**Annexation, Consolidation/Reorganization, or Extension of Services**

Ind. Code § 6-1.1-18.5-13(a)(1) allows a unit to seek an increase in its maximum levy to pay additional costs for providing services to newly annexed or consolidated/reorganized areas or for extending governmental services to additional geographic areas. In other words, this appeal is intended to assist units in accommodating growth in the land area or consolidation/reorganization of governments. This appeal may qualify as a permanent adjustment to the maximum levy.

The Department of Local Government Finance (“Department”) evaluates the merits of an annexation, consolidation/reorganization, or extension of services appeal based on the nature of the services being provided. Specifically, the Department looks at both the costs associated with providing the services to the area and the timeframe by which those services are extended into the new area. As provided by Ind. Code § 6-1.1-18.5-13(a)(1), an excess levy may be applied to the first calendar year in which costs for those services are incurred and up to the next four (4) immediately succeeding calendar years thereafter. **The Department will not approve an excess levy greater than (1) the amount advertised on the Form 3, (2) the amount approved by the fiscal body, or (3) the average cost increase associated with the excess levy over the number of years during which the unit claims those costs will be incurred.**

In evaluating the costs, the unit alleges it will incur due to the annexation, consolidation/reorganization, or extension of services, the Department places significant weight on the fiscal plan and documentation concerning the annexation, consolidation/reorganization, or extension of services. Implicit in the statutory provision that the Department determine whether a maximum levy increase is “reasonably necessary due to increased costs of the civil taxing unit resulting from annexation, consolidation, or the extensions of governmental services” is the notion that an increase in a unit’s maximum levy should rationally mirror the expenses incurred through the annexation, consolidation/reorganization, or extension of services and that the expenses are sensible and credible. To justify an increase in its maximum levy, an appealing unit must demonstrate that the area it is annexing or into which it is extending services will actually be receiving new benefits and services it was not previously receiving.

The Department notes that an annexing unit is entitled to either an automatic increase in its maximum levy of up to 15% pursuant to STEP THREE of Ind. Code § 6-1.1-18.5-3(a) or an appeal awarded by the Department, but not both. **If a unit increases its assessed value through annexation by more than 15%, the unit potentially qualifies for an increase in its maximum levy through an appeal that is greater than would be the automatic adjustment of up to only 15% provided by STEP THREE of Ind. Code § 6-1.1-18.5-3(a).** In addition, because STEP THREE of Ind. Code § 6-1.1-18.5-13(a) requires this adjustment, it may not be waived by the unit for purposes of this appeal.

A unit seeking an annexation, consolidation/reorganization, or extension of services appeal must submit the following information to the Department for review:

1. The time frame of annexations, extensions, or consolidations/reorganizations to be considered.
2. Any levy increases already granted for each budget year within the time frame of annexation, extension, or consolidation/reorganization.
3. The types of services that will be needed and/or increased due to annexation, extension, or consolidation/reorganization.
4. The increased expenses due to annexation, extension, or consolidation/reorganization for each year.
5. Either of the following, as applicable:
	1. The fiscal plan and/or reorganization plan for the annexation, extension, or consolidation/reorganization.
	2. The interlocal agreement and authorizing ordinance/resolution for an extension.
6. The appeal amount requested is determined by the following:
	1. The total amount of the appeal, supported by evidence of increased expenses, less the levy increases already granted in the years of annexation, extension, or consolidation/reorganization; divided by
	2. The total number of years of annexation, extension, or consolidation/reorganization.
7. Whether the total amount requested matches the amount in the fiscal plan for each annexation, extension, or consolidation/reorganization.
8. The legal basis for the annexation, extension, or consolidation/reorganization (e.g., Government Modernization Act, annexation under Ind. Code § 36-4-3, an extension of park services by referendum under Ind. Code § 36-10-3).

Remainder of the page intentionally left blank.

**Report of Appealing Taxing Unit**

The Department has prescribed this template through which a petitioner supplies the information the Department requires pursuant to Ind. Code § 6-1.1-18.5-12(c). The required information must be filed with the Department on or before **October 21, 2024**. Only email submissions bearing a timestamp of **OCTOBER 21** or earlier will be considered. Completed submissions and additional questions about excess levy appeals should be sent by email to your [Budget Field Representative](https://www.in.gov/dlgf/files/maps/Field-Rep-Map-Budget.pdf).

Note that Ind. Code § 6-1.1-17-3(a)(6) requires that any request for an excess levy appeal be advertised as part of the notice to taxpayers of the estimated budget. Failure to comply with Ind. Code § 6-1.1-17-3(a)(6) will be cause for denial.

All requests for consideration of an appeal must be specific. Please note that the Department will utilize reports from the budget certification process (Form 3, Fund Report, and Estimate of Miscellaneous Revenues) during its review of an appeal application. The Department may also consider the unit’s submitted Gateway reports, including the Annual Financial Report, Employee Compensation Report, and Budget Form 4B. If this information is not representative of your unit’s current financial situation, please provide updated financial information and explanations as to the differences.

To submit a petition to the Department units will complete the following page, the individual page(s) appliable to the appeal(s), and the certification page. Petitions must also include any additional supporting documentation that contains an explanation or justification of the appeal and the appeal amount. Pursuant to Ind. Code § 6-1.1-18.5-12(a), the Department may deny an excess levy appeal on the basis that the unit has not provided an explanation that the unit will not be able to perform its government functions without an excess levy. **The Department may also deny or modify an excess levy appeal on the basis that the unit has sufficient fund balances to allow it to carry out its governmental functions.** **Additionally, the Department will take circuit breaker credits into consideration when estimating fund balance amounts.**

Pursuant to Ind. Code § 6-1.1-18.5-12(c), the Department reserves the right to require the appropriate unit official to produce relevant records or books in consideration of the appeal.

**Failure to timely respond with requested information may be cause for denial of the appeal.**

Remainder of page intentionally left blank.

**EXCESS LEVY APPEAL PETITION – SECTION 1: COVER PAGE**

Annexation, Consolidation/Reorganization, Extension of Services

|  |  |
| --- | --- |
| **Taxing Unit Name:** |  |
| **County:** |  |
| **Fiscal Officer Name:** |  |
| **Office Address:** |  |
| **Telephone Number:** |  |
| **Email Address:** |  |
| **Financial Advisor Contact Information:** |  |
| **Appeal Amount:** |  |

For consideration, the submission **must** include the following documentation. Confirm that the following documents have been prepared and are included with your submission.

|  |  |  |
| --- | --- | --- |
|  | Required Documentation | Included? |
| 1. | Cover page – Section 1 | Y or N |
| 2.  | Excess Levy Appeal Petition – Section 2 | Y or N |
| 3. | Petition to appeal for an increase above the maximum levy | Y or N |
| 4. | Signed Certification of Appeal Information | Y or N |
| 5. | Description of facts leading to annexation, consolidation/reorganization, or extension of services. | Y or N |
| 6. | All ordinances/resolutions related to annexation, consolidation, or extension of services. | Y or N |
| 7. | All fiscal impact statements related to annexation, consolidation, or extension of services. | Y or N |
| 8. | Explanation of types of services will be needed and/or increased. | Y or N  |
| 9. | Reorganization Plan including any appropriate maps.(Required for Consolidation/Reorganization Only) | Y or N  |

**EXCESS LEVY APPEAL PETITION – SECTION 2**

Annexation, Consolidation (Reorganization), Extension of Services

**Section 2.1 – Non-Property Tax Revenue Available to Unit – *report revenue for all funds***

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Revenue Type** | 2022 | 2023 | 2024 | 2025(Estimated) |
| LIT – Certified Shares  |  |  |  |  |
| LIT – Supplemental |  |  |  |  |
| LIT – Public Safety |  |  |  |  |
| LIT – Economic Development |  |  |  |  |
| CVET |  |  |  |  |
| Excise |  |  |  |  |
| FIT |  |  |  |  |
| Other Revenue Source 1(Please describe): \_\_\_\_\_  |  |  |  |  |
| Other Revenue Source 2(Please describe): \_\_\_\_\_ |  |  |  |  |
| Other Revenue Source 3(Please describe): \_\_\_\_\_ |  |  |  |  |
| Other Revenue Source 4(Please describe): \_\_\_\_\_ |  |  |  |  |
| Other Revenue Source 5(Please describe): \_\_\_\_\_ |  |  |  |  |

**Section 2.2 – Percentage Increase to the Levy**

|  |  |  |
| --- | --- | --- |
| Requested Appeal | 2025 Max Levy | Percentage Increase(Requested Appeal / 2025 Max Levy) |
|  |  |  |

**Section 2.3 – Estimated Impact to the Tax Rate**

|  |  |  |
| --- | --- | --- |
| Requested Appeal | 2025 Certified Net Assessed Value General Fund1 | Percentage Increase(Requested Appeal / 2025 CNAV) |
|  |  |  |

***Note 1: The 2025 NAV must be certified by the county auditor by August 1. If the NAV has not been certified, contact the county auditor for an estimated value.***

**Section 2.4 – Cash Balances as of December 31, unless noted differently.**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Fund** | 2021 | 2022 | 2023 | 2024(June 30) |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
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|  |  |  |  |  |

***Note: A separate fund report for the years shown can be submitted with the Appeal Petition in lieu of completing Section 2.4.***

**Section 2.5 – If the Appeal is based on an annexation, please complete this subsection.**

1. Below is additional information about the appeal and the annexation(s).

|  |  |  |
| --- | --- | --- |
| A. | Appeal Amount Requested | $ |
| B. | Number of Years Attributable |  |
| C. | Estimated Increase to Non-Property Tax Revenue(Due to annexation)  | $ |

1. This question relates to automatic increases in the maximum levy of up to 15% as a result of increased assessed value stemming from the annexation. What levy increases occurred under STEP THREE of IC 6-1.1-18.5-3(a) for each budget year?

|  |  |  |
| --- | --- | --- |
|  | Year | Levy Increase Amount |
|  | 2024 | $ |
|  | 2023 | $ |
|  | 2022 | $ |
| D. | Total: | $ |

1. Has the Department already approved any excess levy appeals requested by the unit pursuant to IC 6-1.1-18.5-13(a)(1) due to this annexation?

|  |  |  |
| --- | --- | --- |
|  | Year | Levy Increase Amount |
|  | 2024 | $ |
|  | 2023 | $ |
|  | 2022 | $ |
| E. | Total: | $ |

1. Attach the annexation ordinance(s). Annexation Appeal Amount Summary:

|  |  |  |
| --- | --- | --- |
| Total Appeal Amount  | Question 1-A | $ |
| IC 6-1.1-18.5-3(a) Adjustment  | Question 2-D | $ |
| IC 6-1.1-18.5-13(a)(1) Adjustment | Question 3-E | $ |
| Total #1: | 1A minus 2D minus 3E | $ |

|  |  |  |
| --- | --- | --- |
| Total #1 Restated | Question 4 – Total #1 | $ |
| Number of Years Attributable | Question 1-B |  |
| Total #2: | Total #1 divided by Question 1-B | $ |

|  |  |  |
| --- | --- | --- |
| Total #2 Restated | Question 4 – Total #2 | $ |
| Estimated Increase to Non-Property Tax Revenue | Question 1-C | $ |
| Total #3: | Total #2 Plus Question 1-C | $ |

1. State for *each year* for the budget classification indicated below the increase in expenses for which the appeal should be considered. (Attach separate sheets, if necessary.)

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Category** | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Total |
| Personnel | $ | $ | $ | $ | $ | $ |
| Supplies | $ | $ | $ | $ | $ | $ |
| Services & Charges | $ | $ | $ | $ | $ | $ |
| Debt  | $ | $ | $ | $ | $ | $ |
| Capital Outlay | $ | $ | $ | $ | $ | $ |
| Township Assistance | $ | $ | $ | $ | $ | $ |
| Total | $ | $ | $ | $ | $ | $ |

1. Discuss the total amount requested and justify the financial need for the appeal. Include an explanation of how the unit will be unable to perform its government function without an excess levy.Indicate how much miscellaneous revenue will be generated by the annexation. Include additional pages, if needed.
2. Describe any new types of services or increase the amount of spending on existing services that the annexation requires the unit to provide. Include additional pages, if needed.
3. Does the fiscal impact statement describe the effect of the annexation on the other units of government in the jurisdiction? If not, please describe.
4. Will the annexation generate any new or increase any existing non-property tax revenue sources? Include additional pages, if needed.
5. Please explain the statutory basis for the annexation. Include the appropriate citation(s) to the Indiana Code.

Remainder of page intentionally left blank.

**Section 2.6 – If the Appeal is based on a consolidation/reorganization, please complete this page.**

1. Below provide additional information about the appeal and the consolidation/reorganization.

|  |  |  |
| --- | --- | --- |
| A. | Appeal Amount Requested | $ |
| B. | Date of referendum approving the consolidation/reorganization | $ |
| C. | Effective date of consolidation/reorganization: | $ |

1. State for *each year* for the budget classification indicated below the increase in expenses for which the appeal should be considered. (Attach separate sheets, if necessary.)

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Category** | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Total |
| Personnel | $ | $ | $ | $ | $ | $ |
| Supplies | $ | $ | $ | $ | $ | $ |
| Services & Charges | $ | $ | $ | $ | $ | $ |
| Debt  | $ | $ | $ | $ | $ | $ |
| Capital Outlay | $ | $ | $ | $ | $ | $ |
| Township Assistance | $ | $ | $ | $ | $ | $ |
| Total | $ | $ | $ | $ | $ | $ |

1. Has the Department already approved any excess levy appeals requested by the unit pursuant to IC 6-1.1-18.5-13(a)(1) due to this consolidation/reorganization?

|  |  |
| --- | --- |
| Year | Previously Approved Levy Increase Amount |
| 2024 |  |
| 2023 |  |
| 2022 |  |
| Total: |  |

1. Discuss the total amount requested and justify the financial need for the appeal. Include an explanation of how the unit will be unable to perform its government function without an excess levy.Indicate how much miscellaneous revenue will be generated by the consolidation/reorganization.
2. Will the consolidation/reorganization require the unit to provide any new types of services or increase the amount of spending on existing services?
3. What funds will be needed for the newly consolidated or reorganized unit?
4. Will the consolidation/reorganization generate any new or increase any existing non-property tax revenue sources?
5. Does the fiscal impact statement describe the effect of the consolidation/reorganization on the other units of government in the jurisdiction? If not, please describe.
6. Discuss the savings described in IC 36-1.5-3-5 as specified in the plan of reorganization, if applicable.
7. Please explain the statutory basis for the consolidation/reorganization. Include the appropriate citation(s) to the Indiana Code.

Remainder of page intentionally left blank.

**Section 2.7 – If the Appeal is based on an extension of services, please complete this page.**

1. Below provide additional information about the appeal and the extension of services.

|  |  |  |
| --- | --- | --- |
| A. | Appeal Amount Requested | $ |
| B. | Date of referendum approving the extension of services | $ |
| C. | Effective date of the extension of services | $ |

1. Describe the extension of services and what services are being extended.
2. What is the percent change in assessed valuation?

|  |  |
| --- | --- |
| Prior Year Tax Base (CNAV) for Service Area | $ |
| Ensuring Year Tax Base (CNAV) for Service Area | $ |
| Percentage Increase (Ensuing Year divided by Prior Year) | $ |

1. State for *each year* for each budget classification indicated below the increase in expenses for which the appeal should be considered. (Attach separate sheets, if necessary.)

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Category** | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Total |
| Personnel | $ | $ | $ | $ | $ | $ |
| Supplies | $ | $ | $ | $ | $ | $ |
| Services & Charges | $ | $ | $ | $ | $ | $ |
| Debt  | $ | $ | $ | $ | $ | $ |
| Capital Outlay | $ | $ | $ | $ | $ | $ |
| Township Assistance | $ | $ | $ | $ | $ | $ |
| Total | $ | $ | $ | $ | $ | $ |

1. Discuss the total amount requested and justify the financial need for the appeal. Include an explanation of how the unit will be unable to perform its government function without an excess levy.Indicate how much miscellaneous revenue will be generated by the extension of services.
2. Please explain the statutory basis for the extension of services. Include the appropriate citation(s) to the Indiana Code.

Remainder of page intentionally left blank.

**PETITION TO APPEAL FOR AN INCREASE ABOVE THE MAXIMUM LEVY**

The \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_,

(Fiscal Body) (Taxing Unit)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ County, State of Indiana, has determined to appeal to the

 (County Name)

Department of Local Government Finance for an excess property tax levy.

|  |  |
| --- | --- |
| Appeal Type | Appeal Amount |
| ANNEXATION |  |
| CONSOLIDATION (REORGANIZATION) |  |
| EXTENSION OF SERVICES |  |
| TOTAL: |  |

We do hereby resolve to proceed with a petition for an excess property tax levy to the Department of Local Government Finance to increase the taxing unit’s maximum levy and we represent that the taxing unit cannot carry out its governmental functions under its current maximum levy for the ensuing calendar year without the excess levy.

Adopted this \_\_\_\_\_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_, 20\_\_\_\_

|  |  |
| --- | --- |
| FOR | AGAINST |
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ATTEST: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**EXCESS LEVY APPEAL PETITION – SECTION 3**

Annexation, Consolidation/Reorganization, Extension of Services

**CERTIFICATION**

I, the undersigned, hereby certify that the attached appeal information and supporting documentation are correct to the best of my knowledge and belief.

Signed this \_\_\_\_\_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 20 \_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
(Printed Name of Fiscal Officer)

 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
(Signature)

 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
(Title)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
(Email)

 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
(Printed Name of Financial Advisor/Consultant)

 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
(Signature)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
(Email)