February 24, 2012

ENGROSSED
SENATE BILL No. 142

DIGEST OF SB 142 (Updated February 22, 2012 6:12 pm - DI 92)

Citations Affected: IC 3-8; IC 6-1.1; IC 6-1.5.

Synopsis: Property tax issues. Provides that a candidate for the office of county assessor is required to attain the certification of a level three assessor-appraiser: (1) if the candidate did not hold the office of county assessor on January 1, 2012, and the candidate runs in an election after January 1, 2012; or (2) if the candidate held the office of county assessor on January 1, 2012, and the candidate runs in an election after January 1, 2016. Provides that if a taxpayer wishes to have the income capitalization method or the gross rent multiplier method used in the initial assessment of the taxpayer's property, the taxpayer must submit the necessary information to the assessor not later than the March 1 assessment date. Specifies that the taxpayer is not prejudiced or restricted in filing an appeal, if the data is not submitted by March 1. Imposes a $50 penalty for failing to appear at a hearing before the county property tax assessment board of appeals concerning the review of an assessment or deduction. Provides that a taxpayer is not required to pay a penalty under the following circumstances: (1) The notice filed

(Continued next page)

Effective: July 1, 2012.

Kenley, Hershman

(HOUSE SPONSORS — ESPICH, CRAWFORD)

January 4, 2012, read first time and referred to Committee on Appropriations.
January 19, 2012, amended, reported favorably — Do Pass.
January 24, 2012, read second time, amended, ordered engrossed.
January 25, 2012, engrossed.
January 30, 2012, read third time, passed. Yeas 43, nays 7.

HOUSE ACTION

February 9, 2012, read first time and referred to Committee on Ways and Means.
February 23, 2012, amended, reported — Do Pass.

C o p y

by the taxpayer concerns the assessment of or a deduction from the assessed value of the taxpayer's homestead and the taxpayer is representing himself or herself before the county board. (2) The taxpayer withdraws the request for a review at least five days before the hearing. (3) The taxpayer submitted a written request to reschedule the hearing and has not failed to appear at any previous hearing before the board concerning the taxpayer's request for a review. (4) The county board waives the penalty at its own discretion. Requires a power of attorney filed by a tax representative to specify each property subject to the power of attorney and that the power of attorney the expires not more than three years after it is executed. Provides that the department of local government finance shall specify educational criteria for acceptable tested courses offered by nationally recognized assessing organizations, post-secondary educational institutions, and other education delivery organizations in each subject matter area of the curriculum designed for certification of a level three assessor-appraiser. (Current law provides that the only acceptable courses are those offered by nationally recognized assessing organizations.) Appropriates an additional $250,000 to the Indiana board of tax review to reduce the number of appeals pending before the board. Requires the budget agency to allot the money and any other amounts appropriated to the board. Provides that amounts appropriated for state fiscal years beginning after June 30, 2012, may not be reverted unless the number of pending appeals is reduced to less than 1,000. Requires the board to report to the budget committee in 2013 whether the additional resources have enabled the board to significantly reduce the number of pending appeals and whether additional resources are necessary to manage the board's caseload.

C o p y

February 24, 2012

Second Regular Session 117th General Assembly (2012)

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 2011 Regular Session of the General Assembly.

C o p y

ENGROSSED
SENATE BILL No. 142

A BILL FOR AN ACT to amend the Indiana Code concerning taxation and to make an appropriation.

Be it enacted by the General Assembly of the State of Indiana:

SECTION 1. IC 3-8-1-23, AS AMENDED BY P.L.146-2008, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 23. (a) ~~Subject to subsection (b),~~ A candidate for the office of county assessor must:

(1) have resided in the county for at least one (1) year before the election, as provided in Article 6, Section 4 of the Constitution of the State of Indiana; ~~and~~

(2) own real property located in the county upon taking office; **and**

(3) fulfill the requirements of subsections (b) through (d), as applicable.

(b) A candidate for the office of county assessor who runs in an election after June 30, 2008, must have attained the certification of a level two assessor-appraiser under IC 6-1.1-35.5.

(c) A candidate for the office of county assessor who:

(1) did not hold the office of county assessor on January 1, 2012; and

(2) runs in an election after January 1, 2012;

must have attained the certification of a level three assessor-appraiser under IC 6-1.1-35.5.

(d) A candidate for the office of county assessor who:

(1) held the office of county assessor on January 1, 2012; and

(2) runs in an election after January 1, 2016;

must have attained the certification of a level three assessor-appraiser under IC 6-1.1-35.5.

SECTION 2. IC 6-1.1-4-39, AS AMENDED BY P.L.146-2008, SECTION 85, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 39. (a) For assessment dates after February 28, 2005, except as provided in subsections (c) and (e), the true tax value of real property regularly used to rent or otherwise furnish residential accommodations for periods of thirty (30) days or more and that has more than four (4) rental units is the lowest valuation determined by applying each of the following appraisal approaches:

(1) Cost approach that includes an estimated reproduction or replacement cost of buildings and land improvements as of the date of valuation together with estimates of the losses in value that have taken place due to wear and tear, design and plan, or neighborhood influences.

(2) Sales comparison approach, using data for generally comparable property.

(3) Income capitalization approach, using an applicable capitalization method and appropriate capitalization rates that are developed and used in computations that lead to an indication of value commensurate with the risks for the subject property use.

(b) The gross rent multiplier method is the preferred method of valuing:

(1) real property that has at least one (1) and not more than four (4) rental units; and

(2) mobile homes assessed under IC 6-1.1-7.

(c) A township assessor (if any) or the county assessor is not required to appraise real property referred to in subsection (a) using the three (3) appraisal approaches listed in subsection (a) if the assessor and the taxpayer agree before notice of the assessment is given to the taxpayer under section 22 of this chapter to the determination of the true tax value of the property by the assessor using one (1) of those appraisal approaches.

(d) To carry out this section, the department of local government

C o p y

finance may adopt rules for assessors to use in gathering and processing information for the application of the income capitalization method and the gross rent multiplier method. **If a taxpayer wishes to have the income capitalization method or the gross rent multiplier method used in the initial formulation of the assessment of the taxpayer's property, the taxpayer must submit the necessary information to the assessor not later than the March 1 assessment date. However, the taxpayer shall not be prejudiced in any way, or restricted in pursuing an appeal, if the data is not submitted by March 1.** A taxpayer must verify under penalties for perjury any information provided to the township or county assessor for use in the application of either method. **Information provided to the assessor under this section is confidential as provided in IC 6-1.1-35-9.**

(e) The true tax value of low income rental property (as defined in section 41 of this chapter) is not determined under subsection (a). The assessment method prescribed in section 41 of this chapter is the exclusive method for assessment of that property. This subsection does not impede any rights to appeal an assessment.

SECTION 3. IC 6-1.1-15-1, AS AMENDED BY P.L.172-2011, SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 1. (a) A taxpayer may obtain a review by the county board of a county or township official's action with respect to either or both of the following:

(1) The assessment of the taxpayer's tangible property.

(2) A deduction for which a review under this section is authorized by any of the following:

(A) IC 6-1.1-12-25.5.

(B) IC 6-1.1-12-28.5.

(C) IC 6-1.1-12-35.5.

(D) IC 6-1.1-12.1-5.

(E) IC 6-1.1-12.1-5.3.

(F) IC 6-1.1-12.1-5.4.

(b) At the time that notice of an action referred to in subsection (a) is given to the taxpayer, the taxpayer shall also be informed in writing of:

(1) the opportunity for a review under this section, including a preliminary informal meeting under subsection (h)(2) with the county or township official referred to in this subsection; and

(2) the procedures the taxpayer must follow in order to obtain a review under this section.

(c) In order to obtain a review of an assessment or deduction effective for the assessment date to which the notice referred to in

C o p y

subsection (b) applies, the taxpayer must file a notice in writing with the county or township official referred to in subsection (a) not later than forty-five (45) days after the date of the notice referred to in subsection (b).

(d) A taxpayer may obtain a review by the county board of the assessment of the taxpayer's tangible property effective for an assessment date for which a notice of assessment is not given as described in subsection (b). To obtain the review, the taxpayer must file a notice in writing with the township assessor, or the county assessor if the township is not served by a township assessor. The right of a taxpayer to obtain a review under this subsection for an assessment date for which a notice of assessment is not given does not relieve an assessing official of the duty to provide the taxpayer with the notice of assessment as otherwise required by this article. The notice to obtain a review must be filed not later than the later of:

(1) May 10 of the year; or

(2) forty-five (45) days after the date of the tax statement mailed by the county treasurer, regardless of whether the assessing official changes the taxpayer's assessment.

(e) A change in an assessment made as a result of a notice for review filed by a taxpayer under subsection (d) after the time prescribed in subsection (d) becomes effective for the next assessment date. A change in an assessment made as a result of a notice for review filed by a taxpayer under subsection (c) or (d) remains in effect from the assessment date for which the change is made until the next assessment date for which the assessment is changed under this article.

(f) The written notice filed by a taxpayer under subsection (c) or (d) must include the following information:

(1) The name of the taxpayer.

(2) The address and parcel or key number of the property.

(3) The address and telephone number of the taxpayer.

(g) The filing of a notice under subsection (c) or (d):

(1) initiates a review under this section; and

(2) constitutes a request by the taxpayer for a preliminary informal meeting with the official referred to in subsection (a).

(h) A county or township official who receives a notice for review filed by a taxpayer under subsection (c) or (d) shall:

(1) immediately forward the notice to the county board; and

(2) attempt to hold a preliminary informal meeting with the taxpayer to resolve as many issues as possible by:

(A) discussing the specifics of the taxpayer's assessment or deduction;

C o p y

(B) reviewing the taxpayer's property record card;
(C) explaining to the taxpayer how the assessment or deduction was determined;
(D) providing to the taxpayer information about the statutes, rules, and guidelines that govern the determination of the assessment or deduction;
(E) noting and considering objections of the taxpayer;
(F) considering all errors alleged by the taxpayer; and
(G) otherwise educating the taxpayer about:
(i) the taxpayer's assessment or deduction;
(ii) the assessment or deduction process; and
(iii) the assessment or deduction appeal process.

(i) Not later than ten (10) days after the informal preliminary meeting, the official referred to in subsection (a) shall forward to the county auditor and the county board the results of the conference on a form prescribed by the department of local government finance that must be completed and signed by the taxpayer and the official. The form must indicate the following:

(1) If the taxpayer and the official agree on the resolution of all assessment or deduction issues in the review, a statement of:
(A) those issues; and
(B) the assessed value of the tangible property or the amount of the deduction that results from the resolution of those issues in the manner agreed to by the taxpayer and the official.

(2) If the taxpayer and the official do not agree on the resolution of all assessment or deduction issues in the review:
(A) a statement of those issues; and
(B) the identification of:
(i) the issues on which the taxpayer and the official agree; and
(ii) the issues on which the taxpayer and the official disagree.

(j) If the county board receives a form referred to in subsection (i)(1) before the hearing scheduled under subsection (k):

(1) the county board shall cancel the hearing;

(2) the county official referred to in subsection (a) shall give notice to the taxpayer, the county board, the county assessor, and the county auditor of the assessment or deduction in the amount referred to in subsection (i)(1)(B); and

(3) if the matter in issue is the assessment of tangible property, the county board may reserve the right to change the assessment under IC 6-1.1-13.

C o p y

(k) If:

(1) subsection (i)(2) applies; or

(2) the county board does not receive a form referred to in subsection (i) not later than one hundred twenty (120) days after the date of the notice for review filed by the taxpayer under subsection (c) or (d);

the county board shall hold a hearing on a review under this subsection not later than one hundred eighty (180) days after the date of that notice. The county board shall, by mail, give notice of the date, time, and place fixed for the hearing to the taxpayer and the county or township official with whom the taxpayer filed the notice for review. The taxpayer and the county or township official with whom the taxpayer filed the notice for review are parties to the proceeding before the county board.

(l) At the hearing required under subsection (k):

(1) the taxpayer may present the taxpayer's reasons for disagreement with the assessment or deduction; and

(2) the county or township official with whom the taxpayer filed the notice for review must present:

(A) the basis for the assessment or deduction decision; and

(B) the reasons the taxpayer's contentions should be denied.

(m) The official referred to in subsection (a) may not require the taxpayer to provide documentary evidence at the preliminary informal meeting under subsection (h). The county board may not require a taxpayer to file documentary evidence or summaries of statements of testimonial evidence before the hearing required under subsection (k). If the action for which a taxpayer seeks review under this section is the assessment of tangible property, the taxpayer is not required to have an appraisal of the property in order to do the following:

(1) Initiate the review.

(2) Prosecute the review.

(n) The county board shall prepare a written decision resolving all of the issues under review. The county board shall, by mail, give notice of its determination not later than one hundred twenty (120) days after the hearing under subsection (k) to the taxpayer, the official referred to in subsection (a), the county assessor, and the county auditor.

(o) If the maximum time elapses:

(1) under subsection (k) for the county board to hold a hearing; or

(2) under subsection (n) for the county board to give notice of its determination;

the taxpayer may initiate a proceeding for review before the Indiana board by taking the action required by section 3 of this chapter at any

C o p y

time after the maximum time elapses.

(p) This subsection applies to a hearing held under subsection (k) with respect to a notice filed after June 30, 2012, under subsection (d) requesting the review of an assessment or deduction. Except as provided in subsection (q), a taxpayer who fails to appear at a hearing held under subsection (k) concerning the review of an assessment or deduction is subject to a penalty of fifty dollars ($50) for the taxpayer's failure to appear. A penalty imposed under this subsection must be added to the taxpayer's property tax statement of current and delinquent taxes and special assessments under IC 6-1.1-22-8.1.

(q) A taxpayer is not required to pay a penalty for a failure to appear as described in subsection (p) under the following circumstances:

(1) The notice filed by the taxpayer concerns the assessment of or a deduction from the assessed value of the taxpayer's homestead (as defined in IC 6-1.1-12-37), and the taxpayer is representing himself or herself before the county board.

(2) The taxpayer withdraws the request for a review at least five (5) days before the hearing.

(3) The taxpayer submitted a written request to reschedule the hearing and has not failed to appear at any previous hearing held under subsection (k) concerning the taxpayer's request for a review.

(4) The county board waives the penalty at its own discretion.

SECTION 4. IC 6-1.1-15-3.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: **Sec. 3.5. A power of attorney that is executed by a taxpayer and after June 30, 2012, is filed by a tax representative (as defined in 50 IAC 15-5-1, as effective July 1, 2012) with the county board or the Indiana board:**

(1) in a proceeding under this chapter; or

(2) as part of a notice or petition requesting a review under this chapter;

is not valid unless the power of attorney specifies each property subject to the power of attorney and that it expires not more than three (3) years after the power of attorney is executed.

SECTION 5. IC 6-1.1-35.5-4.5, AS ADDED BY P.L.219-2007, SECTION 76, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 4.5. (a) The department ~~of local government finance~~ shall:

(1) administer a program for level three assessor-appraiser

C o p y

certifications; and

(2) design a curriculum for level three assessor-appraiser certification candidates that:

(A) ~~consists of~~ **specifies educational criteria for acceptable** tested courses offered by:

(i) nationally recognized assessing organizations; ~~and~~

(ii) postsecondary educational institutions; or

(iii) other education delivery organizations;

in each subject matter area of the curriculum; and

(B) requires superior knowledge of assessment administration and property valuation concepts.

(b) The department shall:

(1) maintain a representative list of acceptable courses that meet the criteria for the level three assessor-appraiser certification curriculum designed under subsection (a)(2); and

(2) furnish a procedure by which a candidate may seek the department's approval for a course that is not on the representative list of acceptable courses described in subdivision (1).

~~(b)~~ **(c)** The department of local government finance may adopt rules under IC 4-22-2 to implement this section.

SECTION 6. IC 6-1.5-3-5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: **Sec. 5. (a) There is appropriated to the Indiana board from the state general fund two hundred fifty thousand dollars ($250,000) for the Indiana board's use in carrying out the purposes of this section in the state fiscal year beginning July 1, 2012, and ending June 30, 2013. The amount appropriated by this section is in addition to any other amounts appropriated to the Indiana board for its use before July 1, 2013.**

(b) Money appropriated by subsection (a) must be used for the following purposes:

(1) To hire additional personnel to reduce the number of appeals pending before the Indiana board.

(2) To pay the expenses incurred in conducting the additional appeals.

(c) Before July 15, 2012, the budget agency shall allot to the Indiana board the amount appropriated by subsection (a) and any other amounts appropriated to the Indiana board but not yet allotted.

SECTION 7. IC 6-1.5-3-6 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY

C o p y

1, 2012]: **Sec. 6. (a) This section applies to money appropriated to the Indiana board for state fiscal years beginning after June 30, 2012.**

(b) Notwithstanding any other law, money appropriated to the Indiana board may not be reverted to the state general fund until the number of appeals pending before the Indiana board is reduced to less than one thousand (1,000).

SECTION 8. IC 6-1.5-3-7 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: **Sec. 7. Before August 1, 2013, the Indiana board shall report to the budget committee:**

(1) whether the additional resources made available under sections 5 and 6 of this chapter have enabled the Indiana board to significantly reduce the number of appeals pending before the Indiana board; and

(2) whether additional resources are needed to manage the Indiana board's caseload.

C o p y

COMMITTEE REPORT

Madam President: The Senate Committee on Appropriations, to which was referred Senate Bill No. 142, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 1, delete lines 1 through 15, begin a new paragraph and insert:

"SECTION 1. IC 6-1.1-4-39, AS AMENDED BY P.L.146-2008, SECTION 85, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 39. (a) For assessment dates after February 28, 2005, except as provided in subsections (c) and (e), the true tax value of real property regularly used to rent or otherwise furnish residential accommodations for periods of thirty (30) days or more and that has more than four (4) rental units is the lowest valuation determined by applying each of the following appraisal approaches:

(1) Cost approach that includes an estimated reproduction or replacement cost of buildings and land improvements as of the date of valuation together with estimates of the losses in value that have taken place due to wear and tear, design and plan, or neighborhood influences.

(2) Sales comparison approach, using data for generally comparable property.

(3) Income capitalization approach, using an applicable capitalization method and appropriate capitalization rates that are developed and used in computations that lead to an indication of value commensurate with the risks for the subject property use.

(b) The gross rent multiplier method is the preferred method of valuing:

(1) real property that has at least one (1) and not more than four (4) rental units; and

(2) mobile homes assessed under IC 6-1.1-7.

(c) A township assessor (if any) or the county assessor is not required to appraise real property referred to in subsection (a) using the three (3) appraisal approaches listed in subsection (a) if the assessor and the taxpayer agree before notice of the assessment is given to the taxpayer under section 22 of this chapter to the determination of the true tax value of the property by the assessor using one (1) of those appraisal approaches.

(d) To carry out this section, the department of local government finance may adopt rules for assessors to use in gathering and processing information for the application of the income capitalization method and the gross rent multiplier method. **If a taxpayer wishes to**

C o p y

have the income capitalization method or the gross rent multiplier method used in the initial formulation of the assessment of the taxpayer's property, the taxpayer must submit the necessary information to the assessor not later than the March 1 assessment date. However, the taxpayer shall not be prejudiced in any way, or restricted in pursuing an appeal, if the data is not submitted by March 1. A taxpayer must verify under penalties for perjury any information provided to the township or county assessor for use in the application of either method. **Information provided to the assessor under this section is confidential as provided in IC 6-1.1-35-9.**

(e) The true tax value of low income rental property (as defined in section 41 of this chapter) is not determined under subsection (a). The assessment method prescribed in section 41 of this chapter is the exclusive method for assessment of that property. This subsection does not impede any rights to appeal an assessment.".

Page 2, delete lines 1 through 37.

Page 3, line 24, after "(p)." insert "**Only one (1) filing fee must be paid for a review, if the appeal involves contiguous parcels and all those parcels are covered by the appeal.**".

Page 3, line 32, after "(p)." insert "**Only one (1) filing fee must be paid for a review, if the appeal involves contiguous parcels and all those parcels are covered by the appeal.**".

Page 6, line 27, after "county" delete "or" and insert "**treasurer**".

Page 6, line 28, delete "township official with whom the notice is filed".

Page 6, line 33, delete "assessor" and insert "**county treasurer**".

Page 7, line 13, delete "has a duration of not more" and insert "**specifies that it expires forty-five (45) days after receiving a final determination in the proceeding or review, including any subsequent appeal from the final determination in the proceeding or review, or two (2) years after the power of attorney is executed, whichever is later.**".

Page 7, delete line 14.

Page 7, delete lines 15 through 42, begin a new paragraph and insert:

"SECTION 4. IC 6-1.1-37-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 11. (a) If a taxpayer is entitled to a property tax refund or credit because an assessment is decreased, the taxpayer shall also be paid, or credited with, interest on the excess taxes that ~~he~~ **the taxpayer** paid at the rate of four percent (4%) per annum. **However, in the case of an assessment that is decreased by the Indiana board or the Indiana tax court, the**

C o p y

taxpayer is not entitled to interest on the excess taxes unless the taxpayer affirms, under penalty of perjury, that substantive evidence supporting the taxpayer's position had been:

(1) presented by the taxpayer to the assessor before; or

(2) introduced by the taxpayer at;

the hearing before the county property tax assessment board of appeals.

(b) For purposes of this section and except as provided in subsection (c), the interest shall be computed from the date on which the taxes were paid or due, whichever is later, to the date of the refund or credit.

(c) This subsection applies if a taxpayer who is entitled to a refund or credit does not make a written request for the refund or credit to the county auditor within forty-five (45) days after the final determination of the county property tax assessment board of appeals, the state board of tax commissioners, the department of local government finance, the Indiana board, or the tax court that entitles the taxpayer to the refund or credit. In the case of a taxpayer described in this subsection, the interest shall be computed from the date on which the taxes were paid or due to the date that is forty-five (45) days after the final determination of the county property tax assessment board of appeals, the state board of tax commissioners, the department of local government finance, the Indiana board of tax review, or the Indiana tax court. In any event, a property tax refund or credit must be issued not later than ninety (90) days after the request is received.".

Delete page 8.

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 142 as introduced.)

KENLEY, Chairperson

Committee Vote: Yeas 11, Nays 0.

SENATE MOTION

Madam President: I move that Senate Bill 142 be amended to read as follows:

Page 7, line 18, after "determination" insert "**, refund, or credit**".

Page 7, line 20, delete "two (2)" and insert "**three (3)**".

Page 7, line 21, delete "later." and insert "**earlier.**".

Page 7, line 35, after "appeals." insert "**An appraisal may not be**

C o p y

required by the county property tax assessment board of appeals or the assessor in a proceeding before the county property tax assessment board of appeals or in a preliminary informal meeting under IC 6-1.1-15-1(h)(2).".

(Reference is to SB 142 as printed January 20, 2012.)

KENLEY

COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred Senate Bill 142, 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:

Delete the title and insert the following:

A BILL FOR AN ACT to amend the Indiana Code concerning taxation and to make an appropriation.

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 3-8-1-23, AS AMENDED BY P.L.146-2008, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 23. (a) ~~Subject to subsection (b),~~ A candidate for the office of county assessor must:

(1) have resided in the county for at least one (1) year before the election, as provided in Article 6, Section 4 of the Constitution of the State of Indiana; ~~and~~

(2) own real property located in the county upon taking office; **and**

(3) fulfill the requirements of subsections (b) through (d), as applicable.

(b) A candidate for the office of county assessor who runs in an election after June 30, 2008, must have attained the certification of a level two assessor-appraiser under IC 6-1.1-35.5.

(c) A candidate for the office of county assessor who:

(1) did not hold the office of county assessor on January 1, 2012; and

(2) runs in an election after January 1, 2012;

must have attained the certification of a level three assessor-appraiser under IC 6-1.1-35.5.

(d) A candidate for the office of county assessor who:

C o p y

(1) held the office of county assessor on January 1, 2012; and

(2) runs in an election after January 1, 2016;

must have attained the certification of a level three assessor-appraiser under IC 6-1.1-35.5.".

Page 2, delete lines 36 through 42, begin a new paragraph and insert:

"SECTION 3. IC 6-1.1-15-1, AS AMENDED BY P.L.172-2011, SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 1. (a) A taxpayer may obtain a review by the county board of a county or township official's action with respect to either or both of the following:

(1) The assessment of the taxpayer's tangible property.

(2) A deduction for which a review under this section is authorized by any of the following:

(A) IC 6-1.1-12-25.5.

(B) IC 6-1.1-12-28.5.

(C) IC 6-1.1-12-35.5.

(D) IC 6-1.1-12.1-5.

(E) IC 6-1.1-12.1-5.3.

(F) IC 6-1.1-12.1-5.4.

(b) At the time that notice of an action referred to in subsection (a) is given to the taxpayer, the taxpayer shall also be informed in writing of:

(1) the opportunity for a review under this section, including a preliminary informal meeting under subsection (h)(2) with the county or township official referred to in this subsection; and

(2) the procedures the taxpayer must follow in order to obtain a review under this section.

(c) In order to obtain a review of an assessment or deduction effective for the assessment date to which the notice referred to in subsection (b) applies, the taxpayer must file a notice in writing with the county or township official referred to in subsection (a) not later than forty-five (45) days after the date of the notice referred to in subsection (b).

(d) A taxpayer may obtain a review by the county board of the assessment of the taxpayer's tangible property effective for an assessment date for which a notice of assessment is not given as described in subsection (b). To obtain the review, the taxpayer must file a notice in writing with the township assessor, or the county assessor if the township is not served by a township assessor. The right of a taxpayer to obtain a review under this subsection for an assessment date for which a notice of assessment is not given does not relieve an

C o p y

assessing official of the duty to provide the taxpayer with the notice of assessment as otherwise required by this article. The notice to obtain a review must be filed not later than the later of:

(1) May 10 of the year; or

(2) forty-five (45) days after the date of the tax statement mailed by the county treasurer, regardless of whether the assessing official changes the taxpayer's assessment.

(e) A change in an assessment made as a result of a notice for review filed by a taxpayer under subsection (d) after the time prescribed in subsection (d) becomes effective for the next assessment date. A change in an assessment made as a result of a notice for review filed by a taxpayer under subsection (c) or (d) remains in effect from the assessment date for which the change is made until the next assessment date for which the assessment is changed under this article.

(f) The written notice filed by a taxpayer under subsection (c) or (d) must include the following information:

(1) The name of the taxpayer.

(2) The address and parcel or key number of the property.

(3) The address and telephone number of the taxpayer.

(g) The filing of a notice under subsection (c) or (d):

(1) initiates a review under this section; and

(2) constitutes a request by the taxpayer for a preliminary informal meeting with the official referred to in subsection (a).

(h) A county or township official who receives a notice for review filed by a taxpayer under subsection (c) or (d) shall:

(1) immediately forward the notice to the county board; and

(2) attempt to hold a preliminary informal meeting with the taxpayer to resolve as many issues as possible by:

(A) discussing the specifics of the taxpayer's assessment or deduction;

(B) reviewing the taxpayer's property record card;

(C) explaining to the taxpayer how the assessment or deduction was determined;

(D) providing to the taxpayer information about the statutes, rules, and guidelines that govern the determination of the assessment or deduction;

(E) noting and considering objections of the taxpayer;

(F) considering all errors alleged by the taxpayer; and

(G) otherwise educating the taxpayer about:

(i) the taxpayer's assessment or deduction;

(ii) the assessment or deduction process; and

(iii) the assessment or deduction appeal process.

C o p y

(i) Not later than ten (10) days after the informal preliminary meeting, the official referred to in subsection (a) shall forward to the county auditor and the county board the results of the conference on a form prescribed by the department of local government finance that must be completed and signed by the taxpayer and the official. The form must indicate the following:

(1) If the taxpayer and the official agree on the resolution of all assessment or deduction issues in the review, a statement of:

(A) those issues; and

(B) the assessed value of the tangible property or the amount of the deduction that results from the resolution of those issues in the manner agreed to by the taxpayer and the official.

(2) If the taxpayer and the official do not agree on the resolution of all assessment or deduction issues in the review:

(A) a statement of those issues; and

(B) the identification of:

(i) the issues on which the taxpayer and the official agree; and

(ii) the issues on which the taxpayer and the official disagree.

(j) If the county board receives a form referred to in subsection (i)(1) before the hearing scheduled under subsection (k):

(1) the county board shall cancel the hearing;

(2) the county official referred to in subsection (a) shall give notice to the taxpayer, the county board, the county assessor, and the county auditor of the assessment or deduction in the amount referred to in subsection (i)(1)(B); and

(3) if the matter in issue is the assessment of tangible property, the county board may reserve the right to change the assessment under IC 6-1.1-13.

(k) If:

(1) subsection (i)(2) applies; or

(2) the county board does not receive a form referred to in subsection (i) not later than one hundred twenty (120) days after the date of the notice for review filed by the taxpayer under subsection (c) or (d);

the county board shall hold a hearing on a review under this subsection not later than one hundred eighty (180) days after the date of that notice. The county board shall, by mail, give notice of the date, time, and place fixed for the hearing to the taxpayer and the county or township official with whom the taxpayer filed the notice for review. The taxpayer and the county or township official with whom the

C o p y

taxpayer filed the notice for review are parties to the proceeding before the county board.

(l) At the hearing required under subsection (k):

(1) the taxpayer may present the taxpayer's reasons for disagreement with the assessment or deduction; and

(2) the county or township official with whom the taxpayer filed the notice for review must present:

(A) the basis for the assessment or deduction decision; and

(B) the reasons the taxpayer's contentions should be denied.

(m) The official referred to in subsection (a) may not require the taxpayer to provide documentary evidence at the preliminary informal meeting under subsection (h). The county board may not require a taxpayer to file documentary evidence or summaries of statements of testimonial evidence before the hearing required under subsection (k). If the action for which a taxpayer seeks review under this section is the assessment of tangible property, the taxpayer is not required to have an appraisal of the property in order to do the following:

(1) Initiate the review.

(2) Prosecute the review.

(n) The county board shall prepare a written decision resolving all of the issues under review. The county board shall, by mail, give notice of its determination not later than one hundred twenty (120) days after the hearing under subsection (k) to the taxpayer, the official referred to in subsection (a), the county assessor, and the county auditor.

(o) If the maximum time elapses:

(1) under subsection (k) for the county board to hold a hearing; or

(2) under subsection (n) for the county board to give notice of its determination;

the taxpayer may initiate a proceeding for review before the Indiana board by taking the action required by section 3 of this chapter at any time after the maximum time elapses.

(p) This subsection applies to a hearing held under subsection (k) with respect to a notice filed after June 30, 2012, under subsection (d) requesting the review of an assessment or deduction. Except as provided in subsection (q), a taxpayer who fails to appear at a hearing held under subsection (k) concerning the review of an assessment or deduction is subject to a penalty of fifty dollars ($50) for the taxpayer's failure to appear. A penalty imposed under this subsection must be added to the taxpayer's property tax statement of current and delinquent taxes and special assessments under IC 6-1.1-22-8.1.

(q) A taxpayer is not required to pay a penalty for a failure to

C o p y

appear as described in subsection (p) under the following circumstances:

(1) The notice filed by the taxpayer concerns the assessment of or a deduction from the assessed value of the taxpayer's homestead (as defined in IC 6-1.1-12-37), and the taxpayer is representing himself or herself before the county board.

(2) The taxpayer withdraws the request for a review at least five (5) days before the hearing.

(3) The taxpayer submitted a written request to reschedule the hearing and has not failed to appear at any previous hearing held under subsection (k) concerning the taxpayer's request for a review.

(4) The county board waives the penalty at its own discretion.".

Delete pages 3 through 6.

Page 7, delete lines 1 through 7.

Page 7, line 17, after "specifies" insert "**each property subject to the power of attorney and**".

Page 7, delete lines 18 through 20.

Page 7, line 21, delete "or" and insert "**not more than**".

Page 7, line 21, delete "," and insert "**.**".

Page 7, delete lines 22 through 42, begin a new paragraph and insert:

"SECTION 5. IC 6-1.1-35.5-4.5, AS ADDED BY P.L.219-2007, SECTION 76, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 4.5. (a) The department ~~of local government finance~~ shall:

(1) administer a program for level three assessor-appraiser certifications; and

(2) design a curriculum for level three assessor-appraiser certification candidates that:

(A) ~~consists of~~ **specifies educational criteria for acceptable** tested courses offered by:

(i) nationally recognized assessing organizations; ~~and~~

(ii) postsecondary educational institutions; or

(iii) other education delivery organizations;

in each subject matter area of the curriculum; and

(B) requires superior knowledge of assessment administration and property valuation concepts.

(b) The department shall:

(1) maintain a representative list of acceptable courses that meet the criteria for the level three assessor-appraiser

C o p y

certification curriculum designed under subsection (a)(2); and

(2) furnish a procedure by which a candidate may seek the department's approval for a course that is not on the representative list of acceptable courses described in subdivision (1).

~~(b)~~ **(c)** The department of local government finance may adopt rules under IC 4-22-2 to implement this section.

SECTION 6. IC 6-1.5-3-5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: **Sec. 5. (a) There is appropriated to the Indiana board from the state general fund two hundred fifty thousand dollars ($250,000) for the Indiana board's use in carrying out the purposes of this section in the state fiscal year beginning July 1, 2012, and ending June 30, 2013. The amount appropriated by this section is in addition to any other amounts appropriated to the Indiana board for its use before July 1, 2013.**

(b) Money appropriated by subsection (a) must be used for the following purposes:

(1) To hire additional personnel to reduce the number of appeals pending before the Indiana board.

(2) To pay the expenses incurred in conducting the additional appeals.

(c) Before July 15, 2012, the budget agency shall allot to the Indiana board the amount appropriated by subsection (a) and any other amounts appropriated to the Indiana board but not yet allotted.

SECTION 7. IC 6-1.5-3-6 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: **Sec. 6. (a) This section applies to money appropriated to the Indiana board for state fiscal years beginning after June 30, 2012.**

(b) Notwithstanding any other law, money appropriated to the Indiana board may not be reverted to the state general fund until the number of appeals pending before the Indiana board is reduced to less than one thousand (1,000).

SECTION 8. IC 6-1.5-3-7 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: **Sec. 7. Before August 1, 2013, the Indiana board shall report to the budget committee:**

(1) whether the additional resources made available under sections 5 and 6 of this chapter have enabled the Indiana board to significantly reduce the number of appeals pending

C o p y

before the Indiana board; and
(2) whether additional resources are needed to manage the Indiana board's caseload.".

Delete page 8.

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 142 as reprinted January 25, 2012.)

ESPICH, Chair

Committee Vote: yeas 22, nays 1.

C o p y