

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

**IN THE MATTER OF THE REQUEST)
OF WARREN TOWNSHIP,)
ST. JOSEPH COUNTY, FOR AN) A23-056
EXCESS LEVY DUE TO)
THREE-YEAR GROWTH)**

The Department of Local Government Finance (“Department”) has reviewed an appeal by Warren Township (“Township”) for an excess levy in the amount of \$15,780 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 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>310,592,646</i>
<i>2021:</i>	<i>320,317,771</i>
<i>2022:</i>	<i>356,657,608</i>
<i>2023:</i>	<i>466,438,455</i>

Step 2 quotients:

<i>2021/2020:</i>	<i>1.0313</i>
<i>2022/2021:</i>	<i>1.1134</i>
<i>2023/2022:</i>	<i>1.3078</i>

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

1.1509 ([1.0313+1.1134+1.3078]/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:
1.0652 (1.1509/1.0804)

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 IC 6-1.1-18.5-2 (this amount is 1.04 or 4% for 2024; since 1.0652 is greater than 1.020, the Township is eligible for a three-year growth appeal):

0.1109 (11.09%) (1.1509-1.0400)

The Township’s 2023 maximum civil levy is \$142,378. This is the most recent civil maximum levy that the Department can use as the basis for an adjustment. Multiplying this figure by the 11.36% growth factor calculated above results in a figure of \$15,783, which is the maximum for which the Township could qualify under the statutory formula. Under IC 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 there is an insufficient number of volunteer firefighters to accommodate the increasing number of calls for assistance. The Township states it therefore must transition to staffing full-time firefighters. The Township states that it has had to use General Fund revenue to backfill needed fire-related expenses. The Township provides a fiscal plan projecting, among other things, expenses and revenues for its Fire and EMS Fund. The fiscal plan shows that the fund’s end of year balance will decrease by about \$80,000 in 2024 and by about \$800,000 each year through 2026, where the ending balance will be about \$1.6 million in the negative. The fiscal plan also shows the General Fund ending balance to decline as well, projected to be about \$300,000 in the negative by the end of 2026.

The Township also submitted an excess levy appeal for pay-2024 to increase its fire maximum levy, citing the same justification described above. The difference between the two appeals is that this one reflects an increase to General Fund expenses. The Township clarified that it must “continue to subsidize the fire fund expenditures to keep up with necessary expenditures for Fire and EMS related services.” Ind. Code § 36-8-13-3(a)(1) allows a township to provide fire protection services “within the township but outside the corporate boundaries of municipalities,” except when the township has a contract or arrangement with the municipality to provide services within its corporate boundaries. See Ind. Code § 36-8-13-3(b). The Township confirmed that the City is the first responder within its boundaries, but that there is a mutual aid agreement between the Township and City.

The Township stated on its Budget Form 3 that it seeks an excess levy appeal of \$15,781 for its General Fund. The Township has not previously received a permanent excess levy increase, but the Department approved, on November 10, 2023, an excess levy for pay-2024 attributed to its fire maximum levy in the amount of \$118,066.

After a review of the petition, the Department, following IC 6-1.1-18.5-12 and 13, and in consideration of all evidence provided, finds as follows:

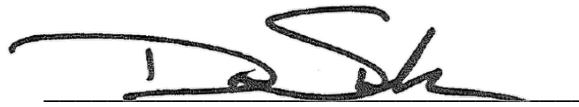
DENIED:

The Township's excess levy appeal is denied because respective tax bases of the Township's General Fund and Fire & EMS Fund are not identical. For pay-2024, the General Fund CNAV is \$458,800,740 and the Fire & EMS Fund CNAV is \$448,019,713. The difference of \$10,781,027 is attributed to the portion of South Bend which resides in the Township and is part of the City's property tax base. The taxpayers in that area of the Township receive, and pay taxes for, fire protection by the City. The Department will not support a tax increase imposed on residents who will not be the principal recipients of those services. Moreover, imposing a tax levy on taxpayers for services that they are receiving and paying taxes for from another unit constitutes double taxation, which the Department will not approve an excess levy for.

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

STATE OF INDIANA
DEPARTMENT OF LOCAL GOVERNMENT FINANCE

WITNESS MY HAND AND SEAL of this Department on this 17 day of
November, 2023.



Daniel Shackle, Commissioner