



Department of Local Government Finance

Maximum Levies in Practice

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Overview of Max Levy Laws - Agenda

1. Brief History/Concepts
2. The Levy Limits
 - MLGQ Calculation
 - Applying the MLGQ
 - Other Adjustments
3. Establishing Levy Limits
4. Special Adjustments to Max Levies
 - Reductions to the Max Levy
 - School Corporations
 - Municipalities
5. Levies Exempt from the Max Levy



Disclaimers

- This presentation and other Department materials are not a substitute for the law. The following is not legal advice, just an informative presentation.
- The Indiana Code always governs.
- What follows is a discussion of the laws as they currently are in the Indiana Code, following the 2022 Session. We will not discuss any potential or likely changes coming out of the 2023 Session.
- The Department will have a webinar on legislative changes from the 2023 Session later this year.



Max Levy History (Civil Units)

- For most units operating today, the maximum levy is a product of what their levies were in 1973, adjusted by various statutory controls.
 - Acts 1973, P.L.47 & P.L.50: Local unit levies frozen at 1973 levels; set up system of levy adjustments.
 - Civil units: Levies can increase based on AVGQ/MLGQ (previously IC 6-3.5-1; recodified at IC 6-1.1-18.5)
 - 1983 – 2002: 3-year average AV growth in the unit (P.L. 73-1983, Sec. 1)



Max Levy History (Civil Units)

- Since 2002: Statewide 6-year index of nonfarm personal income (HEA 1001-2002(ss), Sec. 35)
 - “Use it or lose it” (SEA 260-2006, Sec. 46): Civil unit’s levy could grow by only 1/2 the difference between the ensuing year’s max levy and the current year’s certified levy. Repealed in 2011.
 - Renamed MLGQ in 2020 (HEA 1113-2020, Sec. 31)
- State review & approval of levies (tax control boards, State Tax Board/DLGF)
- Other adjustments allowed or required by law.
- Excess levy appeals



Max Levy History (School Units)

- School levy controls (previously IC 6-1.1-19; currently IC 20-46)
 - General fund levy adjusted by average daily student attendance since 1973
 - Other levy controls for other funds for operating expenses (Transportation, Bus Replacement, etc.) enacted over time.
 - 2008: School property tax levies no longer support General (now Education) Fund.
 - Property taxes now only support operating expenses now consolidated into Operations Fund (HEA 1009-2017).
 - Operations Fund adjusted by MLGQ after pay-2019. (IC 20-46-8-1)



Maximum Levy Growth Quotient (MLGQ) Calculation



MLGQ Calculation (IC 6-1.1-18.5-2)

- State Budget Agency performs this calculation, provides the MLGQ to the Department by June 30 each year.
- Memo for Pay-2023 MLGQ: <https://www.in.gov/dlgf/files/2022-memos/220701-State-Budget-Agency-Memo-Maximum-Levy-Growth-Quotient.pdf>
- The Department then uses this MLGQ in its July estimates for maximum levies. See IC 6-1.1-18.5-24.



MLGQ Calculation (IC 6-1.1-18.5-2)

- Step One:
 - Take the 6 calendar years immediately preceding the year the budget is adopted.
 - For 2024: 2017, 2018, 2019, 2020, 2021, 2022
 - The pay-2024 budget is adopted in late 2023.
 - For each of these years, divide the Indiana nonfarm personal income for the year by the immediately preceding year, rounded to the nearest 0.001.
 - Nonfarm personal income is defined as “the estimate of the total nonfarm personal income for Indiana in a calendar year as computed by the federal Bureau of Economic Analysis using any actual data for the calendar year and any estimated data determined appropriate by the federal Bureau of Economic Analysis.” IC 6-1.1-18.5-2(a).



MLGQ Calculation (IC 6-1.1-18.5-2)

- Step Two: Sum all of the Step One results.
- Step Three: Divide Step Two result by 6, rounded to the nearest 0.001.
- Step Four: Take the lesser of Step Three or 1.06.
- The MLGQ for the upcoming budget year cannot exceed 1.06 or 6%.



MLGQ Calculation (IC 6-1.1-18.5-2)

PROPERTY TAX LEVY GROWTH QUOTIENT							
IC. 6-1.1-18.5-2							
PREPARED: 06/24/2022							
Year in which budgets are adopted	2022						
Budgets adopted for	2023						
Step 1a: Determine calendar year Indiana nonfarm personal income for each of the six years preceding the year in which a budget is adopted.			Annual Indiana Nonfarm Personal Income	Percent From	Change To	Calculation	
Step 1b: Calculate the annual percent change for each of the six years preceding the year in which a budget is adopted	Year						
	0	2015	281,530.88	2014	2015		
	1	2016	289,030.63	2015	2016	1.027	2.66%
	2	2017	300,083.40	2016	2017	1.038	3.82%
	3	2018	315,200.80	2017	2018	1.050	5.04%
	4	2019	328,411.05	2018	2019	1.042	4.19%
	5	2020	347,673.10	2019	2020	1.059	5.87%
	6	2021	377,178.15	2020	2021	1.085	8.49%
Step 2: Sum the results of Step 1b	6.301						
Step 3: Divide the results of Step 2 by six	1.050						
Step 4: Determine the lesser of Step 3 or 1.06	1.050						
Property Tax Levy Growth Quotient for CY 2023	1.050	or	5.000%				
https://www.bea.gov/iTable/index_regional.cfm							

Source: <https://www.in.gov/dlgs/files/2022-memos/220701-State-Budget-Agency-ATTACHMENT-Maximum-Levy-Growth-Quotient.xlsx>



Max Levy Calculation



Applying MLGQ (IC 6-1.1-18.5-3)

- For most units, the maximum levy for the upcoming budget year is the result of the following formula:

(Current Year Max Levy * MLGQ)

(MLGQ is 1.0x)

- Other adjustments are made under certain circumstances.
- Absent a statutory mandate, the maximum levy never decreases, even when the unit has not adopted its levy at or near the max in the prior year.



Applying MLGQ (IC 6-1.1-18.5-3)

7-Step Process

- Step 1: Find the current year's maximum levy for the unit.
 - Step 2: Multiply the current year's max levy by the MLGQ.
 - Step 3: Determine the annexation adjustment (more on this later). Will apply mostly to municipalities.
 - Step 4: Take the greater of Step 3 or one (1).
 - Step 5: Multiply Step 2 by Step 4.
 - Step 6: Add approved excess levy appeals to Step 2.
 - Step 7: Take greater of Step 5 or Step 6.
- Note: Formula does not account for other adjustments to levy permitted/required by law.



Applying MLGQ (IC 6-1.1-18.5-3)

$$\begin{aligned} & \text{Current Year Maximum Levy} \\ & \quad \times \\ & \quad \text{MLGQ} \\ & \quad \times \\ & \quad \text{Annexation Adjustment (if any)} \\ & \quad + \\ & \quad \text{Excess Levy Appeals (if any)} \\ & \quad + \\ & \quad \text{Other Levy Adjustments Allowed/Required by Law (if any)} \\ & \quad = \\ & \quad \text{Maximum Levy for Next Budget Year} \end{aligned}$$



Annexation Adjustment (IC 6-1.1-18.5-3)

- Intended to adjust max levy as geographic boundaries change, especially in annexations.
- A fraction equation.
 - Numerator: Ensuing year's CNAV of unit.
 - Denominator: Ensuing year's CNAV of unit in the geographic area subject to property tax by unit in the preceding year.
 - Rounded to nearest 0.0001. Capped at 1.15.
- If result is >1 , use in Step 4 in IC 6-1.1-18.5-3(a).
 - No reduction of max levy, even if unit loses territory.
- Will offset any excess levy appeal increases resulting from the annexation. See Step 7.



Annexation Adjustment (IC 6-1.1-18.5-3)

- Assume a city's 2022-Pay-2023 CNAV is \$150,000,000.
 - On December 31, 2021, city annexed an unincorporated area with a 2022-Pay-2023 CNAV of \$1,000,000.
 - The numerator is the 2023 CNAV. The denominator is what the 2023 CNAV is in the city's area but excluding the annexed area.
 - Therefore, the denominator is \$149,000,000 (\$150,000,000 - \$1,000,000).

• Step 3:

$$\frac{\$150,000,000}{\$149,000,000} = 1.0067$$

- Take the greater of Step 3 or Step 1.
- Step 4: $1.0067 > 1$.
- Step 5: Step 2 * 1.0067.
- Result: Increase to the max levy.



Annexation Adjustment (IC 6-1.1-18.5-3)

- Assume a township's 2022-Pay-2023 CNAV is \$100,000,000.
 - On December 31, 2021, a city annexed unincorporated area in the township with a 2022-Pay-2023 CNAV of \$1,000,000.
 - The numerator is the 2023 CNAV excluding the annexed area. The denominator is what the 2023 CNAV is in the township's area but including the annexed area.
 - Therefore, the numerator is \$99,000,000 (\$100,000,000 - \$1,000,000) & the denominator is \$100,000,000.

• Step 3:

$$\frac{\$99,000,000}{\$100,000,000} = 0.99$$

- Take the greater of Step 3 or Step 1.
- Step 4: $0.99 < 1$.
- Step 5: Step 2 * 1.
- Result: Max levy unaffected by annexation from township.



Applying MLGQ in 1782 Notice

Current Max * MLGQ
(Step 1 & Step 2)

Annexation Adjustment
(Step 3 through Step 5)

2023 Max levy Report

3230969 AVON CIVIL TOWN

County : Hendricks
Control Code: UT

FACTORED ADJUSTED TAX LEVY	4,393,733
2022 Pay 2023 Assessed value	1,807,152,692

2022 Pay 2023 AV using pay 2022 geographic area	1,786,263,407
Annexation factor	1.0117
MAXIMUM FACTOR DUE TO ANNEXATION	1.15
Lesser of above two factors	1.0117
Multiply factor adjusted tax levy by annex factor	4,445,140
Services provided in prior year	0
Factored adjusted tax levy increase for services	4,445,140
Greater of factored levy or increased levy	4,445,140



Applying MLGQ in 1782 Notice

Excess Levy Appeals
& Other Adjustments
(Steps 6 & Step 7)

Cumulative operating LOIT (if any)	0
Maximum Levy Limit Subtotal	4,445,140
DLGF approved levy increase	28,016
Adjusted maximum levy	4,473,156
Adjustment to correct error and/or shortfall	0
Adj. max levy due to error correction and/or shortfall	4,473,156



Initial Max Levies



Initial Maximum Levies (IC 6-1.1-18.5-7)

- In the first year a unit imposes property tax, it is not subject to a maximum levy.
- When a unit wants to start imposing a tax levy, it must submit its proposed budget, levy, and rate for the upcoming budget year to the DLGF.
 - No later than June 29.
 - The DLGF shall set the tax levy for the unit for the upcoming budget year. This tax levy becomes the unit's initial max levy.



Initial Maximum Levies (IC 6-1.1-18.5-7)

- The unit must have been in existence as of January 1 of the year immediately preceding the upcoming budget year.
 - In other words, there had to have been an assessment date that passed.
 - There has to be a CNAV mapped to the unit.
- Nowadays, this will mostly apply to:
 - Townships, especially for fire service.
 - Special service districts, especially fire protection districts.



Initial Maximum Levies (IC 6-1.1-18.5-7)

- Review will focus on information provided from unit.
 - Planned expenses for upcoming year.
 - Forms 1 & 4B
 - Estimated miscellaneous revenues.
 - Form 2
 - Self-imposed controls.
 - Operating balance: DLGF will allow to levy for first year, only.
- Check that unit existed as of the assessment date.



Fire Protection Territories (IC 6-1.1-18.5-10.5)

- A participating unit will have a separate maximum levy for a fund to support a fire protection territory.
- In practice, this is for the Fire Territory Special Operating Fund (DLGF Fund 8604) as part of the provider unit's budget.
- Recent legislation allows a 5-year phase-in for the levy for newly formed territories. See IC 6-1.1-18.5-10.5(c) & IC 36-8-19-7(c).
- It is not necessary for the fire territory to exist on the assessment date. However, the participating units must exist on the assessment date.



Fire Protection Territories (IC 6-1.1-18.5-10.5)

- DLGF will review whether the statutory process (IC 36-8-19-6) was followed in establishing the territory.
 - Process not followed, no levy.
- If approved, DLGF sets a new maximum levy for the fire territory operating fund, as with new units.
 - Review will be similar to review of initial max levy for new units.
 - Operating balance is limited to 20% of estimated budget. IC 36-8-19-8(c).
 - Levy for operating balance only allowed for first year.



Fire Protection Territories (IC 6-1.1-18.5-10.5)

- Each participating unit must have a share of the levy. IC 36-8-19-6(c)(1) & (d)(6). **This levy is separate from the unit's civil max levy.**
- Territory operating fund maximum levy allowed to grow by the MLGQ in subsequent years.
 - If there's a phase-in, MLGQ will apply once phase-in period ends.



Other Adjustments to Max Levies



Reduction of Max Levy for Duplicative Services

- Mainly applies to new fire districts (IC 36-8-11-19) & territories (IC 36-8-19-12)
- If necessary, DLGF reduces maximum levies of underlying units to ensure there are no duplicate taxes for the same service.
 - Townships: Remove township firefighting fund levy, if one exists
 - Municipalities: General fund levy used for fire protection, if municipality used funds for fire service
 - Cumulative Funds: Removed if they exist
 - Levies on pre-existing debt are unaffected so long as the debt remains but will remain with unit that issued debt.



Reduction of Max Levy for Duplicative Services

- Maximum levies can be restored if fire district/fire territory is dissolved or unit resumes providing fire service on its own.
 - Withdrawing from a fire territory – Proportionate share of territory max levy based on CNAV (IC 36-8-19-13). Fire territory max levy reduced accordingly.
 - Change in fire district – No specific statute. Likely treat as a new max levy (for townships) or excess levy appeal (for municipalities)



School Corporations (IC 6-1.1-18.5-2(c))

- The Operating Fund maximum levy may grow by the greater of the MLGQ or the result of this 5-Step Process:
 - Step 1: Determine the average annual growth in Net AV using the last 3 calendar years.
 - Step 2: Step 1 - (MLGQ + 0.02).
 - Step 3: Take the lesser of Step 2 or 0.04.
 - Step 4: Step 3 + MLGQ
 - Step 5: Take the greater of Step 4 or the MLGQ.



School Corporations (IC 6-1.1-18.5-2(c))

- A school corporation's operations fund max levy can grow by the greater of:
 - The MLGQ.
 - The MLGQ + 3-year average AV growth in school corporation, if it is between 102% and 104% of the MLGQ.
- Automatic.



Municipalities (IC 6-1.1-18.5-25)

- Starting with 2017 taxes, fast-growing cities & towns can have a max levy adjustment on top of the MLGQ.
- To qualify, the municipality's:
 1. Percentage growth in CNAV over the last year must be at least the current year's (MLGQ - 1) * 2.
 - If MLGQ was 1.05 for 2023, the CNAV must have grown from 2022 to 2023 by at least 10%.
$$\left(\frac{\text{Current Year CNAV}}{\text{Year Before Current Year CNAV}} \right) - 1 \geq 2 * (\text{MLGQ} - 1)$$
 - Unit's CNAV must have grown twice as fast in the past year as the statewide nonfarm personal income has increased on average over the past 6 years.



Municipalities (IC 6-1.1-18.5-25)

2) Population increased by at least 150% between the last 2 federal decennial censuses.

- “By at least 150%” means
- $(2010 \text{ pop.} \times 1.5) + 2010 \text{ pop.} \leq 2020 \text{ pop.}$
- For example, if a municipality’s population was 1,000 in the 2010 Census, its population must have grown to at least 2,500 by the 2020 Census.

$$(1,000 \times 1.5) = 1,500$$
$$1,000 + 1,500 = 2,500$$



Municipalities (IC 6-1.1-18.5-25)

- When a municipality qualifies, the extra MLGQ is the lesser of 6% or the AV growth over the last 2 years.

$$\frac{\text{Current Year CNAV}}{\text{Year Before Current Year CNAV}} = \% \text{ increase eligible} \leq 6\%$$

$$(\% \text{ increase eligible} \leq 6\%) + \text{MLGQ} = \text{Maximum Levy Increase}$$

- Note that AV has become a factor in levy growth yet again. But now population is now a part of it.
- Automatic.



Levies Exempt from Maximum Levy

- “Outside the max”
- Not an exhaustive list.
- Debt service (IC 6-1.1-18.5-8)
 - Bonds
 - Leases with an original term of 5 years or more
 - School debt service (IC 20-48-1-11)
 - “Need based”
- Referendum levies
 - School operating referenda (IC 20-46-1-18)
 - School safety referenda (IC 20-46-9-18)
 - Controlled projects (IC 6-1.1-20; IC 6-1.1-18.5-8)



Levies Exempt from Maximum Levy

- Certain Rate-Controlled Funds
 - Major Bridge Fund (IC 6-1.1-18.5-9)
 - Cumulative Capital Development Fund (IC 6-1.1-18.5-9.8)
 - Township Cumulative Fire Funds (IC 6-1.1-18.5-10.4)
 - Airport Cumulative Building Funds (IC 6-1.1-18.5-20)
- Unique Funds
 - Vanderburgh County Port Authority Levy (IC 6-1.1-18.5-9.5)



Max Levies in Practice - Agenda

- Definitions
- Estimated Maximum Levy Calculation
- Levy during the budget certification
 - Estimated Max Levy
 - Form 3
 - Form 4
 - 1782 Notice – Working Max Levy
- Frequently Asked Questions
 - Under the Max Levy
 - Inside the Max Levy versus Outside the Max Levy



Definitions – Levy Variations

Term	Definition
Estimated Max Levy Report	Report that contains the prior year maximum levy by unit and max levy type along with temporary/permanent actual/estimated adjustments for the ensuing year. During budget certification, the Department will not certify a levy for a unit exceeds their maximum levy. Released by the Department on July 1.
Advertised Levy	The levy advertised for each fund on the Form 3. When advertised, creates a ceiling for the levy that the Department may certify for the ensuing year for a specific fund.



Definitions – Levy Variations

Term	Definition
Adopted Levy	The levy adopted for each fund on the Form 4. Reviewed in combination with the advertised levy and the adopted tax rate to set the ceiling for the levy that the Department may certify for the ensuing year for a specific fund.
Working Max Levy	Included on the 1782 Notice, this is a revision of the Estimated Max Levy replacing estimated adjustments with actual calculations for annexations and approved excess levy appeals amounts.
Certified Levy	The Department’s final approved levy for each fund that appears on the certified budget order.



Estimated Maximum Levy Calculation

- By the end of spring, most units have completed their primary review of the proposed expenditures for the ensuing year.
- On July 1, the Department will post the max levy estimates for each unit.
- The report is designed to assist units in performing their preliminary determination of the fundability of their ensuing year's budget.

Year	Total Certified Property Tax Levy
2021	8,647,489,917
2022	9,094,092,641
2023	9,895,166,977



Estimated Max Levy

County: 01	ADAMS	} SECTION 1	
Unit: 0001	BLUE CREEK TOWNSHIP		
Maximum Levy Type: UT	Civil		
		} SECTION 1a	
2022 Maximum Levy			} SECTION 2 22,304
PLUS: 2022 Permanent Appeal Amount and New Max Levies			0
PLUS: Other Adjustments to 2021 Maximum Levy (1)			0
2021 Maximum Levy for Growth Quotient			22,304
TIMES: Assessed Value Growth Quotient (2)		} SECTION 3	1.0500
Initial 2023 Maximum Levy			23,419
PLUS: Potential 2023 Appeals as Reported by Unit		} SECTION 4	0
Estimated 2023 Maximum Levy Prior to Allowable Adjustments		} SECTION 5	23,419
PLUS: Estimated 2023 Cumulative Capital Development Adjustment (3)			0
PLUS: Estimated 2023 Mental Health Adjustment (4)		} SECTION 5a	0
PLUS: Estimated 2023 Developmental Disabilities Adjustment (4)			0
PLUS: Other adjustments reported by the taxing unit			0
Estimated 2023 Maximum Levy		} SECTION 6	23,419



Advertised Levy – Form 3

- During the budget process, units are required to advertise for a public hearing. As part of that hearing, the unit will advertise an estimated budget for each fund and advertised an estimated levy amount for several funds.
- The advertised levy does not represent the unit's final opportunity to determine the amount of levy to apply to a fund, but the Department may not certify a levy for the fund that is higher than what was noticed to the taxpayers.



Adopted Levy – Form 4

Date of Public Hearing	Thursday, September 29 2022
Time of Public Hearing	7:00 PM
Public Hearing Place	2510 S 650 E

Date of Adoption Meeting	Monday, October 10 2022
Time of Adoption Meeting	7:00 PM
Adoption Meeting Place	2510 S 650 E

Estimated Civil Max Levy	\$ 23,419	SECTION 6
Estimated Fire Max Levy	\$ 7,793	
Est. Fire Territory Max Levy	[Estimated Fire Territory Max Levy has not been populated by the Department of Local Government Finance. Please contact gateway@dlgf.in.gov for more information.]	SECTION 7
Est. School Operating Max Levy	[Estimated School Operating Max Levy has not been populated by the Department of Local Government Finance. Please contact gateway@dlgf.in.gov for more information.]	SECTION 8
Property Tax Cap Credit Estimate	\$ 100	SECTION 9
		SECTION 10

1 Fund Name	2 Budget Estimate	3 Maximum Estimated Funds to be Raised (Including appeals and levies exempt from maximum levy limitations)	4 Excessive Levy Appeals (Included in Column 3)	5 Current Tax Levy	6 Levy Percentage Difference (Column 3 / Column 5)
0061-RAINY DAY	\$5,000	\$0	\$0	0	
0101-GENERAL					



Adopted Levy – Form 4

- After the public hearing, the unit will officially adopt a budget, levy, and tax rate for their DLGF Reviewed funds and a budget for their Home Rule funds.
- The adopted levy does not represent the unit's final determination on the amount of levy to apply to a fund, but the Department may not certify a levy for the fund that is higher than what was adopted by the unit.



Maximum Levy in Practice

Name of Adopting / Fiscal Body	Type of Adopting / Fiscal Body	Date of Adoption
Blue Creek Township, Adams County	Township Board	10/10/2022

DLGF-Reviewed Funds

The following values automatically populate for Form 4B's adopted column: "Adopted Budget" from Line 15, "Adopted Tax Levy" from Line 11, and "Adopted Tax Rate" from the Property Tax Rate field.

Fund Code	Fund Name	Adopted Budget	Adopted Tax Levy	Adopted Tax Rate
0061	RAINY DAY	\$5,000	\$0	0.0000
0101	GENERAL	\$35,667	\$22,258	0.0411
0840	TOWNSHIP ASSISTANCE	\$9,000	\$0	0.0000
1111	FIRE	\$14,000	\$7,793	0.0144
		Total: \$63,667	Total: \$30,051	Total: 0.0555

Name				Signature
Melvin Burkhart	Aye	Nay	Abstain	_____
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Kyle Roe	Aye	Nay	Abstain	_____
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Jeff Yoder-VF	Aye	Nay	Abstain	_____
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	



Working Max Levy – 1782 Notice

- After the budget adoption, the Department will begin the certification process.
- This will include adjusting the July max levy estimate by:
 - Replacing estimated values with actuals
 - Adding any approved excess levy appeals
 - Calculating the annexation adjustments
- Once the working max levy is calculated, the Department will use the updated max levy, rate controls, advertised levies, and adopted levies to calculate the certified levy for each fund.



Working Max Levy – 1782 Notice

- As a reminder, during the 1782 window, each unit will have an opportunity to review the calculations and final figures generated by the Department prior to the certification of the budgets, levies, or tax rates for each fund.
- The working max levy and the levies on the 1782 notice represent the unit's final opportunity to adjust the levy to apply to a fund, but the Department may not certify a budget, levy, or tax rate for the fund that is higher than what was advertised on the Form 3 or adopted on the Form 4.



1782 Notice

Fund Code	Fund	Assessed Value	Rate	Levy	Control
0061	RAINY DAY	73,175,669	-	-	00
0101	GENERAL	73,175,669	0.0304	22,245	UT
0840	TOWNSHIP ASSISTANCE	73,175,669	-	-	UT
1111	FIRE	73,175,669	0.0106	7,757	TF
UNIT TOTAL			0.0410	30,002	

TOWNSHIP FIRE		UNIT	
Normal Max Levy	7,793	Normal Max Levy	23,419
Minus LOIT	0	Minus LOIT	0
Minus Levy Excess	0	Minus Levy Excess	0
Plus Misc Changes	0	Plus Misc Changes	0
Working Max Levy	7,793	Working Max Levy	23,419
CTL TF Working Max \$7,793 Under Max by \$36		CTL UT Working Max \$23,419 Under Max by \$1,174	



Certified Levy – Budget Order

- Once the 1782 expires, the Department will compile the budgets, levies, and tax rates and produce the Certified Budget Order.
- The Budget Orders will be distributed by the Budget Field Representatives and posted on the Department’s website.

Budget

The budget order is a critical document in calculating tax bills. The order contains the budget and the levy for each fund of each taxing unit in a county. The order also gives

[2023 Adams County Budget Order - Issued December 30, 2022](#)

- [2022 Adams County Budget Order](#) - Issued December 17, 2021
- [2021 Adams County Budget Order AMENDED](#) - Issued February 12, 2021
- [2021 Adams County Budget Order](#) - Issued December 18, 2020
- [2020 Adams County Budget Order](#) - Issued December 6, 2019
- [2019 Adams County Budget Order](#) - Issued December 6, 2018

Navigation to Historic County Budget Order Info:

<https://www.in.gov/dlgf/county-specific-information/>



Certified Levy – Budget Order

County: 01 Adams
 Unit: 0001 BLUE CREEK TOWNSHIP

Pursuant to IC 6-1.1-17-16(c), this unit qualified for a shortened review by the Department.

<u>Fund</u>	<u>Fund Name</u>	<u>Certified Budget</u>	<u>Certified AV</u>	<u>Certified Levy</u>	<u>Certified Rate</u>
0061	RAINY DAY	\$5,000	\$73,175,669	\$0	\$0.0000
Budget approved for displayed amount.					
0101	GENERAL	\$35,667	\$73,175,669	\$22,245	\$0.0304
Budget approved for displayed amount.					
Rate reduced due to increased assessed valuation.					
0840	TOWNSHIP ASSISTANCE	\$9,000	\$73,175,669	\$0	\$0.0000
Budget approved for displayed amount.					
1111	FIRE	\$14,000	\$73,175,669	\$7,757	\$0.0106
Budget approved for displayed amount.					
Rate reduced due to increased assessed valuation.					
Unit Total:		\$63,667		\$30,002	\$0.0410



Frequently Asked Questions



FAQ #1 – Why am I under my max levy?

- Throughout the presentation, we have treated levy as if it is a number, but the levy is actually a calculated figure based on the certified tax rate and the certified AV. The Department will certify the highest tax rate possible that will generate a levy that does not exceed the unit’s maximum levy.
- If a unit has a max levy of 7,793 and a tax base of 73,175,669, what is the highest tax rate that can be certified that will generate a levy without going over?

	CNAV	Tax Rate	Levy	Example
Example 1	73,175,669	.0106	7,757	Under Max Levy by 36
Example 2	73,175,669	.0107	7,829	Over Max Levy by 36



FAQ #1 – Why am I under my max levy?

Fund Code	Fund	Assessed Value	Rate	Levy	Control
0061	RAINY DAY	73,175,669	-	-	00
0101	GENERAL	73,175,669	0.0304	22,245	UT
0840	TOWNSHIP ASSISTANCE	73,175,669	-	-	UT
1111	FIRE	73,175,669	0.0106	7,757	TF
UNIT TOTAL			0.0410	30,002	

TOWNSHIP FIRE		UNIT	
Normal Max Levy	7,793	Normal Max Levy	23,419
Minus LOIT	0	Minus LOIT	0
Minus Levy Excess	0	Minus Levy Excess	0
Plus Misc Changes	0	Plus Misc Changes	0
Working Max Levy	7,793	Working Max Levy	23,419
CTL TF Working Max \$7,793 Under Max by \$36		CTL UT Working Max \$23,419 Under Max by \$1,174	



FAQ #2 Inside vs. Outside the Max Levy

- In 2023, there were 1250 units with a certified levy that was higher than their maximum levy.
- This is possible because not all funds are controlled by a unit's maximum levy meaning some funds are outside the unit's maximum levy.
- Funds that are “outside the maximum levy” are still subject to various statutory controls. For a cumulative fund, it could be a maximum tax rate, and for a debt fund, it is creating a need-based levy with a maximum operating balance.



FAQ #2 Inside vs. Outside the Max Levy

Fund Code	Fund	Assessed Value	Rate	Levy	Control
0061	RAINY DAY	768,819,767	-	-	00
0101	GENERAL	768,819,767	0.4543	3,492,748	UT
0180	DEBT SERVICE	768,819,767	0.0633	486,663	00
0183	BOND #3	768,819,767	0.0140	107,635	00
0283	LEASE RENTAL PAYMENT	768,819,767	-	-	00
0342	POLICE PENSION	768,819,767	-	-	UT
0706	LOCAL ROAD & STREET	768,819,767	-	-	UT
0708	MOTOR VEHICLE HIGHWAY	768,819,767	0.1479	1,137,084	UT
1301	PARK & RECREATION	1,031,088,293	0.1078	1,111,513	UT
1380	PARK BOND	1,031,088,293	0.0302	311,389	00
1381	PARK BOND #2	1,031,088,293	0.0124	127,855	00
2379	CUMULATIVE CAPITAL IMP (CIG TAX)	768,819,767	-	-	UT
2391	CUMULATIVE CAPITAL DEVELOPMENT	768,819,767	0.0500	384,410	UT
8604	SPECIAL FIRE PROTECTION TERRITORY GENERAL	1,516,333,073	0.2766	4,194,177	FT
8692	SPECIAL FIRE PROTECTION TERRITORY EQUIPMENT REPLACE	1,516,333,073	0.0333	504,939	00
UNIT TOTAL			1.1898	11,858,413	

- How can I tell which funds are inside versus outside the maximum levy control?



Thank you!



Contact the Department

- Gateway Support: support@dlgf.in.gov
- Telephone: (317) 232-3777
- Toll Free: (888) 739-9826
- Website: www.in.gov/dlgf
 - “Contact Us”: www.in.gov/dlgf/2338.htm