
HOUSE BILL No. 1219

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1-4; IC 6-1.1-35.5-6.

Synopsis: Assessment of real property. Provides that the assessed value of property determined in an appraisal submitted by a taxpayer may be substituted for the assessed value determined by any other method. Limits for four years the amount that the assessed value of property can increase after the assessed value is determined in an appeal.

Effective: Upon passage.

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January 12, 2011, read first time and referred to Committee on Ways and Means.

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First Regular Session 117th General Assembly (2011)

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 2010 Regular Session of the General Assembly.

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HOUSE BILL No. 1219



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, AS AMENDED BY P.L.182-2009(ss),
2 SECTION 85, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 UPON PASSAGE]: Sec. 4. (a) A general reassessment, involving a
4 physical inspection of all real property in Indiana, shall begin July 1,
5 2010, and each fifth year thereafter. Each reassessment under this
6 subsection:

7 (1) shall be completed on or before March 1 of the year that
8 succeeds by two (2) years the year in which the general
9 reassessment begins; and

10 (2) shall be the basis for taxes payable in the year following the
11 year in which the general assessment is to be completed.

12 (b) In order to ensure that assessing officials are prepared for a
13 general reassessment of real property, the department of local
14 government finance shall give adequate advance notice of the general
15 reassessment to the assessing officials of each county.

16 (c) **Subject to section 46 of this chapter**, for a general
17 reassessment that begins on or after July 1, 2010, the assessed value of



1 real property, **including land**, shall be based on the estimated true tax
 2 value of the property on the assessment date that is the basis for taxes
 3 payable in the year following the year in which the general
 4 reassessment is to be completed.

5 SECTION 2. IC 6-1.1-4-4.5, AS AMENDED BY P.L.112-2010,
 6 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 7 UPON PASSAGE]: Sec. 4.5. (a) The department of local government
 8 finance shall adopt rules establishing a system for annually adjusting
 9 the assessed value of real property to account for changes in value in
 10 those years since a general reassessment of property last took effect.

11 (b) Subject to subsection (e) **and section 46 of this chapter**, the
 12 system must be applied to adjust assessed values beginning with the
 13 2006 assessment date and each year thereafter that is not a year in
 14 which a reassessment becomes effective.

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

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

19 (2) Require that assessing officials:

20 (A) reevaluate the factors that affect value;

21 (B) express the interactions of those factors mathematically;

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

24 (D) provide notice to taxpayers of an assessment increase that
 25 results from the application of annual adjustments.

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

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

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

39 (1) use a six (6) year rolling average adjusted under subdivision

40 (2) instead of a four (4) year rolling average; and

41 (2) eliminate in the calculation of the rolling average the year
 42 among the six (6) years for which the highest market value in use

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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 3. IC 6-1.1-4-46 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 46. (a) If in an appeal initiated under IC 6-1.1-15-1 for an assessment date after January 15, 2011, the taxpayer submits an appraisal of property prepared for the valuation date that is the subject of the appeal by a person who:**

- (1) is licensed or certified as a real estate appraiser under IC 25-34.1-8;**
- (2) is certified as a level one or level two appraiser under IC 6-1.1-35.5; and**
- (3) is not under contract with any county under this chapter; the appraised value of the property, as determined by the appraiser, shall be substituted for that year for the assessed value determined by any other method.**

(b) This section does not apply to any part of a change in an assessment directly applicable to an improvement or enlargement of property. In each of next four (4) years after an assessment date for which the assessed value of property is determined in an appeal initiated under IC 6-1.1-15-1, an assessing official may not increase the assessed value of the property more than the lesser of the increase in true tax value of the property determined by any other method permitted under this article or the amount determined under the last STEP of the following formula:

STEP ONE: Determine the assessed valuation of the property for the immediately preceding year, as determined after applying the decision in the appeal and this subsection.

STEP TWO: Multiply the STEP ONE amount by:

- (A) if the assessed value in the appeal was determined based on the gross rent multiplier method, the greater of one (1) or the amount of rent received from the property for the year, divided by the amount of rent received from the property in the immediately preceding year; or**
- (B) if clause (A) does not apply, one and three hundredths (1.03).**

An assessing official shall apply this subsection without the initiation of an appeal by the taxpayer.

SECTION 4. IC 6-1.1-35.5-6, AS AMENDED BY P.L.219-2007,

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1 SECTION 78, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
2 UPON PASSAGE]: Sec. 6. (a) The department of local government
3 finance shall certify all persons who successfully complete a
4 certification under this chapter and shall furnish each successful
5 certification applicant with a certificate that prominently displays the
6 person's name and the fact that the person is a level one, level two, or
7 level three certified Indiana assessor-appraiser.

8 (b) The department of local government finance shall revoke the
9 certification of an individual if the department reasonably determines
10 that the individual committed fraud or misrepresentation with respect
11 to:

- 12 (1) the preparation, administration, or taking of the examination
- 13 for level one or level two certification; ~~or~~
- 14 (2) completion of the curriculum for level three certification; **or**
- 15 **(3) an appraisal submitted to an assessing official under**
- 16 **IC 6-1.1-4-46.**

17 The department of local government finance shall give notice and hold
18 a hearing to consider all of the evidence about the fraud or
19 misrepresentation before deciding whether to revoke the individual's
20 certification.

21 SECTION 5. **An emergency is declared for this act.**

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