New Legislation and the DLGF

Indiana Association of Cities and Towns Budget Workshop

Karen Large

Department of Local Government Finance

Director – Budget Division

May 27, 2009

Who is the DLGF and what does it do?

- Commissioner Timothy J. Rushenberg
  - Oversees the operations of the Department and serves as a member of the Property Tax Replacement Fund Board and the Distressed Unit Appeals Board.
- Assessment Division
  - Promotes consistent assessing procedures across the state by providing guidance and technical instruction and securing compliance with the law to ensure fair and equitable assessment of property for taxpayers
- Budget Division
  - Works closely with local officials in preparing their annual budgets and provides recommendations to the Commissioner on matters related to budgets, rates, levies, exceptions to property tax controls and taxpayer exceptions to tax rate increases

Who is the DLGF and what does it do?

- Communications Division
  - Supports communications and public relations activities that serve to promote understanding of property tax assessment and local government budgeting by local officials and taxpayers.
- Legal Division
  - Drafts and publishes property tax assessment rules and interprets statutory law to ensure property tax assessments and local government budgeting are carried out in accordance with Indiana law and DLGF rules and regulations
- Operations Division
  - Researches and analyzes all areas of property taxation to ensure the fair and equitable distribution of the property tax burden

Who is the DLGF and what does it do?

- Ensures property tax assessment and local government budgeting follow Indiana law.
- Publishes property tax assessment rules
- Annually reviews and approves tax rates and levies of every political subdivision including all counties, cities, towns, townships, school corporations, libraries and other entities with tax levy authority
- TOP PRIORITY: ON TIME PROPERTY TAX BILLING – a joint effort with local county officials

Who is the DLGF and what does it do?

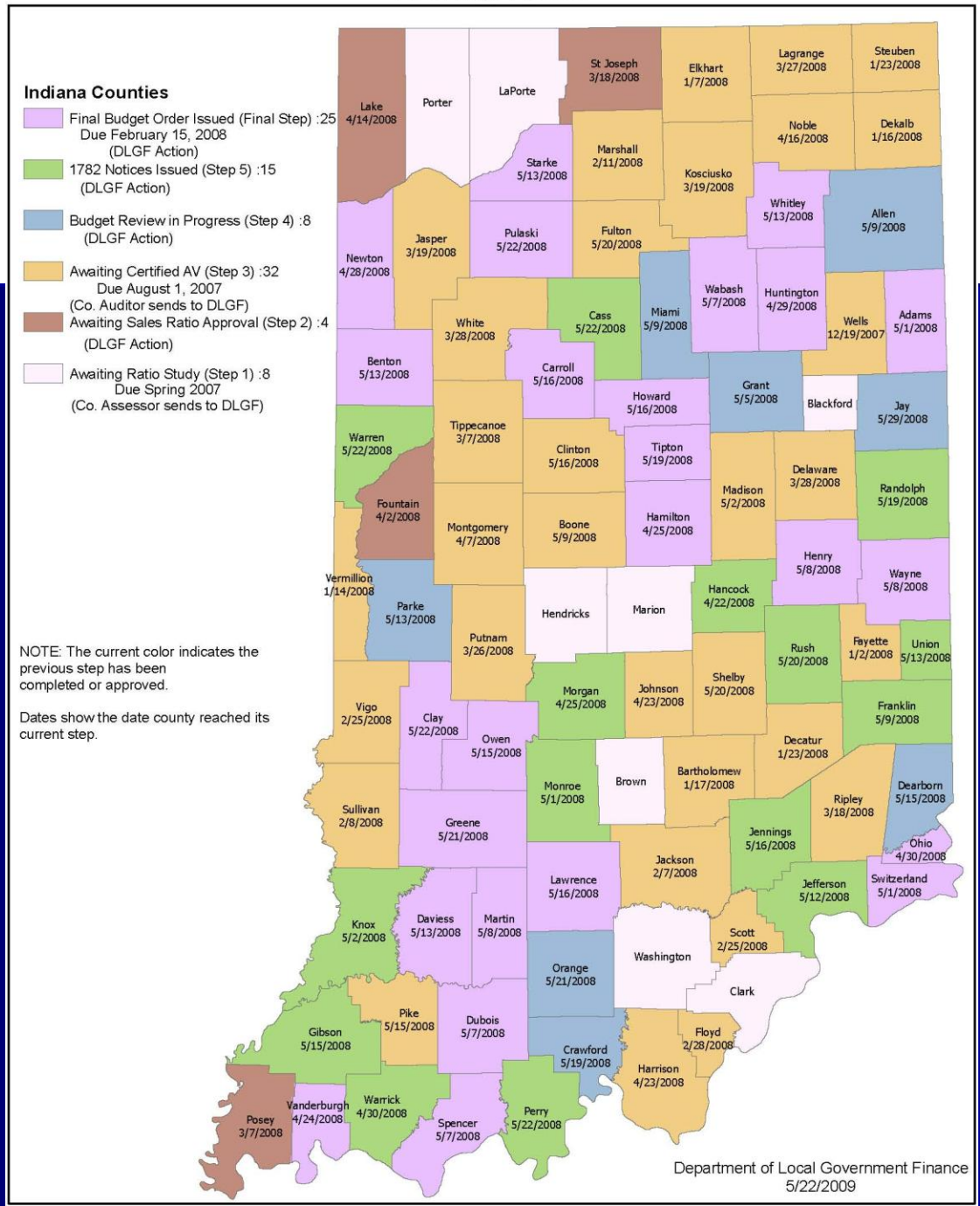
- Core Values
  - Put taxpayers first.
  - Respect local control.
  - Excellence in all that we do.

Agency Goals

- Restore on-time property tax billing
  - Proactively assist counties in achieving data compliance
  - Reduce turnaround time for review and approval of ratio studies
  - Reduce turnaround time for budget certification once certified assessed values are received
- Increase professional development of staff
  - Require all staff to become Level I, Level II, and Level III certified
  - Cross-train field representatives with both budget and assessment knowledge
  - Increase amount of and level of data analysis conducted by Department

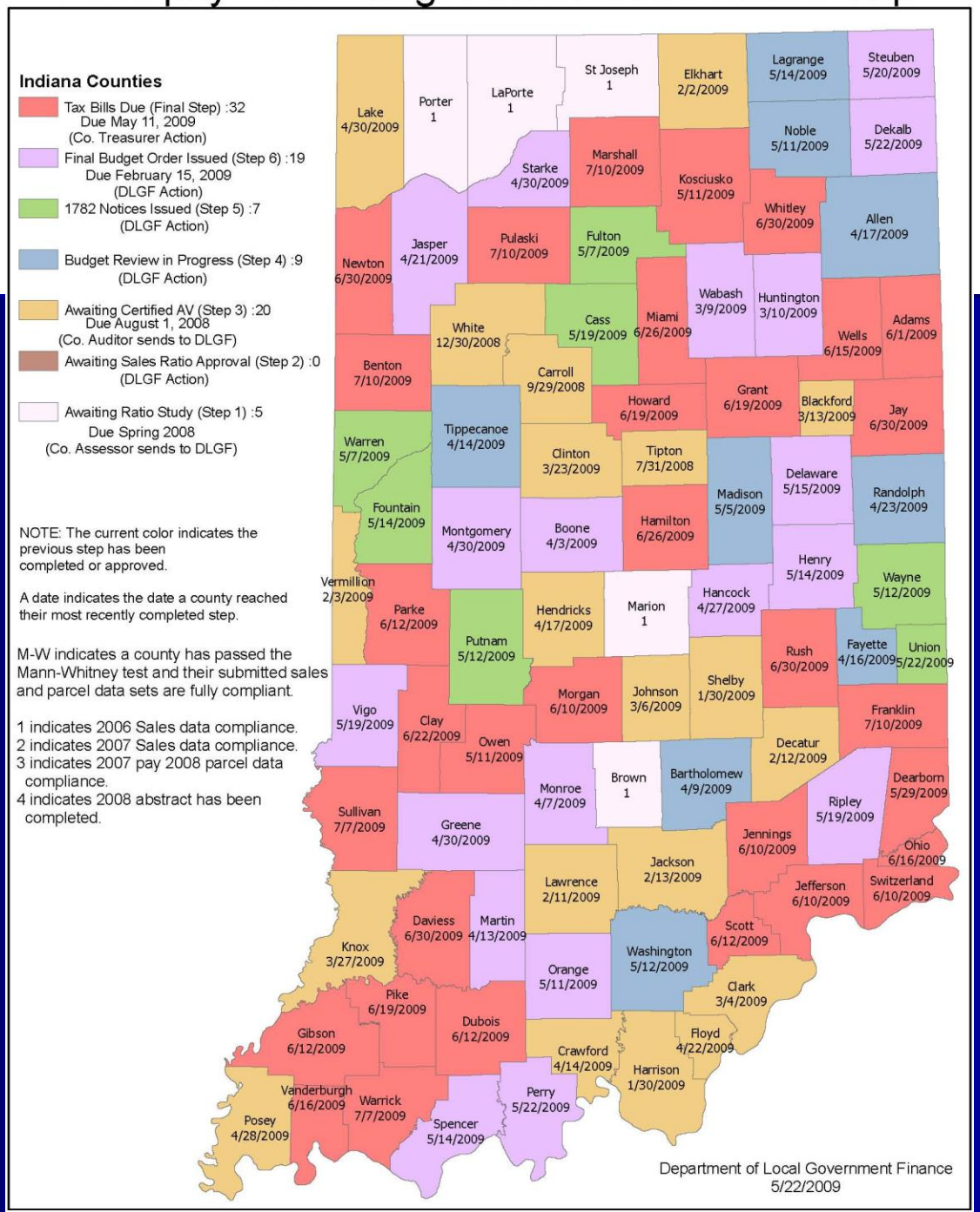
2008 Budget Certification status as of May 22, 2008

Status Maps:
http://www.in.gov/dlgf/6827.htm

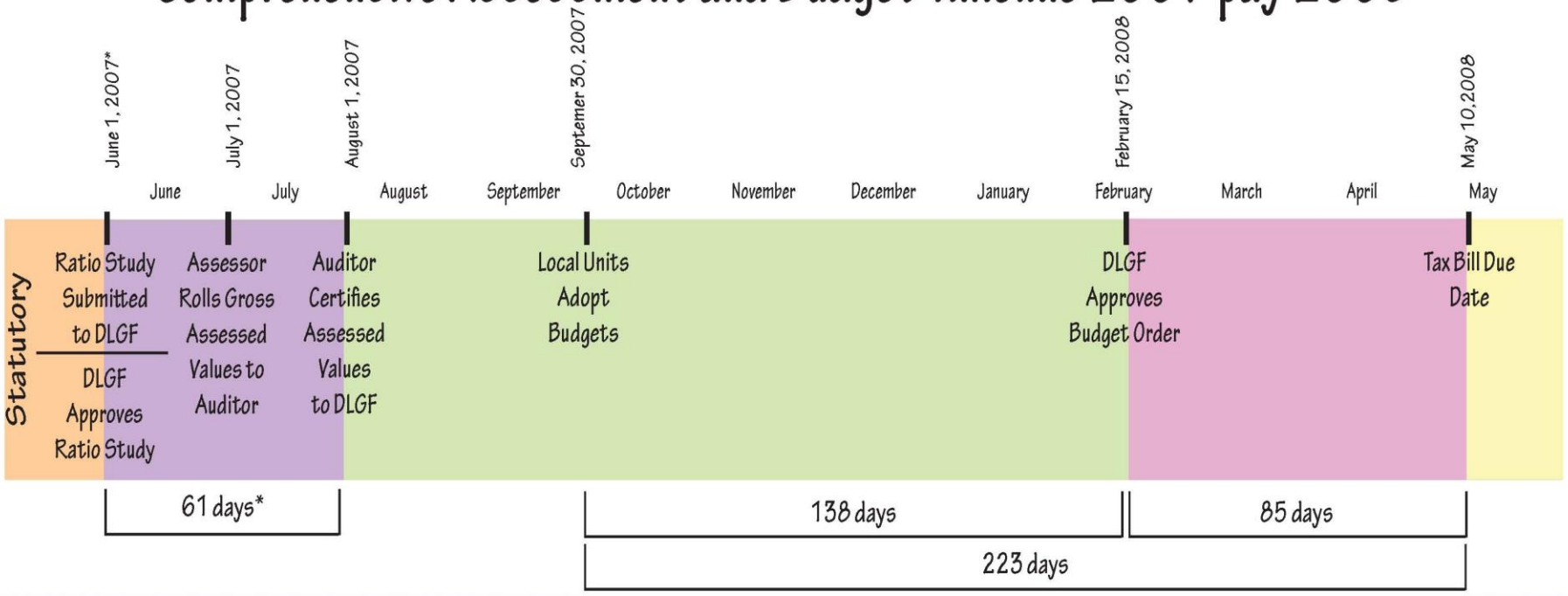


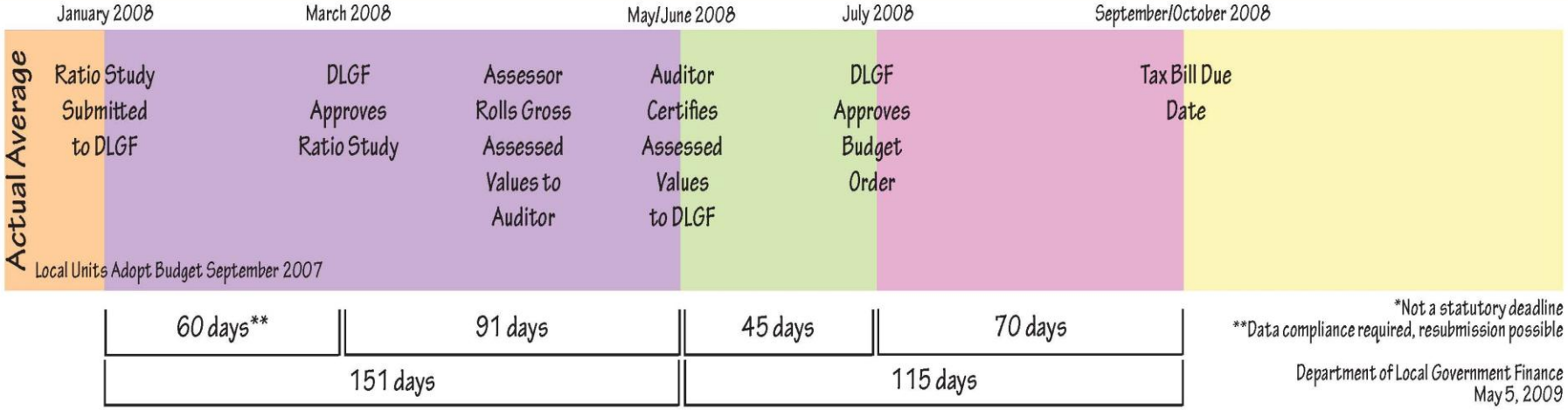
2009 Budget Certification status as of May 22, 2009

Status Maps:
http://www.in.gov/dlgf/6827.htm



Comprehensive Assessment and Budget Timeline 2007 pay 2008

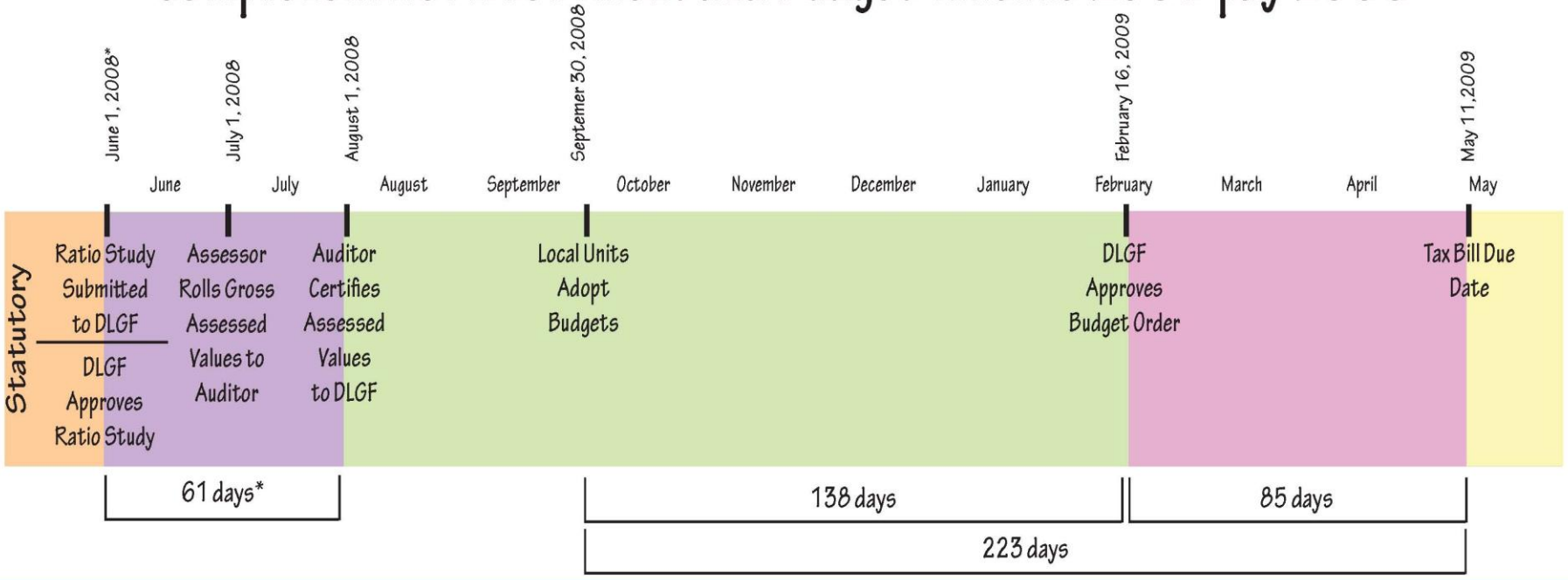


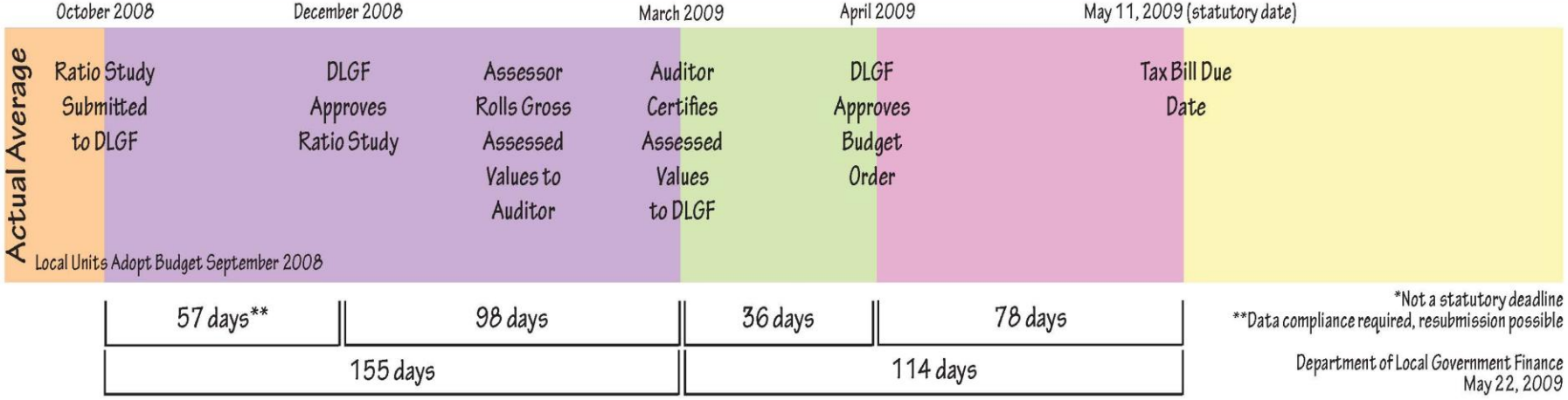


*Not a statutory deadline
**Data compliance required, resubmission possible

Department of Local Government Finance
May 5, 2009

Comprehensive Assessment and Budget Timeline 2008 pay 2009





*Not a statutory deadline
**Data compliance required, resubmission possible

Department of Local Government Finance
May 22, 2009

Some Budget-related Deadlines

- July 31 – Last day to adopt ordinance establishing, increasing or decreasing COIT, CAGIT, or CEDIT rates. IC 6-3.5.
- Aug. 1 – Deadline for auditors to file certificate of net AVs and estimates of miscellaneous revenues with units and DLGF. IC 6-1.1-17-1
- **Aug. 2 – Last day for first publication of proposed tax rate, levy and budget. Also first notice of public hearing on ensuing year's budget. IC 6-1.1-17-3**
- Aug. 3 – Deadline for units to submit to DLGF cumulative fund proposals. IC 6-1.1-17-16.7
- **Aug. 9 – Last day for second publication of proposed tax rate, levy and budget. Also second notice of public hearing on ensuing year's budget. IC 6-1.1-17-3**

Some Budget-related Deadlines

- Sept. 15 – Last day for units to submit proposed budget, rates and levies to county councils for non-binding review and recommendation IC 6-1.1-17-3.5
- Sept. 16- Last day for units with appointed boards to submit budgets to fiscal body for adoption IC 6-1.1-17-20
- Sept. 19 – Last day for units to file excessive levy appeals for annexation/consolidation/extension of services, 3 year growth factor, emergency and correction of error with DLGF. IC 6-1.1-18.5
- Sept. 20 – Last day for ensuing year's budget public hearing. IC 6-1.1-17-5.
  - Deadline for units to submit TIR worksheets to DLGF. IC 6-1.1-21.2

Some Budget-related Deadlines

- Sept. 30 – Deadline for units to adopt budgets, rates and levies. IC 6-1.1-17-5
  - Deadline for cities and counties to adopt salary ordinances for following year. IC 36-4-7-3
- Oct. 1 – Effective date for new LOITs imposed before July 31. IC 6-3.5
- Dec. 15 – Last day for DLGF to accept additional appropriation requests from units. IC 6-1.1-18-5.
- Dec. 30 – Deadline for units to file shortfall excess levy appeals. IC 6-1.1-18.5-16
- Dec. 31 – End of business for calendar/budget year.

- A full list of budget-related deadlines is available on DLGF Web site at http://www.in.gov/dlgf/2444.htm.

New Legislation

- SB 448
  - New property tax exemption for businesses located in Indiana that are “dedicated to computing, networking, or data storage activities.”
  - A business is eligible for the deduction if:
    1) It invests at least $10 million in real and personal property located in Indiana after June 30 ,2009;
    2) The average employee wage of the entity is at least 125 percent of the county average wage of each county in which it conducts business; and
    3) The fiscal body of the county or municipality adopts a resolution exempting the business from property taxation
  - Only the “enterprise information technology equipment” qualifies for the exemption.

New Legislation

- HB 1344
  - Permits a county legislative body to authorize electronic property tax bills and related information.
  - Greater enforcement of homestead standard deduction limitation.
- HB 1094
  - Real Property will be valued for property tax assessment purposes as of the assessment date.
    - In other words, the valuation date and assessment date will be the same beginning in 2010.
  - Eliminates the “Auditor’s Statement”

Contact The Department

- Tim Rushenberg
  - Telephone: 317.232.3775
  - Fax: 317.232.8779
  - E-mail: trushenberg@dlgf.in.gov
- Web site: www.in.gov/dlgf
  - "Contact Us": www.in.gov/dlgf/2338.htm