

STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE
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ORDER

EXTENSION OF THE DEADLINE FOR POLITICAL SUBDIVISIONS TO FIX BUDGETS, TAX RATES, AND TAX LEVIES FOR 2009 (ISSUED ON AUGUST 7, 2008)

The Department of Local Government Finance ("Department") is extending the deadline for the officers of political subdivisions to fix budgets, tax rates and tax levies for 2009. This extension is available for any political subdivision that desires to take advantage of it; those political subdivisions that desire to adopt their budget based on the existing schedule may do so.

This extension is granted due to the lack of sufficient information for the officers of some political subdivisions to fix their budgets, tax rates, and tax levies by the September 30 deadline in IC 6-1.1-17-5. In particular, the following circumstances make it impractical for some local officials to prepare, present, and deliberate on their 2009 budgets:

- Due to continued delays in the assessments of property caused by the difficulty in implementing the change to market value assessment required by the state Supreme Court's assessment decision, some officials representing political subdivisions lack the information to accurately determine the effect of certain components of House Enrolled Act 1001 (P.L. 146-2008) including the expanded "circuit breaker caps" and additional disclosure for tax increment financing areas.
- Some counties have yet to receive their 2008 budget orders from the Department, which is also due to continued delays in the assessments of property.
- Without reasonable estimates of property tax rates and what property tax revenue can be generated in 2009, many County Councils will be unable to accurately perform its non-binding review of civil taxing units' budgets, tax rates, and tax levies, as required by IC 6-1.1-17-3.5.
- Section 867 of House Enrolled Act 1001 (P.L. 146-2008) extended the deadline for the adoption of a Local Option Income Tax ("LOIT") to December 31, 2008. Some local officials will have difficulty approving a budget without knowing precisely what the LOIT rate will be.

Without more information in each of the areas outlined above, some local officials cannot make informed choices about their budgets, tax rates, or tax levies by the September 30 budget adoption deadline.

Accordingly, it is clear the legislature intended for officials representing political subdivisions to fix their budgets, tax rates, and tax levies with full knowledge of assessed values in their county, since the statutory deadline for certified net assessed value submission is August 1, and extension of the budget adoption deadline is necessary to achieve this legislative intent.

Therefore, in accordance with the authority granted under IC 6-1.1-35-1(1), the Department hereby issues the following ORDER:

- **the extension of the deadline for the last date to adopt a school corporation's capital projects fund (CPF) plan and school bus replacement plan to November 21.**

Despite this Order to extend the aforementioned deadline to November 21, the Department remains committed to issuing 2009 budget orders by the February 15 deadline required by IC 6-1.1-17-16. Indeed, this year the Department has issued budget orders at a pace 27% faster than last year. The Department will continue to work with counties to assist them in meeting the statutory deadlines for assessed value submission and budget adoption, and is committed to pursuing legislative remedies in the 2009 session that will further improve the process.

Dated this 7 day of August, 2008

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



Cheryl A.W. Musgrave, Commissioner

Attachment:
Amended Timeline of Local Budget Process (1 page)

AMENDED TIMELINE OF LOCAL BUDGET PROCESS

- August 1 Assessed values to be certified by County Auditors. IC 6-1.1-17-1. *Date unchanged.*
- August 1 On or before August 1, taxing units must file proposals to adopt Cumulative Funds with DLGF. IC 6-1.1-41-4. *Date unchanged.*
- November 10 Last date for first publication of proposed budget. Must be at least 10 days before the public hearing. IC 6-1.1-17-3. *Original date: September 10.*
- November 14 Taxing units, other than schools, must submit proposed budgets to County Council for non-binding review at least 15 days before the unit's adoption date. IC 6-1.1-17-3.5. *Original date: September 15.*
- November 17 Taxing units with appointed boards, other than schools, with proposed budget increases more than 4% from the prior year, must submit the proposed budgets to either the city/town fiscal body or the County Council at least 14 days before these appropriate fiscal bodies hold budget approval hearings. IC 6-1.1-17-20. *Original date: September 16.*
- November 18 Last date for second publication of proposed budget. Must be at least 3 days before the public hearing. IC 5-3-1-2. *Original date: September 17.*
- November 20 Last date to file excessive levy appeals, other than shortfall appeals, with the DLGF. IC 6-1.1-18.5-12. *Original date: September 19*
- November 21 Last date for public hearing. Must be at least 10 days before the budget adoption date. IC 6-1.1-17-5(a). *Original date: September 20.*
- November 21 Last date to adopt school CPF plan and school bus replacement plan. IC 20-46-6-8 and IC 20-46-5-6. Original date: September 20.**
- December 1 Last date for budget adoption. IC 6-1.1-17-5. *Original date: September 30.*
- December 3 Last date to file budgets with the County Auditor. Must be no later than 2 days after budget adoption. IC 6-1.1-17-5(d). *Original date: October 2.*
- December 17 Last date for County Auditor to prepare a notice of the proposed tax rates to be charged on each one hundred dollars (\$100) of assessed valuation for the various funds in each taxing district. Must be within 15 days after budgets, rates, and levies are approved or modified by the County Board of Tax Adjustment or County Auditor. IC 6-1.1-17-12. *Original date: October 14.*
- December 27 Last date on which 10 or more taxpayers, or one taxpayer owning 10% or more of the assessed value in a taxing district, may file an appeal of the advertised rates with the County Auditor. IC 6-1.1-17-13. *Original date: October 26.*
- December 31 Last date to file shortfall appeals. IC 6-1.1-18.5-12. *Date unchanged.*