STATE OF INDIANA

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Required Provisions for Professional Appraisal Contracts

The following is a list of provisions that are statutorily required for every professional appraisal contract.

1. A fixed date by which the professional appraiser or appraisal firm shall have completed all responsibilities under the contract. *See* Indiana Code § 6-1.1-4-19.5(b)(1).

2. A penalty clause under which the amount to be paid for the appraisal services is decreased for failure to complete specified services within the specified time. *See* Indiana Code § 6-1.1-4-19.5(b)(2).

   The Indiana Code specifically requires that payment be reduced for failure to meet the set completion date. Delaying final payment until completion is insufficient to meet this requirement.

3. A provision requiring the appraiser, or appraisal firm, to make periodic reports to the township assessors involved or the designated Contract Representative for the township assessors. *See* Indiana Code § 6-1.1-4-19.5(b)(3).

4. A provision stipulating the manner in which, and the time intervals at which, the periodic reports are to be made. *See* Indiana Code § 6-1.1-4-19.5(b)(4).

   The contract must state a specific time interval for which reports are to be made, such as monthly or quarterly. Simply stating that reports shall be made periodically is not specific enough to fulfill this requirement.

5. A precise stipulation of what service or services are to be provided and what class or classes of property are to be appraised. *See* Indiana Code § 6-1.1-4-19.5(b)(5).

6. A provision stipulating that the contractor will generate complete parcel characteristics and parcel assessment data in a manner and format acceptable to the legislative services agency and the department of local government finance. *See* Indiana Code § 6-1.1-4-19.5(b)(6).

   The Department suggests that the following language be added to the contract: "Provide complete updated parcel characteristics and assessment data in a manner and form that meets the data export and transmission requirements of the legislative services agency and the department of local government finance." This language will place the duty of providing compliant data on the vendor.

If the contract is one that does not require the contractor to modify parcel characteristics, the contract should state that the Assessor remains responsible for generating complete parcel characteristics and parcel assessment data in a manner and format acceptable to the Department and the Legislative Services Agency.

7. A provision stipulating that the legislative services agency and the department of local government finance have unrestricted access to the contractor's work product under the contract. *See* Indiana Code § 6-1.1-4-19.5(b)(7).

8. A provision stating that the contract adequately provides for the creation and transmission of real property assessment data in the form required by the legislative services agency and the division of data analysis of the department. *See* Indiana Code § 6-1.1-4-18.5(a)(2).

   The Department suggests that the contract include the following language: "The Company shall provide for the creation and transmission of real property assessment data in the form that meets the data export and transmission requirements of the legislative services agency and the division of data analysis of the department of local government finance." This language will place the duty of providing compliant data on the vendor.

9. A provision stating that the contract is void if the individual's, or firm's, appraiser certification, issued under Indiana Code § 6-1.1-31.7, is revoked. *See* 50 IAC 15-4-1(a)(3); 50 IAC 15-4-1(b)(3).

   To be certified as a professional appraiser, an individual or firm must complete the "Professional Appraiser application" located on the Department's website under the "Assessing Officials" Quicklink under the main link "Local Government Info." You may also access the application directly at http://www.in.gov/dlgf/pdfs/ProfessionalAppraiserApp.pdf. The application should be submitted to the Department's Operations, Director Nancy Stassen, for certification.

10. A provision specifying the precise contractual duties that the professional appraiser, *and* the certified Level Two assessor-appraiser that the firm employs will personally fulfill, review, direct, administer, supervise or oversee. *See* 50 IAC 15-4-1(a)(4)(A) and (B); 50 IAC 15-4-1(b)(4)(A) and (B).

11. A provision specifying the precise contractual duties that will be conducted by administrative personnel or any persons other than the professional appraiser *and* the certified Level Two assessor-appraiser that the firm employs. *See* 50 IAC 15-4-1(a)(4)(C); 50 IAC 15-4-1(b)(4)(C).

12. A provision specifying the precise contractual duties that will remain the reasonability of the township or county. *See* 50 IAC 15-4-1(b)(4)(D).

13. If desired, a provision requiring the Contractor to obtain a Performance Bond may be added. This provision is not required by statute but may be useful with contracting with a new

company or if there have been past issues involving a contractor's failure to fulfill the contract.

Please feel free to contact the Department's Staff Attorneys, Mara McCabe and Cathy Wolter, with any questions at 317-232 -377or mamccabe@dlgf.in.gov or cwolter@dlgf.in.gov.