

# STATE OF INDIANA

DEPT OF LOCAL GOVERNMENT FINANCE  
BUDGET DIVISION



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**TO:** County Auditors

**FROM:** Karen Large, Budget Division Director *KL*

**SUBJ:** Submission of Reports and 2010 Budget Update

**DATE:** September 4, 2009

## MEMORANDUM

Over the past several months you have received several memos, letters, and other forms of communication from the Department of Local Government Finance ("Department") related to the filing of statutory reports. This is a reminder, if you have not already done so, to forward the following information to the Department:

- Circuit Breaker Report
- Annexation Report
- Non-Binding Review and Recommendation Reports
- Ordinances Adopting Local Option Income Tax
- Report of Excess Assessed Value Within TIF Areas
- Certificate of Net Assessed Valuations

More information on each of these reports is included below. **Unless otherwise specified below, all reports should be submitted to [klarge@dlgf.in.gov](mailto:klarge@dlgf.in.gov).**

Additionally, the statutory deadline for units to adopt 2010 budgets, rates, and levies is Monday, **November 2, 2009**; however, many units will adopt their budgets prior to that date. The Department has established an average goal of issuing 2010 budget orders within sixty (60) days from receipt of certified net assessed values or budget adoption deadline of November 2, 2009, whichever is later. Therefore, **as the units of government submit their 2010 adopted budgets, please notify your budget field representative as soon as possible.** (After the budget is adopted, the unit must submit it to the county auditor within two (2) days after adoption. **If the county auditor or county board of tax adjustment (TAB) makes no modifications to the unit budget, rates, or levies, the county auditor will not have to advertise the adopted tax rate chart, or "TAB chart."**

After notification, the budget field representative will pick up the submitted budget(s) and begin the 1782 Notice process. After all 1782 Notices have been prepared for the units within the county, they will be mailed and units will be given an opportunity to respond and propose changes to their budgets, rates and levies. Units will have ten (10) days to respond to any revision, reduction, or increase the DLGF proposes in a political subdivision's tax levy or tax rate.

The DLGF goal of on-time billing and collection in 2010 will be accomplished with your assistance. We appreciate your time and effort in making this happen!

### **Summary of Reports to be Submitted to the Department**

**Circuit Breaker Report** - Each county auditor is required to submit a report to the Department certifying by taxing unit the total amount of circuit breaker credits. The report must show the amount that each **taxing unit's** distribution of property taxes will be reduced as a result of the circuit breaker credits. The auditor must also notify each taxing unit, in which the credit is applied, of the reduction of property tax collections. (I.C. 6-1.1-20.6-9.5).

While this report should be submitted to the Department within thirty (30) days of abstract approval, the Department has not received the information from all counties that should be able to submit the report at this time. The Department has compiled county-specific data into a format that will require County Auditors to enter *only* the circuit breaker credit information by taxing district, which is available from the Abstract of Taxes. The report is formatted to calculate the circuit breaker credit by taxing unit. The form and instructions are available on the Department's Web site at [www.in.gov/dlgf/8225.htm](http://www.in.gov/dlgf/8225.htm). **If you have already submitted the information by taxing unit, it is not necessary to resubmit.**

**Annexation Report** – **In accordance with federal regulations, annexations cannot occur in the year before a census.** County auditors are required to report to the Department any annexations that have occurred within the permissible time frame prior to December 31, 2008. As 2010 is the census year, the DLGF will only use annexation AVs if the annexation ordinance was adopted with an effective date on or before December 31, 2008. If you have not submitted the annexation report, please include the effective date of the ordinance on the report. The DLGF will not acknowledge annexation ordinances with effective dates of January 1, 2009 through December 31, 2009.

**Non-Binding Review and Recommendation Reports** – This information should be provided to the budget field representative when they pick up 2010 budgets from the county auditor. At a minimum, the report should include **the unit name, date of submission to the county fiscal body, date of action by the county fiscal body, and recommendation of the county fiscal body.** County auditors only need to provide this information to the budget field representative. The budget field representative will make this information available to the Indianapolis office.

If a unit fails to file their proposed 2010 budget by **Thursday, September 17, 2009** with the county council, the Department will certify the 2009 budget and levy amounts for the 2010 budget for that civil taxing unit. If the county council does not complete a review by the deadline of **Monday, October 19, 2009** for a unit that has submitted, the Department will certify the 2009 budget and levy amounts for the county's 2010 budget.

**Ordinances Adopting Local Option Income Tax** – The deadline for adopting or changing an ordinance establishing a LOIT, effective in 2009, is any time **before Monday, November 2, 2009.** In addition to sending this information to the Department, the county auditor should also send a certified copy of the ordinance to Bob Lain at the State Budget Agency at [blain@sba.in.gov](mailto:blain@sba.in.gov).

**Report of Excess Assessed Value Within TIF Areas** – Redevelopment Commissions must submit to county auditors a notice of any excess assessed value within TIF areas (pass-thru assessed value) that may be allocated to taxing units. This notice should be submitted prior to certification of the 2010 assessed valuations to the Department. County auditors are asked to submit a copy of the redevelopment commission’s written notice to the Budget Division at the same time that the Certificate of Net Assessed Valuations is filed with the Department.

**Certificate of Net Assessed Valuations** – Page 1 of the certification should include a summary of all **taxing districts** in the county. Be sure to include the information under Column B (Bank PP AV). A similar page should be filed for each **taxing unit** in the county. This page should list only districts included in that particular unit listed at the top of the page. The certificate should also include the page (referred to as Page 2) which identifies the assessed value applied to Homestead credit after the deduction is applied and TIF assessed value eligible for TIR (TIF established before 12/31/2002). Page 2 is a summary of all taxing districts in the county.

If you have any questions, please contact Karen Large at 317-234-3937 or [klarge@dlgf.in.gov](mailto:klarge@dlgf.in.gov).