

STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE
PHONE (317) 232-3775
FAX (317) 232-8779



INDIANA GOVERNMENT CENTER NORTH
100 NORTH SENATE AVENUE N1058 (B)
INDIANAPOLIS, IN 46204

MEMORANDUM

TO: County Auditors

FROM: Karen Large, Director, Budget Division *KL*

SUBJECT: TIF and Redevelopment Commission Responsibilities

DATE: July 27, 2009

This memorandum provides guidance to county auditors regarding the statutory responsibility of redevelopment commissions in determining and reporting the amount of excess assessed values within Tax Increment Finance (TIF) districts before July 15 of each year. (IC 35-7-14-39(b)(3))

The Department of Local Government Finance ("Department") recommends that each county auditor contact the county redevelopment commissions to notify them of this responsibility. The Department recommends that the commission submit the written notice to its county auditor prior to certification of the 2010 assessed valuations to the Department.

Please forward a copy of the commission's written notice to the Budget Division at the same time that the Certificate of Net Assessed Valuations is filed with the DLGF.

According to statute, the commission shall submit a written notice including the following information:

- The amount, if any, of excess assessed value that the commission has determined may be allocated to the respective taxing units; or
- A statement that the commission has determined that there is no excess assessed value that may be allocated to the respective taxing units.

The manner for determining the excess assessed value is prescribed in IC 36-7-14-39(b)(3) as follows:

(A) Determine the amount, if any, by which the assessed value of the taxable property in the allocation area for the most recent assessment date minus the base assessed value, when multiplied by the estimated tax rate of the allocation area, will exceed the amount of assessed value needed to produce the property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (2) plus the amount necessary for other purposes described in subdivision (2).

(B) Provide a written notice to the county auditor, the fiscal body of the county or municipality that established the department of redevelopment, and the officers who are

authorized to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for each of the other taxing units that is wholly or partly located within the allocation area. The notice must:

(i) state the amount, if any, of excess assessed value that the commission has determined may be allocated to the respective taxing units in the manner prescribed in subdivision (1); or

(ii) state that the commission has determined that there is no excess assessed value that may be allocated to the respective taxing units in the manner prescribed in subdivision (1).

The county auditor shall allocate to the respective taxing units the amount, if any, of excess assessed value determined by the commission. The commission may not authorize an allocation of assessed value to the respective taxing units under this subdivision if to do so would endanger the interests of the holders of bonds described in subdivision (2) or lessors under section 25.3 of this chapter.

If you have any questions, please contact the Budget Division Director Karen Large, at klarge@dlgf.in.gov or 317.234.3937.