

## Fiscal Health Indicators: Net Assessed Value

File: NAV Change.xlsx

### Description:

When determining property tax rates, a key value is the amount of net assessed value for the unit, as certified to the Department by the county auditor. Certified net assessed value is the sum of the real estate and personal property assessed values after the removal of any applicable deductions or exemptions and after removing the assessed value which is being directed to TIF districts. The certified net assessed value is commonly referred to as the property tax base for the local government.

In addition to actual changes in assessed value driven by construction, demolition, purchase, or retirement of personal property, the net assessed value can be influenced by statutory changes and changes in assessment procedures. For this reason, when reviewing percent changes between years, it is important to understand other changes that may have occurred that would impact the net assessed value. For example, from 2013 to 2014, the base rate per acre for agricultural land increased from \$1,630 per acre to \$1,760 per acre, based on a statutory formula. For areas with a large portion of land assessed as agricultural land, this statutory formula may be an underlying reason for changes in the net assessed value.

Please note that the assessed value shown for conservancy districts is not “net assessed value” though it is used in the same way as the net assessed value of other local governments. Conservancy districts tax based on gross assessed value, except for certain exempt properties.

### Fiscal Health Indicator:

Certified Net Assessed Value and Percent Change

The certified net assessed value is the assessed value used to compute property tax rates for a unit. The certified net assessed value shown is for the unit’s main operating fund. It is possible that other funds would have a different net assessed value as the taxing base may vary. In addition, the percent change from the 2013 tax year to the 2014 tax year is also shown. Growth in net assessed value is generally thought to be a positive development for a local government, though it is important to understand the drivers of such growth.

Source: Certified Net Assessed Values for Pay 2013 tax year and Pay 2014 tax year.

### Further Resources:

- Certified Budget, Levy, CNAV, Tax Rate by Fund: <http://in.gov/dlgf/8379.htm>
- Certification of Net Assessed Values by District Report: [https://gateway.ifionline.org/report\\_builder/Default3a.aspx?rptType=assessedValue&rpt=CertNav&rptName=Certification%20of%20Net%20Assessed%20Values%20by%20District](https://gateway.ifionline.org/report_builder/Default3a.aspx?rptType=assessedValue&rpt=CertNav&rptName=Certification%20of%20Net%20Assessed%20Values%20by%20District)