STATE OF INDIANA

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TO: **County Auditors and Redevelopment Commissions**

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

SUBJECT: **Redevelopment Commission Responsibilities Regarding TIF**

DATE: **July 9, 2013**

This memorandum provides guidance to county auditors regarding the statutory responsibility of redevelopment commissions to determine and report the amount of any excess assessed value within Tax Increment Finance ("TIF") districts before July 15 of each year. (IC 36-7-14-39(b)(4)).

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 its written notice to its county auditor prior to certification of the 2013 Pay 2014 assessed valuations to the DLGF. Statutorily, county auditors are to certify 2013 Pay 2014 assessed values on or before August 1, 2013. (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 for a unit or school within the TIF allocation area or the unit anticipates adopting a Tax Increment Replacement rate ("TIR") in its 2014 budget due to a shortfall in incremental revenue.

Each redevelopment commission must submit 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 include:

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.

To determine the amount of excess assessed value, each redevelopment commission must, pursuant to IC 36-7-14-39(b)(4)(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" and for " other purposes" as described in IC 36-7-14-39(b)(3).

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

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