

STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



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TO: County Auditors
FROM: Brian E. Bailey, Commissioner *BEB*
DATE: July 21, 2010
SUBJECT: Certification of Net Assessed Values

This memorandum reviews current law regarding the submission of certified net assessed values ("NAVs") to the Department of Local Government Finance ("Department") by county auditors.

The statutory deadline for submission of NAVs for 2010 pay 2011 is August 2. The local budget adoption deadline is November 1.

Delays in the submission of NAVs, in cases where all local budgets are adopted prior to November 1, will affect the timeframe within which the Department will review and certify 2011 budgets. The Department encourages all county auditors to submit NAVs as soon as possible so the Department can meet the February 15, 2011 deadline for certification of 91 county budgets*, and we can again achieve on-time billing.

The Department understands there are concerns about certification of NAVs prior to December 31, 2010 because of the effect of incoming deduction applications and appeals. As a reminder, county auditors have the authority to withhold or reduce a taxing unit's net assessed value by two percent (2%) to absorb the effects of reduced property tax collections from appeals and application of deductions (IC 6-1.1-17-0.5):

The county auditor may reduce a taxing unit's assessed value under this subsection only to enable the taxing unit to absorb the effects of reduced property tax collections in the immediately succeeding calendar year that are expected to result from any or a combination of the following:

- (1) Successful appeals of the assessed value of property located in the taxing unit.
- (2) Deductions under IC 6-1.1-12-37 and IC 6-1.1-12-37.5 that result from the granting of applications for the standard deduction for the calendar year under IC 6-1.1-12-37 or IC 6-1.1-12-44 after the county auditor certifies assessed value as described in this section.

- (3) Deductions that result from the granting of applications for deductions for the calendar year under IC 6-1.1-12-44 after the county auditor certifies assessed value as described in this section.
- (4) Reassessments of real property under IC 6-1.1-4-11.5.

Additionally, a county auditor can request from the Department the authority to withhold more than two percent (2%) if a greater impact is expected. (IC 6-1.1-17-8.5). To do so, the auditor should send the written request to the Commissioner, along with supporting information for the request. Two samples are included for reference.

For more information about what should be included with the NAV certification, please see our July 9, 2010 memo, available at [http://www.in.gov/dlgf/files/100708 - Large Memo - Submission of Reports and Budget Information.pdf](http://www.in.gov/dlgf/files/100708_-_Large_Memo_-_Submission_of_Reports_and_Budget_Information.pdf).

If you have any questions, please contact Karen Large, Budget Director, at 317.234.3937 or klarge@dlgf.in.gov.