STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE

INDIANA GOVERNMENT CENTER NORTH
100 NORTH SENATE AVENUE N1058(B)
INDIANAPOLIS, IN 46204
PHONE (317) 232-3777
FAX (317) 232-8779

TO: **County Auditors**

FROM: **Dan Jones, Assistant Director, Budget Division**

RE: **TIF and Redevelopment Commission Responsibilities**

DATE: **June 17, 2010**

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 36-7-14-39(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 2011 assessed valuations to the Department. Statutorily, county auditors should certify 2011 assessed values by August 2, 2010. (August 1, 2010 is a Sunday.)

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

Reporting the excess assessed value is especially important when a referendum has been approved by a unit or school within the TIF.

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

1) The amount, if any, of excess assessed value that the commission has determined may be allocated to the respective taxing units; or
2) 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 Dan Jones, Budget Division Assistant Director, at djones@dlgf.in.gov or 317.232.0651.