

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

IN THE MATTER OF THE REQUEST)
OF RICHLAND TOWNSHIP, MONROE) A23-048
COUNTY, FOR AN EXCESS LEVY)
DUE TO THREE-YEAR GROWTH)

The Department of Local Government Finance (“Department”) has reviewed an appeal by Richland Township, Monroe County (“Township”) for an excess levy in the amount of \$67,000 to its fire 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.:

Township assessed values for 2020, 2021, 2022, and 2023, respectively:

<i>2020:</i>	<i>496,382,437</i>
<i>2021:</i>	<i>531,881,816</i>
<i>2022:</i>	<i>568,953,999</i>
<i>2023:</i>	<i>686,269,933</i>

Step 2 quotients:

<i>2021/2020:</i>	<i>1.0715</i>
<i>2022/2021:</i>	<i>1.0697</i>
<i>2023/2022:</i>	<i>1.2062</i>

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

1.1158 ((1.0715+1.0697+1.2062)/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:
 1.0327 ($1.1158/1.0804$)

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 1.0327 is greater than 1.020, the Township is eligible for a three-year growth appeal):
 0.0758 (7.58%) ($1.1158-1.0400$)

The Township’s 2023 maximum fire levy is \$708,901. This is the most recent fire maximum levy that the Department can use as the basis for an adjustment. Multiplying this figure by the 7.58% growth factor calculated above results in a figure of \$53,738, which is the maximum for which the Township could qualify under the statutory formula. Under Ind. Code § 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 needed “to keep a satisfactory level of service to the Township for fire protection and possible EMS with runs projected to increase.” The Township states that it contracts with the Town of Ellettsville (“Town”) to provide fire protection “and will need to build a new fire station soon due to increasing runs” and possibly expand to providing EMS, which it claims will potentially increase the cost of the contract. The Township also claims inflation is raising the costs of services and equipment, such that the excess levy “will help the Township provide the same level of service as in prior years.”

The Township provided a copy of a supplemental fire service agreement with the Town. The agreement states that the Town is to provide fire protection services to the Township in 2023, for which the Township will make payments to the Town out of its fire fund (\$688,096) and its cumulative fire fund (\$153,411). The agreement also states that the payment from the fire fund “may not exceed the Fire Fighting Fund total disbursement received by the Township from the Monroe County Auditor in 2023.”

The Township also provided a letter from the Ellettsville Fire Chief. The letter states that the Town provides fire protection and EMS to the Township, and that the Township “is in need of additional funding to help with increased cost for services due to a large increase to our calls for 911 in their area.” The letter goes on to say that the increase is due to “growth over the last few years from housing additions, factories, and businesses,” resulting in “an increase of emergency calls of 65.3% this year alone.” (Underline and emphasis in original.) The letter then states that there is a need to replace the current station because the run volume, staffing, and the size and weight of the trucks have increased. Finally, the letter states that in order to comply with NFPA standards on firehouse staffing, the Town aims to create part-time and full-time positions in order to staff enough firefighters in light of growing demand for emergency calls. The Department should note that the Town has submitted its own excess levy appeal for pay-2024, citing fire protection services as part of its need for an excess levy.

The Township's Form 3 states an excess levy amount of \$67,000 in the Township Fire and EMS Fund. The Township received maximum levy adjustments under Ind. Code § 6-1.1-18-28 for pay-2022 in the amount of \$67,549, pay-2023 in the amount of \$32,430, and pay-2024 in the amount of \$12,353.

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 Township's excess levy appeal is denied. 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 Township, but while the Township 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. In addition, the basis for the increased need is a contract with the Town, the consideration of which was potentially negotiable. Therefore, the Department will not consider inflation as justification for the excess levy.

The Township also provides the need to expand fire protection services as justification for an excess levy. However, the Township has not provided evidence that an excess levy was needed to fund the fire protection agreement with the Town, including an agreement for 2024. The 2023 agreement indicates that the payments to be made from the fire fund are close to the Township's 2023 maximum levy of \$696,548. Moreover, the 2023 agreement indicates that the payment out of the fire fund may not exceed the actual disbursements from the County Auditor, indicating that an excess levy is not necessary to maintain the Township's ability to make payments.

Therefore, the Department denies the appeal. This order is subject to judicial review under Ind. Code § 6-1.1-18.5-15.

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


Daniel Shackle, Commissioner