STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE

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FAX (317) 974-1629

TO: **Participating Units of Fire Territories**

FROM: **Daniel Shackle, DLGF Commissioner**

DATE: **March 15, 2024**

RE: **Legislation Affecting Fire Territory Funding Matters**

The Department of Local Government Finance ("Department") issues this memorandum to provide guidance to townships that anticipate making a request to increase their property tax rates under Ind. Code § 6-1.1-18-29.5, enacted by House Enrolled Act 1246-2022 ("HEA 1246"). **This memorandum supersedes all previous memoranda released by the Department on the same subject matter.**

Section 1 of HEA 1246 adds Ind. Code § 6-1.1-18-29.5 to provide for the provider unit of a fire protection territory to petition the Department to increase the maximum property tax levy for the fire protection territory's operating fund under Ind. Code § 36-8-19-8 is based on a corresponding property tax rate increase. In order to perform the necessary calculations to find the rate increase, the Department provides the attached worksheet which will function also as a request form. The pages that follow contain detailed instructions for completing the worksheet.

A provider unit must include with the worksheet a written statement or resolution from the provider unit's fiscal body authorizing permission to submit this request.

Please send the request form to the Budget Division Field Representative for the county in which the fire territory resides. Note that the due date for submissions has changed. Beginning this year, HEA 1246 requires submission of the request no later than **April 1, 2024**.

Instructions for Completing Fire Protection Territory Levy Increase Request
(Ind. Code § 6-1.1-18-29.5)

Section I. Description of Service Area

This section will outline the parameters used to identify the service area for purposes of determining the population of the fire territory's fire protection and emergency service area.

A. Are there townships or municipalities wholly contained within the boundaries of the service area? If the answer to this question is 'Yes,' please list the townships or municipalities.

B. Are there townships or municipalities only partially contained within the boundaries of the service area? If the answer to this question is 'Yes,' please list the townships or municipalities.

Section II. Determining Rate Increase

Proceed with each STEP as follows:

STEP ONE: Determine the percentage increase in population within the fire protection and emergency services area during the ten (10) year period immediately preceding the year in which the petition is submitted. Per Ind. Code § 6-1.1-18-29.5(b), the most recently available population data issued by the Census Bureau during the ten (10) year period may be used.

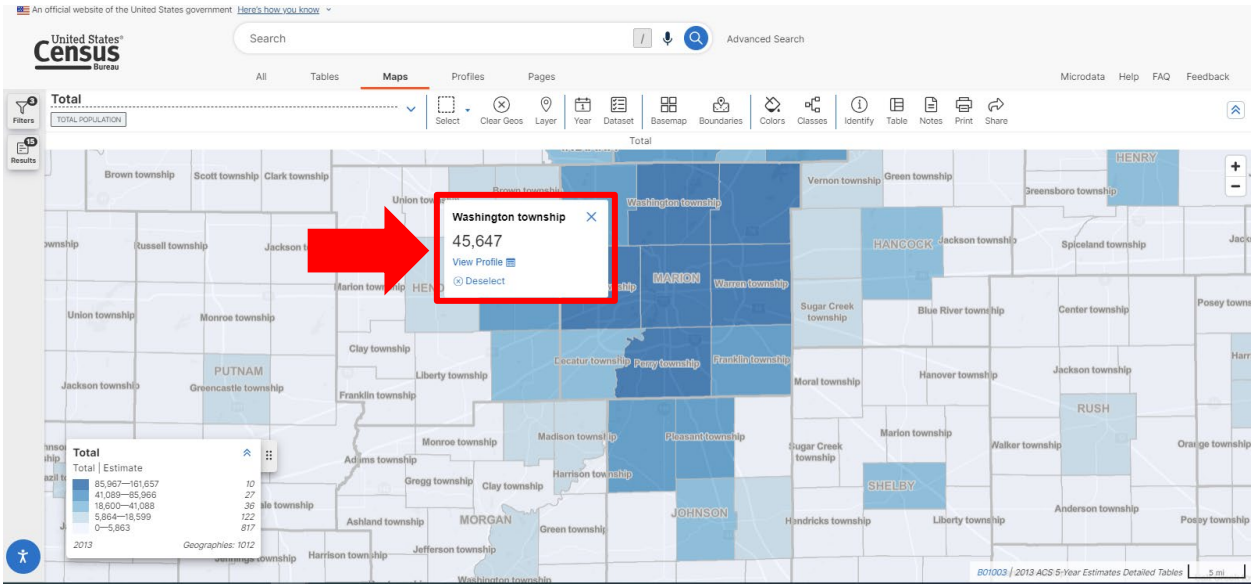
A. Determine the 2013 American Community Survey ("ACS") Population estimate, adjusted to exclude political subdivisions in the unit and that are not in the unit's service area.

A.1 The Census Bureau provides population estimates for 2013 on its website based on the ACS 5-Year Estimates ("ACS 2013 Population Estimate"). The best method the Department can identify to find population estimates broken down by township are as follows:

Click on this link: County Subdivision Selection Map

This will open a searchable map of the United States broken down by county subdivision (i.e., townships) for each state.

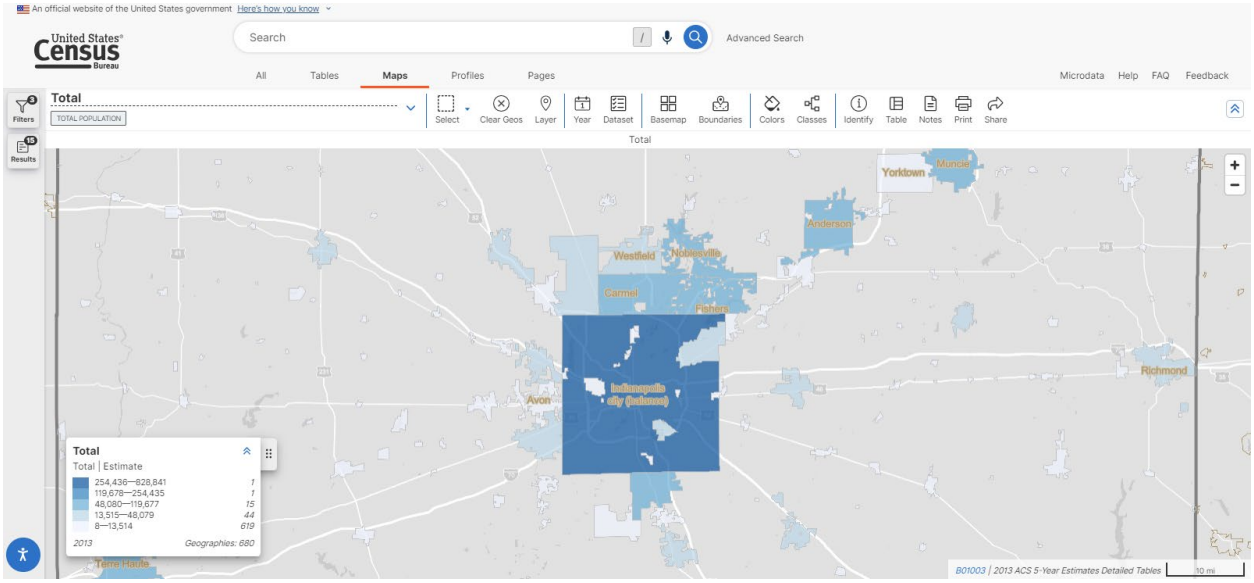
- Click on the appropriate township in Indiana. After clicking on the township, a pop-up window will appear. The population estimate for 2013 will appear in the pop-up window. It is not necessary to click on "View profile", and clicking on it in this window will show the 2020 Census count.



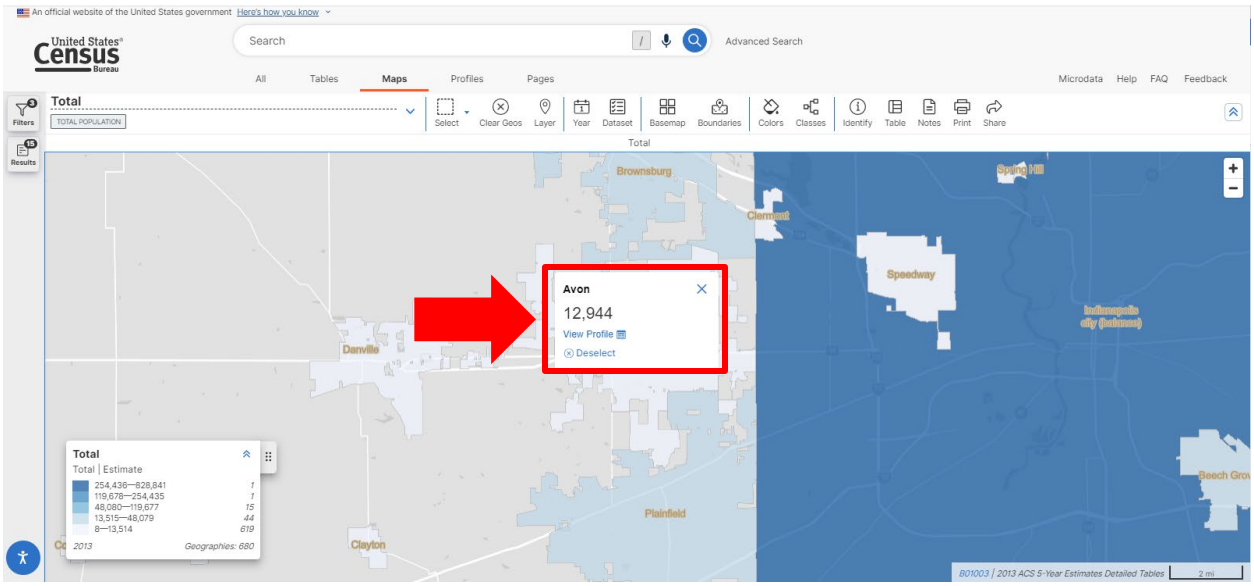
(Image for illustration purposes, only.)

a. Click on this link: [Place Map]

This will open a searchable map of the United States broken down by place (i.e., municipalities) for each state.



- Click on the appropriate municipality in Indiana. After clicking on the township, a pop-up window will appear. The population estimate for 2013 will appear in the pop-up window.



(For illustrative purposes, only.)

- It is not necessary to click on "View profile". However, clicking on it will make a new screen appear. The population figure under the map will be the 2020 Census Count.

A.2. Provide population counts for all political subdivisions NOT in the fire territory service area. This will apply when:

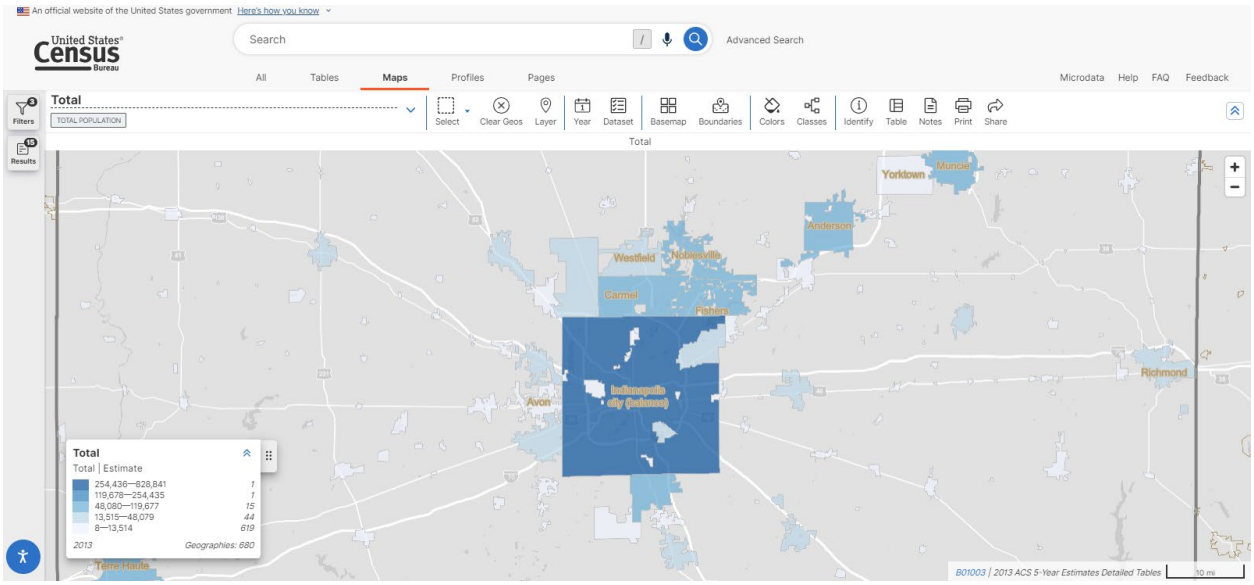
1) A township is a participating unit and in that township is a municipality that is not a participating unit for the same fire territory. The population count of the municipality should not be included.

2) A municipality is a participating unit and resides in a township that is not a participating unit for the same fire territory. The population count of the unincorporated part of the township should not be included.

When the entirety of a municipality is located in a township, use the "Place" geography filter.

To find the municipal population counts, click on this link: Place Map.

This will open a searchable map of the United States broken down by place (i.e., municipalities) for each state.



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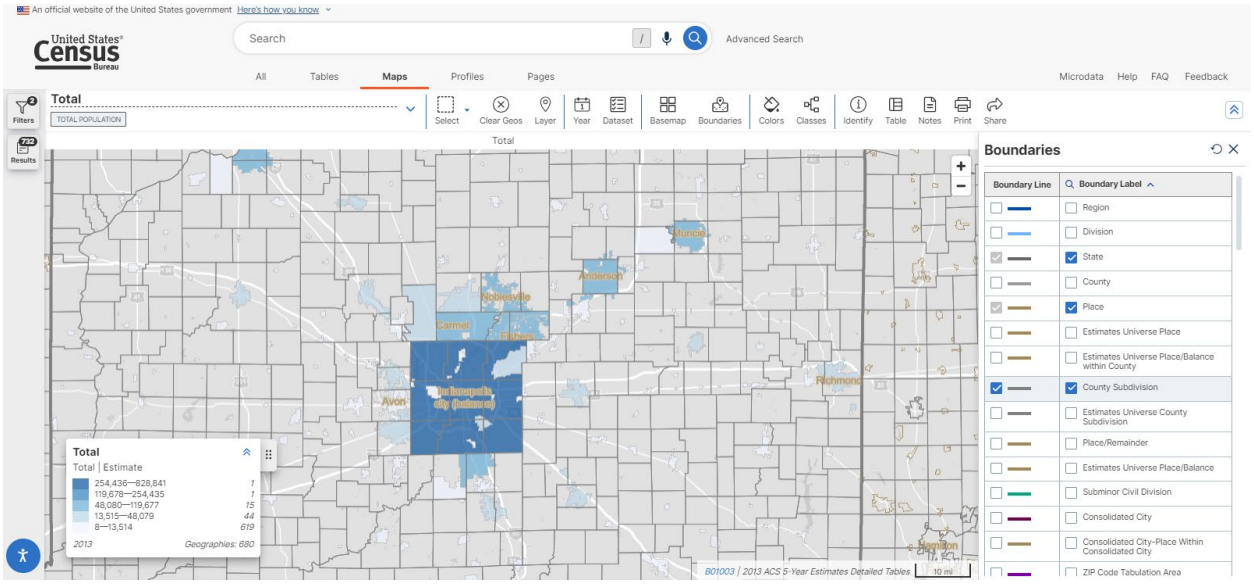
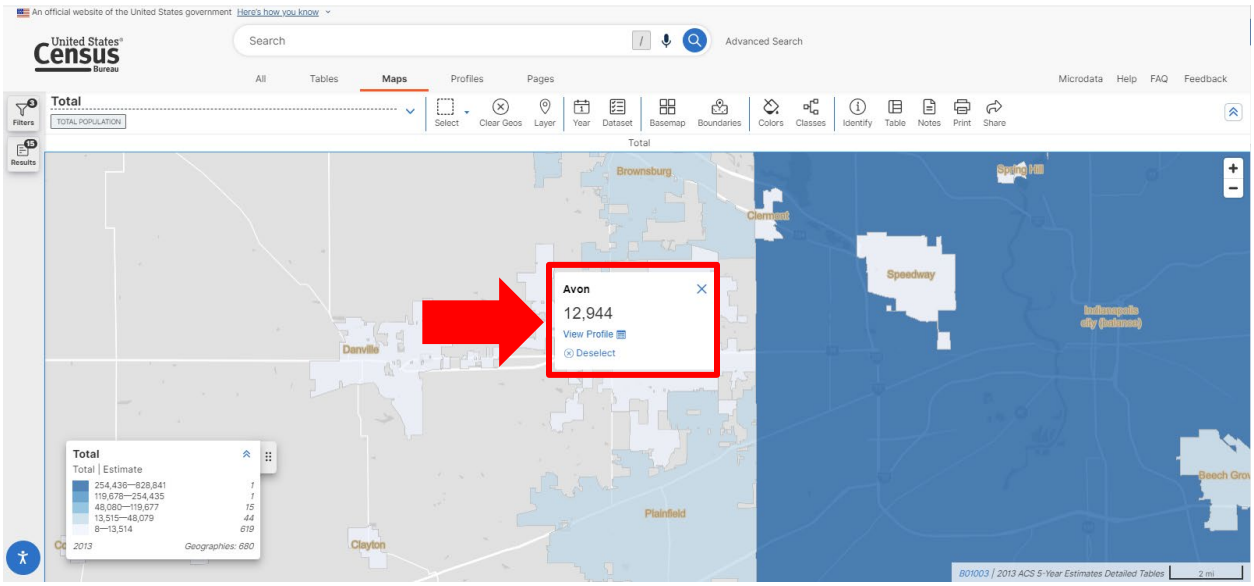
It is helpful to open the "Boundaries" submenu and click "County Subdivision." This will show the township boundaries to better discern whether a municipality resides entirely within the township or not.



- Click on the appropriate municipality in Indiana. After clicking on the township, a pop-up window will appear. The population estimate for 2013 will appear in the pop-up window. It is not necessary to click on "View profile", and clicking on it in this window will show the 2020 Census count.



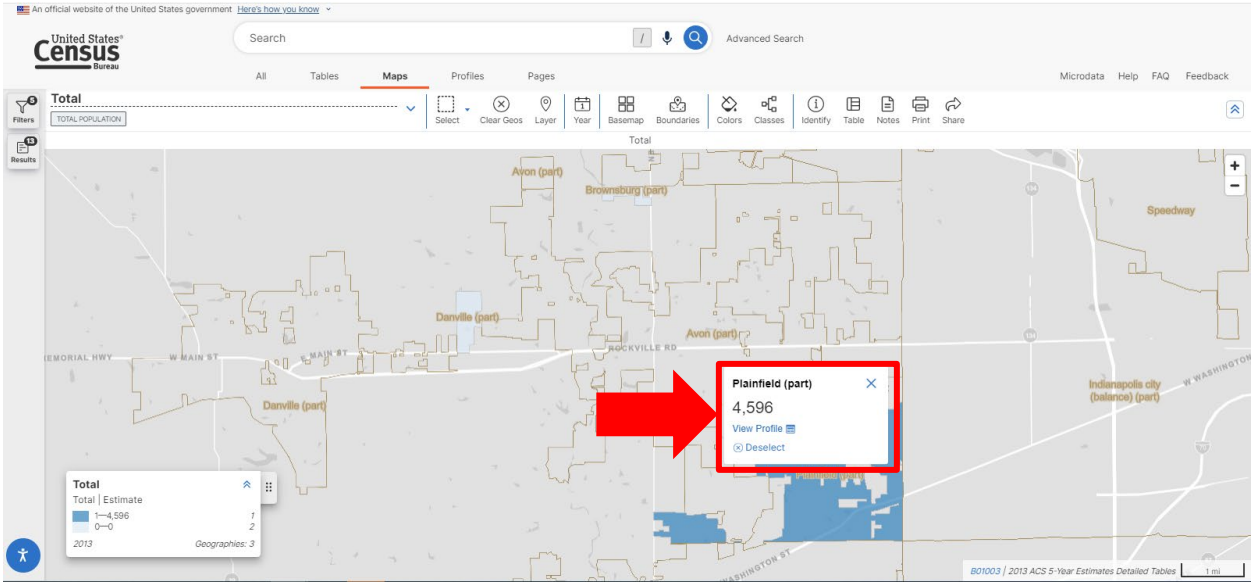
(For illustrative purposes, only.)

When a municipality is located in multiple townships, use the "Place/Remainder" geography filter.

To find the partial population counts for municipalities, follow this process:

- Open this link: 2013 ACS Map.
- Click "Filters" on the left-hand side.
- Click "All geographies".
- Scroll down and click "Place/Remainder".
- Click "Indiana".
- Click on the appropriate county.
- Click on the appropriate township.
- Click on each municipality (part) that should be excluded. If necessary, select multiple municipalities.

Return to the searchable map. Municipal boundaries will be outlined. The parts of municipalities selected above will appear shaded. Click on the appropriate municipal part to find the 2013 ACS estimate count for that part.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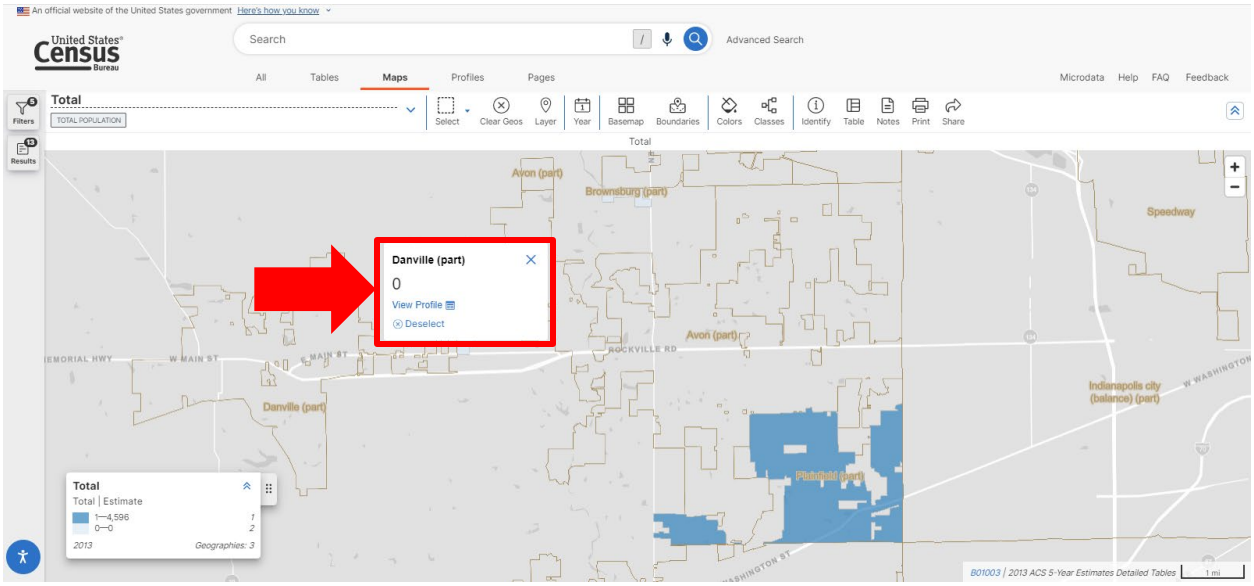
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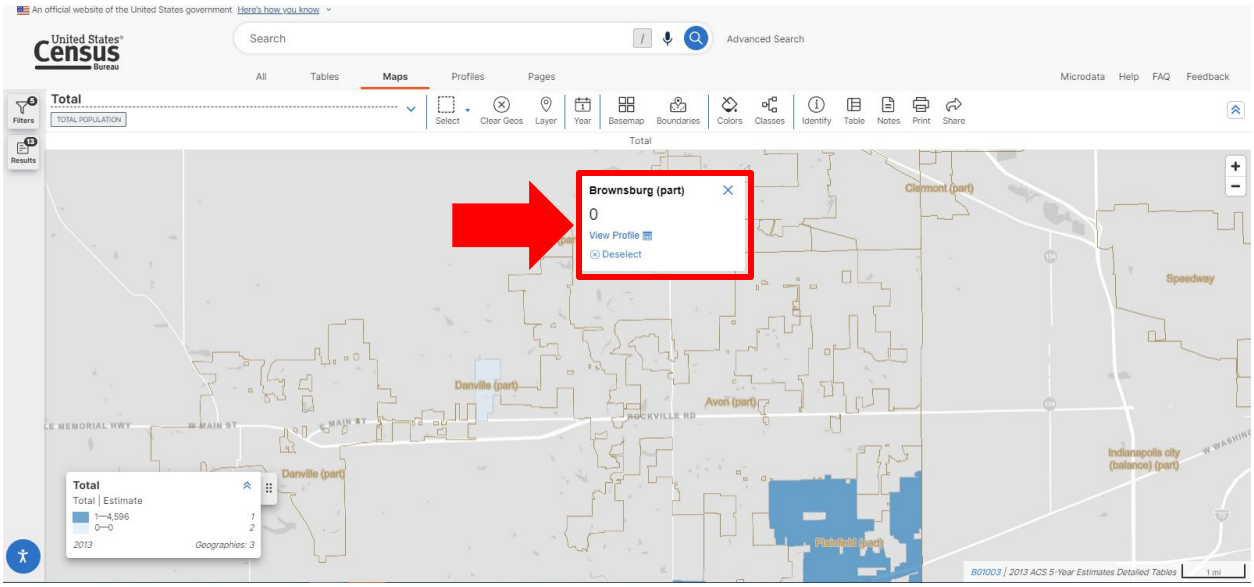


(For illustrative purposes, only.)

A.3. Subtract A.1. by A.2. This will yield an **Adjusted 2013 ACS Estimate**.

B. Determine the 2022 ACS Estimate, adjusted to exclude political subdivisions in the unit, not in the unit's service area.

Ind. Code § 1-1-3.5-3(d) states that the population for a political subdivision is determined by the most recent federal decennial census unless the statute specifically provides otherwise. For purposes of STEP ONE, the procedure should be followed for submissions that are due by April 1, 2024.

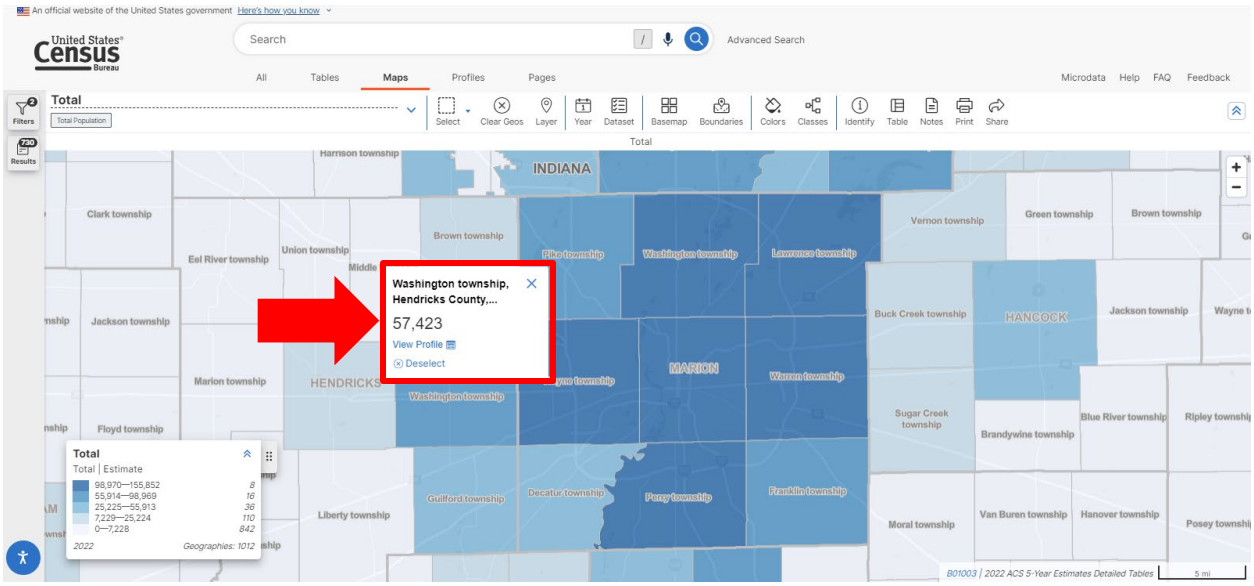
Part B will generally mirror the steps taken in Part A, except for the following:

B.1. The Census Bureau has the 2022 American Community Survey population estimates for the State of Indiana.

a. Click on this link: County Subdivision Selection Map

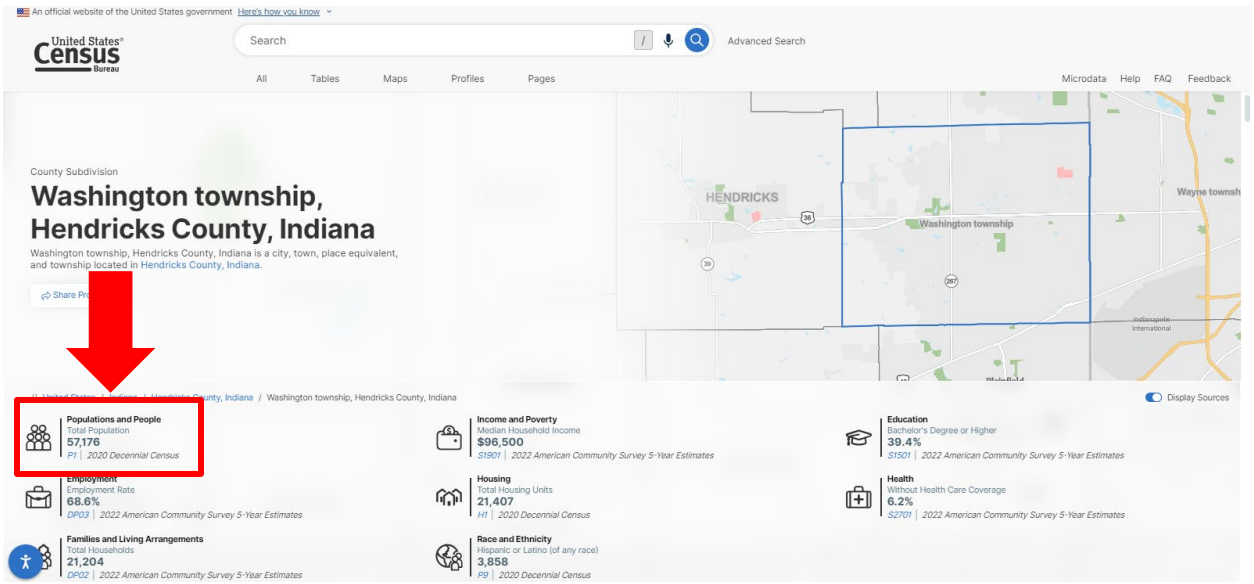
This will open a searchable map of the United States broken down by county subdivision (i.e., townships) for each state.

- Click on the appropriate township in Indiana. After clicking on the township, a pop-up window will appear. The 2022 ACS estimate will appear in the pop-up window.



(Image for illustration purposes, only.)

- It is not necessary to click on "View profile". However, clicking on it will make a new screen appear. The population figure under the map will be the 2020 Census Count. Note that because of how the ACS estimate is calculated, the ACS estimate may be lower than the 2020 Census Count.



(Image for illustration purposes, only.)

B.2. Provide population counts for all political subdivisions NOT in the service area. As with part A.2, the population count used for 2022 should not include the population numbers for any municipality listed under the applicable township, if the municipality is not a part of the fire territory.

a. To find the municipal population counts, follow the same process as in A.2, but use the estimates for 2022: 2022 ACS Map.

b. Note that because of how the ACS estimate is calculated, the ACS estimate may be lower than the 2020 Census Count. **For all townships and municipalities identified through this process, the ACS estimate should be used.**

B.3. Subtract B.1. by B.2. This will yield an **Adjusted 2022 Population Count**.

C. Determine the average increase. Subtract the result of Part B by the result of Part A. Divide this difference by the result of Part A. This will yield a percentage increase. This percentage may be rounded to the nearest percent (1% or 0.01).

Units should use these resources to determine population estimates. Whether a unit relies on the Census information, the Department will be using these resources to verify the submissions.

STEP TWO: Subtract the STEP ONE amount by six percent (6% or 0.06). If the result is greater than zero (0), use the result for STEP THREE. Otherwise, use zero (0).

STEP THREE: Take the lesser of the STEP TWO result or fifteen-hundredths (0.15).

STEP FOUR: If the rate was increased under Ind. Code § 6-1.1-18-29.5 for the fire territory within the immediately preceding ten (10) year period, the STEP THREE result is further reduced by the sum of the rate increases made in the immediately preceding ten (10) year period. The **Eligible Rate Increase** will be determined as follows:

- For a provider unit that submitted a request under Ind. Code § 6-1.1-18-29.5 in 2022 or 2023, apply the following equation:

STEP THREE Amount	–	STEP FOUR Sum of amounts certified in 2022 or 2023	=	STEP FOUR Amount

  Fill in the blank with the STEP FOUR amount. If the STEP FOUR amount is less than zero (0), fill in the blank with zero (0).

- For a provider unit that did not submit a request under Ind. Code § 6-1.1-18-29.5 in 2022 or 2023, this STEP will equal the STEP THREE amount. Fill in the blank with the STEP THREE amount.

The Department will certify the Eligible Rate Increase upon review of the township's petition. Per I Ind. Code § 6-1.1-18-29.5(b) and (c), the Eligible Rate Increase shall be used to determine the increase to the fire territory operating fund maximum levy. The Department will not include the levy increase in its certification. The levy increase shall be calculated using the formula provided under Ind. Code § 6-1.1-18-29.5(c)(2).