

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

IN THE MATTER OF THE REQUEST)
OF CITY OF CHARLESTOWN,)
CLARK COUNTY, FOR AN) **A23-028**
EXCESS LEVY DUE TO)
THREE-YEAR GROWTH)

The Department of Local Government Finance (“Department”) has reviewed an appeal by City of Charlestown (“City”) for an excess levy in the amount of \$388,400 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.:

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

<i>2020:</i>	<i>232,326,520</i>
<i>2021:</i>	<i>256,663,520</i>
<i>2022:</i>	<i>288,757,239</i>
<i>2023:</i>	<i>366,906,919</i>

Step 2 quotients:

<i>2021/2020:</i>	<i>1.1048</i>
<i>2022/2021:</i>	<i>1.1250</i>
<i>2023/2022:</i>	<i>1.2706</i>

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

1.1668 ([1.1048+1.1250+1.2706]/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:
1.0799 (*1.1668/1.0804*)

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 1.0799 is greater than 1.020, the City is eligible for a three-year growth appeal):

0.1268 (*12.68%*) (*1.1668-1.0400*)

The City’s 2023 maximum civil levy is \$3,062,662. This is the most recent civil maximum levy that the Department can use as the basis for an adjustment. Multiplying this figure by the 12.68% growth factor calculated above results in a figure of \$388,383, which is the maximum for which the City could qualify under the statutory formula. Under Ind. Code § 6-1.1-18.5-12(a), the City must also show that it is unable to perform its government functions without this increase.

The City states in its appeal that the City’s growth projections “estimated residential units (multifamily and single family) exceeding 2,500 in the next three years” and single family building permits “reached record numbers the previous three years.” The City claims that its building commissioner department is understaffed, requiring the City to rely on contractors. The City then states that the new developments also require expanding road paving and snow removal services which “cannot be met with our basic levy.” Finally, the City states that the police department is understaffed as “we only have 17 full-time officers and FBI standards have cities our size at a minimum.” The City did not provide a citation to the appropriate FBI standard. The City then states that with an elementary school under construction the City seeks to add an additional position for a school resource officer.¹ The City provided a copy of an MOU with Greater Clark County School Corporation, wherein it states that the City will be responsible for one-half of the cost of the school resource officer, however it does not specify the exact cost.

The City states that excess levy will be used as follows:

- 50% of the excess levy will be applied to snow removal vehicles and public safety vehicles.
- 25% of the excess levy will be applied to hiring a school resource officer.
- 25% of the excess levy will be applied to hiring a building inspector.

The Department therefore estimates that the amount of the excess levy to be applied to the vehicles will be \$194,192 ($\$388,383 * 0.5 = \$194,191.50$), the amount to be applied to the school resource officer will be about \$97,096 ($\$388,383 * 0.25 = \$97,095.75$), and the amount for the building inspector will be about \$97,096 ($\$388,383 * 0.25 = \$97,095.75$).

¹ School resource officers may be assigned to a public school building “by a local law enforcement agency” by either a contract or memorandum of understanding. Ind. Code § 20-26-18.2-2(a).

The City stated on its Budget Form 3 that it seeks an excess levy appeal of \$400,000 for its General Fund. The City received a permanent excess levy for pay-2022 (\$69,238) and pay-2023 (\$142,574). In the petition for the pay-2023 appeal, the City claimed that an excess levy was needed for snow removal and police vehicles, hire more police officers, and hire a building inspector.

The Department is hesitant to approve an excess levy for three-year growth, which is permanent by virtue of Ind. Code § 6-1.1-18.5-3(a), to be used for capital expenses, such as vehicles, which are likely one-time or periodic. This is especially the case where units have available to them other funding mechanisms, including cumulative funds, to generate needed revenue to capital expenses. However, the Department does find as justification the need to hire a school resource officer and a building inspector. The Department believes the portions of the excess levy represented by the City are approximate to the costs needed to make these hirings.

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 City's excess levy appeal is approved in the amount of **\$194,192**. This figure reflects the amount represented by the City to hire a school resource officer and a building inspector. This amount does not exceed the amount for which the City qualifies under the statutory three-year growth formula and or 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 12 day of December, 2023.



Daniel Shackle, Commissioner