

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

**IN THE MATTER OF THE REQUEST)
OF TOWN OF FORTVILLE,)
HANCOCK COUNTY, FOR AN) A23-077
EXCESS LEVY DUE TO)
THREE-YEAR GROWTH)**

The Department of Local Government Finance (“Department”) has reviewed an appeal by Town of Fortville’s (“Town”) for an excess levy in the amount of \$179,038 to its civil maximum levy due to three-year growth. Ind. 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.:

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

*2020: 126,847,998
2021: 137,507,452
2022: 152,183,199
2023: 202,868,467*

Step 2 quotients:

*2021/2020: 1.0840
2022/2021: 1.1067
2023/2022: 1.3331*

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

1.1746 ([1.0840+1.1067+1.3331]/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 ([1.0392; 1.0541; 1.1481]/3)

Step 6: Divide the Step 3 results by the Step 5 results:
1.0871 (1.1746/1.0804)

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 1.0871 is greater than 1.020, the Town is eligible for a three-year growth appeal):
0.1346 (13.46%) (1.1746-1.0400)

The Town’s 2023 maximum civil levy is \$1,313,557. This is the most recent civil maximum levy that the Department can use as the basis for an adjustment. Multiplying this figure by the 13.46% growth factor calculated above results in a figure of \$176,811, which is the maximum for which the Town could qualify under the statutory formula. Under Ind. Code § 6-1.1-18.5-12(a), the Town must also show that it is unable to perform its government functions without this increase.

The Town states in its appeal that it has “seen a significant increase in overall development over the last several years,” including “over 314 new single-family homes and 122 new apartment unit permits approved” since 2020. The Town claims that as a result, there has been “drastic increases in number of public safety calls and required responses as well as for the need for additional administrative town services.” The Town states that the excess levy would “allow the Town to add an additional police and fire officers” to meet growing residential development, and “would assist the Town in providing revenue for the wages, benefits, training and equipment to staff the additional public safety officers.”

The Department inquired about how many police officers and firefighters it intends to hire. The Town responded that its 2024 budget includes \$304,885 for 2 police officers, including \$154,442 for each officer but also clarifying \$55,000 will be for a police vehicle for each officer. The Town stated no firefighters will be hired and that the excess levy will only be used to hire police officers.¹ The Department should note that the petition also references a need for “maintenance of infrastructure,” but only public safety was elaborated on in both the petition and the Town’s response.

The Employee Compensation Report filed with the State Board of Accounts by the Town in 2022 shows that the Town has employed 15 staff in the police department, the total in salaries being \$639,214. The Form 1 submitted by the Town for pay-2024 indicates the following costs for the police department:

Salaries and wages	\$922,669
Police commissioner	\$3,000
Overtime pay	\$3,050

¹ The Town is a participating unit in a fire protection territory, of which Vernon Township, in which the Town resides, is the provider unit.

FICA/Medicare tax	\$71,048
Retirement	\$165,407
Insurance	\$243,007

The Town has also indicated on its Form 3 that it seeks an excess levy of \$200,000. The Town received a permanent excess levy for pay-2023 in the amount of \$30,187.

The Department is hesitant to approve an excess levy on the basis of capital expenses, such as police vehicles. While police vehicles may have a shorter useful life than other municipal vehicles, they are still periodic costs for which a levy increase of this type would not be necessary every year. However, excluding the \$110,000 for 2 police vehicles, the excess levy the Town is eligible for may still be applied to the salaries and benefits of the new officers.

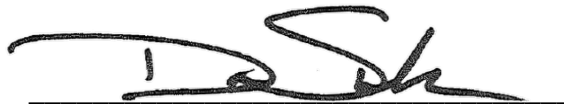
After a review of the petition, the Department, following Ind. Code §§ 6-1.1-18.5-12 and 13, and in consideration of all evidence provided, finds as follows:

APPROVED WITH MODIFICATION:

The Town's excess levy appeal is approved in the amount of **\$176,811**. This figure reflects the amount for which the Town qualifies under the statutory three-year growth formula and does not exceed the amount for which the Town advertised and petitioned the Department. This is a one-time, permanent increase.

STATE OF INDIANA
DEPARTMENT OF LOCAL GOVERNMENT FINANCE

WITNESS MY HAND AND SEAL of this Department on this 20 day of December, 2023.



Daniel Shackle, Commissioner