

**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).

# CONFERENCE COMMITTEE REPORT

**MADAM PRESIDENT:**

*Your Conference Committee appointed to confer with a like committee from the House 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:

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

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

**S**igned by:

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Senator Kenley  
Chairperson

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Representative Grubb

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Senator Hume

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Representative Friend

**Senate Conferees**

**House Conferees**