
STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



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TO: All Political Subdivisions
FROM: Wesley R. Bennett, Commissioner
RE: Legislation Affecting Maximum Levies & Excess Levy Appeals
DATE: June 11, 2020

Please note that this memorandum is for informational purposes only, and it is not a substitute for reading the law.

I. Initial Maximum Levies

On March 21, 2020, Governor Holcomb signed into law House Enrolled Act 1113-2020 (“HEA 1113”). Section 32 of HEA 1113 amends IC 6-1.1-18.5-7 regarding requests for an initial maximum levy for a political subdivision or fire protection territory. A request for an initial maximum levy must be submitted to the Department no later than June 30 of the year before the first year the political subdivision or fire protection territory intends to impose a property tax levy.

For example, on September 1, 2020, county commissioners form a fire protection district in the county, to begin operations on January 1, 2021. The fire protection district would first be eligible for a property tax levy in the pay-2022 budget cycle. The district must submit its proposed initial maximum levy to the Department no later than June 30, 2021.

In addition, in determining the initial maximum levy for a civil taxing unit (i.e., a political subdivision except for a school corporation), the Department must consider the effect of a property tax levy on a local income tax distribution to the civil taxing unit under IC 6-3.6-6. This does not apply to a request for an initial maximum levy for a fire protection territory.

The amendments made by section 32 are effective July 1, 2020. Executive Order 20-12, paragraph 5.A, extends the deadline for establishing a fire protection territory to be June 30, 2020, for a territory that will begin operations on January 1, 2021. The Department will accept an initial max levy request for a fire protection territory established on or before June 30, 2020, that the Department receives after July 1, 2020, because at the time of the establishment the amendment by HEA 1113 had not gone into effect.

II. Excess Levy Appeals

As adopted during the 2016 Legislative Session, Ind. Code § 6-1.1-18.5-25 allows municipalities with significant growth in assessed value and population to use a growth quotient of up to six percent (6%), instead of the maximum levy growth quotient if the following are met:

- (1) The percentage growth in the municipality's assessed value for the preceding year compared to the year before the preceding year is at least two (2) times the maximum levy growth quotient; and
- (2) The municipality's population increased by at least 150% between the last two decennial censuses.

Section 35 of HEA 1113, effective July 1, 2020, specifies that fast-growing municipalities that receive an alternate levy growth percentage under Ind. Code § 6-1.1-18.5-25 may also be eligible for a traditional excess levy appeal under Ind. Code § 6-1.1-18.5-12.

Contact Information

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