STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE

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TO: **County Officials, City/Town Officials, and respective Redevelopment Commissions**

FROM: **Fred Van Dorp, Budget Division Director**

SUBJECT: **Redevelopment Commission Responsibilities Regarding Excess Assessed Valuation**

DATE: **May 9, 2023**

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 June 15 of each year. (Ind. Code § 36-7-14-39(b)(4)).

Prior to the beginning of the certified net assessed value ("CNAV") reporting process, the Department of Local Government Finance ("Department") recommends that each county auditor contact their county's redevelopment commissions to notify them of this responsibility. Reporting the excess assessed value is especially important when a referendum has been approved for a unit or school within the TIF allocation area.

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 Ind. Code § 6-1.1-17-5 for each of the other taxing units that is wholly or partly located within the allocation area. Each county auditor must forward an electronic copy of the notice to the Department, as required by Ind. Code § 36-7-14-39(b)(4)(B).

Instructions on the electronic submission procedures can be found below. The notice must include either of the following:

1) The amount, if any, of excess assessed value, that the commission has determined may be allocated to the respective taxing units.
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 county auditor must allocate to the respective taxing units the amount if any, of excess assessed value as determined by the commission. The commission may not authorize an allocation of assessed value to the respective taxing units if to do so would jeopardize the interests of lessors or the bondholders.

If the amount of excess assessed value as determined by the commission is expected to generate more than 200% of the amount of allocated tax proceeds necessary to make, when due, principal and interest payments on bonds, plus the amount necessary for other purposes described in Ind. Code § 36-7-14-39(b)(3), the commission must submit to the legislative body of the unit its determination of the excess assessed value that the commission proposes to allocate to the respective taxing units. The legislative body of the unit may approve the commission's determination or modify the amount of the excess assessed value that will be allocated to the respective taxing units.

Gateway Submission Procedures

Redevelopment commissions indicating that they do not have excess assessed value still must provide this Notice. All county auditors will submit the Notice to the Department through Gateway's Budget application.

If you have additional questions, please contact Support@dlgf.in.gov.