

**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 NEW PALESTINE,)
HANCOCK COUNTY, FOR AN) **A23-030**
EXCESS LEVY DUE TO)
THREE-YEAR GROWTH)**

The Department of Local Government Finance (“Department”) has reviewed an appeal by Town of New Palestine (“Town”) for an excess levy in the amount of \$65,000 to its civil maximum levy due to three-year growth. Indiana 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: 141,720,490
2021: 133,916,806
2022: 144,188,279
2023: 194,560,391*

Step 2 quotients:

*2021/2020: 0.9449
2022/2021: 1.0767
2023/2022: 1.3493*

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

1.1237 ([0.9449+1.0767+1.3493]/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:
1.0400 (*1.1237/1.0804*)

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 IC 6-1.1-18.5-2 (this amount is 1.04 or 4% for 2024; since 1.0400 is greater than 1.020, the Town is eligible for a three-year growth appeal):

0.0837 (8.37%) (*1.1237-1.0400*)

The Town’s 2023 maximum civil levy is \$749,360. This is the most recent civil maximum levy that the Department can use as the basis for an adjustment. Multiplying this figure by the 8.37% growth factor calculated above results in a figure of \$62,693, which is the maximum for which the Town could qualify under the statutory formula. Under IC 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 has experienced rapid growth in the last couple of years, specifically in residential housing and an increase in population. The Town states this has affected its public safety needs and therefore it seeks an excess levy for hiring new police officers. The Town also mentions a need for infrastructure repair.

The Department made a follow-up inquiry to the Town regarding the specific to the costs for hiring a new police officer. The Town responded with the following breakdown of costs for either hiring one (1) rookie police officer or making a lateral transfer from another police department:

Expense	Rookie	Lateral Transfer
Base salary	\$64,000	\$72,000
FICA/Medicare	\$4,896	\$5,508
1977 Fund	\$12,224	\$13,752
Insurance (excl. spouse & dependents)	\$6,792	\$8,478
Health Savings Account	\$1,500	\$1,500
Vehicle/lights	\$56,000	\$56,000
Uniform & equipment	\$10,600	\$10,600
Training	\$1,035 plus 16-weeks salary (\$19,692)	\$0
Total	\$175,704	\$167,838

The Town stated on its Budget Form 3 that it seeks an excess levy appeal of \$75,000 for its General Fund. Finally, the Town received permanent excess levies of \$8,000 for pay-2022, and \$19,580 for pay-2023.

The Department would not approve an excess levy to be used for one-time expenses such vehicle purchases, equipment purchases, or for training. However, the Department finds that the excess levy is sufficient to cover the cost of the salary for a new officer.

After a review of the petition, the Department, following IC 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 **\$62,693**. This figure reflects the amount for which the Town qualifies under the statutory three-year growth formula and does not exceed the amount for 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 29 day of
November, 2023.



Daniel Shackle, Commissioner