



February 19, 2010

**ENGROSSED  
SENATE BILL No. 396**

DIGEST OF SB 396 (Updated February 17, 2010 10:20 am - DI 77)

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

**Synopsis:** Agricultural land assessment. In making the annual calculation of the base rate for the assessment of agricultural land, requires the department of local government finance to use an adjusted six year average that eliminates the highest value determined for the six year period.

**Effective:** January 1, 2010 (retroactive).

**Kenley, Hershman, Stutzman, Steele,  
Charbonneau, Delph, Leising, Lewis,  
Hume, Holdman, Head, Young R**  
(HOUSE SPONSORS — GRUBB, FRIEND, RUPPEL, PEARSON)

January 14, 2010, read first time and referred to Committee on Tax and Fiscal Policy.  
January 28, 2010, reported favorably — Do Pass.  
February 1, 2010, read second time, ordered engrossed.  
February 2, 2010, engrossed. Read third time, passed. Yeas 50, nays 0.  
HOUSE ACTION  
February 9, 2010, read first time and referred to Committee on Agriculture and Rural Development.  
February 18, 2010, amended, reported — Do Pass.

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February 19, 2010

Second Regular Session 116th General Assembly (2010)

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 2009 Regular and Special Sessions of the General Assembly.

## ENGROSSED SENATE BILL No. 396



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 6-1.1-4-4.5, AS AMENDED BY P.L.136-2009,
- 2 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 3 JANUARY 1, 2010 (RETROACTIVE)]: Sec. 4.5. (a) The department
- 4 of local government finance shall adopt rules establishing a system for
- 5 annually adjusting the assessed value of real property to account for
- 6 changes in value in those years since a general reassessment of
- 7 property last took effect.
- 8 (b) Subject to subsection (e), the system must be applied to adjust
- 9 assessed values beginning with the 2006 assessment date and each year
- 10 thereafter that is not a year in which a reassessment becomes effective.
- 11 (c) The rules adopted under subsection (a) must include the
- 12 following characteristics in the system:
- 13 (1) Promote uniform and equal assessment of real property within
- 14 and across classifications.
- 15 (2) Require that assessing officials:
- 16 (A) reevaluate the factors that affect value;
- 17 (B) express the interactions of those factors mathematically;

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ES 396—LS 7095/DI 52+



1 (C) use mass appraisal techniques to estimate updated property  
 2 values within statistical measures of accuracy; and  
 3 (D) provide notice to taxpayers of an assessment increase that  
 4 results from the application of annual adjustments.  
 5 (3) Prescribe procedures that permit the application of the  
 6 adjustment percentages in an efficient manner by assessing  
 7 officials.  
 8 (d) The department of local government finance must review and  
 9 certify each annual adjustment determined under this section.  
 10 (e) In making the annual determination of the base rate to satisfy the  
 11 requirement for an annual adjustment under subsection ~~(a)~~; **(c) for**  
 12 **current property taxes first due and payable in 2011 and**  
 13 **thereafter**, the department of local government finance shall determine  
 14 the base rate using the methodology reflected in Table 2-18 of Book 1,  
 15 Chapter 2 of the department of local government finance's Real  
 16 Property Assessment Guidelines (as in effect on January 1, 2005),  
 17 except that the department shall adjust the methodology to:  
 18 **(1) use a six (6) year rolling average adjusted under subdivision**  
 19 **(2) instead of a four (4) year rolling average; and**  
 20 **(2) eliminate in the calculation of the rolling average the year**  
 21 **among the six (6) years for which the highest market value in**  
 22 **use of agricultural land is determined.**  
 23 (f) For assessment dates after December 31, 2009, an adjustment in  
 24 the assessed value of real property under this section shall be based on  
 25 the estimated true tax value of the property on the assessment date that  
 26 is the basis for taxes payable on that real property.  
 27 **SECTION 2. An emergency is declared for this act.**

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COMMITTEE REPORT

Madam President: The Senate Committee on Tax and Fiscal Policy, to which was referred Senate Bill No. 396, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill DO PASS.

(Reference is made to Senate Bill 396 as introduced.)

HERSHMAN, Chairperson

Committee Vote: Yeas 11, Nays 0.

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Agriculture and Rural Development, to which was referred Senate Bill 396, 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 2, line 12, before "property" insert "**current**".

Page 2, line 12, delete "after 2010," and insert "**in 2011 and thereafter,**".

Page 2, line 20, delete ":".

Page 2, line 21, delete "(A)".

Page 2, run in lines 20 through 21.

Page 2, line 22, delete "determined; and" and insert "**determined.**".

Page 2, delete lines 23 through 24.

and when so amended that said bill do pass.

(Reference is to SB 396 as printed January 29, 2010.)

PFLUM, Chair

Committee Vote: yeas 12, nays 0.

