

STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE
BUDGET DIVISION



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TO: All County Auditors

FROM: Brian E. Bailey, Commissioner *beb*

SUBJECT: 2012 Pay 2013 Certification of Net Assessed Values

DATE: July 27, 2012

The purpose of this memorandum is to provide guidance on the certification of the 2012 Pay 2013 Net Assessed Values (NAVs) to the Department by county auditors.

Certificate of Net Assessed Value (CNAV) Submission

The submission of the CNAV is a very important step in the budget order certification and property tax billing process. As such, it is imperative that county auditors ensure that the information submitted to the Department of Local Government Finance (Department) on the CNAV is accurate. Inaccurate net assessed value (NAV) certification could result in erroneous tax rates for taxing units and funding shortfalls. While the Department will review the CNAV submission and may question significant (typically 10%) increases or decreases in NAV, the county auditor should not rely on the Department to identify potential inaccuracies in the CNAV.

Prior to submitting the CNAV to the Department, the county auditor should ensure that the following tasks have all been completed in order to ensure the most accurate NAV submission possible:

1. All exemptions and deductions have been appropriately applied on a parcel-level basis.
2. State-assessed utility assessed value has been correctly imported into the tax and billing system and is included in the overall NAVs for each taxing district.
3. TIF Neutralization Forms (if applicable) have been completed and submitted to the Department for review and approval.
4. The factors identified on the TIF Neutralization Forms have been correctly applied to each applicable TIF District.
5. All information has been correctly completed on the CNAV in Gateway. The county auditor should verify that the values total correctly for each taxing district in Step 1 as well as for the county overall. In addition, the county auditor should ensure that the correct NAV is identified for each taxing unit in Step 3 of the CNAV. Further detail on these steps can be found below.
6. County auditor must submit the CNAV to the Department through Gateway.
7. For any taxing unit or fund type discussed in the Exceptions section below, the county auditor has signed a letter identifying the taxing unit or fund and the applicable NAV for 2012 Pay 2013 and then provided it to the Department.

Completion of the foregoing tasks will assist in the accurate certification of tax rates for taxing units within the county.

Submission Process for the CNAV

For 2012 pay 2013 NAVs, the Department will once again accept submission of the CNAV through Gateway. Other than the exceptions noted below, Gateway will be the only acceptable method for submission of the CNAV to the Department. Upon accessing the county taxing unit's budget forms on Gateway, county auditors should be able to access the CNAV through the County Specific Function menu on the right side of the screen. Completion of the CNAV requires a four-step process, which is detailed below. Additional guidance on the CNAV process can be found at http://www.in.gov/dlgf/files/CNAV_Guide.pdf.

Step 1: Taxing Districts

Step 1 of the CNAV has been pre-populated with the taxing district numbers and names utilized for the 2011 pay 2012 CNAV. The county auditor is therefore responsible for making any required changes (additions, modifications or deletions) to the taxing districts listed as well as populating values for all columns of the CNAV. For 2012 pay 2013, the Department has removed the "memorandum only" designation from the last three columns of Step 1. Completion of these columns is required and failure to complete these columns may result in the county needing to resubmit the CNAV. Resubmission of the CNAV may result in a county "losing its place in line" for county budget order review by your assigned field representative as the Department intends to review budgets in the order in which the CNAV is received.

Step 2: Verify Unit List

Step 2 of the CNAV has been pre-populated based on the unit list utilized for the 2011 pay 2012 budgets. County auditors should review this list and make any necessary modifications to the unit list to ensure all applicable taxing units for 2012 pay 2013 are identified.

Step 3: Link Taxing Districts

Step 3 of the CNAV requires the county auditor to identify the taxing districts (identified in Step 1) that will pertain to each particular taxing unit (identified in Step 2). Again, information from 2011 pay 2012 has been pre-populated into this step, so county auditors should review this data and make any necessary modifications.

Step 4: Sign the Certificate

Step 4 of the CNAV process allows the county auditor to officially submit the CNAV to the Department. To do so, the county auditor will need the assigned PIN number for form submission on Gateway. Upon submission, the CNAV will be locked from further editing. If a county auditor needs to amend the submitted CNAV, they must contact the Department at gateway@dlgf.in.gov to

have the CNAV unlocked. As stated above, reopening and resubmitting the CNAV may result in changes to the county budget review order.

Exceptions to the CNAV Process

Although the above process will be used for the vast majority of taxing units within the county, there are certain instances in which the above process will not provide an accurate NAV for particular taxing units or funds. Two primary examples are conservancy districts and fire territory funds. Conservancy districts do not necessarily follow taxing district boundaries making it impossible to link the taxing unit to the identified taxing districts in Step 1 of the CNAV and provide an accurate NAV. Fire territory funds typically have NAVs which are different from the NAVs of the provider unit. Since fire territories are not separate taxing units, it may be difficult to identify the proper NAVs for the fire territory funds through the Gateway system. Other funds may also face a similar situation in which the NAV for the fund is different from the rest of the taxing unit. As a result, the Department requires that county auditor provide the Department with further instruction on the NAVs for these special unit or fund types. This information should be provided by a letter signed by the county auditor identifying the taxing unit or fund and the applicable NAV for 2012 pay 2013. This letter must be emailed to the Department at gateway@dlgf.in.gov.

If you have any questions on the CNAV submission process within Gateway or need Gateway assistance, please contact the Gateway support team at gateway@dlgf.in.gov. Other questions on the CNAV can be directed to Dan Jones at djones@dlgf.in.gov or 317.232.3937.