to the project cost thresholds set forth in III.A-F., a controlled project is subject to a potential request for application of the referendum process by the community if the sum of the cost of that controlled project plus the costs of all other controlled projects approved by the political subdivision in the preceding 365 days exceeds $25,000,000.

# Changes to the Preliminary Determination Process

## Prior to adopting the preliminary determination ordinance or resolution, the governing body of the political subdivision must hold at least two public hearings on the controlled project and financing.

## In addition to the information already required by the capital project petition-remonstrance/referendum law to be provided at the preliminary determination public hearings, the political subdivision must provide information (1) the political subdivision’s current and projected annual debt service payments divided by the political subdivision’s net assessed value, (2) the sum of the political subdivision’s direct debt and all overlapping debt divided by the political subdivision’s net assessed value, and (3) the estimated amount of the political subdivision’s debt service levy and rate that will result during the 10 years after the financing occurs taking into account the repayment of all other outstanding bonds and lease obligations of the political subdivision.

## All of the additional information described in B must also be included in the notice of preliminary determination.

## The law continues to prohibit the artificial division of a controlled project by a political subdivision to avoid the application of the capital project petition-remonstrance/referendum law and provide for a process involving DLGF review and determination regarding any alleged artificial division of a controlled project. However, the law now states that (1) a capital project will be considered artificially divided if the result of 1 or more of the subprojects cannot reasonably be considered an independently desirable end in itself without reference to another capital project, and (2) the law does not prohibit a political subdivision from undertaking a series of capital projects in which the result of each capital project can reasonably be an independently desirable end in itself without reference to another capital project.

# Changes in the Referendum Process

## Except as set forth in B, if a controlled project is defeated in a referendum, then this controlled project or any controlled project that is substantially similar to this controlled project may not be on the ballot for 700 days after the date of the prior referendum.

## If a controlled project is defeated in a referendum, then this controlled project or any controlled project that is substantially similar to this controlled project may be on a ballot 350 days after the date of the prior referendum as long as a petition requesting the limitation on the referendum lock-out period be 350 days instead of 700 days is filed with the county auditor and is signed by the lesser of (1) 500 owners of real property located, or registered voters residing, in the political subdivision, or (2) 5% of the registered voters residing in the political subdivision.

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