

**STATE OF INDIANA
DEPARTMENT OF LOCAL GOVERNMENT FINANCE
Room 1058, IGCN – 100 North Senate
Indianapolis, IN 46204**

**IN THE MATTER OF THE REQUEST)
OF HIGHLANDER FIRE PROTECTION)
DISTRICT, FLOYD COUNTY, FOR THE) IML23-009
ESTABLISHMENT OF AN INITIAL)
MAXIMUM LEVY)**

The Department of Local Government Finance (“Department”) has reviewed the request of Highlander Fire Protection District (“District”) for an initial operating fund maximum levy in the amount of \$5,753,388.

The District was established by Ordinance No. FCO2022-41, an ordinance of the Floyd County Board of Commissioners adopted on December 30, 2022. According to the ordinance:

- The establishment of the District constitutes a merger between the Greenville Township Fire Protection District (“Greenville FPD”) and the Lafayette Township Fire Protection District (“Lafayette FPD”), both also having been located in Floyd County.
- The District will become fully operational on January 1, 2024. All assets of Greenville FPD and Lafayette FPD will become transferred to the District.
- The District boundaries will be composed of the entirety of Lafayette Township and Greenville Township, including the Town of Greenville.
- All real property within this District constitutes a taxing district for the purpose of levying a property tax for the District, subject to the prohibition on duplicate tax levies under Ind. Code § 36-8-11-19.
- The ordinance shall take effect upon passage.

The 2023 maximum levy for Lafayette FPD and Greenville FPD is \$931,524 and \$983,806, respectively. The District supports its requested levy based on the following budget estimates:

Personal Services	\$5,243,062
Supplies	\$87,354
Other Services and Charges	\$383,649
Capital Outlays	\$39,323
Total	\$5,753,388

The District has not represented that it will have an estimated cash balance or miscellaneous revenues received in 2024. However, the District requests in its submission that the Department consider applying receipts for local income tax that Greenville FPD and Lafayette FPD would receive in 2024 had the District not been established. The Department estimates that, but for the creation of the District, Greenville FPD would receive \$443,805 and Lafayette \$357,943 in local

income tax revenue in 2024, totaling \$801,748. This is based on a 2023 maximum levy for Greenville FPD of \$983,806 and \$931,524 for Lafayette FPD, from \$14,626,959 in countywide certified shares and \$7,313,479 in the school distribution under Ind. Code § 6-3.6-6-3(a)(2) (“school distribution”).

Ind. Code § 6-3.6-6-20(b) provides that, in a county receiving a school distribution, a unit that does not impose a property tax levy in a distribution year is eligible to receive a portion of the school distribution equal to the unit’s proportionate share of budget amounts in the county in the distribution year. Because most units in Floyd County will not have adopted their budgets, or have their budgets certified by the Department, by the time of this order, any calculation of a District’s school distribution for 2024 would be a rough estimate. Moreover, the school distribution to the District may reduce distributions to other units in the County, therefore a rough estimate may understate or overstate this effect. Therefore, the Department would consider receipt of local income tax revenue attributable to Greenville FPD and Lafayette FPD, both in certified shares and the school distribution, in 2024.

The Department recognizes that the District was established prior to January 1, 2023, therefore the District is eligible for a levy beginning in budget year 2024. After a review of the petition, the Department, following IC 36-8-11 and IC 6-1.1-18.5-7, and in consideration of all evidence provided, finds as follows:

APPROVED WITH MODIFICATION:

The Department approves an initial maximum levy for the District’s operating fund as follows. First, the maximum levy for pay-2024 is approved in the amount of **\$4,951,640**. This amount is derived from the estimated property tax levy needed for the first year of operations as represented in draft Budget Forms 1 and 4B. The approved amount is the estimated 2024 budget (\$5,753,388). The District has not represented maintaining an operating balance. At the request of the District, the Department will apply the \$801,748 in certified shares and the school distribution attributable to Greenville FPD and Lafayette FPD had the District not been created for 2024. This results in a first year levy of \$4,951,640 ($\$5,753,388 - \$801,748 = \$4,951,640$).

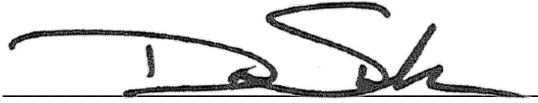
Pursuant to IC 6-1.1-18.5-7(c), the Department must consider the effects of the levy on local income tax distributions to the District. The \$4,951,640 levy for the District in 2024 will increase the countywide attributed allocation for Floyd County from \$64,081,684 to \$69,033,324 ($\$64,081,684 + \$4,951,640 = \$69,033,324$). The District is estimated to account for approximately 7.1728% of the increased attributed allocation. Based on this, the District’s shares revenue for 2025 is expected to be \$1,049,166, which is 7.1728% of the total countywide certified shares revenue of \$14,626,959 in 2023. The District is also expected to receive \$393,633 in the school distribution in 2024 (based on an estimated countywide allocation amount of \$91,998,678, of which the District’s levy contributes 5.3823%). This results in a total estimated LIT revenue in 2025 of \$1,442,799.

Therefore, in pay-2025 the District’s maximum levy will be reduced to **\$3,508,841**, plus the adjustment by the maximum levy growth quotient, to account for the District receiving estimated LIT revenue in the amount of \$1,442,799 in 2025.

Pursuant to IC 36-8-11-19, the levies for Greenville FPD and Lafayette FPD will be reduced to \$0 and discontinued for 2024.

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Dated this 21 day August, 2023.

A handwritten signature in black ink, appearing to read 'D. Shackle', written over a horizontal line.

Daniel Shackle, Commissioner