
STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



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

FROM: Jason Cockerill, Commissioner

DATE: May 26, 2026

SUBJECT: Redevelopment Commission Responsibilities Regarding Excess Assessed Valuation

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)(5)).

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 the 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)(5)(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 doing so would endanger the interests of bondholders described in Ind. Code § 36-7-14-39(b)(4) or lessors under Ind. Code § 36-7-14-25.3.

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)(4), 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.

Legislative Changes for 2026 – Failure to Provide Notice of Excess AV

House Enrolled Act 1210-2026 (“HEA 1210”) amended numerous sections of Indiana Code to add a new provision related to the June 15 notice by redevelopment commissions of the amount of any excess assessed value within TIF districts. The affected statutes include Ind. Code § 36-7-14-39; Ind. Code § 36-7-14-48; Ind. Code § 36-7-14-52; Ind. Code § 36-7-15.1-26; Ind. Code § 36-7-15.1-35; Ind. Code § 36-7-15.1-53; and Ind. Code § 36-7-15.1-62.

The provision added to these statutes reads as follows:

If a commission fails to provide the notice under this clause, the county auditor shall allocate five percent (5%) of the assessed value in the allocation area that is used to calculate the allocation and distribution of allocated tax proceeds under this section to the respective taxing units. However, if the commission notifies the county auditor and the department of local government finance, no later than July 1, that it is unable to meet its debt service obligations with regard to the allocation area without all or part of the allocated tax proceeds attributed to the assessed value that has been allocated to the respective taxing units, then the county auditor may not allocate five percent (5%) of the assessed value in the allocation area that is used to calculate the allocation and distribution of allocated tax proceeds under this section to the respective taxing units.

Commissions who fail to provide the required notice by June 15 may still notify the county auditor and Department by July 1 that the commission would be unable to meet its debt service obligations with regard to the allocation area without all or part of the allocated tax proceeds attributed to the assessed value that has been allocated to the respective taxing units. Absent such notice, the county auditor must allocate five percent (5%) of the assessed value in the TIF district that is used to calculate the allocation and distribution of allocated tax proceeds under this section to the respective taxing units. There is no formal document for commissions to use in notifying the auditor and the Department of an inability to otherwise meet debt service obligations. However, the notification should be made in writing, which may be by email, and must be provided no later than July 1.

Gateway Submission Procedures

All redevelopment commissions will submit the Notice to the Department through Gateway. For 2026, the Notices will need to be uploaded via the TIF Management Application in a newly created upload feature to the right of the annual reporting area and below the TIF Neutralization area. Redevelopment commissions indicating that they do not have excess assessed value still must report that value.

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