Local Government Budgeting

Insight: Gateway Online Portal

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May 11, 2019
Purdue University Northwest
1. What is the Department of Local Government Finance (DLGF)?
2. What does the budgeting process consist of?
3. How does the Department review a budget?
4. What resources does the Department make available for local government and for taxpayers?
Overview
The Department of Local Government Finance is responsible for ensuring property tax assessment and local government budgeting are carried out in accordance with Indiana law.

The Department is charged with publishing property tax assessment rules and annually reviewing and approving the tax rates and levies of every political subdivision in the state, including all counties, cities, towns, townships, school corporations, libraries, and other entities with tax levy authority.
Overview

The elected officials across the State of Indiana are responsible for determining the financial priorities and goals of their constituency.

The Department cannot provide local government officials with financial or legal advice outside of an explanation of their statutory options are and how Indiana code requires the unit to proceed.
Overview

• The Department is organized into 7 divisions that each play a different role in the Department’s Primary Goal.

• Contact Us: https://www.in.gov/dlgf/2338.htm

• Divisions:
  • Executive
  • Assessment
  • Budget
  • Communications
  • Data Analysis
  • Information Systems
  • Legal
Overview

Department’s Mission Statement
Ensure a fair and equitable property tax system for Indiana taxpayers.

Department’s Primary Goal
Facilitation of the on time and accurate property tax bills sent to 4 million taxpayers in the State of Indiana.

Budget Certification
Works with local officials to certify budgets for over 2,400 units.
Budget Overview
Budget Overview

• The budgeting process is an annual cycle in which the unit of government prepares a spending plan and revenue estimates, including property taxes for the ensuing year.

• This process spans 18 months because it also takes into account the expenses and revenues for the last 6 months of the current year.
Budget Overview

Unit prepares ensuring year’s budget (Form 1) and revenue estimate (Form 2).

Unit attends budget workshops/completes the budget forms.

Advertising occurs and public hearing is held.

Budget adoption and submission of budget forms.

DLGF reviews the submitted data and issues a 1782 Notice.

Unit carefully reviews the 1782 Notice and responds within 10 days.

December 31 Budget Certification.
Budget Overview – Form 1

- Spending Plan (Form 1)
  - Personal Services
  - Services and Charges
  - Capital Outlays

- Form 1 data is located under the “Line-Item Budget Estimate” Report in Gateway
  - [https://gateway.ifionline.org/report_builder/](https://gateway.ifionline.org/report_builder/)
Budgets

Every local government unit with authority to levy a property tax must submit a budget for the coming calendar year to the Indiana Department of Local Government Finance, which has the responsibility to review and certify budgets and set tax levies and tax rates.

Learn more about these data »

Active Budget Forms

- **Budget Estimate - Financial Statement - Tax Rate**
  Based on data collected on Budget Form 4-B. Report displays budget and revenue estimates, June 30 cash balances, and tax rates and levies by fund as advertised and adopted by the local unit. Certified amounts are available after DLGF budget review.

- **Budget Summary**
  Based on data collected on Budget Form 4-A. Report displays budget estimates by fund, department, and expenditure category as advertised and adopted by the local unit.

- **Budget Summary by Selected Fund and Department**
  Based on data collected on Budget Form 4-A. Report displays budget estimates by fund, department, and expenditure category as advertised and adopted by the local unit.

- **Line-Item Budget Estimate**
  Based on data collected on Budget Form 1. Report displays itemized budget estimates for each fund and department as advertised and adopted by the local unit.

Budgeted Spending 2019
Adams County - Adams County, Indiana
2010 Population - 34,387

<table>
<thead>
<tr>
<th>Unit Name</th>
<th>Fund</th>
<th>Department</th>
<th>Category</th>
<th>SubCategory</th>
<th>Line Item Code</th>
<th>Line Item</th>
<th>Published</th>
<th>Published Per Capita</th>
<th>Adopted</th>
<th>Adopted Per Capita</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adams County</td>
<td>0101 - General</td>
<td>Clerk of Circuit Court (County Clerk)</td>
<td>Personal Services</td>
<td>Salaries and Wages</td>
<td>1000001100012</td>
<td>Deputies</td>
<td>3242,303</td>
<td>$7.05</td>
<td>3236,346</td>
<td>$6.69</td>
</tr>
</tbody>
</table>
Budget Overview – Form 2

- Revenue Estimates (Form 2)
- Cash and Investments
- Property Tax
- License Excise Tax
- Local Income Tax (LIT) Certified Shares

- Form 2 data is located under the “Estimate of Miscellaneous Revenue” Report in Gateway
  - [https://gateway.ifionline.org/report_builder/](https://gateway.ifionline.org/report_builder/)
Budget Overview – Form 2

Budgets

Every local government unit with authority to levy a property tax must submit a budget for the coming calendar year to the Indiana Department of Local Government Finance, which has the responsibility to review and certify budgets and set tax levies and tax rates.

Learn more about these data »

Active Budget Forms

- **Budget Estimate - Financial Statement - Tax Rate**
  Based on data collected on Budget Form 4-B. Report displays budget and revenue estimates, June 30 cash balances, and tax rates and levies by fund as advertised and adopted by the local unit. Certified amounts are available after DLGF budget review.

- **Budget Summary**
  Based on data collected on Budget Form 4-A. Report displays budget estimates by fund, department, and expenditure category as advertised and adopted by the local unit.

- **Budget Summary by Selected Fund and Department**
  Based on data collected on Budget Form 4-A. Report displays budget estimates by fund, department, and expenditure category as advertised and adopted by the local unit.

- **Line-Item Budget Estimate**
  Based on data collected on Budget Form 1. Report displays itemized budget estimates for each fund and department as advertised and adopted by the local unit.

- **Estimate of Miscellaneous Revenue**
  Based on data collected on Budget Form 2. Report displays estimates of all revenues except property taxes by fund as submitted by the local unit. Revenue estimates used in calculating certified budgets are available after DLGF budget review.

Estimate of Miscellaneous Revenue Report, 2019
Brown County - Brown County, Indiana
2010 Population - 15,242

<table>
<thead>
<tr>
<th>Fund: 0101 - GENERAL</th>
<th>July 1 - December 31, 2018</th>
<th>January 1 - December 31, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Line Item Code</td>
<td>Adopted Amount</td>
<td>Adopted Amount Per Capita</td>
</tr>
<tr>
<td>R105</td>
<td>$667,837</td>
<td>$43.02</td>
</tr>
<tr>
<td>R108</td>
<td>$64,070</td>
<td>$4.20</td>
</tr>
</tbody>
</table>
Budget Review
The Department is responsible for 3 main tasks when certifying the budget.

1. Were the proper statutory procedures followed for the advertising, adoption, submission of the budget?

2. Are the property taxes within their statutory maximum amounts?

3. Is the submitted budget fundable by the available revenue?
1. Were the proper procedures followed?

- Notice to Taxpayers submitted at least 10 days before public hearing.
- Public and Adoption meetings at least 10 days apart.
- Adopting no later than November 1.
- Timely submission of all budget forms.
- Taxpayers can signup to be notified of public meetings:
  - [https://budgetnotices.in.gov/](https://budgetnotices.in.gov/).
2. Are the property taxes within their statutory maximum amounts?

• The maximum levy is the cap on the amount of property tax a unit can generate in a given year.

• The Department reviews the levies adopted by all units. If the adopted levy exceeds the maximum, the Department will adjust the levy.

• The maximum levy estimates are available on the Department website.
3. Are the submitted budgets fundable by the available revenue?

- Budget Not Fully Funded
  - Expenses
    - Next Year’s Budget
    - Last Half of Current Year Expenses
  - Revenue
    - Miscellaneous Revenue
    - Property Taxes
    - June 30 Cash Balance
Budget Review

3. Are the submitted budgets fundable by the available revenue?

Fully Funded Budget

Expenses

Revenue

- Next Year’s Budget
- Last Half of Current Year Expenses
- Miscellaneous Revenue
- Property Taxes
- June 30 Cash Balance
The budget order contains the certified: budget, net assessed value, property tax levy, and property tax rate for each fund reviewed by the Department.

<table>
<thead>
<tr>
<th>Fund</th>
<th>Certified Budget</th>
<th>Certified AV</th>
<th>Certified Levy</th>
<th>Certified Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>0061 RAINY DAY</td>
<td>$0</td>
<td>$2,345,859,350</td>
<td>$0</td>
<td>$0.0000</td>
</tr>
<tr>
<td>0101 GENERAL</td>
<td>$12,750,000</td>
<td>$2,345,859,350</td>
<td>$3,842,518</td>
<td>$0.1638</td>
</tr>
</tbody>
</table>
Property Tax Assessment
Assessed Value Database

- https://www.in.gov/dlgf/4931.htm

- The Department has compiled this assessed property value information in an easy-to-use format to assist taxpayers in obtaining information about property taxes.

- The Assessed Value Database has detailed property information, including: (1) property transfer date; (2) total assessed value for land; (3) total assessed value; and (4) appraisal date
**Assessment Information**

Search by name and/or street address for assessed value information.

- **Assessment Year**: 2018
- **County**: Adams
- **Property Type**: 
- **Property Owner's Name (First Or Last)**: 
- **Property Street Address**: 
- **Parcel Number**: 

### Parcel Information

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parcel Number</td>
<td>010618300029000015</td>
</tr>
<tr>
<td>State Assigned District Number</td>
<td>015</td>
</tr>
<tr>
<td>Assessment Year</td>
<td>2018</td>
</tr>
<tr>
<td>Neighborhood Identifier</td>
<td>910501-015</td>
</tr>
<tr>
<td>Owner</td>
<td></td>
</tr>
<tr>
<td>Property Address</td>
<td>3303 N SALEM RD</td>
</tr>
<tr>
<td>Property City</td>
<td>DECATUR</td>
</tr>
<tr>
<td>Property Zip</td>
<td>46733</td>
</tr>
<tr>
<td>Property Class Code</td>
<td>511</td>
</tr>
<tr>
<td>Legal Description</td>
<td>N 150' X 220' OF S 350' NW SW E OF RD SEC 18 (0.75A)</td>
</tr>
<tr>
<td>Owner Address</td>
<td>3303 N SALEM RD</td>
</tr>
<tr>
<td>Owner City</td>
<td>DECATUR</td>
</tr>
<tr>
<td>Owner State</td>
<td>IN</td>
</tr>
<tr>
<td>Owner Zip</td>
<td>46733</td>
</tr>
<tr>
<td>Date Transferred to Owner</td>
<td>03/09/1983</td>
</tr>
<tr>
<td>Current Assessed Value Total Land</td>
<td>$20,400.00</td>
</tr>
<tr>
<td>Current Assessed Value Total Improvements</td>
<td>$70,100.00</td>
</tr>
<tr>
<td><strong>Assessed Value Total Land and Improvements</strong></td>
<td><strong>$90,500.00</strong></td>
</tr>
<tr>
<td>Appraisal Date</td>
<td>5/29/2018 12:00:00 AM</td>
</tr>
</tbody>
</table>
Tax Bill Information

- [https://www.in.gov/dlgf/4929.htm](https://www.in.gov/dlgf/4929.htm)

- The Department website also contains a database for taxpayers to search tax bill information that is directly reported by the county.

- The Tax Bill Information database has detailed property tax information, including: (1) total assessed value; (2) deductions; (3) exemptions; (4) credits; (5) penalties; and (6) total taxes due
Tax Bill Information

Tax Bill Year
County
Tax Payer Name (First Or Last)
Billing Street Address
District
Taxing District Rate
Total Tax Bill

Search

Total AV
(If information appears incorrect or inaccurate, please contact the county auditor.
Data appears as reported from the county.)
Total AV $79,000.00

Deductions
(If information appears incorrect or inaccurate, please contact the county auditor.
Data appears as reported from the county.)
No Deductions

Exemptions
(If information appears incorrect or inaccurate, please contact the county auditor.
Data appears as reported from the county.)
No Exemptions

Net AV
(If information appears incorrect or inaccurate, please contact the county auditor.
Data appears as reported from the county.)
Net AV $79000
Tax Bill Estimator

- [https://gateway.ifionline.org/CalculatorsDLGF/TaxCalculator.aspx](https://gateway.ifionline.org/CalculatorsDLGF/TaxCalculator.aspx)

- The Department of Local Government Finance, in partnership with the Indiana Business Research Center (IBRC) at Indiana University, has created the tax bill projector for Indiana taxpayers. All information is for taxes due and payable in the year selected.
Tax Bill Estimator

1. Select your unit items

Select a county:
Clay

Select a tax district:
001 - Brazil Township

Assessed Value:
$ 100000

Select a property type from the list:
Homestead (Owner-occupied residence)

2. Select your deductions

Homestead Deduction $45,000
Suppl. Homestead Deduction $19,250
Mortgage Deduction $3,000
65 or Over Deduction
Disabled Veteran's Deduction $12,480
Partially Disabled Veteran's Deduction
Other Deductions $  

Estimate This Bill
Clear All Input Values
### Estimated Tax Bill - 2018 Pay 2019

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Assessed Value</td>
<td>$100,000</td>
</tr>
<tr>
<td>Net Assessed Value</td>
<td>$20,270</td>
</tr>
<tr>
<td>Gross Annual Taxes</td>
<td>$364</td>
</tr>
<tr>
<td>Minus Savings Due to Property Tax Cap</td>
<td>$0</td>
</tr>
<tr>
<td>Taxes Due to Property Tax Cap Exempt Tax Rates</td>
<td>$0</td>
</tr>
<tr>
<td>Net Annual Tax Bill Estimated</td>
<td>$364</td>
</tr>
</tbody>
</table>

### Tax Rate Details

<table>
<thead>
<tr>
<th>Description</th>
<th>Rate</th>
</tr>
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<tbody>
<tr>
<td>Total Tax Rate</td>
<td>1.7937%</td>
</tr>
<tr>
<td>Property Tax Cap Exempt Tax Rate</td>
<td>0.0000%</td>
</tr>
<tr>
<td>Property Tax Cap</td>
<td>1%</td>
</tr>
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**Maximum Property Tax Bill** $1,000
Referendum Impact Calculator

- **https://gateway.ifionline.org/CalculatorsDLG F/RefCalculator.aspx**

- The Referendum Impact Calculator allows taxpayers to enter their property’s assessed value and deductions, and receive an estimate of additional property tax that would result if the referendum is approved. The calculator is uses the maximum rate for which the unit is seeking approval through the referendum.

- The calculator is currently available for the following counties: (1) DeKalb; (2) Elkhart; (3) Johnson; (4) Lake; (5) Marion; (6) Marshall; (7) Porter; (8) Steuben; and (9) White
# Referendum Impact Calculator

### 1. Select your unit item

- **Select a county:**
  - Marion

- **Select a referendum:**
  - MSD Decatur Township Operating

- **Assessed Value:**
  - $100000

- **Select a property type from the list:**
  - Homestead (Owner-occupied residence)

### 2. Select your deductions

- **Homestead Deduction**
  - $45,000

- **Suppl. Homestead Deduction**
  - $19,250

- **Mortgage Deduction**
  - $3,000

- **65 or Over Deduction**

- **Disabled Veteran's Deduction**
  - $12,480

- **Partially Disabled Veteran's Deduction**

- **Other Deductions**

**Buttons:**
- Estimate Impact
- Clear All Input Values
Referendum Impact Calculator

### Estimated Tax Bill - 2018 Pay 2019

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Maximum Property Tax Bill $1,000
Questions?
Thank you!

- Emily Crisler, Deputy General Counsel
- Telephone: 317-234-8624
- Email: emcrisler@dlgf.in.gov
- Website: www.in.gov/dlgf
- “Contact Us”: www.in.gov/dlgf/2338.htm