# HB 1001 – Property Tax Fairness Plan

## GIVE HOOSIERS THE TAX RELIEF THEY WERE PROMISED

1. ***(AMENDED)*** Extend the filing deadline to December 15, 2003 for homestead and other credits and deductions. Credit and deduction applications filed in 2003 and thereafter would be available for the next calendar year.

2. Increase homestead deduction from $35,000 to $44,000 in 2004; $39,500 in 2005; and $35,000 in 2006 and thereafter.

3. Implement a new deduction of $4500 for homesteads between 50 and 100 years old and $9000 for homesteads over 100 years old.

4. ***(AMENDED)*** Requires the assessment of rental properties and mobile homes to be calculated based on all three possible fair market value methodologies, and the most favorable assessment result provided to the property owner. Excludes from the calculations federal tax credits and other subsidies provided for low-income housing.

5. ***(NEW)*** Provide a new farmstead deduction for agricultural land in the amount of the lesser of 20% of the land value or the amount of the state homestead deduction. Eligible taxpayers could only receive one farmstead deduction.

6. ***(AMENDED)*** Rewrite provisions of HB 1001(ss02) so that county treasurers must notify taxpayers in 2004 tax bills of state property tax relief information based on county-wide average residential property tax reductions provided by the state tax restructuring.

## GET LOCAL GOVERNMENT SPENDING UNDER CONTROL

1. ***(AMENDED)*** Implement stricter local levy caps to roll back excessive local levy increases in 2003 and prohibit future "banking" of unused maximum levy increases.

   a. For 2004, certified operating levies for all units will be no more than the lesser of:
      i. the 2003 levy multiplied by the current inflation factor plus an allowance for any net growth in assessed value that occurs from 2003 to 2004; or
      ii. the 2002 levy multiplied by 5% (for 2003) and multiplied again by 5% (for 2004).
   b. For 2005 and thereafter, all local units' certified operating levies may be no more than their prior year's levy multiplied by the current inflation factor plus an allowance for any net growth in assessed value in the unit.

2. ***(AMENDED)*** Require local units to pay back property tax replacement credits (PTRC) and homestead credits paid by the state on property taxes that were later refunded to property taxpayers in appeals.

3. ***(AMENDED)*** Prohibit local units from levying "buffers" to cover property tax assessment appeals. Assessment will be expected to be based on accurate values, and local units will continue to be able to make up lost levies the next year and not rely on guesstimates in the current year.

4. ***(NEW)*** Require all local transportation, airport, library, and other appointed boards except school boards to submit their budgets and levies for full consideration and approval of the appropriate elected boards.

5. Provide more flexibility for local government borrowing through the Indiana Bond Bank to deal with late property tax bills in 2003 and 2004.

## MAKE THE REASSESSMENT PROCESS FAIR

1. ***(AMENDED)*** Allow counties to offer an installment payment plan to property taxpayers. *(DLGF's 2003 actions validated; provided as a county option in 2004 and thereafter)*

2. ***(AMENDED)*** Allow counties to waive the 10% late payment penalty. *(DLGF's 2003 actions validated; provided as a county option in 2004 and thereafter)*

3. ***(AMENDED)*** Combine the Form 11 Notice of Assessment and the local tax bills, and provide that the appeal filing deadline is 45 days after a person receives their tax bill. *(DLGF's 2003 actions validated; provided as a county option in 2004 and thereafter)*

4. ***(NEW)*** Require local units to automatically provide refunds for successful appeals instead of requiring yet another filing, and delete the requirement that taxpayers must file an appeal in order to have an informal appeal discussion with the township assessor.

5. Empower the Department of Local Government Finance (DLGF) to adjust or take over local reassessment processes (including equalization studies) when assessors fail to meet deadlines or demonstrate an inability to conduct reassessment in an accurate and timely manner. This would address the *Matonovich* case that limited DLGF powers.

6. ***(AMENDED)*** Require all assessors to receive Level-I Certification in assessment practices before taking office as an assessor, and receive Level-II Certification within one year of taking office.

7. Mandate that counties must send sales disclosure data to the DLGF electronically so it can maintain up-to-date market value data.

8. ***(NEW)*** Require DLGF to determine whether uniform statewide assessment computer system is affordable and necessary for the next reassessment.

9. ***(NEW)*** Increase the amount required for future provisional tax bills from 70% to 90% of prior years billing.

10. ***(NEW)*** Give power to DLGF to fix rate-controlled levies that were missed in tax restructuring and recodification, and correct unclear language regarding the allowable years in which assessment appeals may be made.