

**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 CHALMERS,                    )**  
**WHITE COUNTY, FOR AN                    )**        **A23-025**  
**EXCESS LEVY DUE TO                      )**  
**THREE-YEAR GROWTH                      )**

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The Department of Local Government Finance (“Department”) has reviewed an appeal by Town of Chalmers (“Town”) for an excess levy in the amount of \$25,000 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:            11,234,502  
2021:            13,428,223  
2022:            15,134,134  
2023:            17,006,374

*Step 2 quotients:*

2021/2020:    1.1953  
2022/2021:    1.1270  
2023/2022:    1.1237

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

*1.1487 [(1.1953+1.1270+1.1237)/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:  
*1.0631 (1.1487/1.0804)*

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 1.0631 is greater than 1.020, the Town is eligible for a three-year growth appeal):  
*0.1087 (10.87%) (1.1487-1.0400)*

The Town’s 2023 maximum civil levy is \$127,569. This is the most recent civil maximum levy that the Department can use as the basis for an adjustment. Multiplying this figure by the 10.87% growth factor calculated above results in a figure of \$13,863, 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 the excess levy is needed to offset “increased expenses related to Town parks and police radios estimated in the amount of \$14,000” as well as “increased admin salary increases, along with a new full-time employee addition.” The Town also represents that the parks fund “has been decreasing for the past few years due to increased costs. The Town recently completed a new splash pad that will require ongoing maintenance.” The Town also states that it had purchased a new truck “with payments estimated at \$12,400 annually” which the excess levy would also be applied.

The Department made a follow-up inquiry about to what extent the excess levy will be applied to the various expenses the Town claims they need an excess levy for. The Town responded that the splash pad maintenance will cost about \$5,000 and will be paid out of the general and parks fund. The salary increases include \$5,000 for the clerk-treasurer and \$1,700 for the deputy clerk. The truck lease is paid solely out of the general fund; the balance of the excess levy will go toward paying off this lease. The Town also states that police radios are paid out of the Economic Development LIT fund (which is not levy supported) and the capital development (CCD) fund, which is outside the maximum levy limits. The Town states that the LIT and CCD funds will have diminishing balances due to these expenses.

The Town stated on its Budget Form 3 that it seeks an excess levy appeal of \$14,000 for its General Fund. The Town received a permanent excess levy of \$6,848 for pay-2022 and \$13,244 for pay-2023.

The Town also states in its appeal that the excess will increase the operating balances of its funds for the ensuing budget year. The Town’s Form 4B shows the following operating balance changes to its general and parks funds from 2023 and 2024, compared to the budgets of the respective fund in 2024:

<b>Fund</b>	<b>End of year 2023 operating balance</b>	<b>End of year 2024 operating balance</b>	<b>Change</b>
General	\$237,646	\$266,758	\$29,112
Parks	\$1,590	\$3,494	\$1,904
Total	\$239,236	259,845	\$20,609

The above table represents the end of year 2024 operating balances as including an excess levy of \$14,000. Excluding this amount, all other things being equal, the end of year 2024 total operating balances for both funds is estimated to be \$249,804, a change of \$10,568 from the prior year.

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:

**DENIED:**

The Town’s excess levy appeal is denied because the Town will have sufficient operating balances in its general fund and parks fund to be able to meet the costs represented in the appeal. The Town’s Form 4Bs indicate that the operating balances for its general and parks fund, which are subject to maximum levy limits and for which the excess levy would be used, will have growing and substantial operating balances even without the excess levy. The Town therefore has not shown that they will be unable to perform their government functions without the excess levy.

Therefore, the Department denies the excess levy.

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**WITNESS MY HAND AND SEAL** of this Department on this 8 day of December, 2023.



**Daniel Shackle, Commissioner**