

**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 McCORDSVILLE,)
HANCOCK COUNTY, FOR AN) **A23-035**
EXCESS LEVY DUE TO)
THREE-YEAR GROWTH)**

The Department of Local Government Finance (“Department”) has reviewed an appeal by Town of McCordsville’s (“Town”) for an excess levy in the amount of \$375,000 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: 395,616,646
2021: 445,501,579
2022: 493,239,384
2023: 615,550,856¹*

Step 2 quotients:

*2021/2020: 1.1261
2022/2021: 1.1072
2023/2022: 1.2480*

Step 3: Sum the results of Step 2 and divide by three:
1.1604 [(1.1261+1.1072+1.2480)/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

¹ The Town’s certified net assessed values for pay-2023 submitted by the Hancock County Auditor take into account annexations by the Town effective January 1, 2023. The assessed values added to the Town from these annexations total approximately \$1.43 million.

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:

1.0740 (1.1604/1.0804)

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 1.1026 is greater than 1.020, the Town is eligible for a three-year growth appeal):

0.1204 (12.04%) (1.1604-1.0400)

The Town’s 2023 maximum civil levy is \$2,559,221. This is the most recent civil maximum levy that the Department can use as the basis for an adjustment. Multiplying this figure by the 7.59% growth factor calculated above results in a figure of \$308,152, 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 needs the excess levy “to keep pace with the increasing demand such as public safety, infrastructure, and recreational facilities.” The Town cites as examples a new police station and needs staffing, road expansions such as a redesign of Mt. Comfort Road, and issuing park bonds “to address some of the recreational needs.” The Town also represents that it made transfers to the rainy day fund “in an annexation year.”

The Department requested from the Town more detail about its purported needs. The Town responded as follows:

- The Town has budgeted to hire 4 full-time police officers in 2024, each with a starting salary of \$77,277 including benefits. The Town added this is still not quite “the minimum standard of one officer per 500 residents per FBI standards².”
- The Town Council approved wage increases for police officers from \$47,000 to \$60,000, as well as adopting a PTO policy. The Town also mentioned officers being paid for longevity.
- While the Town is issuing a bond, the Town stated the purpose of the bond is to “replace existing equipment, improve some infrastructure at Old School Park, and add some new amenities to Town Center.” The Town stated that it plans to establish a park department and hiring a park director and a program and event coordinator in 2024, with a starting

² The Town did not provide an actual citation to the purported FBI standard and the Department has been unable to locate the specific standard being referenced.

salary of \$106,570. The Town also stated that it will be increasing its parkland from 14 to 54 acres over the next 5 years. Finally, the Town stated that part of the excess levy will be applied to the cumulative park and recreation fund, which was newly established at a \$0.0167 rate for pay-2024.³

- The Town’s 2024 budget also includes new positions for a payroll/benefits position, 3 public works positions, a part-time code enforcement position, and an office manager.
- The Town “did not base any portion of the [excess levy] on the circuit breaker loss. It was based on the allowable mathematical calculation.”⁴

The Town provided a powerpoint presentation elaborating on the above points and more detail regarding the proposed road projects. The Town has also indicated on its Form 3 that it seeks an excess levy of \$375,000. The Town received a permanent excess levy for pay-2023 in the amount of \$150,000.

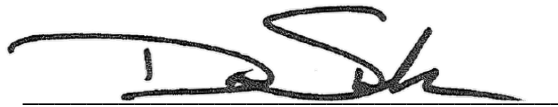
After a review of the petition, the Department, following Ind. Code §§ 6-1.1-18.5-12 and 13, and in consideration of all evidence provided, finds as follows:

APPROVED WITH MODIFICATION:

The Town’s excess levy appeal is approved in the amount of **\$308,152**. 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.

STATE OF INDIANA
DEPARTMENT OF LOCAL GOVERNMENT FINANCE

WITNESS MY HAND AND SEAL of this Department on this 11 day of
December, 2023.



Daniel Shackle, Commissioner

³ State law does not provide for an exemption to the cumulative park and recreation fund levy from the maximum levy limits.

⁴ The Town’s Form 4B represents that the circuit breaker impact on the General Fund is expected to be \$336,270 in 2024.