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 WHITELAND,	**)**	
JOHNSON COUNTY, FOR AN	**)**	**A23-089**
EXCESS LEVY DUE TO	**)**	
THREE-YEAR GROWTH	**)**	

The Department of Local Government Finance ("Department") has reviewed an appeal by Town of Whiteland ("Town") for an excess levy in the amount of $18,378 to its reorganized fire protection district 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[1] assessed values for 2020, 2021, 2022, and 2023, respectively:

2020:	*217,775,037*
2021:	*233,681,544*
2022:	*268,004,291*
2023:	*341,361,395*

Step 2 quotients:

2021/2020:	*1.0730*
2022/2021:	*1.1469*
2023/2022:	*1.2737*

Step 3: Sum the results of Step 2 and divide by three:
1.1645 ([1.0730+1.1469+1.2737]/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] The Town reorganized with the Whiteland Fire Protection District in 2019. The values here reflect the CNAV attributable to the reorganized Town that are tied to the special fire protection district funds.

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:
1.0778 (1.1645/1.0804)

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 1.0778 is greater than 1.020, the Town is eligible for a three-year growth appeal):
0.1245 (12.45%) (1.1645-1.0400)

The Town's 2023 maximum civil levy is $149,973. This is the most recent civil maximum levy that the Department can use as the basis for an adjustment. Multiplying this figure by the 15.13% growth factor calculated above results in a figure of $18,678, 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 Town's reorganized fire district area "is experiencing substantial growth along the same lines as the Town," and that there "was a large spend down in the Fire General Fund the last few years and is expected to continue." The Town also states that "inflation has affected everyone and prices for fuel and utilities continue to rise." The Town states that the excess levy "would help offset the increased expenses the [reorganized fire district]" is experiencing.

The Town has also indicated on its Form 3 that it seeks an excess levy of $25,000 for its reorganized fire district general fund. The Town received a permanent excess levy for pay-2023 in the amount of $4,971.

The Department made an inquiry asking for specific expenses the Town needs an excess levy for with respect to the reorganized fire district. The Town responded as follows:

- "A lack of revenues to support the expenditures associated with adequate service level resulted in a cash spenddown in 2021." The Town used $614,000 from the American Rescue Plan Act ("ARPA") grants to offset the 2022 budget deficit. However, "this is only a stop-gap measure, as the Town is set to deficit by approximately $350,000 in 2023 and $370,000 in 2024, even with the requested 3-year growth appeal."

- The Whiteland Fire Department "has changed from an all-volunteer department to 24-hour on-station coverage with three part-time firefighters every day." This change was made "due to a large increase in run load," increasing from 766 in 2020 to 1265 to date in 2023. The fire department has had to pay $12 an hour "and we are having to pay more as we move forward to stay competitive with local departments."

- When the fire protection district reorganized with the Town in 2020 “the decision was made not to reset the levy even though the need was already there.” ARPA funding has been used to pay for staffing increases “but that will be running out soon.”

- The fire department is experiencing inflationary costs for supplies “just like everyone else is in the state.”

The Town also stated that “another high priority is capital expenses,” stating that with an excess levy the Town could purchase capital assets that “are being delayed because of the lack of funding.”

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, and as the Town has noted, 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.

In addition, the Department is hesitant to approve an excess levy for three-year growth, which is permanent by virtue of Ind. Code § 6-1.1-18.5-3(a), to be used for capital expenses, which are likely one-time or periodic. This is especially the case where units have available to them other funding mechanisms, including cumulative funds, to generate needed revenue to capital expenses. However, the Department does find as justification the need to provide salaries for the fire department, especially in light of needing to offer competitive wages.

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:

APPROVED:

The Town’s excess levy appeal is approved in the amount of **$18,378**. This figure reflects the amount for which the Town qualifies under the statutory three-year growth formula and does not exceed the amount which the Town advertised and petitioned the Department. This is a one-time, permanent increase.

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WITNESS MY HAND AND SEAL of this Department on this 1 day of December, 2023.

Daniel Shackle, Commissioner