

# STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



INDIANA GOVERNMENT CENTER NORTH  
100 NORTH SENATE AVENUE N1058(B)  
INDIANAPOLIS, IN 46204  
PHONE (317) 232-3777  
FAX (317) 232-8779

**TO:** All Assessing Officials and Vendors  
**FROM:** Timothy J. Rushenberg, Commissioner *TJR 7/9/09*  
**RE:** One (1) Year Delay in General Reassessment Start Date  
**DATE:** July 9, 2009

On June 30, 2009, the Indiana General Assembly enacted House Enrolled Act (HEA) 1001(ss)-2009, which, at Section 85, delays the start date of the general reassessment by one (1) year. The general reassessment requires a "physical inspection" of all real property in the State of Indiana. The general reassessment is now **scheduled to begin July 1, 2010** and be **completed by** the assessment date on **March 1, 2012** (for property taxes first due and payable in 2013).

The purpose of this memorandum is to address the manner in which county assessors may begin preliminary general reassessment work before the July 1, 2010 general reassessment start date. It is the goal of the Department of Local Government Finance ("Department") to restore the timeliness of the property assessment-to-tax billing cycle and return to on-time property tax billing. This goal must be balanced with the need to collect accurate property characteristics data, which is an essential element in developing accurate assessed values, during the general reassessment.

## One (1) Year Delay to General Reassessment Start Date

HEA 1001(ss)-2009, Section 85 amended I.C. § 6-1.1-4-4(a) as follows:

(a) A general reassessment, involving a physical inspection of all real property in Indiana, shall begin July 1, ~~2009~~, **2010**, and each fifth year thereafter. Each reassessment under this subsection:

(1) shall be completed on or before March 1 of the year that succeeds by two (2) years the year in which the general reassessment begins; and

(2) shall be the basis for taxes payable in the year following the year in which the general assessment is to be completed.

(e) (b) In order to ensure that assessing officials are prepared for a general reassessment of real property, the department of local government finance shall give adequate advance notice of the general reassessment to the assessing officials of each county.

(d) (c) For a general reassessment that begins on or after July 1, ~~2009~~, **2010**, the assessed value of real property shall be based on the estimated true tax value of the property on the assessment date that is the basis for taxes payable in the year following the year in which the general reassessment is to be completed.

## Physical Inspection during Reassessment Period

Accuracy of property characteristics data is an essential element in developing accurate assessed values. Accuracy is typically checked by selecting a sample of properties and having the property characteristics data collected again by a supervisor or deputy assessor in the county assessor's office. Property characteristics data must be continually updated in response to changes brought about by new construction, new parcels, remodeling, demolition, and destruction. When a "physical inspection," which is required for a general reassessment under I.C. § 6-1.1-4-4, is conducted, all property characteristics must be inspected and verified during a visit to the property.

The law is clear that a "physical inspection" of all real property must occur within the general reassessment window of July 1, 2010 to March 1, 2012. Therefore, if a county assessor decides to start the physical inspection process *before* the July 1, 2010 general reassessment start date, the county assessor must later verify and confirm the property data collected *before* July 1, 2010 through the use of any of the following verification techniques during the general reassessment time period of July 1, 2010 to March 1, 2012:

- A follow-up property visit;
- Review of county building permit records with follow-up property visit, if necessary; or
- Use of aerial photography (e.g., Pictometry).

These techniques, or any similar verification or confirmation techniques, shall be used to verify and confirm the property characteristics data collected prior to the July 1, 2010 general reassessment start date. The Department is committed to **on-time property tax billing**. Therefore, those counties that are willing and able to build the foundation for a timely and thorough general reassessment before the July 1, 2010 start date are encouraged to do so. **The Department believes that counties have the legal authority to begin preliminary general reassessment work now in accordance with I.C. § 6-1.1-9, which permits a county assessor to assess or reassess undervalued or omitted property in a county.** However, the property characteristics data collected before the July 1, 2010 start date must later be confirmed through any of the confirmation or verification methods described above during the July 1, 2010 to March 1, 2012 general reassessment timeframe.

## Land Valuation

HEA 1094-2009, Section 3 changed IC 6-1.1-4-13.6 (a) to read "Not later than **March** 1 of the year in which a general reassessment becomes effective, the county property tax assessment

board of appeals shall hold a public hearing in the county concerning those values. The property tax assessment board of appeals shall give notice of the hearing in accordance with IC 5-3-1.” Hence, instead of one (1) month to hold a hearing, the PTABOA now has four (4) months to hold the hearing. The role of the PTABOA in reviewing and modifying the land values, if it considers it necessary to provide uniformity and equity, still remains.

## **No Sales Disclosure Form for Public Utility or Government Easements or Rights-of Way**

HEA 1001(ss)-2009, Section 90 amended IC 6-1.1-5.5-2 to exclude public utility or government easements or rights-of-way from the definition of “conveyance document.” Therefore, a sales disclosure form is **not** required to be filed for a transfer of a public utility or government easement or right-of-way grant.

## **Contracts May be Amended or Cancelled**

All counties that have chosen to contract with a third party professional appraiser contractor will need to either cancel the contract or amend the contract to provide for any additional preparatory general reassessment work conducted prior to the July 1, 2010 start date. If the county chooses to amend the contract, the Department considers any addendum to the contract and schedule of work to be contemplated by the terms of the model contract, and therefore, does **not** require rebidding under I.C. § 6-1.1-4-18.5(b). Counties and contractors may contact the Department for a form of addendum, but regardless, it will be necessary for the county assessor, the county board of commissioners, the contractor, and the Department to execute the addendum.

## **Summary**

In summary, the Department’s mission is to restore the property assessment-to-tax billing cycle. The Department is also committed to ensuring that accurate property characteristics data, which is essential in developing accurate assessed values, is collected and verified through “physical inspection.” Starting the general reassessment process before July 1, 2010 to build the foundation for a thorough and timely general reassessment for 2012-pay-2013 is a noble endeavor supported by the Department; however, the property characteristics data collected prior to the start date must be confirmed and verified through the use of any of the techniques discussed above during the July 1, 2010 to March 1, 2012 general reassessment timeframe.

If you have any questions, please contact Assessment Division Director Barry Wood at [bwood@dlgf.in.gov](mailto:bwood@dlgf.in.gov) or (317) 232-3762 or Assistant Assessment Division Director Carol Johns at [cjohns@dlgf.in.gov](mailto:cjohns@dlgf.in.gov) or (317) 234-6342.