

## School District Referendum Elections

School districts may supplement operating and capital revenue amounts by bringing requests directly to the voters. This short subject answers some frequently asked questions regarding the referendum process.

### *For what may a referendum be held for?*

A school district may hold a referendum for one of three purposes:

- **General operating purposes:** These types of referenda are commonly called the excess levy, the override levy, or the operating referendum.
- **Building needs:** These referenda authorize the sale of bonds. The bond proceeds are used to pay for school construction projects. The bond referenda are commonly considered approval of building projects, though technically the voter is approving the sale of bonds.
- **Down payment program:** A school district may hold an election that authorizes the district to raise cash “up-front” for a building project that will take place in the next several years.

### *When may an election be held?*

An election for a general operating referendum may only be held on the first Tuesday in November, unless the district is in statutory operating debt (has a negative fund balance) or the district holds the election by mail ballot. In these cases, an election may be held on a day that otherwise qualifies according to the state’s regular election laws. A district may hold only one election for an operating referendum per year.

An election for the sale of bonds to finance a building project may be held at any time that is allowed under the state’s regular election laws.

A down payment levy may also be held at any time that is allowed under the state’s regular election laws.

### *How many elections may be held in any one calendar year?*

Only one election may be held in a calendar year for an operating referendum. An election to approve the sale of bonds may be held more than once in a year.

However, the same question authorizing the same amount of bonds must not be submitted to the voters until 180 days have passed since the date the election failed. If the election fails a second time, the same question for the same project and the same amount of bonds may not be submitted within one year of the second election.

There are no statutory limits on how many times during a calendar year a school district may conduct a referendum for a down payment levy.

***What is the maximum length of a referendum?***

An operating referendum is limited by statute to no more than ten years. An election to approve the sale of bonds generally does not specify the term of the bond. However, most school districts issue 20-year bonds for major building projects. School bonds may be issued for up to 30 years. It is not uncommon for school districts to refund bonds and refinance school building projects.

***What are the caps on the amount of referendum that a district may have?***

Operating referenda are capped at a per pupil amount. For fiscal year 2003 and later, the cap is set at 18.2 percent of the formula allowance for that year. For fiscal year 2003, this amounts to \$837 per pupil (.182 x \$4,601). A small group of school districts are grandfathered in at higher amounts per pupil unit, and school districts eligible for sparsity revenue are exempt from the referendum cap.

A school district's net debt limit caps the amount of building bonds that a district can issue. Currently, the net debt limit limits a school district to net debt of not more than 15 percent of the market value of all taxable property located in the school district.

There is no cap on the amount of money a district may request under the down payment levy program.