Newly Elected Officials Training

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Commissioner
December 14, 2016
Agenda

- Our Goals
- On-Time Billing
- Key Deadlines
- Our Structure
- Gateway
Our Goals

• Put the taxpayer first
  • Fair and equitable assessments and taxation
  • Accurate implementation of statutes
• Respect local control
• On-time billing
Assessment to Tax Billing: Start to Finish

County Assessor completes trending and assessments and submits ratio study to DLGF.

DLGF reviews and approves ratio study.

County Assessor sends gross assessed values to the County Auditor.

County Auditor applies exemptions, deductions and abatements to determine net assessed values and certifies these to the DLGF.

DLGF uses certified net assessed values to process budgets and calculate preliminary rates. 1782 notices are sent to taxing units and a local, public budget hearing is held regarding the preliminary rates.

DLGF certifies the final budget order and tax rates.

County taxing units have ten days to comment on or correct the information contained in the 1782 notice.

County Auditor and Treasurer prepare and mail tax bills.

ON-TIME TAX BILLS

WINNERS!

Indiana Property Taxpayers

Department of Local Government Finance

October 1, 2012
On-Time Billing Resources

- Annual Calendars for Assessment, Budget, and Data.
  - Initially released at the start of the year.
  - Updated, if necessary, after the General Assembly session.
- Can be found on the Department’s calendar webpage: http://www.in.gov/dlgf/2385.htm.
On-Time Billing Resources

- Status Maps
  - http://www.in.gov/dlgf/6827.htm?WT.ac=statusmap
- 1782 Status:
  - Bottom of Department Home Page: http://www.in.gov/dlgf/
2016 pay 2017 Budget Certification Status Map

Indiana Counties

Status

- Tax Bills Due: 0
  Due May 10, 2017
  (Co. Treasurer Action)
- Final Budget Order Issued: 0
  Due February 16, 2017
  (DLGF Action)
- 1762 Notice Issued: 0
  (DLGF Action)
- Budget Review In Progress: 43
  (DLGF Action)
- NAV's Submitted: 49
  Due August 1, 2016
- AV's Balanced: 0
  Due July 1, 2016
  (Co. Auditor Action)
- AV's Rolled: 0
  (Co. Assessor Action)
- Sales Ratio Approve: 0
  (DLGF Action)
- Sales Ratio Received: 0
  Due Spring 2016
  (Co. Assessor sends to DLGF)
- Awaiting Ratio Study: 0

NOTE: The current color indicates the previous step has been completed in full or approved.

A data indicates the date a county reached their most recently completed step.

MNL indicates a county's ratio study has passed the Mann-Whitney test and their submitted sales data is fully compliant.

R: Real property assessed value roll date
PP: Personal property assessed value roll date

Dept. of Local Gov. Finance
12/9/2016
Key Deadlines

• January 31: 100R deadline (SBOA)
• March 1: Annual Financial Report deadline (SBOA)
• March 1: Annual debt reporting in Gateway
• March 31: Approved abstract (AOS)
• May 10: First installment due date
• June 1: Assessor rolls real property values to the Auditor
• June 15: Assessor rolls personal property values to the Auditor
• June 30: Spring settlement deadline (AOS)
Key Deadlines

• June 30: Spring settlement deadline (AOS)
• August 1: Certification of Net Assessed Values (CNAV)
  • Prior to CNAV, must submit TIF Neutralization Worksheets for approval
• August 1: Cumulative Fund re-establishments due to the Department
Key Deadlines

- First Council meeting in August: Non-binding review
- 10 days prior to budget public hearing: Deadline for submitting Notice to Taxpayers on Gateway
- October 20: Excess levy appeal deadline (except for shortfall appeals)
- October 20: Public hearing deadline
- November 1: Budget adoption deadline
Key Deadlines

- November 10 (November 13 for 2017): Second installment due date
- December 30: Shortfall appeal deadline
- December 31: Winter settlement deadline (AOS)
Our Structure

• Five Divisions:
  • Assessment Division
  • Budget Division
  • Data Division
  • Legal Division
  • Communications Division
Assessment Division

- Provides guidance and technical instruction on the assessment process.
- Reviews annual ratio studies for each county.
  - Comparison of sales price to assessed value
  - First step in the on-time billing process
- Assesses statewide public utilities and railcars.
  - The Department will provide values to the auditor for inclusion in the Net Assessed Values.
Assessment Division

- Administers an assessment certification program.
- Assists county and township assessors in the completion of reassessment duties.
  - County assessors are currently completing Phase III of the state’s first cyclical reassessment.
- The Department monitors progress and provides various status updates to local officials involved in the tax billing process.
Budget Division

• Reviews proposed budgets, levies, and tax rates for almost 2,500 local governments (“taxing units”).
• Enforces statutory requirements for the budget adoption process and statutory limitations on levies and/or tax rates.
• The Department provides a budget calendar each year and additional guidance on the budget process to assist units in getting successfully through the budget adoption process.
Budget Division

• Reviews proposed budgets, levies, and tax rates for almost 2,500 local governments ("taxing units").
• The Department conducts budget workshops in each county in July and August. These workshops provide an opportunity for units to meet with the county’s budget field representative and ask questions.
• http://www.in.gov/dlgf/files/Field_Rep_Map_-_Budget.pdf
Budget Division

- Reviews proposed budgets, levies, and tax rates for almost 2,500 local governments (“taxing units”).
- The Department completes its budget review from mid-October to February 15.
- Once the Department completes its review of all units in a county, we will send out “1782 Notices” by email only.
- Preliminary budget order
- 10 calendar days to respond
Budget Division

- Reviews proposed budgets, levies, and tax rates for almost 2,500 local governments (“taxing units”).
- The Department will provide the final certified budget order and two tax rate files for importing into your tax and billing system.
Budget Division

- Review additional appropriation requests.
  - Questions: Dan Jones, Assistant Budget Director, djones@dlgf.in.gov
- Review of new maximum levy requests, excessive levy appeals, and cumulative fund re-establishments.
- The Department releases annual memos on the processes to be followed.
Budget Division

- Preparation of various calculations, such as local income tax distributions.
- March/April: Levy Freeze Equivalency Rates
- July: Estimated Maximum Levies
- July: Estimated Miscellaneous Revenues
- July: Estimated Property Tax Cap Impacts
- August: Estimated Local Income Tax Distributions
- October: Local Income Tax Distributions
Data Division

- Reviews data files submitted by the counties to ensure accurate property tax administration.
  - Auditor data submissions due by March 15.
  - Questions: data@dlgf.in.gov
- Conducts software certification testing for property tax management systems.
  - Questions: James Johnson, jjohnson@dlgf.in.gov
Legal Division

- Interprets statutes and administrative rules to ensure accurate application of various laws.
- Reviews legal appeals on excess levy appeals and cumulative fund re-establishments.
- Reviews proposed referendum questions.
- Serves as the Department’s legislative liaison and public information office.
Legal Division

• Provides guidance on deductions and exemptions.
• Questions: Mike Duffy, General Counsel, mduffy@dlgf.in.gov.
Communications Division

• Assists taxpayers with questions.
• Maintains Department’s webpage.
• Distributes weekly emails and other memos as needed.
• Maintains our local official contacts database.
• Assists in the design and marketing of various Department initiatives.

• **Join the Listserv:** Jenny Banks, jbanks@dlgf.in.gov
Gateway

- Gateway is a joint effort of various State agencies and the Indiana Business Research Center through the IU Kelley School of Business.
  - Department of Local Government Finance
  - State Board of Accounts
  - Indiana Gaming Commission
  - Education Employment Relations Board
  - State Budget Agency/Office of Management & Budget
Gateway Public Site

- [https://gateway.ifionline.org/](https://gateway.ifionline.org/)
- Contains various pre-formatted reports using data submitted to the State via Gateway.
- Includes a download area for those that would like to do their own analysis.
Gateway Local Officials Site

• To get log-in credentials for Gateway, please contact the Department at gateway@dlgf.in.gov once your term begins.
• You may want to review the list of people authorized to edit or read your budget information and make changes as necessary.
• http://www.in.gov/dlgf/files/Limited_Delegation_of_Authority_for_Gateway.pdf
Gateway Resources

- Department Gateway Overview: [http://www.in.gov/dlgf/8918.htm](http://www.in.gov/dlgf/8918.htm)
- Budget User Guides and Video Tutorials: [http://www.in.gov/dlgf/9105.htm](http://www.in.gov/dlgf/9105.htm)
- TIF Management User Guides: [http://www.in.gov/dlgf/9170.htm](http://www.in.gov/dlgf/9170.htm)
Contact the Department

Courtney Schaafsma, Commissioner

- Telephone: 317.234.5720
- Email: cschaafsma@dlgf.in.gov
- Website: www.in.gov/dlgf
- “Contact Us”: www.in.gov/dlgf/2338.htm
Bonus Materials
The Department is required to give each taxing unit a 10 calendar day notice of any action the Department has taken on a budget, rate, or levy.

- This Notice is called the “1782 Notice”
- 1782 Notice is an opportunity for each unit to review the Department’s actions and request changes, corrections, or adjustments to the budget, rates, or levies.
- The 1782 Notice will be sent to each unit by email. So, make certain you enter your email address on the new line on the “accordion” in Gateway. (It’s at the bottom of the forms.)
The 1782 Notice has several parts:

- Notice (page 1)
- 1782 Notice Notes Report
- Fund Report
- Estimates of Miscellaneous Revenues for Year Ending 20__
- Maximum Levy Report
- Miscellaneous Change Report
- Rate Cap Calculations
- Debt Worksheet, if applicable
1782 Notice

• The 1782 Notice (Page 1):
  • First page is the Notice with instructions.
  • Provides information of how and where to respond.
  • First page is also a signature page with two boxes (choices):
    • No Changes Requested or
    • Please Make Changes According to the Attached Information.
  • First page includes the deadline to respond.
  • Return the 1782 Notice to the Department ASAP
    • Accelerates processing of Budget Order.
1782 Notice

- Fund Report:
  - A Fund Report shows the amounts considered by the Department for the 18-month period that is included in the budget review.
  - Each line is important but line 16 is critical – Line 16 is the Tax Levy for that fund for the following year. Once the levy is certified you cannot change it. That is the amount of property taxes that will be billed for this fund for the year.
1782 Notice

- Fund Report (Continued):
- Important Lines:
  - Line 1 – Budget Estimate for following year
  - Line 2 – 2nd Half expense of current year
  - Line 6 – June 30 Cash & Investment balances
  - Line 7 – Dec Property Tax Distribution
  - Lines 8 a & b – Miscellaneous Revenues
  - Line 11 – Projected Operating Balance
  - Line 16 – Property tax levy
- Compare lines 1 & 16 to the budget advertisement and budget adoption.
• Estimates of Miscellaneous Revenues:
  • Another important part of 1782 Notice is the summary of Miscellaneous Revenues (Form 2)
  • Lists revenues by fund and source
  • Contains two columns: Column A July 1, 2016 – Dec. 31 2016
  • Column B Jan 1, 2017 – Dec. 31, 2017
  • Totals from each column are the amounts on Lines 8a and 8B of the Fund Report. These revenues provide additional funding for your budget.
How to Respond to 1782

• Write the requested changes on the Notice
• Scan the Notice and email to 1782Notices@dlgf.in.gov
• Include a written explanation for the request if you think it’s needed.
• Remember to closely review the 1782 Notice and to respond quickly.
• Contact your field representative or the Department Budget Division with questions about the 1782.
How to Respond to 1782

- Common Responses to 1782 Notice:
  - Reduction to Line 2 – 2nd Half Expense
    - 2nd half expense are frequently overstated. A reduction to this line may increase available funds on Line 1 (Budget Estimate) or Line 11 (Operating Balance). Reducing Line 2 can be done by the Board passing a Resolution or actual expenditures can be provided.
  - Revision to 2nd Estimated Revenues
    - More information regarding revenues is available when the 1782 Notice is issued than when revenues were originally estimated. Some revenues may be higher than originally estimated which provides more funding.
How to Respond to 1782

• Common Responses to 1782 Notice:
  • Shift levy between funds
  • The Department is required to keep taxing units within their statutory maximum levy. In order to do so, it is sometimes necessary for the Department to reduce property tax levies in certain funds. The Department’s default position is to protect the General Fund, meaning other funds may see a reduction in their levy prior to making any levy cuts in the General Fund. If your unit’s policies or priorities differ from what the Department does, you can request that we shift property tax levy between funds to allow for more property tax levy in certain funds.