

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
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FISCAL IMPACT STATEMENT

LS 7584

BILL NUMBER: HB 1816

DATE PREPARED: Jan 10, 1999

BILL AMENDED:

SUBJECT: Property tax administration.

FISCAL ANALYST: Bob Sigalow

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FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: *Board of Appeals:* This bill provides that if the county assessor is a certified level 2 assessor-appraiser, the board of county commissioners may waive the requirement that one of the freehold members appointed by the board to the county property tax assessment board of appeals must be a certified level 2 assessor-appraiser. It provides that only a person who is a certified level 2 Indiana assessor-appraiser appointed to a property tax assessment board of appeals may serve on the property tax assessment board of appeals of another county at the same time.

The bill provides that if there are not two freeholders in a county who are certified level 2 assessor-appraisers and who are willing to serve on the county property tax assessment board of appeals, the certified level 2 assessor-appraisers appointed to the board may reside outside the county. It also provides that the county assessor, county fiscal body, and board of county commissioners may agree to waive the requirement that not more than three of the five members of the county property tax assessment board of appeals may be of the same political party if it is necessary to waive the requirement because there are no certified level 2 assessor-appraisers who are willing to serve on the board and who are members of the political party that would otherwise be represented by two members on the board.

Assessor Certification: This bill provides that beginning January 1, 2000, in each county the assessor or an employee of the county assessor must be a certified level 2 assessor-appraiser. It provides that a county assessor who becomes a certified level 2 assessor-appraiser is entitled to a salary increase of \$1,000 after the assessor's certification and that a person who is a certified level 2 assessor-appraiser who replaces a county assessor who is not so certified is entitled to a salary of \$1,000 more than the salary of the person's predecessor. This bill also provides that an employee of a county assessor or township assessor who becomes a certified level 2 assessor-appraiser is entitled to a salary increase of \$500 after the employee's certification.

Effective Date: July 1, 1999; January 1, 2000.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures: *Assessor Certification:* According to the bill, county assessors who achieve a level two assessor-appraiser certification are to be paid an additional \$1,000 per year. This provision would increase expenses for county assessor salaries by up to \$92,000 per year, statewide.

Employees of the county assessor who achieve a level two assessor-appraiser certification are to be paid an additional \$500 per year. This provision would increase expenses for county assessor employee salaries. The amount of the total increase depends on the total number of employees who become certified. The bill requires that the county assessor or an employee be a certified level two assessor-appraiser.

The reassessment fund and salary provisions would first take effect in July, 1999. These new compensation levels for county assessors and their employees could increase county General Fund expenditures. The above salary expenditure increases may come from an increased property tax levy or from money saved by reducing other expenditures. If the county already levies its maximum levy, then it could not increase taxes and instead would have to use current resources to fund the salary increases.

Explanation of Local Revenues: *Board of Appeals:* This bill makes several changes to the composition of the property tax assessment board of appeals (Appeals Board). Currently, the county commissioners must appoint at least one certified level two assessor-appraiser to the appeals board. Under this proposal, the county commissioners would not have to appoint any level two assessor-appraisers if the county assessor is a certified level two assessor-appraiser. Currently, a member of the appeals board in one county may not serve on the appeals board of another county. This proposal would allow level 2 assessor-appraisers to serve on the appeal boards of more than one county.

This proposal also allows the county assessor, fiscal body, and commissioners to agree to waive the requirement that not more than three of the five appeals board members may be of the same political party if there are no certified level 2 assessor-appraisers who are willing to serve on the board and who are members of the political party that would otherwise be represented by two members on the board.

Some smaller Indiana counties may currently be having difficulty in filling vacancies on the appeals board with qualified persons under current law. The above changes may allow these counties to make all of the necessary appointments to the appeals board.

State Agencies Affected:

Local Agencies Affected: County assessors; County boards of appeals.

Information Sources: