

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: County Assessors
FROM: Timothy J. Rushenberg, Commissioner TJR 7/10/09
RE: Annual Adjustment Factors Developed by the Department
DATE: July 10, 2009

The special session of the Indiana General Assembly added IC 6-1.1-4-4.6, HEA 1001(ss)-2009, Section 86 [effective upon passage], giving the Department of Local Government Finance ("Department") authority, under certain circumstances, to develop annual adjustment factors and conduct the annual adjustment process in a county for a particular year. The purpose of this memorandum is to inform county assessors of these circumstances.

When can the Department develop annual adjustment factors?

If a county assessor has not delivered the county's real property listing to the county auditor before July 2, and at least and at least one hundred eighty (180) days have elapsed after the July 1 deadline, the Department may develop annual adjustment factors for that year. (Deadline specified in IC 6-1.1-5-14; detailed list requirements are specified in IC 6-1.1-5-14.)

How will the Department develop the annual adjustment factors?

The Department will use data obtained from the county assessor or any of the sources listed in the annual adjustment administrative rule. This includes county or state sales data, government studies, ratio studies, cost and depreciation tables, and other market analyses.

Can a taxpayer object to the Department's annual adjustment factors?

Yes. Taxpayers can make objections during a required public hearing before the Department issues the final annual adjustment factors. The hearing will be advertised and held in accordance with IC 6-1.1-14-4 and IC 6-1.1-14-9, as applicable,

How will the Department's annual adjustment factors be applied?

The Department will apply the factors adopted to all real property for the particular assessment date. For example, if the Department establishes adjustment factors for the 2009 pay 2010 billing cycle, the factors will be applied to real property as of the March 1, 2009 assessment date. This will be specified by the Department in its final determination.

If you have questions, please contact Staff Attorney, Cathy Wolter at cwolter@dlgf.in.gov or Assessment Director, Barry Wood at bwood@dlgf.in.gov .

Text of the new statute

IC 6-1.1-4-4.6:

(a) If a county assessor fails before July 2 of a particular year to prepare and deliver to the county auditor a complete detailed list of all of the real property listed for taxation in the county as required by IC 6-1.1-5-14 and at least one hundred eighty (180) days have elapsed after the July 1 deadline specified in IC 6-1.1-5-14 for delivering the list, the department of local government finance may develop annual adjustment factors under this section for that year. In developing annual adjustment factors under this section, the department of local government finance shall use data in its possession that is obtained from:

- (1) the county assessor; or
- (2) any of the sources listed in the rule, including county or state sales data, government studies, ratio studies, cost and depreciation tables, and other market analyses.

(b) Using the data described in subsection (a), the department of local government finance shall propose to establish annual adjustment factors for the affected tax districts for one (1) or more of the classes of real property. The proposal may provide for the equalization of annual adjustment factors in the affected township or county and in adjacent areas. The department of local government finance shall issue notice and provide opportunity for hearing in accordance with IC 6-1.1-14-4 and IC 6-1.1-14-9, as applicable, before issuing final annual adjustment factors.

(c) The annual adjustment factors finally determined by the department of local government finance after the hearing required under subsection (b) apply to the annual adjustment of real property under section 4.5 of this chapter for:

- (1) the assessment date; and
 - (2) the real property;
- specified in the final determination of the department of local government finance.