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ALERTS

Governmental Services And Finance Alet - Additional Annual Reporting Requirements, Authority For "Age-Restricted Housing" TIF Districts On Horizon For Indiana Redevelopment Commissions

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Indiana Governor Mike Pence is considering signature of several legislative bills passed during the 2013 session, including one that would require Indiana Redevelopment Commissions to report on their activities to city, town and county councils.

House Enrolled Act 1116, if signed, would require Redevelopment Commissions to submit a report by August 1 (beginning in 2013) to the fiscal body of the unit (Common Council in cities, Town Council in towns, and County Councils in counties). The report is required to include specified information for each tax increment financing (TIF) district for the previous year, including:

- Revenues received;
- Expenses paid;
- Fund balances;
- Amount and maturity date for all outstanding obligations;
- Amount paid on outstanding obligations; and
- List of parcels included in each TIF District and the base assessed value and incremental assessed value for each parcel in the list.

By October 1 of each year, the fiscal body of the unit will be required to compile the reports received for all TIF Districts and submit a comprehensive report to the Department of Local Government Finance (DLGF) in a form to be determined by the DLGF.

(Note: These reporting requirements are in addition to the comprehensive annual report to the DLGF and the unit's executive that Redevelopment Commissions are currently required to file each year. However, H.E.A. 1145 would extend the filing date for such a comprehensive annual report from January 30 to March 15 of each year.)

H.E.A. 1116 further confirms the established practice that abatement roll-offs in TIF Districts will become part of captured assessed value rather than part of the base. However, H.E.A. 1116 also includes language that provides that adjustments to base assessed value as part of the annual neutralization process may "decrease base assessed value only to the extent that assessed values in the allocation area have been decreased due to annual adjustments or the reassessment under the reassessment plan," raising the possibility that the DLGF could consider modifying the worksheet currently used for such calculations.

House Enrolled Act 1359, if signed by Gov. Pence, would enable Redevelopment Commissions to establish TIF Districts designed to encourage older residents to locate or relocate to the unit, without increasing the school-age population. The "age-restricted housing" TIF Districts would be required to satisfy the Federal Housing for Older Persons Act.

Meanwhile, in other news, the legislature DID NOT PASS Sen. Luke Kenley's Senate Bill 325, which would have provided for legislative body oversight of Redevelopment Commissions and their annual budgets; would have required quarterly reporting by Redevelopment Commissions to the fiscal body of the unit; and would have provided stricter procedures for determining whether Redevelopment Commissions are permitted to retain the full benefit of captured assessed value, potentially requiring a pass-through of a portion of captured assessed value to underlying taxing units.

Likewise, Senate Bill 494 provisions relating to additional Redevelopment Commission members did not survive. An earlier version of the bill would have provided for two new Redevelopment Commission members, both to be appointed by school boards and both to have voting power.

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