

Indiana
Department of Local Government Finance




Committed to a fair and equitable property tax system for Hoosier taxpayers.

Clerk-Treasurers Conference

June 14, 2017
Dan Jones
Budget Div., Assistant Director

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Overview

- Staff Changes at the DLGF
- Review of 2017 Budget
- Changes for 2018
- Budget Calendar
- Legislation
- Gateway for 2018

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DLGF Staff Changes

- New Budget Director for Budget Division;
- General Counsel, Mike Duffy and Field Representative, Cathy Stockhoff have left the DLGF for other opportunities;
- Retirement of Linda Ebert;
- Contact for Gateway is Billy Ottensmeyer.

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Review of 2017

- Changes to Local Income taxes (LIT)
 - Both COIT and CAGIT are now LIT
- Budget Streamlining or shortened review
- “Net Budgeting” began where budgets had to contemplate circuit breaker credits
- Change to the “non-binding review” process by county councils
- DLGF, rather than auditor, provides budget and financial data.

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Review of 2017

Results of 2017 Budget Cycle:

- All Sales Ratios Approved by 6/28/2016
- 1st CNAV Received on 7/13/2016
- Last CNAV Received on 11/22/2016
- 1st 1782 Notice Issued on 12/27/2016
- Last 1782 Notice Issued on 2/3/2017
- 1st Budget Order Issued on 2/6/2017
- Last Budget Order Issued on 2/15/2017

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2018 Budget

- Changes made in 2017 will continue into 2018:
 - Includes format of budget forms in Gateway.
- "Net Budgeting":
 - DLGF will provide an estimate of circuit breaker credits based upon projected tax rates from new debt issues, reestablishing cumulative funds and anticipated levy appeals.
 - DLGF will project tax rates, assessed values and estimate the impact of circuit breaker credits for all units based on information gathered from "Pre-Budget Worksheet."

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2018 Pre-Budget Worksheet

This is a new Gateway questionnaire to collect data to help revise the property tax cap calculations

- Excess levy appeal
- Cumulative fund reestablishment
- Adopting/Fiscal bodies
- New debt
- Debt Worksheet
- Estimated 6/30 cash balance for debt fund(s)
- Due in Gateway by June 5th.

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2018 Pre-Budget Worksheet

- How do I get to the Pre-Budget Worksheet?
 - Each user has a specific username and password to allow access to Gateway. Username is the email address on file with the DLGF. To obtain a Gateway account, please contact gateway@dlgf.in.gov.
 - Web Address (URL):

<https://gateway.ifionline.org/login.aspx>

- Please note that Gateway works best using Firefox or Google Chrome.

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2018 Pre-Budget Worksheet

- Accessing the Budget application in Gateway
 - After signing in, users will see the “Select Application” Gateway page. Choose “Budgets.”
 - On the Select Unit page, select your unit while viewing year 2018;
 - The Pre-Budget Worksheet is found on the “Unit Main Menu.”

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2018 Pre-Budget Worksheet

The screenshot shows the Gateway Indiana website interface. At the top, there is a navigation bar with links for Home, About, Account Settings, User Guides, and Logout. Below this, the page title is 'Unit Main Menu - 0000 Parke County'. A blue arrow points to a red circle around the 'Pre-Budget Worksheet' link in the 'Department of Local Government Finance Tasks' section. The page also includes a 'County Specific: Functions' section and a footer with the text 'Fund List, Department List, Fund Dept Relationship, Form 1, Form 2'.

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2018 Budget

- County Council Review:
 - At the first meeting of the council in August, the council shall review the estimated levy limits and estimated circuit breaker credits impact;
 - Council may request representatives of the taxing units to attend the meeting;
 - Council must allow a representative from the units to comment on the proposed budgets, levies, and rates.

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2018 Budget

- Council Review:
 - After the meeting, the county fiscal body may prepare and distribute written recommendations to the county's taxing units. If written recommendations are not prepared, the minutes of the meeting shall be distributed by the county auditor. (IC 6-1.1-17-3.6).

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2018 Budget

- Libraries must still submit budgets to elected fiscal body (council) for “binding review” if the proposed budget is requested to increase higher than the current years budget plus the AVGQ.
- Budget is defined as the certified budget of all funds. So, if the total budget of all funds for 2018 is more than the certified 2017 budget plus AVGQ for all funds, it must be approved by the elected fiscal body.

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2018 Budget

- When a library’s proposed budget for 2018 does not exceed the 2017 budget plus the AVGQ, the budget does not need to go to the fiscal body.
- The requirement for a “non-binding recommendation” has been repealed.
- **Remember:** This threshold applies to the budget; not the tax levy. Tax levies are controlled by the maximum levy calculation.

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2018 Budget

- Budget Workshops:
 - These are 30 – 45 minute sessions with your DLGF field representative to exchange data and ask questions. You will receive direct assistance to complete most of your budget forms and be almost ready to submit your budget online.
 - After the workshops, many units are 70% finished with their budget.

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Budget Workshops

- What to bring to workshops:
 - Reports showing cash & investment balances as of 6/30
 - Budget Form 1 completed for each fund
 - Excess levy appeal forms (if any)
 - Proposed and confirmed dates for public hearing and adoption meetings
 - Copies of 1st 6 months additional appropriations
 - Resolution approving encumbrances carried over from 2016
 - Completed Debt Worksheet and amortization schedule
 - Information about temporary loans (if any)

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Budget Workshops

- **What to Bring (continued)**
 - Copies of Form 22's from county auditor (Certificate of Tax Distribution) for 2017 as of June 30th;
 - Circuit Breaker reallocation approval if applicable;
 - List of home-rule funds currently in Gateway including number and name for each fund;
 - Information about any annexations affecting your unit;
 - Name, address, telephone number, fax number, email address for the contact person(s) for your unit;
 - Any other information relevant for your taxing unit for this year and next.

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Budget Workshops

- **What to Expect at Workshop:**
 - The following will be completed at the Workshop:
 - Budget Form 2 (Miscellaneous Revenues)
 - Budget Form 3 (Notice to Taxpayers)
 - Budget Form 4B (Financial Statement/16 Line)
 - Current Year Financial Worksheet (Line 2)
 - Debt Worksheet (if applicable)

(If Budget Forms 2, 3, 4B, and Current Year Financial Worksheet were not completed in Gateway prior to the Workshop, provide the data to the field representative to be used to complete the forms.)

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Budget Workshops

- **At the Workshops (Continued):**
 - After the data is entered into the Budget Workshop Program, forms can be printed that were not uploaded into Gateway
 - Field representative can upload data from Workshop program into Gateway and data will be stored as proposed/submitted budgets, rates and levies. This upload will only be done if it is approved by the unit.
 - After the data is uploaded into Gateway, it can still be changed by the units official
 - If changes are made, other forms may need to be revised and updated as appropriate.
 - Contact your field representative for guidance.


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Budget Workshops

- **At the Workshops (continued):**
 - Unit officials' will receive instructions for submitting the Budget Form 3 in Gateway for the Online Publication requirement.
 - Publishing the 2018 budget and tax levies in a newspaper is not required.
 - Forms should be thoroughly checked before posting online to be certain there are no calculation and or typographical errors. (Notice does not include tax rates.)
 - ***Notice must be posted on Gateway at least 10 days before the scheduled Public Hearing on the budget.***


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Budget Calendar Review

- June 30 End of 1st half of budget year
1st half property tax distribution
SBA provides AVGQ
- July 17 Beginning of budget workshops
- July 14 DLGF provides est. max levy
- July 31 DLGF provides est. of circuit breakers
Estimate of AV withholding
- Aug 1 Auditor certifies CNAV to DLGF
DLGF enters CNAV in Gateway
County fiscal body review meeting

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Budget Calendar Review

- Mid Aug End of budget workshops
- Sept 1 Last day for units with appointed
boards to submit budgets to fiscal
body for binding recommendation
- Oct 12 Last day to post Notice to Taxpayers
of budget public hearing on
Gateway (at least 10 days before
hearing)
- Oct 19 Last possible day to file excess levy
appeals with DLGF

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Budget Calendar Review

- **Oct 22** Last possible day for public hearing (Must be at least 10 days before adoption meeting)
- **Oct 30** Last possible day 10 or more taxpayers may file objection to budgets, tax rates, or levies. (No later than 7 days after public hearing)
- **Nov 1** Last possible day for all taxing units to adopt the 2018 budget, tax rates and tax levies

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Budget Calendar Review


- **Nov 3** Last day for units to submit adopted budgets, rates and levies to DLGF through Gateway
- **Dec 14** Last day to submit additional appropriations to DLGF for 2017
- **Jan 31, 2018** Deadline for units to file Annual Salary Report with SBOA
- **Feb 15, 2018** Deadline for DLGF to certify all budgets, tax rates and tax levies for 2018.

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LEGISLATION

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Legislation

- **HEA 1002**
 - Section 12. Effective July 1, 2017. Changes deadline to pass ordinance regarding wheel surtax from July 1st to September 1st.
 - Section 16. County auditor is to provide estimate of surtax revenues to units by Oct 1. It was Aug 1 previously.
 - Section 35. Increases gasoline tax by \$0.10 per gallon beginning July 1, 2017 and indexes the tax after 2018

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Legislation

- **HEA 1002**
 - Section 64. All funds allocated to cities and towns from MVH account shall be used for construction, reconstruction, repair, maintenance, oiling, sprinkling, snow removal, weed and tree cutting and cleaning of highways and other uses under IC 8-14-1-5. Removes Law Enforcement as an allowable use.
 - After June 30, 2017, city or town shall use at least 50% of funds from MVH for construction, reconstruction and maintenance of cities and towns highways. Similar provision applies to counties.


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Legislation

- **HEA 1002**
 - Section 81. Effective July 1, 2017. Amends IC 8-23-30-6. If INDOT approves a grant to a local unit, the required local matching amount is the following percentages:
 - (Cities or towns):
 - 50% if city or town has population greater or equal to 10,000.
 - 25% if the city or town has a population of less than 10,000
 - Section 82. At least 50% of the amount available for grants will be for counties with populations less than 50,000.


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Legislation

- **HEA 1002**
 - Section 92. Effective July 1, 2017. Adds a new section to IC 36-9-42.2-2.5.
 - Makes various changes to the “federal fund exchange program.”
 - Creates “exchanged funds” meaning the part of the local share exchanged for state dollars.
 - “Local share” means 25% of the federal funds received by the state in a year.
 - Allows exchanged funds to be used for any transportation purpose allowed under federal law.

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Legislation

- **HEA 1009**
 - Effective July 1, 2017, a county or municipality may not issue any bonds unless it has filed its annual report with state examiner for the preceding year.
- **HEA 1031**
 - Specifies requirements for corrective action when audited entities fail to comply with certain guidelines or laws. Requires an audited entity to file a corrective action plan following findings of noncompliance in two consecutive examination reports.

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Legislation

- HEA 1043
- Section 1. Effective July 1, 2017. Amends IC 6-1.1-20-1.1. Changes the cost threshold for determining a “controlled project.” A project is “controlled” if the cost exceeds \$2,000,000 with a preliminary determination before January 1, 2018; a preliminary determination is issued between December 31, 2017 and January 1, 2019 for \$5,000,000; or in the case of a preliminary determination is adopted after December 31, 2018 for \$5,000,000 plus the AVGQ or 1% of the gross assessed value if the gross assessed value exceeds \$100,000,000 or \$1,000,000 if the gross assessed value is less than \$100,000,000.

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Legislation

- HEA 1043 (Continued)
- (b) Requires at least two (2) public hearings on preliminary determination to incur debt before adopting resolution or ordinance. Unit must allow public to testify. Unit must provide at the public hearings:
 - a) current and projected annual debt service payments divided by net assessed value of political subdivision;
 - b) sum of total outstanding debt of the unit and all other civil taxing units in the territory divided by the net assessed value
 - c) Other information required in IC 6-1.1-20-3.1(b)(3)(A) through (H)

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Legislation

- **HEA 1043 (Continued)**
- When a bond referendum is defeated, the unit may not submit another referendum to voters earlier than 700 days after the date of the public question or;
- Within 350 days if a petition satisfying the requirements of IC 6-1.1-20-3.6(m) is submitted to the county auditor.
- Section 8. Effective July 1, 2017. Amends IC 20-46-1-11. Allows school a operating referendum to be approved for eight (8) years rather than just seven (7) if referendum is approved on or after July 1, 2017.

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Legislation

- **HEA 1129**
- Section 1. Effective January 1, 2017 (Retroactive). Amends IC 6-11-18.5-3. Removes the levy freeze LIT from the calculation of maximum levy.
- Section 7. Effective July 1, 2017. Amends IC 6-3.6-2-14. Adds law enforcement training to the definition of public safety.

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Legislation

- **HEA 1129 (Continued)**
 - Section 8. Effective July 1, 2017. Amends IC 6-3.6-3-2. Removes the requirement for the DLGF to prescribe the hearing procedures for adopting local income taxes. Removes the requirement for the DLGF to prescribe hearing requirements and procedures to be used for submitting a notice and vote results. The DLGF shall prescribe the procedures to be used by the adopting body for submitting to the DLGF the notice, the adopting resolution, and the vote results on an ordinance or resolution. The DLGF shall notify the submitting entity within 30 days after submission if the DLGF received the necessary information.


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Legislation

- **HEA 1129 (Continued)**
- Section 8 (Continued) Final action under Section 8 is not effective until DLGF notifies adopting body that DLGF has received the required information.
- Sections 9, 10 & 11. Effective January 1, 2017. Amends IC 6-3.6-3-7.5. The adopting body of a Local Income Tax shall provide notice to all taxing units in the county of a proposal at least 10 days before the public hearing on a proposed ordinance that adopts, increases, decreases, or rescinds a tax or a tax rate or changes a distribution or allocation.


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Legislation

- **HEA 1129 (Continued)**
- Section 15. Effective January 1, 2017 (Retroactive). Amends IC 6-3.6-6-4. Provides that the adopting body shall determine the allocation of the tax in subsequent years and is effective and applies as specified in IC 6-3.6-6-3. **Eliminates the July 1 deadline to be adopted.**
- Section 16. Effective January 1, 2017 (Retroactive). Amend IC 6-3.6-6-8. Allows funding dedicated for a PSAP to continue. Allows the adopting body to adopt an ordinance for all or part of additional revenue allocated to public safety to be dedicated to PSAP.


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Legislation

- **HEA 1272**
- Section 1. Effective July 1, 2017. Amends IC 5-3-1-2. If an officer of a unit submits a notice to a newspaper in a timely manner and newspaper fails to publish the notice, but the officer **has placed the notices in three prominent places in the political subdivision; or posts the notice on the political subdivisions Internet web site in a location that easily accessible and identifiable, the notice is sufficient and** publication in the newspaper is not required.


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Legislation

- HEA 1350
 - Makes various changes to Gaming revenues.
- HEA 1450
 - Section 1 Effective June 30, 2017. Amends IC 5-14-3.8-3.5. Applies to contracts after June 30, 2016. Provides that a political subdivision **must upload a copy of a contract** that the political subdivision enters into after June 30, 2016, to the Indiana transparency Internet web site if the total cost of the contract exceeds \$50,000.

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Legislation

- HEA 1450 (Continued)
- Provides that both the executive of a political subdivision and a majority of the members of the fiscal body of a political subdivision may independently **request technical assistance from the distressed unit appeal board** in helping prevent the political subdivision from becoming a distressed political subdivision.
- Allows a county treasurer and the county auditor to implement a policy to waive, negotiate, or settle delinquent property tax penalties that have accrued, if the fiscal body of the county approves the policy.

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Legislation

- HEA 1450 (Continued)
- Provides that the executive of a township may use money in the township's rainy day fund to pay the costs attributable to providing fire protection and emergency services.
- Removes the requirement that the township firefighting fund be the exclusive fund used for providing fire protection or emergency services.
- Provides that a fire district may be a participating unit in a fire territory. Provides that a resolution by a provider unit to withdraw from a fire territory is effective on January 1 of the year following the year in which the resolution is adopted.

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Legislation

- HEA 1450 (Continued)
 - Provides that if the provider unit of a fire territory withdraws, a majority of the remaining units must agree on which unit is to become the successor provider unit
- SB 386
 - Provides that the last day for the county assessor to provide assessed values to the county auditor is July 1 (rather than June 1, under current law).

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Updates

- DLGF has a new email address to send Addition Appropriation Requests:
 - AdditionalAppropriationRequests@dlgf.in.gov
 - Minor changes to the Form;
 - Please include date of advertisement(s), date of public hearing, and date of approval by fiscal body.
 - Include a revised revenue (form 2) if required.
 - Form must be signed by fiscal officer.


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Reminders

- Verify that all of the required reports have been filed in Gateway;
- Debt service amortization schedules in Gateway are correct;
- All debt issues must be in Gateway's Debt Management before DLGF can approve an appropriation or tax levy for the debt;
- Proper officials are correctly shown as contacts in Gateway.

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Contacts

- Uploading Pre-Budget Worksheet: gateway@dlgf.in.gov
 - Also use for any Gateway questions (password reset, resubmitting budget forms, etc.)
- Submit additional appropriation requests: AdditionalAppropriationRequests@dlgf.in.gov
- Excess Levy Appeal questions: Fred Van Dorp at fvandorp@dlgf.in.gov
- Budget questions or status - DLF Budget Field Reps/Analysts: <http://www.in.gov/dlgf/2338.htm>
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Contact the Department

- Dan Jones, Asst. Dir. Budget Division
 - Telephone: 317.232.0651
 - Email: djones@dlgf.in.gov
- Fred Van Dorp, Director of Budget Division
 - Telephone: 317.234.3937
- Main Office Number: 317.232.3777
- Website: www.in.gov/dlgf
 - “Contact Us”: www.in.gov/dlgf/2338.htm

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