

---

---

# SENATE BILL No. 142

---

## DIGEST OF INTRODUCED BILL

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

**Synopsis:** Property tax issues. Provides that the department of local government finance (DLGF) shall (rather than may) adopt rules for assessors to use in gathering and processing information for the application of the income capitalization and gross rent multiplier assessment methods. Provides that the rules adopted by the DLGF must specify: (1) the information that must be provided by a taxpayer that wishes to have or is required to have the taxpayer's property assessed through use of the income capitalization method or the gross rent multiplier method; and (2) the deadline for a taxpayer to provide the information. Provides that a taxpayer filing a notice requesting a county property tax assessment board of appeals (county board) to review an assessment or deduction must pay to the county or township official with whom the notice is filed a filing fee of \$50. Specifies that a taxpayer is not required to pay the filing fee if the review concerns the taxpayer's homestead and the taxpayer will represent himself or herself before the county board. Provides that the filing fee shall be refunded to the taxpayer if: (1) the taxpayer and the assessing official resolve the issues in the review; (2) the county board gives notice of its determination; or (3) the maximum time elapses for the county board to hold a hearing or to give notice of its determination and the taxpayer initiates a proceeding for review before the Indiana board of tax review (Indiana board). Specifies that a power of attorney that is executed by a taxpayer and is filed by a tax representative with the county board or the Indiana board in a proceeding under the property tax assessment appeals statutes or as part of a notice or petition requesting a review of an assessment is not valid unless the power of attorney has a duration of not more than two years. Specifies that if a taxpayer is entitled to a  
(Continued next page)

C  
o  
p  
y

**Effective:** July 1, 2012.

---

---

**Kenley**

---

---

January 4, 2012, read first time and referred to Committee on Appropriations.

---

---



Digest Continued

property tax refund or credit because an assessment is decreased after a determination of the Indiana board or the Indiana tax court (tax court), the Indiana board or the tax court may waive any interest that the taxpayer would otherwise be entitled to receive, if: (1) during the proceedings of the Indiana board or the tax court the taxpayer introduces evidence that had not been introduced at a hearing before the county board; and (2) the determination of the Indiana board or the tax court is based in whole or in part on that evidence.

C  
o  
p  
y



Introduced

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

## SENATE BILL No. 142



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 6-1.1-4-39, AS AMENDED BY P.L.146-2008,  
 2 SECTION 85, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 3 JULY 1, 2012]: Sec. 39. (a) For assessment dates after February 28,  
 4 2005, except as provided in subsections (c) and (e), the true tax value  
 5 of real property regularly used to rent or otherwise furnish residential  
 6 accommodations for periods of thirty (30) days or more and that has  
 7 more than four (4) rental units is the lowest valuation determined by  
 8 applying each of the following appraisal approaches:  
 9 (1) Cost approach that includes an estimated reproduction or  
 10 replacement cost of buildings and land improvements as of the  
 11 date of valuation together with estimates of the losses in value  
 12 that have taken place due to wear and tear, design and plan, or  
 13 neighborhood influences.  
 14 (2) Sales comparison approach, using data for generally  
 15 comparable property.



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

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

7 (1) real property that has at least one (1) and not more than four

8 (4) rental units; and

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

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

17 (d) To carry out this section, the department of local government  
 18 finance ~~may~~ **shall** adopt rules for assessors to use in gathering and  
 19 processing information for the application of the income capitalization  
 20 method and the gross rent multiplier method. **The rules adopted by**  
 21 **the department must specify:**

22 **(1) the information that must be provided to the appropriate**  
 23 **assessor by a taxpayer that wishes to have or is required to**  
 24 **have the taxpayer's property assessed through the use of the**  
 25 **income capitalization method or the gross rent multiplier**  
 26 **method; and**

27 **(2) the deadline for a taxpayer to provide the information**  
 28 **described in subdivision (1).**

29 A taxpayer must verify under penalties for perjury any information  
 30 provided to the township or county assessor for use in the application  
 31 of either method. **Information provided to the assessor under this**  
 32 **section is confidential as provided in IC 6-1.1-35-9.**

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

38 SECTION 2. IC 6-1.1-15-1, AS AMENDED BY P.L.172-2011,  
 39 SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 40 JULY 1, 2012]: Sec. 1. (a) A taxpayer may obtain a review by the  
 41 county board of a county or township official's action with respect to  
 42 either or both of the following:

C  
o  
p  
y



- 1 (1) The assessment of the taxpayer's tangible property.  
 2 (2) A deduction for which a review under this section is  
 3 authorized by any of the following:  
 4 (A) IC 6-1.1-12-25.5.  
 5 (B) IC 6-1.1-12-28.5.  
 6 (C) IC 6-1.1-12-35.5.  
 7 (D) IC 6-1.1-12.1-5.  
 8 (E) IC 6-1.1-12.1-5.3.  
 9 (F) IC 6-1.1-12.1-5.4.
- 10 (b) At the time that notice of an action referred to in subsection (a)  
 11 is given to the taxpayer, the taxpayer shall also be informed in writing  
 12 of:  
 13 (1) the opportunity for a review under this section, including a  
 14 preliminary informal meeting under subsection (h)(2) with the  
 15 county or township official referred to in this subsection; and  
 16 (2) the procedures the taxpayer must follow in order to obtain a  
 17 review under this section.
- 18 (c) In order to obtain a review of an assessment or deduction  
 19 effective for the assessment date to which the notice referred to in  
 20 subsection (b) applies, the taxpayer must:  
 21 (1) file a notice in writing with the county or township official  
 22 referred to in subsection (a) not later than forty-five (45) days  
 23 after the date of the notice referred to in subsection (b); **and**  
 24 (2) **pay a filing fee, if required by subsection (p).**
- 25 (d) A taxpayer may obtain a review by the county board of the  
 26 assessment of the taxpayer's tangible property effective for an  
 27 assessment date for which a notice of assessment is not given as  
 28 described in subsection (b). To obtain the review, the taxpayer must:  
 29 (1) file a notice in writing with the township assessor, or the  
 30 county assessor if the township is not served by a township  
 31 assessor; **and**  
 32 (2) **pay a filing fee, if required by subsection (p).**
- 33 The right of a taxpayer to obtain a review under this subsection for an  
 34 assessment date for which a notice of assessment is not given does not  
 35 relieve an assessing official of the duty to provide the taxpayer with the  
 36 notice of assessment as otherwise required by this article. The notice  
 37 to obtain a review must be filed not later than the later of:  
 38 (1) May 10 of the year; or  
 39 (2) forty-five (45) days after the date of the tax statement mailed  
 40 by the county treasurer, regardless of whether the assessing  
 41 official changes the taxpayer's assessment.  
 42 (e) A change in an assessment made as a result of a notice for

C  
O  
P  
Y

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

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

- 9 (1) The name of the taxpayer.  
 10 (2) The address and parcel or key number of the property.  
 11 (3) The address and telephone number of the taxpayer.

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

- 13 (1) initiates a review under this section; and  
 14 (2) constitutes a request by the taxpayer for a preliminary  
 15 informal meeting with the official referred to in subsection (a).

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

- 18 (1) immediately forward the notice to the county board; and  
 19 (2) attempt to hold a preliminary informal meeting with the  
 20 taxpayer to resolve as many issues as possible by:

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

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

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

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

29 (E) noting and considering objections of the taxpayer;

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

31 (G) otherwise educating the taxpayer about:

32 (i) the taxpayer's assessment or deduction;

33 (ii) the assessment or deduction process; and

34 (iii) the assessment or deduction appeal process.

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

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

C  
O  
P  
Y



- 1 (A) those issues; and  
 2 (B) the assessed value of the tangible property or the amount  
 3 of the deduction that results from the resolution of those issues  
 4 in the manner agreed to by the taxpayer and the official.  
 5 (2) If the taxpayer and the official do not agree on the resolution  
 6 of all assessment or deduction issues in the review:  
 7 (A) a statement of those issues; and  
 8 (B) the identification of:  
 9 (i) the issues on which the taxpayer and the official agree;  
 10 and  
 11 (ii) the issues on which the taxpayer and the official  
 12 disagree.  
 13 (j) If the county board receives a form referred to in subsection  
 14 (i)(1) before the hearing scheduled under subsection (k):  
 15 (1) the county board shall cancel the hearing;  
 16 (2) the county official referred to in subsection (a) shall give  
 17 notice to the taxpayer, the county board, the county assessor, and  
 18 the county auditor of the assessment or deduction in the amount  
 19 referred to in subsection (i)(1)(B); and  
 20 (3) if the matter in issue is the assessment of tangible property,  
 21 the county board may reserve the right to change the assessment  
 22 under IC 6-1.1-13.  
 23 (k) If:  
 24 (1) subsection (i)(2) applies; or  
 25 (2) the county board does not receive a form referred to in  
 26 subsection (i) not later than one hundred twenty (120) days after  
 27 the date of the notice for review filed by the taxpayer under  
 28 subsection (c) or (d);  
 29 the county board shall hold a hearing on a review under this subsection  
 30 not later than one hundred eighty (180) days after the date of that  
 31 notice. The county board shall, by mail, give notice of the date, time,  
 32 and place fixed for the hearing to the taxpayer and the county or  
 33 township official with whom the taxpayer filed the notice for review.  
 34 The taxpayer and the county or township official with whom the  
 35 taxpayer filed the notice for review are parties to the proceeding before  
 36 the county board.  
 37 (l) At the hearing required under subsection (k):  
 38 (1) the taxpayer may present the taxpayer's reasons for  
 39 disagreement with the assessment or deduction; and  
 40 (2) the county or township official with whom the taxpayer filed  
 41 the notice for review must present:  
 42 (A) the basis for the assessment or deduction decision; and

C  
O  
P  
Y

- 1 (B) the reasons the taxpayer's contentions should be denied.
- 2 (m) The official referred to in subsection (a) may not require the
- 3 taxpayer to provide documentary evidence at the preliminary informal
- 4 meeting under subsection (h). The county board may not require a
- 5 taxpayer to file documentary evidence or summaries of statements of
- 6 testimonial evidence before the hearing required under subsection (k).
- 7 If the action for which a taxpayer seeks review under this section is the
- 8 assessment of tangible property, the taxpayer is not required to have an
- 9 appraisal of the property in order to do the following:
- 10 (1) Initiate the review.
- 11 (2) Prosecute the review.
- 12 (n) The county board shall prepare a written decision resolving all
- 13 of the issues under review. The county board shall, by mail, give notice
- 14 of its determination not later than one hundred twenty (120) days after
- 15 the hearing under subsection (k) to the taxpayer, the official referred to
- 16 in subsection (a), the county assessor, and the county auditor.
- 17 (o) If the maximum time elapses:
- 18 (1) under subsection (k) for the county board to hold a hearing; or
- 19 (2) under subsection (n) for the county board to give notice of its
- 20 determination;
- 21 the taxpayer may initiate a proceeding for review before the Indiana
- 22 board by taking the action required by section 3 of this chapter at any
- 23 time after the maximum time elapses.
- 24 **(p) This subsection applies to a notice filed after June 30, 2012,**
- 25 **under subsection (c) or (d) requesting the review of an assessment**
- 26 **or deduction. At the time a taxpayer files the notice under**
- 27 **subsection (c) or (d), the taxpayer shall pay to the county or**
- 28 **township official with whom the notice is filed a filing fee of fifty**
- 29 **dollars (\$50). However, a taxpayer is not required to pay the filing**
- 30 **fee if the notice filed by the taxpayer concerns the assessment of or**
- 31 **a deduction from the assessed value of the taxpayer's homestead**
- 32 **(as defined in IC 6-1.1-12-37) and the taxpayer will represent**
- 33 **himself or herself before the county board. The assessor to whom**
- 34 **the taxpayer paid the filing fee shall refund the filing fee to the**
- 35 **taxpayer upon the occurrence of any of the following:**
- 36 (1) The taxpayer and the assessing official agree on the
- 37 resolution of all assessment or deduction issues in the review.
- 38 (2) The county board gives notice of its determination.
- 39 (3) The maximum time elapses:
- 40 (A) under subsection (k) for the county board to hold a
- 41 hearing; or
- 42 (B) under subsection (n) for the county board to give notice

C  
o  
p  
y

1                   **of its determination;**  
 2                   **and the taxpayer initiates a proceeding for review before the**  
 3                   **Indiana board.**  
 4                   SECTION 3. IC 6-1.1-15-3.5 IS ADDED TO THE INDIANA  
 5 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 6 [EFFECTIVE JULY 1, 2012]: **Sec. 3.5. A power of attorney that is**  
 7 **executed by a taxpayer and after June 30, 2012, is filed by a tax**  
 8 **representative (as defined in 50 IAC 15-5-1, as effective July 1,**  
 9 **2012) with the county board or the Indiana board:**  
 10                   **(1) in a proceeding under this chapter; or**  
 11                   **(2) as part of a notice or petition requesting a review under**  
 12                   **this chapter;**  
 13 **is not valid unless the power of attorney has a duration of not more**  
 14 **than two (2) years.**  
 15                   SECTION 4. IC 6-1.1-37-11 IS AMENDED TO READ AS  
 16 FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 11. (a) **Except as**  
 17 **provided in subsection (d),** if a taxpayer is entitled to a property tax  
 18 refund or credit because an assessment is decreased, the taxpayer shall  
 19 also be paid, or credited with, interest on the excess taxes that ~~he~~ **the**  
 20 **taxpayer** paid at the rate of four percent (4%) per annum.  
 21                   (b) For purposes of this section and except as provided in subsection  
 22 (c), the interest shall be computed from the date on which the taxes  
 23 were paid or due, whichever is later, to the date of the refund or credit.  
 24                   (c) This subsection applies if a taxpayer who is entitled to a refund  
 25 or credit does not make a written request for the refund or credit to the  
 26 county auditor within forty-five (45) days after the final determination  
 27 of the county property tax assessment board of appeals, the state board  
 28 of tax commissioners, the department of local government finance, the  
 29 Indiana board, or the tax court that entitles the taxpayer to the refund  
 30 or credit. In the case of a taxpayer described in this subsection, the  
 31 interest shall be computed from the date on which the taxes were paid  
 32 or due to the date that is forty-five (45) days after the final  
 33 determination of the county property tax assessment board of appeals,  
 34 the state board of tax commissioners, the department of local  
 35 government finance, the Indiana board of tax review, or the Indiana tax  
 36 court. In any event, a property tax refund or credit must be issued not  
 37 later than ninety (90) days after the request is received.  
 38                   **(d) If a taxpayer is entitled to a property tax refund or credit**  
 39 **because an assessment is decreased after a determination of the**  
 40 **Indiana board or the Indiana tax court, the Indiana board or the**  
 41 **Indiana tax court may waive any interest that the taxpayer would**  
 42 **otherwise be entitled to receive under this section or any other law**

C  
o  
p  
y



1 on the excess taxes paid by the taxpayer, if:  
2 (1) during the proceedings of the Indiana board or the  
3 Indiana tax court, the taxpayer introduced evidence that was  
4 not introduced at a hearing before the county property tax  
5 assessment board of appeals; and  
6 (2) the determination of the Indiana board or the Indiana tax  
7 court is based in whole or in part on the evidence described in  
8 subdivision (1).

C  
o  
p  
y

