CONFERENCE COMMITTEE REPORT
DIGEST FOR ESB 396

Citations Affected: IC 6-1.1-4-4.5.

Synopsis: Assessment of agricultural land. 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. **(This conference committee report deletes everything except the House passed version of the changes to the assessment of agricultural land.)**

Effective: January 1, 2010 (retroactive).

Adopted Rejected

CONFERENCE COMMITTEE REPORT

MR. SPEAKER:

Your Conference Committee appointed to confer with a like committee from the Senate upon Engrossed House Amendments to Engrossed Senate Bill No. 396 respectfully reports that said two committees have conferred and agreed as follows to wit:

that the Senate recede from its dissent from all House amendments and that the Senate now concur in all House amendments to the bill and that the bill be further amended as follows:

Delete everything after the enacting clause and insert the following:

SECTION 1. IC 6-1.1-4-4.5, AS AMENDED BY P.L.136-2009, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010 (RETROACTIVE)]: Sec. 4.5. (a) The department of local government finance 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) Subject to subsection (e), the system must be applied to adjust assessed values beginning with the 2006 assessment date and each year thereafter that is not a year in which a reassessment becomes effective.

(c) The rules adopted under subsection (a) must include the following characteristics in the system:

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

(2) Require that assessing officials:

(A) reevaluate the factors that affect value;

(B) express the interactions of those factors mathematically;

(C) use mass appraisal techniques to estimate updated property values within statistical measures of accuracy; and

(D) provide notice to taxpayers of an assessment increase that

results from the application of annual adjustments.

(3) Prescribe procedures that permit the application of the adjustment percentages in an efficient manner by assessing officials.

(d) The department of local government finance must review and certify each annual adjustment determined under this section.

(e) In making the annual determination of the base rate to satisfy the requirement for an annual adjustment under subsection ~~(a),~~ **(c) for current property taxes first due and payable in 2011 and thereafter,** the department of local government finance shall determine the base rate using the methodology reflected in Table 2-18 of Book 1, Chapter 2 of the department of local government finance's Real Property Assessment Guidelines (as in effect on January 1, 2005), except that the department shall adjust the methodology to:

(1) use a six (6) year rolling average **adjusted under subdivision (2)** instead of a four (4) year rolling average; **and**

(2) eliminate in the calculation of the rolling average the year among the six (6) years for which the highest market value in use of agricultural land is determined.

(f) For assessment dates after December 31, 2009, an adjustment in the assessed value of real property under this section shall be based on the estimated true tax value of the property on the assessment date that is the basis for taxes payable on that real property.

SECTION 2. **An emergency is declared for this act.**

(Reference is to ESB 396 as reprinted February 24, 2010.)

Conference Committee Report
on
Engrossed Senate Bill 396

Signed by:

Senator Kenley Chairperson	Representative Grubb
Senator Hume	Representative Friend
Senate Conferees	**House Conferees**