



January 18, 2000

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## HOUSE BILL No. 1005

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DIGEST OF HB 1005 (Updated January 14, 2000 3:55 PM - DI 92)

**Citations Affected:** IC 6-1.1; noncode.

**Synopsis:** Reassessment delay. Postpones the general reassessment of real property scheduled to begin July 1, 1999, to July 1, 2001 (effective for the March 1, 2003, assessments). Requires the state board of tax commissioners to adopt, before July 1, 2001, the rules necessary to carry out the general reassessment that will begin July 1, 2001. Provides for the annual adjustment of assessed value of real property beginning with the 2004 assessment date. Provides that the portion of the sales disclosure fee paid to the county must be used for the verification of the information contained on the sales disclosure form. Provides that the portion of the sales disclosure fee paid to the state must be used for the training of assessment officials and employees of the state board of tax commissioners. Provides that an assessing official is not required to issue a notice of change to a taxpayer's assessment (a state board of tax commissioner's Form 11) as a result of changing the definition of assessed value from one-third (1/3) of the true tax value of property to one hundred percent (100%) of the true tax value. Requires each county treasurer to establish a county sales disclosure fund. Establishes the assessment training fund. Requires the treasurer of state to transfer \$500,000 from the state's share of sales disclosure form fees to the assessment training fund.

**Effective:** July 1, 1999 (retroactive); upon passage; January 1, 2000; July 1, 2000; July 1, 2003.

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### Welch, Bauer, Denbo

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November 23, 1999, read first time and referred to Committee on Ways and Means.  
January 18, 2000, minority report rejected; majority report amended, reported — Do Pass.

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HB 1005—LS 6463/DI 73+



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January 18, 2000

Second Regular Session 111th General Assembly (2000)

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 1999 General Assembly.

## HOUSE BILL No. 1005



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 6-1.1-4-4 IS AMENDED TO READ AS  
 2 FOLLOWS [EFFECTIVE JULY 1, 1999 (RETROACTIVE)]: Sec. 4.  
 3 (a) A general reassessment, involving a physical inspection of all real  
 4 property in Indiana, shall begin July 1, ~~1999~~, **2001**, and each fourth  
 5 year thereafter. Each reassessment shall be completed on or before  
 6 March 1 of the immediately following odd-numbered year, and shall be  
 7 the basis for taxes payable in the year following the year in which the  
 8 general assessment is to be completed.

9 (b) In order to ensure that assessing officials and members of each  
 10 county property tax assessment board of appeals are prepared for a  
 11 general reassessment of real property, the state board of tax  
 12 commissioners shall give adequate advance notice of the general  
 13 reassessment to the county and township taxing officials of each  
 14 county.

15 SECTION 2. IC 6-1.1-4-4.5 IS ADDED TO THE INDIANA CODE  
 16 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
 17 1, 2003]: **Sec. 4.5. (a) The state board of tax commissioners shall**

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1 adopt rules establishing a system for annually adjusting the  
2 assessed value of real property to account for changes in value in  
3 those years since a general reassessment of property last took  
4 effect.

5 (b) The system must be applied to adjust assessed values  
6 beginning with the 2004 assessment date and each year thereafter  
7 that is not a year in which a reassessment becomes effective.

8 (c) The system must have the following characteristics:

9 (1) Promote uniform and equal assessment of real property  
10 within and across classifications.

11 (2) Apply all objectively verifiable factors used in mass  
12 valuation techniques that are reasonably expected to affect  
13 the value of real property in Indiana.

14 (3) Prescribe as many adjustment percentages and whatever  
15 categories of percentages the board finds necessary to achieve  
16 objectively verifiable updated just valuations of real property.  
17 An adjustment percentage for a particular classification may  
18 be positive or negative.

19 (4) Prescribe procedures, including computer software  
20 programs, that permit the application of the adjustment  
21 percentages in an efficient manner by assessing officials.

22 SECTION 3. IC 6-1.1-4-27 IS AMENDED TO READ AS  
23 FOLLOWS [EFFECTIVE JULY 1, 1999 (RETROACTIVE)]: Sec. 27.

24 (a) The auditor of each county shall establish a property reassessment  
25 fund. The county treasurer shall deposit all collections resulting from  
26 the property taxes that the county is required to levy under this section  
27 in the county's property reassessment fund.

28 (b) With respect to the general reassessment of real property which  
29 is to commence on July 1, 1999, the county council of each county  
30 shall, for property taxes due in the year in which the general  
31 reassessment is to commence and the three (3) years immediately  
32 preceding that year, levy against all the taxable property of the county  
33 an amount equal to three-fourteenths (3/14) of the estimated cost of the  
34 general reassessment.

35 (c) (b) With respect to a general reassessment of real property that  
36 is to commence on July 1, 2003, 2005, and each fourth year thereafter,  
37 the county council of each county shall, for property taxes due in the  
38 year that the general reassessment is to commence and the three (3)  
39 years preceding that year, levy against all the taxable property in the  
40 county an amount equal to one-fourth (1/4) of the estimated cost of the  
41 general reassessment.

42 (d) (c) The state board of tax commissioners shall give to each



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1 county council notice, before January 1, of the tax levies required by  
2 this section.

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

7 SECTION 4. IC 6-1.1-5.5-4 IS AMENDED TO READ AS  
8 FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 4. A person filing a  
9 sales disclosure form under this chapter shall pay a fee of five dollars  
10 (\$5) to the county auditor. Eighty percent (80%) of the revenue shall be  
11 deposited in the county ~~general fund~~: **sales disclosure fund**  
12 **established under section 4.5 of this chapter.** Twenty percent (20%)  
13 of the revenue shall be transferred to the state treasurer for deposit in  
14 the state ~~general fund~~: **assessment training fund established under**  
15 **section 4.7 of this chapter.**

16 SECTION 5. IC 6-1.1-5.5-4.5 IS ADDED TO THE INDIANA  
17 CODE AS A NEW SECTION TO READ AS FOLLOWS  
18 [EFFECTIVE JULY 1, 2000]: **Sec. 4.5. The county treasurer of each**  
19 **county shall establish a sales disclosure fund. The treasurer shall**  
20 **deposit into the fund the money received under section 4 of this**  
21 **chapter. Money in the fund may be expended only for the**  
22 **administration of this chapter and the verification of the**  
23 **information contained on a sales disclosure form.**

24 SECTION 6. IC 6-1.1-5.5-4.7 IS ADDED TO THE INDIANA  
25 CODE AS A NEW SECTION TO READ AS FOLLOWS  
26 [EFFECTIVE JULY 1, 2000]: **Sec. 4.7. (a) The assessment training**  
27 **fund is established for the purpose of receiving fees deposited**  
28 **under section 4 of this chapter for the training of assessment**  
29 **officials and employees of the state board of tax commissioners.**  
30 **The fund shall be administered by the treasurer of state.**

31 (b) The expenses of administering the fund shall be paid from  
32 money in the fund.

33 (c) The treasurer of state shall invest the money in the fund not  
34 currently needed to meet the obligations of the fund in the same  
35 manner as other public money may be invested. Interest that  
36 accrues from these investments shall be deposited into the fund.

37 (d) Money in the fund at the end of a state fiscal year does not  
38 revert to the state general fund.

39 SECTION 7. [EFFECTIVE JULY 1, 1999 (RETROACTIVE)] (a)  
40 The definitions in IC 6-1.1-1 apply throughout this SECTION.

41 (b) Notwithstanding IC 6-1.1-31-9, the state board of tax  
42 commissioners shall, before July 1, 2001, adopt the rules necessary

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1 to carry out the general reassessment scheduled to begin July 1,  
 2 2001, under IC 6-1.1-4-4, as amended by this act. Notwithstanding  
 3 IC 6-1.1-31-9, the state board of tax commissioners may not begin  
 4 before December 1, 2000, the adoption of rules necessary to carry  
 5 out the general reassessment scheduled to begin July 1, 2001, under  
 6 IC 6-1.1-4-4, as amended by this act. A rule adopted in violation of  
 7 this subsection is void.

8 (c) The state board of tax commissioners or a local assessing  
 9 official may delay any duty imposed by statute or rule that is  
 10 related to the general reassessment that was scheduled to begin  
 11 July 1, 1999, but is postponed until July 1, 2001, by subsection (d).  
 12 An action taken by the state board of tax commissioners or an  
 13 assessing official to cancel or otherwise delay any of the duties  
 14 imposed for the implementation of a general reassessment of real  
 15 property that was to commence on July 1, 1999, is legalized and  
 16 validated.

17 (d) The general reassessment that was scheduled to begin July  
 18 1, 1999, under IC 6-1.1-4-4, as effective before the effective date of  
 19 this act, is postponed and shall instead begin on July 1, 2001. A  
 20 property tax levy imposed under IC 6-1.1-4-27 for the general  
 21 reassessment postponed by this subsection is valid. Any  
 22 information collected or other analysis performed by an assessing  
 23 official or the state board of tax commissioners for the general  
 24 reassessment that was scheduled to begin on July 1, 1999, may be  
 25 used for the assessment of real property that is to begin July 1,  
 26 2001. Money deposited in the general reassessment fund of the  
 27 county imposing a property tax under IC 6-1.1-4-27 may be used  
 28 by a political subdivision only for the purposes described in  
 29 IC 6-1.1-4-28 and to implement this act. The state board of tax  
 30 commissioners shall consider any funds accumulated from the tax  
 31 imposed under IC 6-1.1-4-27 in 1994, 1995, 1996, 1997, 1998, 1999,  
 32 and 2000 in setting tax rates under IC 6-1.1-4-27, as amended by  
 33 this act, in 2001.

34 SECTION 8. [EFFECTIVE JANUARY 1, 2000] (a) An assessing  
 35 official is not required to issue a notice of change to a taxpayer's  
 36 assessment (a state board of tax commissioner's Form 11) as a  
 37 result of changing the definition of assessed value from one-third  
 38 (1/3) of the true tax value of property to one hundred percent  
 39 (100%) of the true tax value under P.L.6-1997. A taxpayer may not  
 40 appeal an assessment on the basis that the assessed value of the  
 41 property has increased as a result of the change in the definition of  
 42 assessed value under P.L.6-1997, or that no Form 11 notice was



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1 issued.  
2 (b) This SECTION expires December 31, 2002.  
3 SECTION 9. [EFFECTIVE UPON PASSAGE] (a) The treasurer  
4 of state shall transfer five hundred thousand dollars (\$500,000)  
5 from the state's share of the fees collected under IC 6-1.1-5.5 to the  
6 assessment training fund established under IC 6-1.1-5.5-4.7, as  
7 added by this act.  
8 (b) This SECTION expires June 30, 2001.  
9 SECTION 10. An emergency is declared for this act.

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## COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1005, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, between lines 14 and 15, begin a new paragraph and insert:

"SECTION 2. IC 6-1.1-4-4.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 4.5. (a) The state board of tax commissioners shall adopt rules establishing a system for annually adjusting the assessed value of real property to account for changes in value in those years since a general reassessment of property last took effect.**

**(b) The system must be applied to adjust assessed values beginning with the 2004 assessment date and each year thereafter that is not a year in which a reassessment becomes effective.**

**(c) The system must have the following characteristics:**

**(1) Promote uniform and equal assessment of real property within and across classifications.**

**(2) Apply all objectively verifiable factors used in mass valuation techniques that are reasonably expected to affect the value of real property in Indiana.**

**(3) Prescribe as many adjustment percentages and whatever categories of percentages the board finds necessary to achieve objectively verifiable updated just valuations of real property. An adjustment percentage for a particular classification may be positive or negative.**

**(4) Prescribe procedures, including computer software programs, that permit the application of the adjustment percentages in an efficient manner by assessing officials."**

Page 2, between lines 24 and 25, begin a new paragraph and insert:

"SECTION 4. IC 6-1.1-5.5-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2000]: **Sec. 4. A person filing a sales disclosure form under this chapter shall pay a fee of five dollars (\$5) to the county auditor. Eighty percent (80%) of the revenue shall be deposited in the county ~~general fund~~ sales disclosure fund established under section 4.5 of this chapter.** Twenty percent (20%) of the revenue shall be transferred to the state treasurer for deposit in the state ~~general fund~~ **assessment training fund established under section 4.7 of this chapter.**

SECTION 5. IC 6-1.1-5.5-4.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS

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[EFFECTIVE JULY 1, 2000]: **Sec. 4.5.** The county treasurer of each county shall establish a sales disclosure fund. The treasurer shall deposit into the fund the money received under section 4 of this chapter. Money in the fund may be expended only for the administration of this chapter and the verification of the information contained on a sales disclosure form.

SECTION 6. IC 6-1.1-5.5-4.7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2000]: **Sec. 4.7.** (a) The assessment training fund is established for the purpose of receiving fees deposited under section 4 of this chapter for the training of assessment officials and employees of the state board of tax commissioners. The fund shall be administered by the treasurer of state.

(b) The expenses of administering the fund shall be paid from money in the fund.

(c) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public money may be invested. Interest that accrues from these investments shall be deposited into the fund.

(d) Money in the fund at the end of a state fiscal year does not revert to the state general fund."

Page 3, between lines 19 and 20, begin a new paragraph and insert:

"SECTION 8. [EFFECTIVE JANUARY 1, 2000] (a) An assessing official is not required to issue a notice of change to a taxpayer's assessment (a state board of tax commissioner's Form 11) as a result of changing the definition of assessed value from one-third (1/3) of the true tax value of property to one hundred percent (100%) of the true tax value under P.L.6-1997. A taxpayer may not appeal an assessment on the basis that the assessed value of the property has increased as a result of the change in the definition of assessed value under P.L.6-1997, or that no Form 11 notice was issued.

(b) This SECTION expires December 31, 2002.

SECTION 9. [EFFECTIVE UPON PASSAGE] (a) The treasurer of state shall transfer five hundred thousand dollars (\$500,000) from the state's share of the fees collected under IC 6-1.1-5.5 to the assessment training fund established under IC 6-1.1-5.5-4.7, as added by this act.

(b) This SECTION expires June 30, 2001."



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Renumber all SECTIONS consecutively.  
and when so amended that said bill do pass.

(Reference is to HB 1005 as introduced.)

BAUER, Chair

Committee Vote: yeas 23, nays 2.

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