

STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE
DATA ANALYSIS DIVISION



INDIANA GOVERNMENT CENTER NORTH
100 NORTH SENATE AVENUE N1058(B)
INDIANAPOLIS, IN 46204
PHONE (317) 232-3777
FAX (317) 974-1629

TO: County Auditors, Clerk-Treasurers, and Redevelopment Commissions

FROM: Micah G. Vincent, Commissioner *MGV*

RE: Reporting by Redevelopment Commissions Regarding Tax Increment Financing Districts

DATE: June 19, 2013

On April 29, 2013, Governor Mike Pence signed into law House Enrolled Act 1145 ("HEA 1145"). Sections 4 and 5 amend IC 36-7-14-13 and IC 36-7-15.1-36.3, respectively, which govern redevelopment commission reporting obligations. For purposes of IC 36-7-14-13, not later than March 15 of each calendar year, the redevelopment commissioners or their designees must file with the unit's executive a report setting out their activities during the preceding calendar year. For purposes of IC 36-7-15.1-36.3, not later than March 15 of each calendar year, the redevelopment commission or its designee must file the same type of report with the mayor. Prior to these amendments, the reports had to be filed within 30 days of the close of the year. These amendments are effective July 1, 2013.

On May 9, 2013, Governor Pence signed into law House Enrolled Act 1116 ("HEA 1116"). Sections 15 and 17 also amend IC 36-7-14-13 and IC 36-7-15.1-36.3, respectively. Specifically, IC 36-7-14-13 and IC 36-7-15.1-36.3, as amended, provide that redevelopment commissions are required to report certain information pertaining to each tax increment financing ("TIF") district. These reports are due to the fiscal body before August 1 of each year. Before October 1 each year, the fiscal body must compile the reports received for all applicable TIF districts and submit a comprehensive report to the Department of Local Government Finance ("Department") in the manner prescribed by the Department. The items required to be reported are as follows:

- (1) Revenues received in the previous year.
- (2) Expenses paid in the previous year.
- (3) Fund balances as of December 31.
- (4) The amount and maturity date for all outstanding obligations as of December 31.
- (5) The amount paid on outstanding obligations in the previous year.
- (6) A list of all the parcels included in each TIF district allocation area and the base assessed value and incremental assessed value for each parcel in the list during the most recent tax year.

These amendments are effective July 1, 2013.

To facilitate these reporting requirements, the Department will be launching Gateway TIF Management on July 1, 2013. User manuals and online training for Gateway TIF Management will be released at a later date. In order to ensure complete reporting, the Department is requiring all counties, cities, and towns to complete the submission process, regardless of whether or not the county, city, or town has a redevelopment commission. Those political subdivisions that do not have a redevelopment commission will be required to indicate that in Gateway TIF Management.

Reporting on revenues received, expenses paid, fund balances

Due to the recent creation of the reporting requirement, districts may not have been tracking categorized revenues or expenditures. Therefore, for reporting due on October 1, 2013, the Department will only require a total revenue and expenditure by each TIF district. Fund balances will be reported as of December 31, 2012.

Reporting on outstanding obligations

Reporting on outstanding obligations will be facilitated by the data currently in Gateway Debt Management. Units will be required to pull data from the amortization schedules in Gateway Debt Management to report the amount and maturity date for all outstanding obligations as well payments made in 2012. As required by IC 5-1-18, all outstanding obligations are required to be reported in Gateway Debt Management.

Reporting on parcels in each TIF district

The Department will release an Excel document template that units will use to create parcel lists for each TIF district. The file will be uploaded in Gateway. Parcels and values that were included in the TIF district during the 2012 pay 2013 cycle must be reported. The file specifications can be found at the following link: http://www.in.gov/dlgf/files/TIF_file_specs.pdf.

Gateway submitters for the fiscal bodies are encouraged to work with the redevelopment commissions to ensure all data required by the Department are filed with the fiscal body. Additionally, the fiscal body may work with its redevelopment commissions to delegate access to reporting in Gateway. The fiscal body may delegate access in Gateway to the redevelopment commission or a vendor by completing a limited delegation form.

County auditor's responsibility

TIF districts must be numbered by the county auditor using the following specifications: codes should begin with the letter T, followed by the two-digit county number, followed by a three-digit number created to uniquely identify the TIF within the county (i.e. T81001). The code must be a total length of six consecutive characters. The Department will be requiring those reporting on TIF districts in Gateway to have this unique code from their county auditor before beginning to report in Gateway. Additionally, these new TIF codes will be used in the upcoming transition of the Form 22 to Gateway, as the Department previously released in the 50 IAC 26 vendor certification standards.

Redevelopment Commission and TIF reporting after 2013

Due to the time constraints resulting from the enactment of the above statutory amendments, certain functionality will be added for reports filed in 2014. In future years, detailed revenue and

expenditures will be required. The Department will use the unified code list of revenues and disbursements created in conjunction with State Board of Accounts. Units are advised to begin tracking revenues and expenditures in these categories in anticipation of this modification. Information on further additions will be forthcoming.

Please note that this memorandum is intended to be an informative bulletin; it is not a substitute for reading the law. If you have any questions, please contact Eric Bussis, Director of Data Analysis, at (317) 232-3759 or erbussis@dlgf.in.gov.