

STATE OF INDIANA
DEPARTMENT OF LOCAL GOVERNMENT FINANCE
Room 1058, IGCN – 100 North Senate
Indianapolis, IN 46204

IN THE MATTER OF THE REQUEST)
OF BOONE COUNTY, FOR AN EXCESS) **A23-070**
LEVY DUE TO THREE-YEAR GROWTH)

The Department of Local Government Finance (“Department”) has reviewed an appeal by Boone County (“County”) for an excess levy in the amount of \$778,878 to its civil maximum levy due to three-year growth. Indiana Code § 6-1.1-18.5-13 allows the Department to grant permission to a civil taxing unit to increase its maximum levy if the Department finds that the quotient determined under Step Six of the following formula is equal to or greater than one and two-hundredths (1.02):

Step 1: Determine the three calendar years that most immediately precede the ensuing calendar year:

2023, 2022, and 2021

Step 2: Compute separately, for each of the calendar years determined in Step 1, the quotient (rounded to the nearest ten-thousandth (0.0001)) of the sum of the civil taxing unit's total assessed value of all taxable property divided by the sum determined under this Step for the calendar year immediately preceding the particular calendar year.:

County assessed values for 2020, 2021, 2022, and 2023, respectively:

<i>2020:</i>	<i>5,459,789,133</i>
<i>2021:</i>	<i>5,744,761,344</i>
<i>2022:</i>	<i>6,148,457,615</i>
<i>2023:</i>	<i>7,496,525,144</i>

Step 2 quotients:

<i>2021/2020:</i>	<i>1.0522</i>
<i>2022/2021:</i>	<i>1.0703</i>
<i>2023/2022:</i>	<i>1.2193</i>

Step 3: Sum the results of Step 2 and divide by three:

1.1139 ((1.0522+1.0703+1.2193)/3)

Step 4: Compute separately, for each of the calendar years determined in Step 1, the quotient (rounded to the nearest ten-thousandth (0.0001)) of the sum of the total assessed value of all taxable property in all counties divided by the sum determined under this Step for the calendar year immediately preceding the particular calendar year.

Statewide average quotients for 2021, 2022, and 2023, respectively:

1.0392; 1.0541; 1.1481

Step 5: Add the Step 4 results and divide by three:

$$1.0804 \text{ } ([1.0392; 1.0541; 1.1481]/3)$$

Step 6: Divide the Step 3 results by the Step 5 results:

$$1.0310 \text{ } (1.1139/1.0804)$$

The maximum amount that the Department may award is the amount by which Step 3 exceeds the maximum levy growth quotient (“MLGQ”) as calculated according to Ind. Code § 6-1.1-18.5-2 (this amount is 1.04 or 4% for 2024; since 1.0310 is greater than 1.020, the County is eligible for a three-year growth appeal):

$$0.0739 \text{ } (7.39\%) \text{ } (1.1139-1.0400)$$

The County’s 2023 maximum civil levy is \$10,539,624. This is the most recent civil maximum levy that the Department can use as the basis for an adjustment. Multiplying this figure by the 7.39% growth factor calculated above results in a figure of \$778,878, which is the maximum for which the County could qualify under the statutory formula. Under Ind. Code § 6-1.1-18.5-12(a), the County must also show that it is unable to perform its government functions without this increase.

The County states in its appeal that the excess levy is necessary to prepare for the rising needs of the community. Additionally, the excess levy is needed to help with the growing salary costs, as well as the large growth in the community due to the LEAP project. No additional details were provided.

The Department made a follow-up inquiry with the County regarding the referenced need to help meet the infrastructure and staffing needs of their community. In its supplemental response, the County stated that there is an extensive list of road and bridge projects that cannot be funded from the current gas tax revenues, and they must be supplemented by property taxes. The County also indicated that the excess levy was considered during the development of the salary and benefits for 2024. In other words, the salary increases included in the County’s 2024 budget were included under the assumption that the excess levy appeal would be granted.

The Department again followed up with the County to inquire about actual expenses or estimated budgets for the referenced infrastructure and staffing needs. As of the date of this order, no additional information has been provided by the County. The only detail provided by the County referenced the need for a new project manager to work directly with the LEAP district on the infrastructure needs of the new area. While the County did not provide information related to the planned salary for a new project manager, below is the average and median salaries from the County’s Employee Compensation Report (Form 100R) for the full-time employees of the highway department from 2018 to 2022:

Year	Number of FT Employees	Average Salary	Median Salary
2022	29	\$45,363.12	\$48,056.22
2021	31	\$43,544.41	\$45,890.56
2020	31	\$46,475.52	\$44,105.92
2019	34	\$44,988.81	\$44,775.36
2018	30	\$45,980.52	\$43,768.38

Based on the County’s Budget Line-Item Estimate (Form 1), the County has estimated that the new project manager will cost \$92,581.

Additionally, the County clarified that the total highway budget for 2024 is \$12,102,870; however, the anticipated highway and local road and street receipts are only estimated to be \$5,000,000. The County’s General Fund budget supports approximately \$2,340,000 of the necessary highway expenditures, including a portion of personnel and benefits and almost \$1,300,000 for road preservation projects. Below are the budgeted expenses that are not covered by the available levy:

Category	Line Item	Total
Salaries & Wages	Director of Highways	\$90,431
	Highway Executive Assistant	\$50,749
	OT	\$147,794
	Assistant Highway Office Manager	\$29,120
	Highway Project Manager	\$65,000
	Inspector	\$53,061
	New – Highway Project Manager	\$92,581
	New – Seasonal P/T	\$9,600
	New – On-Call P/T	\$10,400
Employee Benefits	Retirement Contributions	\$200,639
Other Personal Services	Social Security	\$132,029
Total:		\$881,404

Finally, the County stated on its Budget Form 3 that it seeks an excess levy appeal of \$778,878 for its General Fund.

After a review of the petition, the Department, following Ind. Code §§ 6-1.1-18.5-12 and 13, and in consideration of all evidence provided, finds as follows:

APPROVED:

The County’s excess levy appeal is approved in the amount of **\$778,878**. This figure reflects a portion of the amount for which the County qualifies under the statutory three-year growth formula and does not exceed the amount for which the County advertised and petitioned the Department. This is a one-time, permanent increase.

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WITNESS MY HAND AND SEAL of this Department on this 28 day of December, 2023.



Daniel Shackle, Commissioner