
HOUSE BILL No. 1396

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1; IC 36-2-7-13; IC 36-6-8-5.

Synopsis: Property tax assessments. Reestablishes a county land valuation commission in each county. Removes the provision declaring that true tax value does not mean fair market value. Requires data used for assessments to be computerized and updated annually. Changes the filing of exemption applications from the county auditor to the county assessor. Requires the county assessor to approve expenditures from the property reassessment fund. Requires that the state tax board rules provide for assessing real property using reproduction costs less depreciation, nonagricultural land using comparable sales, and agricultural land using income capitalization. Requires the state board of tax commissioners to provide examinations that coordinate with
(Continued next page)

Effective: July 1, 1997 (retroactive); January 1, 1999.

Bauer

January 13, 1998, read first time and referred to Committee on Ways and Means.

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Digest Continued

these training sessions. Permits the state board of tax commissioners to revoke the certification of level one or level two assessors if fraud or misrepresentation occurs.

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1998

IN 1396—LS 7335/DI 58



Introduced

Second Regular Session 110th General Assembly (1998)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 1997 General Assembly.

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HOUSE BILL No. 1396



A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-1.1-4-12 IS AMENDED TO READ AS
 2 FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 12. If land
 3 assessed on an acreage basis is subdivided into lots, the land shall be
 4 reassessed on the basis of lots. If land is rezoned for, or put to, a
 5 different use, the land shall be reassessed on the basis of its new
 6 classification **to determine the new true tax value**. If improvements
 7 are added to real property, the improvements shall be assessed. An
 8 assessment or reassessment made under this section is effective on the
 9 next assessment date. However, if land assessed on an acreage basis is
 10 subdivided into lots, the lots may not be reassessed until the next
 11 assessment date following a transaction which results in a change in
 12 legal or equitable title to that lot. No petition to the state board of tax
 13 commissioners is necessary with respect to an assessment or
 14 reassessment made under this section.
 15 SECTION 2. IC 6-1.1-4-13.6, AS AMENDED BY P.L.6-1997,



1 SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
2 JULY 1, 1997 (RETROACTIVE)]: Sec. 13.6. (a) A county land
3 valuation commission (referred to in this section as the
4 "commission") is established in each county for the purpose of
5 determining the value of commercial, industrial, and residential
6 land (including farm homesites) in the county.

7 (b) The county assessor is chairperson of the commission.

8 (c) The members of the commission are as follows:

9 (1) The county assessor.

10 (2) One (1) county resident who:

11 (A) holds a license under IC 25-34.1-3 as a salesperson or
12 broker; and

13 (B) is appointed by the county executive (as defined in
14 IC 36-1-2-5).

15 (3) Four (4) individuals who:

16 (A) are appointed by the county fiscal body (as defined in
17 IC 36-1-2-5); and

18 (B) each represent one (1) of the following four (4) kinds of
19 land in the county:

20 (i) Agricultural.

21 (ii) Commercial.

22 (iii) Industrial.

23 (iv) Residential.

24 (4) One (1) individual who:

25 (A) is appointed by the county executive (as defined in
26 IC 36-1-2-5); and

27 (B) represents financial institutions in the county.

28 (d) The term of each member of the commission begins
29 November 1, two (2) years before the commencement of the
30 general reassessment under IC 6-1.1-4-4, and ends January 1 of the
31 year the general reassessment commences under IC 6-1.1-4-4. The
32 appointing authority may fill any vacancy for the remainder of the
33 vacated term.

34 (a) (a) (e) The township assessor **commission** shall determine the
35 values of all classes of commercial, industrial, and residential land
36 (including farm homesites) in the township county using guidelines
37 determined by the state board of tax commissioners. Not later than
38 November 1 of the year preceding the year in which a general
39 reassessment becomes effective, the assessor determining the values of
40 land shall submit the values to the county property tax assessment
41 board of appeals. Not later than December 1 of the year preceding the
42 year in which a general reassessment becomes effective, the county



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1 property tax assessment board of appeals **Before the commission**
 2 **finally determines values under this section, the commission** shall
 3 hold a public hearing in the county concerning those values. The
 4 ~~property tax assessment board of appeals~~ **commission** shall give notice
 5 of the hearing in accordance with IC 5-3-1 and shall hold the hearing
 6 after March 31 and before December 1 of the year preceding the year
 7 in which the general reassessment under IC 6-1.1-4-4 ~~becomes~~
 8 ~~effective; commences. Before January 1 of the year that the general~~
 9 ~~reassessment commences under IC 6-1.1-4-4, the commission shall~~
 10 ~~submit the values it finally determines to the state board of tax~~
 11 ~~commissioners.~~

12 (b) (f) The county property tax assessment board of appeals ~~state~~
 13 ~~board of tax commissioners~~ shall review the values submitted under
 14 subsection (a) (e) and may make any modifications it considers
 15 necessary to provide uniformity and equality. ~~The county property tax~~
 16 ~~assessment board of appeals shall coordinate the valuation of property~~
 17 ~~adjacent to the boundaries of the county with the county property tax~~
 18 ~~assessment boards of appeals of the adjacent counties using the~~
 19 ~~procedures adopted by rule under IC 4-22-2 by the state board of tax~~
 20 ~~commissioners. If the county assessor or township assessor~~
 21 ~~commission fails to submit land values under subsection (a) (e) to the~~
 22 ~~county property tax assessment board of appeals~~ **state board of tax**
 23 **commissioners** before ~~November~~ **January 1** of the year before the
 24 date the general reassessment under IC 6-1.1-4-4 ~~becomes effective;~~
 25 ~~commences, the county property tax assessment board of appeals~~ **state**
 26 **board of tax commissioners** shall determine the values. ~~If the county~~
 27 ~~property tax assessment board of appeals fails to determine the values~~
 28 ~~before the general reassessment becomes effective; the state board of~~
 29 ~~tax commissioners shall determine the values.~~

30 (g) **The state board of tax commissioners shall give notice to the**
 31 **county and township assessors of its decision on the values. Within**
 32 **twenty (20) days after that notice, the county assessor or any**
 33 **township assessor in the county may appeal the values to the state**
 34 **board of tax commissioners. The state board of tax commissioners**
 35 **shall hold a hearing on the appeal in the county. The state board of**
 36 **tax commissioners shall give notice of the hearing under IC 5-3-1.**

37 (c) (h) The county assessor shall notify all township assessors in the
 38 county of the values as ~~modified by the county property tax assessment~~
 39 ~~board of appeals; determined by the commission and as modified by~~
 40 ~~the state board of tax commissioners on review or on appeal.~~
 41 Township assessors shall use the values determined under this section.

42 SECTION 3. IC 6-1.1-4-27, AS AMENDED BY P.L.6-1997,



1 SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
2 JANUARY 1, 1999]: Sec. 27. (a) The auditor of each county shall
3 establish a property reassessment fund. The county treasurer shall
4 deposit all collections resulting from the property taxes that the county
5 is required to levy under this section in the county's property
6 reassessment fund. **The county assessor shall administer the fund.**

7 (b) With respect to the general reassessment of real property which
8 is to commence on July 1, 1999, the county council of each county
9 shall, for property taxes due in the year in which the general
10 reassessment is to commence and the three (3) years immediately
11 preceding that year, levy against all the taxable property of the county
12 an amount equal to three-fourteenths (3/14) of the estimated cost of the
13 general reassessment.

14 (c) With respect to a general reassessment of real property that is to
15 commence on July 1, 2003, and each fourth year thereafter, the county
16 council of each county shall, for property taxes due in the year that the
17 general reassessment is to commence and the three (3) years preceding
18 that year, levy against all the taxable property in the county an amount
19 equal to one-fourth (1/4) of the estimated cost of the general
20 reassessment.

21 (d) The state board of tax commissioners shall give to each county
22 council notice, before January 1, of the tax levies required by this
23 section.

24 (e) The state board of tax commissioners may raise or lower the
25 property taxes levied under this section for a year if they determine it
26 is appropriate because the estimated cost of the general reassessment
27 has changed.

28 SECTION 4. IC 6-1.1-4-28, AS AMENDED BY P.L.6-1997,
29 SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
30 JANUARY 1, 1999]: Sec. 28. (a) Money assigned to a property
31 reassessment fund under section 27 of this chapter may be used only to
32 pay the costs of:

- 33 (1) the general reassessment of real property, including the
- 34 computerization of assessment records;
- 35 (2) payments to county assessors, members of property tax
- 36 assessment boards of appeals, or assessing officials under
- 37 IC 6-1.1-35.2;
- 38 (3) the development or updating of detailed soil survey data by
- 39 the United States Department of Agriculture or its successor
- 40 agency;
- 41 (4) the updating of plat books; and
- 42 (5) payments for the salary of permanent staff or for the



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- 1 contractual services of temporary staff who are necessary to assist
 2 county assessors, members of a county property tax assessment
 3 board of appeals, and assessing officials.
- 4 (b) All counties shall use modern, detailed soil maps in the general
 5 reassessment of agricultural land.
- 6 (c) The county treasurer of each county shall, in accordance with
 7 IC 5-13-9, invest any money accumulated in the property reassessment
 8 fund until the money is needed to pay general reassessment expenses.
 9 Any interest received from investment of the money shall be paid into
 10 the property reassessment fund.
- 11 (d) An appropriation under this section must be approved by the
 12 fiscal body of the county after the review and recommendation of the
 13 county assessor. However, in a county with an elected township
 14 assessor under IC 36-6-5-11 in every township, only the fiscal body
 15 must approve an appropriation under this section. **A request for an
 16 appropriation from the property reassessment fund must be
 17 submitted to the county assessor at the same time the request is
 18 submitted to the county fiscal body. The fiscal body of the county
 19 may not make an appropriation from the fund unless it is
 20 consistent with the recommendation of the county assessor.**
- 21 SECTION 5. IC 6-1.1-10-16, AS AMENDED BY P.L.6-1997,
 22 SECTION 35, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 23 JANUARY 1, 1999]: Sec. 16. (a) All or part of a building is exempt
 24 from property taxation if it is owned, occupied, and used by a person
 25 for educational, literary, scientific, religious, or charitable purposes.
- 26 (b) A building is exempt from property taxation if it is owned,
 27 occupied, and used by a town, city, township, or county for educational,
 28 literary, scientific, fraternal, or charitable purposes.
- 29 (c) A tract of land, including the campus and athletic grounds of an
 30 educational institution, is exempt from property taxation if:
- 31 (1) a building which is exempt under subsection (a) or (b) is
 32 situated on it; and
- 33 (2) the tract does not exceed:
- 34 (A) fifty (50) acres in the case of:
- 35 (i) an educational institution; or
- 36 (ii) a tract that was exempt under this subsection on March
 37 1, 1987; or
- 38 (B) fifteen (15) acres in all other cases.
- 39 (d) A tract of land is exempt from property taxation if:
- 40 (1) it is purchased for the purpose of erecting a building which is
 41 to be owned, occupied, and used in such a manner that the
 42 building will be exempt under subsection (a) or (b);

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- 1 (2) the tract does not exceed:
 2 (A) fifty (50) acres in the case of:
 3 (i) an educational institution; or
 4 (ii) a tract that was exempt under this subsection on March
 5 1, 1987; or
 6 (B) fifteen (15) acres in all other cases; and
 7 (3) not more than three (3) years after the property is purchased,
 8 and for each year after the three (3) year period, the owner
 9 demonstrates substantial progress towards the erection of the
 10 intended building and use of the tract for the exempt purpose. To
 11 establish that substantial progress is being made, the owner must
 12 prove the existence of factors such as the following:
 13 (A) Organization of and activity by a building committee or
 14 other oversight group.
 15 (B) Completion and filing of building plans with the
 16 appropriate local government authority.
 17 (C) Cash reserves dedicated to the project of a sufficient
 18 amount to lead a reasonable individual to believe the actual
 19 construction can and will begin within three (3) years.
 20 (D) The breaking of ground and the beginning of actual
 21 construction.
 22 (E) Any other factor that would lead a reasonable individual to
 23 believe that construction of the building is an active plan and
 24 that the building is capable of being completed within six (6)
 25 years considering the circumstances of the owner.
 26 (e) Personal property is exempt from property taxation if it is owned
 27 and used in such a manner that it would be exempt under subsection (a)
 28 or (b) if it were a building.
 29 (f) A hospital's property which is exempt from property taxation
 30 under subsection (a), (b), or (e) shall remain exempt from property
 31 taxation even if the property is used in part to furnish goods or services
 32 to another hospital whose property qualifies for exemption under this
 33 section.
 34 (g) Property owned by a shared hospital services organization which
 35 is exempt from federal income taxation under Section 501(c)(3) or
 36 501(e) of the Internal Revenue Code is exempt from property taxation
 37 if it is owned, occupied, and used exclusively to furnish goods or
 38 services to a hospital whose property is exempt from property taxation
 39 under subsection (a), (b), or (e).
 40 (h) This section does not exempt from property tax an office or a
 41 practice of a physician or group of physicians that is owned by a
 42 hospital licensed under IC 16-21-1 or other property that is not

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1 substantially related to or supportive of the inpatient facility of the
2 hospital unless the office, practice, or other property:

3 (1) provides or supports the provision of charity care (as defined
4 in IC 16-18-2-52.5), including providing funds or other financial
5 support for health care services for individuals who are indigent
6 (as defined in IC 16-18-2-52.5(b) and ~~IC 16-8-2-52.5(c)~~;
7 **IC 16-18-2-52.5(c)**); or

8 (2) provides or supports the provision of community benefits (as
9 defined in IC 16-21-9-1), including research, education, or
10 government sponsored indigent health care (as defined in
11 IC 16-21-9-2).

12 However, participation in the Medicaid or Medicare program alone
13 does not entitle an office, practice, or other property described in this
14 subsection to an exemption under this section.

15 (i) A tract of land or a tract of land plus all or part of a structure on
16 the land is exempt from property taxation if:

17 (1) the tract is acquired for the purpose of erecting, renovating, or
18 improving a single family residential structure that is to be given
19 away or sold:

20 (A) in a charitable manner;

21 (B) by a nonprofit organization; and

22 (C) to low income individuals who will:

23 (i) use the land as a family residence; and

24 (ii) not have an exemption for the land under this section;

25 (2) the tract does not exceed three (3) acres;

26 (3) the tract of land or the tract of land plus all or part of a
27 structure on the land is not used for profit while exempt under this
28 section; and

29 (4) not more than three (3) years after the property is acquired for
30 the purpose described in subdivision (1), and for each year after
31 the three (3) year period, the owner demonstrates substantial
32 progress towards the erection, renovation, or improvement of the
33 intended structure. To establish that substantial progress is being
34 made, the owner must prove the existence of factors such as the
35 following:

36 (A) Organization of and activity by a building committee or
37 other oversight group.

38 (B) Completion and filing of building plans with the
39 appropriate local government authority.

40 (C) Cash reserves dedicated to the project of a sufficient
41 amount to lead a reasonable individual to believe the actual
42 construction can and will begin within six (6) years of the

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- 1 initial exemption received under this subsection.
 2 (D) The breaking of ground and the beginning of actual
 3 construction.
 4 (E) Any other factor that would lead a reasonable individual to
 5 believe that construction of the structure is an active plan and
 6 that the structure is capable of being:
 7 (i) completed; and
 8 (ii) transferred to a low income individual who does not
 9 receive an exemption under this section;
 10 within six (6) years considering the circumstances of the
 11 owner.
 12 (j) An exemption under subsection (i) terminates when the property
 13 is conveyed by the nonprofit organization to another owner. When the
 14 property is conveyed to another owner, the nonprofit organization
 15 receiving the exemption must file a certified statement with the ~~auditor~~
 16 **assessor** of the county, notifying the ~~auditor~~ **assessor** of the change not
 17 later than sixty (60) days after the date of the conveyance. **The county**
 18 **assessor shall forward a copy of the certified statement to the**
 19 **county auditor.** A nonprofit organization that fails to file the statement
 20 required by this subsection is liable for the amount of property taxes
 21 due on the property conveyed if it were not for the exemption allowed
 22 under this chapter.
 23 (k) If property is granted an exemption in any year under subsection
 24 (i) and the owner:
 25 (1) ceases to be eligible for the exemption under subsection (i)(4);
 26 (2) fails to transfer the tangible property within six (6) years after
 27 the assessment date for which the exemption is initially granted;
 28 or
 29 (3) transfers the tangible property to a person who:
 30 (A) is not a low income individual; or
 31 (B) does not use the transferred property as a residence for at
 32 least one (1) year after the property is transferred;
 33 the person receiving the exemption shall notify the county recorder and
 34 the county ~~auditor~~ **assessor** of the county in which the property is
 35 located not later than sixty (60) days after the event described in
 36 subdivision (1), (2), or (3) occurs. **The county assessor shall inform**
 37 **the county auditor of a notification received under this subsection.**
 38 (l) If subsection (k)(1), (k)(2), or (k)(3) applies, the owner shall pay,
 39 not later than the date that the next installment of property taxes is due,
 40 an amount equal to the sum of the following:
 41 (1) The total property taxes that, if it were not for the exemption
 42 under subsection (i), would have been levied on the property in

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1 each year in which an exemption was allowed.

2 (2) Interest on the property taxes at the rate of ten percent (10%)
3 per year.

4 (m) The liability imposed by subsection (l) is a lien upon the
5 property receiving the exemption under subsection (i). An amount
6 collected under subsection (l) shall be collected as an excess levy. If
7 the amount is not paid, it shall be collected in the same manner that
8 delinquent taxes on real property are collected.

9 SECTION 6. IC 6-1.1-10-21 IS AMENDED TO READ AS
10 FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 21. (a) The
11 following tangible property is exempt from property taxation if it is
12 owned by, or held in trust for the use of, a church or religious society:

13 (1) A building which is used for religious worship.

14 (2) Buildings that are used as parsonages.

15 (3) The pews and furniture contained within a building which is
16 used for religious worship.

17 (4) The tract of land, not exceeding fifteen (15) acres, upon which
18 a building described in this section is situated.

19 (b) To obtain an exemption for parsonages, a church or religious
20 society must provide the county ~~auditor~~ **assessor** with an affidavit at
21 the time the church or religious society applies for the exemptions. The
22 affidavit must state that:

23 (1) all parsonages are being used to house one (1) of the church's
24 or religious society's rabbis, priests, preachers, ministers, or
25 pastors; and

26 (2) none of the parsonages are being used to make a profit.

27 The affidavit shall be signed under oath by the church's or religious
28 society's head rabbi, priest, preacher, minister, or pastor. **The county
29 assessor shall forward a copy of the affidavit to the county auditor.**

30 SECTION 7. IC 6-1.1-11-3, AS AMENDED BY P.L.6-1997,
31 SECTION 37, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
32 JANUARY 1, 1999]: Sec. 3. (a) The owner of tangible property who
33 wishes to obtain an exemption from property taxation shall file a
34 certified application in duplicate with the ~~auditor~~ **assessor** of the
35 county in which the property is located. The application must be filed
36 annually on or before May 15 on forms prescribed by the state board of
37 tax commissioners. **The county assessor shall forward a copy of the
38 certified application to the county auditor.** Except as provided in
39 sections 1, 3.5, and 4 of this chapter, the application applies only for
40 the taxes imposed for the year for which the application is filed.

41 (b) The authority for signing an exemption application may not be
42 delegated by the owner of the property to any other person except by

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1 an executed power of attorney.

2 (c) An exemption application which is required under this chapter
3 shall contain the following information:

4 (1) A description of the property claimed to be exempt in
5 sufficient detail to afford identification.

6 (2) A statement showing the ownership, possession, and use of
7 the property.

8 (3) The grounds for claiming the exemption.

9 (4) The full name and address of the applicant.

10 (5) Any additional information which the state board of tax
11 commissioners may require.

12 SECTION 8. IC 6-1.1-11-3.5 IS AMENDED TO READ AS
13 FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 3.5. (a) A
14 not-for-profit corporation that seeks an exemption provided by
15 IC 6-1.1-10 for 1988 or for a year that follows 1988 by a multiple of
16 four (4) years must file an application for the exemption in that year.
17 However, if a not-for-profit corporation seeks an exemption provided
18 by IC 6-1.1-10 for a year not specified in this subsection and the
19 corporation did not receive the exemption for the preceding year, the
20 corporation must file an application for the exemption in the year for
21 which the exemption is sought. The not-for-profit corporation must file
22 each exemption application in the manner (other than the requirement
23 for filing annually) prescribed in section 3 of this chapter.

24 (b) A not-for-profit corporation that receives an exemption provided
25 under IC 6-1.1-10 for a particular year that remains eligible for the
26 exemption for the following year is only required to file a statement to
27 apply for the exemption in the years specified in subsection (a), if the
28 use of the not-for-profit corporation's property remains unchanged.

29 (c) A not-for-profit corporation that receives an exemption provided
30 under IC 6-1.1-10 for a particular year which becomes ineligible for the
31 exemption for the following year shall notify the ~~auditor assessor~~
32 of the county in which the tangible property for which it claims the exemption
33 is located of its ineligibility on or before May 15 of the year for which
34 it becomes ineligible. **The county assessor shall notify the county
35 auditor of the not-for-profit corporation's ineligibility for the
36 exemption.**

37 (d) For each year that is not a year specified in subsection (a), the
38 auditor of each county shall apply an exemption provided under
39 IC 6-1.1-10 to the tangible property owned by a not-for-profit
40 corporation that received the exemption in the preceding year unless
41 the ~~auditor assessor~~
42 determines that the not-for-profit corporation is no
longer eligible for the exemption.



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1 (e) The state board of tax commissioners may at any time review an
 2 exemption provided under this section and determine whether or not
 3 the not-for-profit corporation is eligible for the exemption.

4 SECTION 9. IC 6-1.1-11-10 IS AMENDED TO READ AS
 5 FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 10. Each county
 6 ~~auditor assessor~~ shall, on behalf of the county, collect a fee of two
 7 dollars (\$2) for each exemption application filed with him under this
 8 chapter. Each fee shall be accounted for and paid into the county
 9 general fund at the close of each month in the same manner as are other
 10 fees due the county. No other fee may be charged by a county ~~auditor,~~
 11 **assessor**, or his employees, for filing or preparing an exemption
 12 application.

13 SECTION 10. IC 6-1.1-31-6 IS AMENDED TO READ AS
 14 FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 6. (a) With
 15 respect to the assessment of real property, the rules of the state board
 16 of tax commissioners shall provide for:

17 (1) the ~~classification~~ **just valuation** of land on the basis of
 18 **comparable sales for nonagricultural land and income**
 19 **capitalization for agricultural land using classifications and**
 20 **the most recent data concerning:**

- 21 (i) acreage;
 22 (ii) lots;
 23 (iii) size;
 24 (iv) location;
 25 (v) use;
 26 (vi) productivity or earning capacity;
 27 (vii) applicable zoning provisions;
 28 (viii) accessibility to highways, sewers, and other public
 29 services or facilities; and
 30 (ix) any other factor that the board determines by rule is just
 31 and proper; and

32 (2) the ~~classification~~ **reproduction cost and depreciation** of
 33 improvements on the basis of **classification and the most recent**
 34 **data concerning:**

- 35 (i) size;
 36 (ii) location;
 37 (iii) use;
 38 (iv) type and character of construction;
 39 (v) age;
 40 (vi) condition;
 41 (vii) cost of reproduction; and
 42 (viii) any other factor that the board determines by rule is just

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- 1 and proper.
- 2 (b) With respect to the assessment of real property, the rules of the
- 3 state board of tax commissioners shall **use the most recent data and**
- 4 include instructions for determining:
- 5 (1) the proper classification of real property;
- 6 (2) the size of real property;
- 7 (3) the effects that location and use have on the **true tax** value of
- 8 real property;
- 9 (4) the depreciation, including physical deterioration and
- 10 obsolescence, of real property;
- 11 (5) the cost of reproducing improvements;
- 12 (6) the productivity or earning capacity of land; and
- 13 (7) the true tax value of real property based on the factors listed
- 14 in this subsection and any other factor that the board determines
- 15 by rule is ~~just and proper~~: **provides for the just valuation of**
- 16 **property.**
- 17 (c) ~~With respect to the assessment of real property, true tax value~~
- 18 ~~does not mean fair market value~~: True tax value is the ~~value~~ **just**
- 19 **valuation** determined under the rules of the state board of tax
- 20 commissioners.
- 21 SECTION 11. IC 6-1.1-31-7 IS AMENDED TO READ AS
- 22 FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 7. (a) With
- 23 respect to the assessment of personal property, the rules of the state
- 24 board of tax commissioners shall provide for the classification of
- 25 personal property on the basis of **the most recent data concerning**:
- 26 (1) date of purchase;
- 27 (2) location;
- 28 (3) use;
- 29 (4) depreciation, obsolescence and condition; and
- 30 (5) any other factor that the board determines by rule is ~~just and~~
- 31 ~~proper~~: **provides for the just valuation of property.**
- 32 (b) With respect to the assessment of personal property, the rules of
- 33 the state board of tax commissioners shall **use the most recent data**
- 34 **and** include instructions for determining:
- 35 (1) the proper classification of personal property;
- 36 (2) the effect that location has on the **true tax** value of personal
- 37 property;
- 38 (3) the cost of reproducing personal property;
- 39 (4) the depreciation, including physical deterioration and
- 40 obsolescence, of personal property; and
- 41 (5) the true tax value of personal property based on the factors
- 42 listed in this subsection and any other factor that the board

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- 1 determines by rule is ~~just and proper~~. **provides for the just**
 2 **valuation of property.**
- 3 (c) In providing for the classification of personal property and the
 4 instructions for determining the items listed in subsection (b), the state
 5 board of tax commissioners shall not include the value of land as a cost
 6 of producing tangible personal property subject to assessment.
- 7 (d) ~~With respect to the assessment of personal property, true tax~~
 8 ~~value does not mean fair market value.~~ True tax value is the **value just**
 9 **valuation** determined under **the** rules of the state board of tax
 10 commissioners.
- 11 SECTION 12. IC 6-1.1-31.5-2, AS ADDED BY P.L.6-1997,
 12 SECTION 107, IS AMENDED TO READ AS FOLLOWS
 13 [EFFECTIVE JANUARY 1, 1999]: Sec. 2. (a) The board shall adopt
 14 rules under IC 4-22-2 to prescribe computer specification standards and
 15 for the certification of:
- 16 (1) computer operating systems;
 17 (2) computer software;
 18 (3) software providers;
 19 (4) computer service providers; and
 20 (5) computer equipment providers.
- 21 (b) The rules of the board shall provide for **the following:**
- 22 (1) The effective and efficient administration of assessment laws.
 23 (2) The prompt updating of assessment data **annually in a**
 24 **manner that the assessments may be updated each year using**
 25 **the most recent valuation standards.**
- 26 (3) The administration of information contained in the sales
 27 disclosure form, as required under IC 6-1.1-5.5. ~~and~~
- 28 **(4) Annually updating the land valuation standards under**
 29 **IC 6-1.1-4-13.6.**
- 30 **(5) Annually updating the standards for reproduction costs**
 31 **and depreciation as determined under IC 6-1.1-31-6 and**
 32 **IC 6-1.1-31-7.**
- 33 **(6) Annually updating the income capitalization standards for**
 34 **agricultural land as determined under IC 6-1.1-4-13.**
- 35 ~~(7)~~ **(7) Any** other information necessary to carry out the
 36 administration of the property tax assessment laws.
- 37 (c) After December 31, 1998, a county may contract only for
 38 computer software and with software providers, computer service
 39 providers, and equipment providers that are certified by the board
 40 under the rules described in subsection (a).
- 41 (d) ~~The initial rules under this section must be adopted under~~
 42 ~~IC 4-22-2 before January 1, 1998.~~ **The rules adopted must use the**

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1 **most recent data available for establishing standards for**
 2 **determining reproduction cost, depreciation, comparable sales, and**
 3 **income capitalization.**

4 SECTION 13. IC 6-1.1-31.5-3, AS ADDED BY P.L.6-1997,
 5 SECTION 107, IS AMENDED TO READ AS FOLLOWS
 6 [EFFECTIVE JANUARY 1, 1999]: Sec. 3. (a) After December 31,
 7 1998, each county shall maintain a state certified computer system that
 8 has the capacity to:

- 9 (1) process and maintain assessment records;
- 10 (2) process and maintain standardized property tax forms;
- 11 (3) process and maintain standardized property assessment
- 12 notices;
- 13 (4) maintain complete and accurate assessment records for the
- 14 county; and
- 15 (5) process and compute complete and accurate assessments in
- 16 accordance with Indiana law.

17 The county assessor with the recommendation of the township
 18 assessors shall select the computer system used by township assessors
 19 and the county assessor in the county except in a county with a
 20 township assessor elected under IC 36-6-5-1 in every township. In a
 21 county with an elected township assessor under IC 36-6-5-1 in every
 22 township, the county assessor shall select a computer system based on
 23 a majority vote of the township assessors in the county.

24 (b) All information on the computer system shall be readily
 25 accessible to:

- 26 (1) township assessors;
- 27 (2) the county assessor;
- 28 (3) the board; and
- 29 (4) members of the county property tax assessment board of
- 30 appeals.

31 (c) The certified system used by the counties must be compatible
 32 with the data export and transmission requirements in a standard
 33 format prescribed by the board. The certified system must be
 34 maintained in a manner that ensures prompt and accurate transfer of
 35 data to the board.

36 (d) All standardized property forms and notices on the certified
 37 computer system shall be maintained by the township assessor and the
 38 county assessor in an accessible location and in a format that is easily
 39 understandable for use by persons of the county.

40 **(e) After December 31, 1999, the state certified computer system**
 41 **maintained by each county must have the capacity to update before**
 42 **March 15 of each year the following data:**



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- 1 **(1) The cost of reproducing improvements.**
 2 **(2) The depreciation of real property.**
 3 **(3) The value of land as determined under IC 6-1.1-4-13.6.**
 4 **(4) The productivity or earning capacity of land used for**
 5 **agriculture as determined under IC 6-1.1-4-13.**

6 SECTION 14. IC 6-1.1-35.5-4 IS AMENDED TO READ AS
 7 FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 4. (a) The level
 8 one examination shall be given in the month of July, and the level two
 9 examination shall be given in the month of August. Both level
 10 examinations also shall be offered annually immediately following the
 11 conference of state board of tax commissioners and at any other times
 12 that coordinate with ~~applicable courses of instruction: training~~
 13 **sessions conducted under IC 6-1.1-35.2-2.** The state board of tax
 14 commissioners may also give either or both examinations at other times
 15 throughout the year.

16 (b) Examinations shall be held **annually** in Indianapolis at a
 17 ~~location~~ **and at not less than four (4) other convenient locations**
 18 chosen by the state board of tax commissioners.

19 SECTION 15. IC 6-1.1-35.5-6 IS AMENDED TO READ AS
 20 FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 6. (a) The state
 21 board of tax commissioners shall certify all persons who successfully
 22 perform **on** an examination under this chapter and shall furnish them
 23 with a certificate that prominently displays the name of the successful
 24 examinee and the fact that he is a level one or level two certified
 25 Indiana assessor-appraiser.

26 **(b) The state board of tax commissioners shall revoke the**
 27 **certification of any individual if the state board reasonably**
 28 **determines that the individual committed fraud or**
 29 **misrepresentation with respect to the preparation, administration,**
 30 **or taking of the examination.**

31 SECTION 16. IC 36-2-7-13, AS AMENDED BY P.L.253-1997(SS),
 32 SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 33 JANUARY 1, 1999]: Sec. 13. The county fiscal body may grant to the
 34 county assessor, in addition to the compensation fixed under IC 36-2-5,
 35 a per diem for each day that the assessor is engaged in general
 36 reassessment activities **(including service on the county land**
 37 **valuation commission).** This section applies regardless of whether
 38 professional assessing services are provided under a contract to one (1)
 39 or more townships in the county.

40 SECTION 17. IC 36-6-8-5, AS AMENDED BY P.L.6-1997,
 41 SECTION 207, IS AMENDED TO READ AS FOLLOWS
 42 [EFFECTIVE JANUARY 1, 1999]: Sec. 5. (a) When performing the



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1 real property reassessment duties prescribed by IC 6-1.1-4, an elected
2 township assessor may receive per diem compensation, in addition to
3 salary, at a rate fixed by the county fiscal body, for each day that he is
4 engaged in reassessment activities (**including service on the county**
5 **land valuation commission**).

6 (b) Subsection (a) applies regardless of whether professional
7 assessing services are provided to a township under contract.

8 **SECTION 18. An emergency is declared for this act.**

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