

**Economic Impact Statement**

LSA Document #19-636

**IC 4-22-2.1-5 Statement Concerning Rules Affecting Small Businesses****Estimated Number of Small Businesses Subject to this Rule:**

The Department of Local Government Finance (Department) estimates that no small businesses will be impacted by this rule. The proposed rule primarily includes technical corrections and updates to reflect statutory changes since 2011. For the portions of the rule related to [50 IAC 2.4](#), [50 IAC 3.3](#), [50 IAC 5.1](#), [50 IAC 10](#), [50 IAC 18](#), [50 IAC 19](#), [50 IAC 27](#), and [50 IAC 29](#), the regulatory provisions would only apply to functions of local assessing officials or local government entities. While personal property is initially self-assessed by the property owner, the changes made to [50 IAC 4.2](#) related to personal property assessment are clarifications and updates to conform to statutory changes. The portion of the proposed rule related to [50 IAC 15](#) for the certification of assessor-appraisers, professional appraisers, and tax representatives would potentially have a positive impact on any small business that employs these certified individuals. In addition to providing numerous technical updates and clarifications, the proposed rule also includes a reduction in the number of required continuing education hours for Level 2 and Level 3 assessor-appraisers. The reduction in the number of required continuing education hours may result in a modest cost savings for any small business that employs certified assessor-appraisers. Overall, the rule itself is "business neutral" in that it should have no direct or indirect effect on business.

**Estimated Average Annual Administrative Costs That Small Businesses Will Incur:**

The Department estimates that small businesses will incur minimal or no additional administrative expenses resulting from this proposed rule because no additional reporting or filing requirements will be added or created by the proposed rule. While the proposed rule includes provisions related to certain reporting requirements, these provisions are only meant to provide additional clarification to local assessing officials and property owners on how to file statements and what information to include in the various statutorily required tax statements. For individuals that are certified by the Department as an assessor-apraiser or a tax representative, the proposed rule will provide the option for individuals to either petition for the reinstatement of a former certification or voluntarily withdraw an assessor-apraiser or tax representative certification. Both of these options are currently available through the Department and the proposed rule would only codify current practice.

**Estimated Total Annual Economic Impact on Small Business:**

The Department estimates that there will be no financial impact on small businesses as a result of this rule. Small businesses will have no additional responsibilities associated with this rule.

**Supporting Data, Studies, and Analyses:**

Since there is no financial impact expected as a result of this rule, no supporting data, studies, or analyses were relied upon by the agency in its determination.

**Justification of Requirement or Cost:**

[IC 6-1.1-31-1](#) requires the Department to adopt rules generally concerning the assessment of personal property and real property, and [IC 6-1.1-31-12](#) requires the Department to adopt rules governing the reduction and increase of assessed valuations by the county assessor. Additionally, [IC 6-1.1-4-4.5](#) requires the Department to 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 reassessment under [IC 6-1.1-4-4.2](#). The proposed rule simply includes technical updates to the already prescribed standards for assessment and is not expected to significantly increase costs to business.

[IC 6-1.1-12.1-13](#) requires the Department to adopt rules implementing to deductions and abatements for the rehabilitation or redevelopment of real property in economic revitalization areas. The proposed rule simply includes technical updates and clarifications to the already prescribed procedures and is not expected to significantly increase costs to business.

[IC 6-1.1-31.7-3](#) requires the Department to adopt rules for the certification and regulation of appraisers, and [IC 6-1.1-35.5-8.5](#) requires the Department to adopt rules for the certification of and continuing education requirements for assessor-appraisers. The proposed rule simply includes technical updates and clarifications to the already prescribed standards for certified assessor-appraisers and tax representatives, and it is not expected to significantly increase costs to business.

**Regulatory Flexibility Analysis of Alternative Methods:****(A) The establishment of less stringent compliance or reporting requirements for small businesses.**

This proposed rule does not require compliance or reporting requirements for small businesses. Any

compliance or reporting requirements related to small businesses are established in legislation so no alternatives are possible.

**(B) The establishment of less stringent schedules or deadlines for compliance or reporting requirements.**

This proposed rule does not require compliance or reporting requirements for small businesses. Any compliance or reporting requirements related to small businesses are established in legislation so no alternatives are possible.

**(C) The consolidation or simplification of compliance or reporting requirements for small businesses.**

While this proposed rule does not require compliance or reporting requirements for small businesses, the proposed rule does eliminate certain administrative rules that are a duplication of statute.

**(D) The establishment of performance standards for small businesses instead of design or operational standards imposed on other regulated entities by the rule.**

The Department does not have the statutory authority to establish performance standards for small businesses, and the proposed rule does not include any performance standards for small businesses.

**(E) The exemption of small businesses from part of all of the requirements or costs imposed by the rule.**

While the Department does not have the statutory authority to exempt small businesses from the requirements under the proposed rule, a portion of the proposed rule does relate to the tax exemption for taxpayers with a total acquisition cost of business personal property that is less than \$40,000. This portion of the proposed rule outlines information for property owners that wish to claim the property tax exemption.

**Explanation of Preliminary Determination:**

The Department did not make a determination that the rule was necessary because the promulgation of such rule by the Department is required under [IC 6-1.1-4-4.5](#), [IC 6-1.1-12.1-13](#), [IC 6-1.1-31-1](#), [IC 6-1.1-31-12](#), [IC 6-1.1-31.7-3](#), and [IC 6-1.1-35.5-8.5](#).

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