

# STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



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**TO:** All Unit Officials  
**FROM:** Brian Bailey, Commissioner   
**RE:** Adjustment to the Maximum Permissible Levy under IC 6-1.1-18.5-1  
**DATE:** May 27, 2010

This memorandum provides guidance on amendments to the Indiana Code affecting certain maximum levy calculations. These changes to the law were made as part of HEA 1086-2010 and allow the Department of Local Government Finance ("Department") to adjust the maximum levy calculation provided in IC 6-1.1-18.5. According to the change, if there is unraised max levy from the prior year, the Department may allow more than 50 percent of the unraised max levy to carry forward to the next year.

**Units requesting a max levy adjustment for Pay 2011 should do so in writing by September 30, 2010.**

The request must contain the following information:

- The dollar amount of the requested adjustment
- The dollar amount of cash balances utilized to fund 2010 expenditures
- A list of all transfers to the Rainy Day fund, including the date the transfer was made, the fund from which it was made, and amount of the transfer.

**The Department has discretion to approve, deny, or modify the request for adjustment.**

In making this determination, the Department will confirm whether the following criteria are met:

- The request was made in writing on or before September 30, 2010.
- The unit's actual levy was lower than the unit's max levy for 2010 because of the unit's use of cash balances.
- The requested adjustment is less than or equal to the amount of cash balances used.
- The use of cash balances for budgeted expenditures moves the unit closer to a 10% operating balance.
- The reduction in cash balance was not the result of transfers to the Rainy Day fund.
- The use of cash balances for budgeted expenditures is not expected to cause dramatic fluctuations in the tax rate in future years.

- The Department may consider other factors it deems relevant for a particular unit.

Units that receive approval for their requests will see the max levy adjustment as part of the “miscellaneous adjustment” on the 1782 notices. Units that request this max levy adjustment will need to include the adjustment as part of the advertised levy in Form 3 Column 3: “Maximum estimated funds to be raised.” This adjustment is not an appeal and does not need to be advertised in Form 3 Column 4: “excessive levy appeals.”

Requests should be sent via e-mail to Judy Robertson at [jrobertson@dlgf.in.gov](mailto:jrobertson@dlgf.in.gov). Requests sent via U.S. Mail should be sent to:

Indiana Department of Local Government Finance  
Attention: Judy Robertson  
100 North Senate Avenue, Room N1058-B  
Indianapolis, IN 46204

If you have any questions, please contact Budget Division Director Karen Large at 317.234.3937 or [klarge@dlgf.in.gov](mailto:klarge@dlgf.in.gov).