

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

**IN THE MATTER OF THE REQUEST)
OF HUSSEY-MAYFIELD PUBLIC)
LIBRARY, BOONE COUNTY, FOR AN) A23-092
AN EXCESS LEVY DUE TO)
THREE-YEAR GROWTH)**

The Department of Local Government Finance (“Department”) has reviewed an appeal by Hussey-Mayfield Public Library’s (“Library”) for an excess levy in the amount of \$190,757 to its civil 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.:

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

*2020: 3,036,116,706
2021: 3,224,358,009
2022: 3,776,434,297
2023: 4,725,632,582¹*

Step 2 quotients:

*2021/2020: 1.0620
2022/2021: 1.1712
2023/2022: 1.2513*

Step 3: Sum the results of Step 2 and divide by three:
1.1615 [(1.0620+1.1712+1.2513)/3]

¹ The Department should note that the pay-2023 certified net assessed values submitted by the Boone County Auditor reflect an extension of the Library’s service area, and associated property tax base, into Worth Township and the Town of Whitestown. This extension does not account for the entirety of the difference between the pay-2022 and pay-2023 assessed values.

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:

1.0750 (1.1615/1.0804)

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 1.0750 is greater than 1.020, the Library is eligible for a three-year growth appeal):

0.1215 (12.15%) (1.1615-1.0400)

The Library’s 2023 maximum civil levy is \$2,399,453. This is the most recent civil maximum levy that the Department can use as the basis for an adjustment. Multiplying this figure by the 12.15% growth factor calculated above results in a figure of \$291,589, which is the maximum for which the Library could qualify under the statutory formula. Under Ind. Code § 6-1.1-18.5-12(a), the Library must also show that it is unable to perform its government functions without this increase.

The Library states in its appeal that it “serves three townships which include the communities of Zionsville and Whitestown,” both of which “outpace the state average for growth.” The Library claims the excess levy is needed fully staff and support both of its branches. The Library states that without an excess levy “the Library will consume approximately \$650,000 in operating balance over the next three years,” forcing the Library “to hold future budgets flat and will not be able to grow them even at the estimated maximum growth quotient for future years.” The Library claims that “a stagnate budget will quickly become a deficit budget . . . if the Library must maintain services in pace with the growth of our service area.”

The Library adds that with the construction of the Whitestown Branch in 2023, its library improvement reserve fund was reduced by \$100,000, the rainy day fund by \$350,000, and the supplemental LIT fund by \$257,312.

The Library states that state law and regulations require it to serve the community with certain minimum standards. For example, it states that “[b]y law, ([590] IAC 6-1-5), the Library shall provide hours of service that allow the greatest possible access for the community.” It goes on to state that “[a]nother portion of the law requires the Library to employ appropriately certified staff to supervise the delivery of required services at each branch,” which include “educational programming, reference services, and access to resources and a variety of borrowable collections.” The Library claims that these requirements “increase the cost of staffing at a time

when our budget will not be able to sustain these salaries.” The Library does not include specific citations to the laws or regulations mentioned, but later specifies that per the minimum standards a staff person must remain in each department during open hours.

The Library provides a draft fiscal analysis, dated September 13, 2023. The fiscal analysis represents that the Library’s general fund end of year balance will be spent down from about \$1 million in 2023 to about \$350,000 in 2026. This is based on a gradual increase in spending by about 4% annually, from about \$4 million in 2024 to about \$4.33 million in 2026. The fiscal analysis also states circuit breaker credits are assumed to be about \$100,000 each year.

Finally, the Library stated on its Budget Form 3 that it seeks an excess levy appeal of \$204,569 for its general fund. The Library received permanent excess levies for pay-2022 in the amount of \$365,857 and pay-2023 in the amount of \$824,453 (to be reduced to \$435,241 starting in pay-2024).

The Department should note that the Library’s Form 4B indicates a different outcome for the end of year 2024 general fund operating balance from what is represented in the fiscal analysis, as seen in the below table:

	Form 4B	Fiscal analysis
End of year 2023 balance	\$1,003,746	\$1,006,969
Property tax levy (including excess levy)	\$2,700,000	\$1,958,890
Miscellaneous revenue (including LIT)	\$1,960,979	\$2,018,577
Circuit breaker impact	(\$98,000)	(101,300)
Budget	(\$4,083,836)	(\$4,083,835)
End of year 2024 balance	\$1,482,889	\$900,602

The Department believes that the Form 4B does not factor in the reduction of the excess levy the Library was previously granted in pay-2023 from \$824,453 to \$435,241 in pay-2024. By contrast, factoring in the Library’s 2024 max levy (without the excess levy) and holding all other numbers constant, the comparison would be as follows:

	Form 4B	Fiscal analysis
End of year 2023 balance	\$1,003,746	\$1,006,969
Property tax levy (including excess levy)	\$2,090,651	\$1,958,890
Miscellaneous revenue (including LIT)	\$1,960,979	\$2,018,577
Circuit breaker impact	(\$98,000)	(101,300)
Budget	(\$4,083,836)	(\$4,083,835)
End of year 2024 balance	\$873,540	\$900,602

The Department therefore finds that a spend down of the Library’s general fund operating balance is expected in 2024 without the excess levy. The Department will decline to make the

same finding for later years, given that the fiscal analysis assumes a constant budget increase and available revenues would not be known at this time.²

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 Library's excess levy appeal is approved in the amount of **\$190,757**. This figure reflects the amount for which the Library qualifies under the statutory three-year growth formula and does not exceed the amount for which the Library advertised and petitioned the Department. This is a one-time, permanent increase.

STATE OF INDIANA
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WITNESS MY HAND AND SEAL of this Department on this 8 day of December, 2023.



Daniel Shackle, Commissioner

² The Department should also note that the Library requests an excess levy that is less than the amount stated on the Form 3.