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 DANVILLE,	)	
HENDRICKS COUNTY, FOR AN	)	**A23-052**
EXCESS LEVY DUE TO	)	
THREE-YEAR GROWTH	)	

The Department of Local Government Finance ("Department") has reviewed an appeal by Town of Danville ("Town") for an excess levy in the amount of $208,334 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.:
Town assessed values for 2020, 2021, 2022, and 2023, respectively:

2020:	*468,402,812*	
2021:	*494,860,711*	
2022:	*552,943,503*	
2023:	*636,319,894*	

Step 2 quotients:

2021/2020:	*1.0565*	
2022/2021:	*1.1174*	
2023/2022:	*1.1508*	

Step 3: Sum the results of Step 2 and divide by three:
1.1082 ([1.0565+1.1174+1.1508]/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:
1.0257 (1.1082/1.0804)

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 IC 6-1.1-18.5-2 (this amount is 1.04 or 4% for 2024; since 1.0257 is greater than 1.020, the Town is eligible for a three-year growth appeal):
0.0682 (6.82%) (1.1082-1.0400)

The Town's 2023 maximum civil levy is $3,054,745. This is the most recent civil maximum levy that the Department can use as the basis for an adjustment. Multiplying this figure by the 6.82% growth factor calculated above results in a figure of $208,378, which is the maximum for which the Town could qualify under the statutory formula. Under IC 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 the excess levy is needed to provide sufficient funding to help retain public safety personnel, specifically by expanding the 1977 Fund retirement benefits for police and fire personnel. The Town provides the following breakdown of costs:

38	Number of Public Safety Employees on 77 PERF
$4,380	PERF '77 Fund Employee Contribution (w/ seniority)
$166,440	Total Cost
$187,200	Additional Levy from Appeal (after circuit breaker)
$20,760	Difference to be used to offset insurance cost increases.

The Town represents that the excess levy would be used to subsidize the employee contribution portion of the 1977 Fund benefits, with the post-circuit breaker balance being applied to increasing insurance costs.

The Town has also indicated on its Form 3 that it seeks an excess levy of $208,334. The Town Council resolution approving submission of the appeal indicated that one councilmember voted no.

The Department does find as appropriate the cost to subsidize police and fire pensions. However, the Department does not consider general cost increases as an appropriate reason to grant an excess levy. Insurance cost increases especially affect everyone, including taxpayers who would then have to bear the burden of an excess levy to offset the Town's own costs. Such taxpayers may not have similar recourses for relief as the Town has, here. In addition, Ind. Code § 6-1.1-20.6-9.5(b) prohibits a civil taxing unit from increasing its levy to make up for circuit breaker losses. However, Ind. Code § 6-1.1-18.5-13(a)(2) permits the civil taxing unit to have an excess levy up to what is determined using the statutory formula.

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

APPROVED:

The Town's excess levy appeal is approved in the amount of **$208,334**. This figure reflects the amount for which the Town qualifies under the statutory three-year growth formula and does not exceed the amount which the Town 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 __17___ day of
__November_____, 2023.

Daniel Shackle, Commissioner