
STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



INDIANA GOVERNMENT CENTER NORTH
100 NORTH SENATE AVENUE N1058(B)
INDIANAPOLIS, IN 46204
PHONE (317) 232-3777
FAX (317) 974-1629

Frequently Asked Questions

Legislation Overview

June 16, 2021

ASSESSMENT MATTERS LEGISLATION

- 1. As a township, we review all of the appeals and send Form 134s. Appeals are sent to the PTABOA if an agreement is not met at the township level. Also, the county sends a Form 115 from the PTABOA agreeing with our findings. Do the appeals settled at the township level, not heard by the PTABOA, fall under the new requirements in HEA 1166?**

No. The Department's interpretation of HEA 1166 is that if the taxpayer and assessing official come to an agreement or settlement at an informal preliminary meeting and the matter is not heard by the PTABOA (or IBTR), then the assessed value settled upon by the taxpayer and the assessing official would not be subject to an assessment "freeze" as outlined in HEA 1166. This scenario would fall under the exception listed in Ind. Code § 6-1.1-13-13(c).

- 2. With the changes for you can act as a tax representative under HEA 1166, are the Power of Attorney forms no longer required?**

The Power of Attorney form will still be required. 50 IAC 15-5-2(a) still states that in order for a tax representative to practice before the PTABOA, the tax representative must have a copy of a properly executed Power of Attorney form (State Form 23261) from the taxpayer. A Level 2 certified assessor-appraiser would be required to have a Power of Attorney from the taxpayer and file the form prescribed by the Department that is specifically related to a Level 2 certified assessor-appraiser serving as a tax representative before the PTABOA. A Level 3 certified assessor-appraiser would be required only to have a Power of Attorney from the taxpayer to serve as a tax representative before the PTABOA.

- 3. There was a slide related to the allowance of appeals for increased assessments during a freeze period if the increase is arbitrary and capricious. Why would the increase be permitted in the first place, given that a freeze period is pending?**

HEA 1166 allows for an increase to the assessed value for a property with an assessment "freeze" if the increase is due to the application of the annual adjustment or trending factor used by the assessing official to adjust property values for a tax year. It states that if a property's assessed value is in a "freeze" period and the assessment increases, the taxpayer can appeal the

increased assessment if he or she believes that the increase is “arbitrary or capricious” and the assessment was not made consistent with the annual adjustment or trending factor used by the assessing official to adjust property values for a tax year.

4. If a taxpayer successfully appealed a previous assessment, does that bar the county from applying obsolescence to a property in subsequent years before the next four (4) year cyclical reassessment cycle takes place?

It is the Department’s understanding that the language of HEA 1166 only prohibits the county from increasing the assessed value of the property until the first year of the next four (4) year cyclical reassessment cycle. If the assessing official believes that obsolescence would apply to the subject property in a subsequent assessment year before the next four (4) year cyclical reassessment, obsolescence may be applied as it would ultimately *reduce* the assessed value of the property.

5. Can a Level 2 certified assessor-appraiser represent a taxpayer on an appeal that was filed before June 15, 2021?

Under HEA 1166, a Level 2 certified assessor-appraiser can represent a taxpayer in an appeal before the PTABOA if the proper Power of Attorney form is completed and submitted with the taxpayer’s notice to initiate an appeal. However, since this new statutory language is not effective until July 1, 2021, a Level 2 certified assessor-appraiser cannot represent a taxpayer on an appeal that was filed before June 15, 2021.

BUDGETING MATTERS LEGISLATION

6. With the Annexation Report due date being earlier and earlier, will there also be earlier deadlines for the assessor’s office to roll values to the auditor’s office?

Section 84 of HEA 1271 states that the county auditor must forward any ordinances to the Department not later than August 1st. The Department asks for annexation reports to be returned before the beginning of budget workshops. The requirement to forward a report of annexations by June 15 applies to the fiscal officer of the unit that did the annexation. This June 15 deadline coincides with when the Department asks county auditors to return annexation reports.

7. For rainy day fund transfers, what is the percentage calculated on? Do you have to do a specific rainy day fund transfer?

A unit may transfer unobligated cash balances of up to 15% of the unit’s total annual budget. This is a “may” provision. The only change in HEA 1271 is the percent that can be transferred, which was increased from 10% to 15%.

8. Is it true that beginning in 2025 we will no longer be able to transfer funds to the rainy day fund?

No. Units will still be allowed to make transfers to the rainy day fund beginning in 2025. After

December 31, 2024, the amount of unobligated cash balances that can be transferred to the rainy day fund must not exceed 10% of the unit's total annual budget. This is the transfer limit that was allowed prior to the adoption of HEA 1271.

TOWNSHIP MATTERS LEGISLATION

- 9. Since the list of expenditures will not be posted in the newspaper anymore, will the list of expenditures be available for viewing on Gateway? If so, will Form 3 show the list available?**

Section 10 of SEA 409 states that the lists of expenditures and receipts must be included in the complete abstract that the trustee forwards to the county auditor. The newspaper publication only needs to reference that the list of expenditures and receipts can be found in the abstract available at the county auditor's office. Section 10 of SEA 409 does not require that this specific form of the lists of expenditures and receipts appear on the Form 3 or Gateway.

- 10. For SEA 409, can you expand on the reference "abstract" on the budget that needs to be published?**

Please refer to Ind. Code § 36-6-4-13.

IC 36-6-4-13

Abstract of receipts and expenditures; publication; failure to comply; offense

Sec. 13. (a) When the executive prepares the annual report required by section 12 of this chapter, the executive shall also prepare, on forms prescribed by the state board of accounts, an abstract of receipts and expenditures:

- (1) showing the sum of money in each fund of the township at the beginning of the year;
- (2) showing the sum of money received in each fund of the township during the year;
- (3) showing the sum of money paid from each fund of the township during the year;
- (4) showing the sum of money remaining in each fund of the township at the end of the year;
- (5) containing a statement of receipts, showing their source; and
- (6) containing a statement of expenditures, showing the combined gross payment, according to classification of expense, to each person.

(b) Within four (4) weeks after the third Tuesday following the first Monday in February, the executive shall publish the portion of the abstract described in subsection (a)(1) through (a)(4) in accordance with IC 5-3-1 with a statement that a complete abstract that contains the statements required under subsection (a)(5) and (a)(6) is available for inspection in the county auditor's office. The abstract must state that:

- (1) a complete and detailed annual report, a complete abstract, and the accompanying vouchers showing the names of persons paid money by the township have been filed with the county auditor; and

- (2) the chair of the township legislative body has a copy of the report that is available for inspection by any taxpayer of the township.
- (c) An executive who fails to comply with this section commits a Class C infraction.

EDUCATION FINANCE LEGISLATION

11. We have a referendum for salaries, mental health, and safety. Do these changes and requirements for a revenue spending plan apply to this type of referendum?

Indiana Code § 20-46-1 allows a school corporation to hold a referendum to raise property taxes for certain operating expenses. This may include salaries, mental health, or safety expenses. The changes to the referendum process and the requirement for a revenue spending plan under Section 61-62 of HEA 1271 would apply to this kind of referendum.

12. Do the additional appropriations outlined on Slide 7 apply to general obligation bonds for school corporations?

Yes.

PUBLIC HEARINGS & PUBLIC NOTICES LEGISLATION

13. Is there a code reference for the part of the electronic signature of the virtual meetings legislation?

The Uniform Electronic Transactions Act can be found in Ind. Code § 26-2-8. Additional information on the 2021 legislation related to public hearings and public notices can also be found on the [Public Access Counselor's website](#).