STATE OF INDIANA

DEPT OF LOCAL GOVERNMENT FINANCE
BUDGET DIVISION

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TO: **County Auditors**

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

SUBJECT: **TIF and Redevelopment Commission Responsibilities**

DATE: **July 3, 2012**

This memorandum provides guidance to county auditors regarding the statutory responsibility of redevelopment commissions in determining and reporting the amount of excess or shortfall of 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 ("DLGF") recommends that each county auditor contact his or her county's redevelopment commissions to notify them of this responsibility. The DLGF recommends that each redevelopment commission submit the written notice to its county auditor prior to certification of the 2012 pay 2013 assessed valuations to the DLGF. Statutorily, county auditors are to certify 2012 pay 2013 assessed values by August 1, 2012. (IC 6-1.1-17-1).

County auditors should forward a copy of each redevelopment commission's written notice to the DLGF'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 allocation area or the unit anticipates adopting a Tax Increment Replacement rate ("TIR") in the 2013 budget when the unit has a shortfall in the required assessed value.

The redevelopment commission must submit a written notice including:

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 (3) plus the amount necessary for other purposes described in subdivision (3).

(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 (3) or lessors under section 25.3 of this chapter."

The requirements and procedures for adopting a TIR are prescribed in IC 6-1.1-21.2-12.

If you have any questions, please contact Dan Jones, Budget Division Assistant Director, at 317.232.0651 or djones@dlgf.in.gov.

DEPARTMENT OF LOCAL GOVERNMENT FINANCE
DISCLOSURE OF CONTRACTUAL OBLIGATIONS AND DEBT SERVICE
Please use additional sheets if necessary.

Disclosure is to be filed by Redevelopment Commission with the county auditor by July 15th.

1. Describe the obligation (as defined by IC 6-1.1-21.2-6.6) to be paid from the tax increment revenues.

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2. List the effective date of the obligation. ____________

3. List the expiration or termination date of the obligation. ____________

4. Is the contractual obligation or debt service supported by revenues other than tax increment revenues? If so, please describe. (Ex: CAGIT, COIT, CEDIT, ad valorem property taxes, other)

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5. List the amount of tax increment revenues required for the obligation described above. ____________

6. List the potential tax increment revenue for 2012 as estimated by the County Auditor's Certificate of Adjustment to the Base Assessed Value of TIF Districts. ____________

7. Estimated 2012 tax increment surplus or deficit (tax increment replacement amount): #VALUE!

8. Estimated 2011p2012 tax rate used in the County Auditor's Certificate of Adjustment to the Based Assessed Value of TIF Districts: ____________

9a. If 7 is negative, **increase** to base assessed value: #VALUE!

9b. If 7 is positive, options are:

i. special assessment per taxpayer	Number of taxpayers in district:		#VALUE!
ii. tax increment replacement rate for district	Net assessed value of district:		#VALUE!
iii. **reduction** to base assessed value			#VALUE!

(Base assessed value cannot be less than 0.)

10. If 7 is positive, describe option adopted, if any, from 9b.
Option from 9b chosen: ☐

11. Provide date of public hearing when option was presented and adopted. ____________

______________________________ ____________
Signature Date