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

IN THE MATTER OF THE REQUEST	)	
OF OSOLO TOWNSHIP, ELKHART	)	A23-006
COUNTY, FOR AN EXCESS LEVY DUE	)	
TO THREE-YEAR GROWTH	)	

The Department of Local Government Finance ("Department") has reviewed an appeal by Osolo Township, Elkhart County ("Township") for an excess levy in the amount of $81,476 to its fire 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.:
Township assessed values for 2020, 2021, 2022, and 2023, respectively:

2020:	*558,472,620*
2021:	*604,888,365*
2022:	*663,211,480*
2023:	*753,490,920*

Step 2 quotients:

2021/2020:	*1.0831*
2022/2021:	*1.0964*
2023/2022:	*1.1361*

Step 3: Sum the results of Step 2 and divide by three:
1.1052 ([1.0831+1.0964+1.1361]/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:
1.0229 (1.1052/1.0804)

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 *1.0229* is greater than 1.020, the Township is eligible for a three-year growth appeal):
0.0652 (6.52%) (1.1052-1.0400)

The Township's 2023 maximum fire levy is $1,249,637. This is the most recent fire maximum levy that the Department can use as the basis for an adjustment. Multiplying this figure by the 6.52% growth factor calculated above results in a figure of $81,500, which is the maximum for which the Township could qualify under the statutory formula. Under IC 6-1.1-18.5-12(a), the Township must also show that it is unable to perform its government functions without this increase.

The Township states in its appeal that the excess levy is necessary to continue to fund a contract with the Osolo Volunteer Fire Department. The Township provides a copy of the 2023 fire contract, which shows a total contract payment of $1,776,478 for calendar year 2023. The Township represents that there will be a $500,000 increase for contracted services, attributed in part to "inflationary increases in operating costs and insurance."

Finally, the Township stated in its Form 3 that it is seeking an excess levy appeal of $81,476 for its township fire fund. The Form 3 also represented that the budget for the township fire fund is $1,370,597, which is slightly less than the estimated 2024 fire maximum levy ($1,299,622) plus the maximum eligible excess levy ($81,476).

The Department doubts that rising costs due to inflation is an appropriate reason to grant an excess levy. Inflation is an ongoing economic phenomenon, and the recent high rate of inflation will likely return to more manageable levels in the near future. More importantly, inflation affects everyone, including the taxpayers who would also then have to bear the burden of an excess levy. The taxpayers have to deal with the rising costs as much as the Town, but while the Town can claim it needs an excess levy to make up for rising costs, the taxpayers may not have similar recourses for relief. This is especially important considering the Indiana General Assembly enacted legislation in 2023 to limit the MLGQ for pay-2024 as a way of controlling the taxpayers' burden due to rising property values but also inflation. Therefore, the Department will not consider inflation as justification for the excess levy.

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:
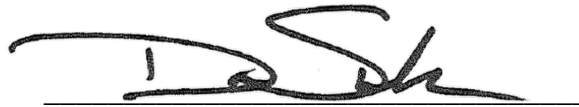
DENIED:

The Township's excess levy appeal is denied. The Township justifies its excess levy appeal on the grounds it is necessary to cover inflationary costs attributed to a contract for fire services. As discussed above, the Department does not consider effects of inflation as justification for an excess levy.

Therefore, the Department denies the excess levy appeal.

This Order of the Department is subject to judicial review under Ind. Code § 6-1.1-18.5-15.

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