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

IN THE MATTER OF THE REQUEST)
OF CITY OF GREENFIELD,) A25-077
HANCOCK COUNTY, FOR AN EXCESS)
LEVY DUE TO THREE-YEAR GROWTH)

The Department of Local Government Finance ("Department") has reviewed an appeal submitted by the City of Greenfield ("City") for an excess levy in the amount of $965,000 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 preceded the ensuing calendar year:

2025, 2024, and 2023

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.:

City assessed values for 2022, 2023, 2024, and 2025, respectively:

2022:	*1,166,023,851*
2023:	*1,381,898,639*
2024:	*1,595,054,064*
2025:	*1,799,991,875*

Step 2 quotients:

2023/2022:	*1.1851*
2024/2023:	*1.1542*
2025/2024:	*1.1285*

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

(1.1851+1.1542+1.1285)/3 = 1.1559

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 2023, 2024, and 2025, respectively:

1.1481; 1.0594; 1.0897

Step 5: Add the Step 4 results and divide by three:

(1.1481+1.0594+1.0897)/3 = 1.0991

Step 6: Divide the Step 3 results by the Step 5 results:

1.1559/1.0991 = 1.0517

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 2025; since 1.0517 is greater than 1.020, the City is eligible for a three-year growth appeal):

1.1559-1.0400 = 0.1159 (11.59%)

The City's 2025 maximum civil levy is $8,264,147. This is the most recent civil maximum levy that the Department can use as the basis for an adjustment. Multiplying this figure by the 11.59% growth factor calculated above results in a figure of $957,815, which is the maximum for which the City could qualify under the statutory formula. Under Ind. Code § 6-1.1-18.5-12(a), the City must also show that it is unable to perform its government functions without this increase and must support these allegations with reasonably detailed statements of fact.

The City states in its appeal the excess levy is necessary because the City's 2025 and 2026 general fund budgets require the use of its cash reserves. The City states that the requested levy increase is needed to mitigate further cash reserve deficits.

In describing which governmental functions the City would be unable to carry out without the requested levy increase, the City stated that the requested levy increase is critical to help mitigate further erosion of the City's financial stability and preserve sufficient reserves to maintain essential operations. The City did not provide detailed statements demonstrating an inability to carry out specific governmental functions. When asked which specific expenses would be funded by the excess levy, the City stated that public safety costs represent the majority of the City's operating budget and personnel costs are a major recurring component of the City's budget. While these statements might be true, the City again did not describe any specific governmental functions it would be unable to carry out or describe specific, necessary expenses that would go unfunded without the requested levy.

The City also cites to the fact that it has subsidized the expenses of the Greenfield Fire Territory ("Fire Territory"). Along with this appeal, the City has applied to the Department for an increase to its fire maximum levy, which the Department has addressed in a separate order (A25-078). The Department takes the City's statement about Fire Territory support to mean that an increase to the fire maximum levy would relieve pressure on the City's civil levy, given the subsidization the City describes.

The City also states that Senate Enrolled Act 1 ("SEA 1") will have a dramatic impact on the City's tax base, which will put pressure on tax rates and circuit breaker losses. The City claims that its requested levy increase is needed for its 2026 budget and will be the "last opportunity to take advantage of the Pre-SEA 1 rules."

The Department is disinclined to find that a need exists for an excess levy to potentially offset legislatively imposed reductions in property tax revenues. Ind. Code § 6-1.1-20.6-9.5(b) prohibits a unit from raising its levy to make for a reduction in property taxes due to credits imposed under Ind. Code 6-1.1-20.6. Changes to deductions and credits made by SEA 1 or other legislation, to the extent they impact the City's future budgets, are nonetheless the will of the legislature, which the Department will not override.

According to the City's petition, the cash balances, both in dollar amounts and as a percentage of budget, for its levy-controlled funds from December 31, 2022, to June 30, 2025, are as follows:

Fund	December 31, 2022	December 31, 2023	December 31, 2024	2025 (June 30)
General	$11,275,148	$15,752,823	$20,199,802	$24,622,479
MVH	$1,391,438	$1,256,045	$1,925,366	$1,889,810
Park	$1,119,906	$851,947	$1,148,536	$1,039,503

Fund	December 31, 2022	December 31, 2023	December 31, 2024	2025 (June 30)
General	102.16%	80.39%	73.80%	80.04%
MVH	76.03%	56.23%	93.69%	100.01%
Park	87.46%	56.08%	55.89%	53.17%

The City describes a plan to use existing TIF and general fund reserves to help pay for major public projects, including a new parking garage and police station, which the City describes as an effort to minimize future bond payments, debt service levies, and property tax rates. Other than explaining that some cash reserves will be used for these capital projects in an effort to avoid debt service levies or increased property tax rates, the City does not explain why its operating balance in the general fund, which has more than doubled from over $11 million on December 31, 2022 to over $24 million on June 30, 2025, is insufficient to support the expenses of that fund.

In responding to a question about which specific expense is the highest priority (of the governmental functions that the City is unable to carry out), the City states that "[f]unding the entire budget is the City's highest priority." The City states that "[e]verything in the City's proposed budget is a high priority."

The Department finds the City has described a general desire to maintain a healthy financial position rather than an inability to carry out specific governmental functions. The Department finds that the City has not provided reasonable statements of fact that demonstrate it is unable to perform its governmental function without an excess levy. The City has maintained high operating balances in its civil funds, and the General Fund balance in particular has grown since the end of budget year 2022, exceeding the City's own stated policy of maintaining six months of operational costs. The City's claim about potential loss of future revenue is not well supported by facts in the petition and is based on a possible scenario. The Department declines to consider a permanent levy adjustment based on an uncertain outcome in the future. In addition, the Department cannot find that the City's concerns about the impacts on its finances due to SEA 1 merit an excess levy. Such impacts are speculative; just because the City may have to forego certain expenses does not mean that it is unable to perform its government functions due to a loss of revenue. Moreover, SEA 1 was enacted to provide taxpayer relief. The Department cannot substitute its judgment for that of the legislature.

The City stated on its Budget Form 3 that it seeks an excess levy appeal of $1,200,000 for its General Fund and $1,200,000 for its Special Fire Protection Territory General Fund. Finally, the City has received the following permanent excess levy amounts:

- $688,249 for Pay-2025 (Civil)
- $506,733 for Pay-2025 (Fire)
- $457,405 for Pay-2024 (Civil)
- $311,373 for Pay-2024 (Fire)
- $22,117 for Pay-2018 (Civil)
- $21,619 for Pay-2017 (Civil)

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 City's excess levy appeal is denied due to sufficient cash reserves and non-property tax revenues, and because the City has not demonstrated through reasonably detailed statements of fact that it is unable to perform its government functions without the requested increase.

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WITNESS MY HAND AND SEAL of this Department on this 30th day of December, 2025.

Jason Cockerill, Commissioner