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# STATE OF INDIANA

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DEPARTMENT OF LOCAL GOVERNMENT FINANCE



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**TO:** Assessing Officials and Vendors

**FROM:** Barry Wood, Assessment Division Director

**RE:** Cyclical Reassessment Plan for the 2022-2026 Cycle

**DATE:** March 23, 2021

As Phase III of the current cyclical reassessment is completed, it is time to start planning for the next four-year cyclical reassessment (2022-2026).

## **Cyclical Reassessment Plan**

Per Indiana Code 6-1.1-4-4.2(a), the county assessor must, before May 1, 2021, prepare and submit to the Department of Local Government Finance (“Department”) a reassessment plan for the county. The reassessment plan is subject to approval by the Department, which must complete its review and approval before January 1 of the following year (e.g., the county assessor submits his or her reassessment plan for the 2022-2026 cyclical reassessment before May 1, 2021, the Department reviews and approves the reassessment plan before January 1, 2022, and the reassessment of 25% of the parcels is completed before January 1, 2023). The reassessment plan must divide all parcels of real property in the county into four different groups, and each group must contain at least 25% of the parcels within each class of real property in the county. The reassessment begins May 1 of a year and must be completed before January 1 of the following year.

The reassessment plan must specify the dates by which the assessor will submit the land values to the Property Tax Assessment Board of Appeals (“PTABOA”). The county assessor may modify the reassessment plan, subject to review and approval by the Department. In addition, the Department may request modifications to the reassessment plan, as needed. A county may submit a reassessment plan that provides for reassessing more than 25% of the parcels in the county in a particular year, and a plan may provide that all parcels are to be reassessed in one year. However, a plan must cover a four-year period. All real property must be reassessed once during each reassessment cycle.

## **Components of the Plan**

The Department recommends that the following components be contained in the reassessment plan:

- An overall plan for completing the cyclical reassessment. This should include the approximate number of parcels in the jurisdiction, including a break-down by

property class and the projected number of parcels to be inspected each year to meet the 25% cyclical reassessment requirement.

- All necessary tasks or activities that are required for the cyclical reassessment of properties should be documented in the plan. For example, sales verification/validation, neighborhood delineation, land pricing, the application of updated costs, the review and application of a market adjustment factor (if necessary), and the completion/submission of the ratio study should be part of the plan. A county assessor may want to reference the county's 2018-2022 cyclical reassessment plan for potential tasks or activities to include.
- A Gantt chart is highly recommended. A Gantt chart should list the task name or project, the person(s) responsible for the task or project, the duration of the task or project (e.g., 120 days), and a timeline starting with the end date and working backward. Increments will show what percent of work needs to be completed by a certain date in order to complete the task or project.
- A detailed description of the task or project should accompany the Gantt chart.

The Department intends to post the approved reassessment plans to its webpage, so county assessors should ensure the submitted plan is complete and, in a reader,-friendly format.

#### **Petition for Reassessment:**

A petition for the reassessment of a real property group designated under a county's reassessment plan may be filed with the Department not later than 45 days after notice of assessment. A petition for reassessment applies only to the most recent real property assessment date. The petition must be signed by the lesser of 100 owners of parcels in the group or 5% of owners of parcels in the group. Upon receipt of a petition, the Department may order a reassessment or conduct a reassessment.

#### **Contracts with Professional Appraisers:**

Subject to the approval of the Department, a county assessor may employ professional appraisers as technical advisors for assessments in all townships in the county. A "professional appraiser" means an individual or firm that is certified under IC 6-1.1-31.7. The Department may approve employment only if the Department is a party to the employment contract and any addendum to the employment contract.

A county assessor may not use the services of a professional appraiser for assessment or reassessment purposes without a written contract. The contract used must be one of the standard form contracts developed by the Department.

No contract may be made with any professional appraiser to act as a technical advisor in the assessment of property, before giving notice and receiving bids from anyone desiring to furnish this service. Notice of the time and place for receiving bids for the contract must be given by

publication by one insertion in two newspapers of general circulation published in the county and representing each of the two leading political parties in the county. If only one newspaper is published, notice in that one newspaper is sufficient to comply with the requirements. The contract must be awarded to the lowest and best bidder who meets all requirements under law for entering a contract to serve as a technical advisor in the assessment of the property. However, any and all bids may be rejected, and new bids may be asked.

The county council of each county must appropriate the funds needed to meet the obligations created by a professional appraisal services contract.

County assessors should work with their county attorneys in ensuring compliance with the laws governing bidding. The Department prescribes the form contract to be used but does not have a statutory role in local bidding.

### **The Timeframe to Complete Cyclical Reassessments:**

The reassessment of one-third of the parcels to be reassessed in a given year must be completed before August 1 of the year in which the group's reassessment under the reassessment plan begins. Two-thirds of the parcels must be completed before November 1 of the year following the year in which the reassessment plan begins. The reassessment of all of the parcels in the group must be completed before January 1 of the year following the year in which the reassessment plan begins. For example, for the 25% of the parcels to be reassessed by January 1, 2023, the reassessment commences May 1, 2022, with one-third of the parcels reassessed by July 31, 2022, two-thirds of the parcels reassessed by October 31, 2022, and the reassessment of all parcels within the 25% group completed by December 31, 2022. If a county assessor employs a professional appraiser, the professional appraiser or appraisal firm must file appraisal reports with the county assessor by the same dates.

### **Notices to Taxpayers:**

If any assessing official changes the assessed value of a property, whether, through reassessment, annual adjustment, or other changes, the assessing official must give notice to the taxpayer by mail, or by using electronic mail that includes a secure Internet link to the information in the notice, of the amount of the assessment or reassessment. The assessing official must provide notice by the earlier of (1) 90 days after the assessor completes the appraisal of a parcel or receives a report for a parcel from a professional appraiser or professional appraisal firm; or (2) February 10 of the year containing the assessment date for which the assessment or reassessment first applies (e.g., for a January 1, 2023 assessment date, by February 10, 2023).

### **The Reassessment Fund/Budget:**

Per IC 6-1.1-4-27.5, the auditor of each county must establish a property reassessment fund. The county treasurer must deposit all collections resulting from the property taxes that the county levies for the county's property reassessment fund.

With respect to a reassessment of real property under a county's reassessment plan, the county council of each county must, for property taxes due each year, levy against all the taxable property in the county an amount equal to the estimated costs of the reassessment for the group of parcels to be reassessed in that year.

The county assessor may petition the county fiscal body to increase the levy to pay for the costs of a reassessment of one or more groups of parcels under a county's reassessment plan; verification under 50 IAC 27-4-7 of sales disclosure forms forwarded to the county assessor under IC 6-1.1-5.5-3; or processing annual adjustments under IC 6-1.1-4-4.5. The assessor must document the needs and reasons for the increased funding.

If the county fiscal body denies a petition, the county assessor may appeal to the Department. The Department must hear the appeal and determine whether the additional levy is necessary.

### **Interim Assessments:**

If a property is assessed or reassessed outside of the timeframe it was scheduled to be assessed as part of the cyclical reassessment, the rules, regulations, and standards for assessment are the same as the county's reassessment plan.

### **County Assessor Equalization:**

The parcels not subject to reassessment in a particular year of a county's reassessment plan are subject to annual adjustment or trending. The county assessor must make any changes, whether increases or decreases, in the assessed values that are necessary in order to equalize the values in that group. In addition, the county assessor must determine the percent to be added to or deducted from the assessed values in order to make a just, equitable, and uniform equalization of assessments in that group.

### **Key Dates:**

The following are the effective dates for the cyclical reassessment:

- **May 1, 2021:** The county assessor must submit to the Department the 2022-2026 cyclical reassessment plan.
- **January 1, 2022:** The Department must review and approve the plan by this date.
- **May 1, 2022:** The reassessment of the first 25% of the parcels within each property class within the county begins.
- **December 31, 2022:** The reassessment of the first 25% of the parcels must be completed.
- **May 1, 2023:** The reassessment of the second 25% of the parcels within each property class within the county begins.
- **December 31, 2023:** The reassessment of the second 25% of the parcels must be completed.
- **May 1, 2024:** The reassessment of the third 25% of the parcels within each property class within the county begins.
- **December 31, 2024:** The reassessment of the third 25% of the parcels must be completed.

- **May 1, 2025:** The reassessment of the fourth 25% of the parcels within each property class within the county begins. Also, the county assessor must submit the plan for the next four-year cyclical reassessment *before* this date.
- **December 31, 2025:** The reassessment of the fourth 25% of the parcels must be completed.
- **May 1, 2026:** The reassessment of the first 25% of the parcels within each property class within the county for the next four-year cyclical reassessment begins.

This is a unique time in history, and the Department certainly understands the challenges that local officials are facing in trying to meet the statutory timeframes, especially given the various restrictions. Although determined at the local level, the Department strongly suggests the manner in which the assessing officials complete their work currently adheres to the social distancing recommendations by the [Centers for Disease Control and Prevention](#). Indiana Code 6-1.1-4-4.2 (a)(6)(A) – see below, requires a physical inspection of the properties that are being reassessed. However, that statute does not specify the manner in which the physical inspection is conducted, and it does not require the assessing official to enter a property. Assessing officials may rely on other methods, such as reviewing the property from the exterior (i.e., a “walk-around”); leaving a “door hanger” requesting the taxpayer to confirm the interior features of the structure (e.g., the number of bathrooms, finishing a basement, other remodeling, etc.); reviewing Multiple Listing Service information, or other methods to ensure the property record information is as accurate as possible.

#### **IC 6-1.1-4-4.2**

#### **County reassessment plan; approval by department of local government finance**

**Sec. 4.2. (a)** The county assessor of each county shall, before July 1, 2013, and before May 1 of every fourth year thereafter, prepare and submit to the department of local government finance a reassessment plan for the county. The following apply to a reassessment plan prepared and submitted under this section:

- (1) The reassessment plan is subject to approval by the department of local government finance. The department of local government finance shall complete its review and approval of the reassessment plan before:
  - (A) March 1, 2015; and
  - (B) January 1 of each subsequent year that follows a year in which the reassessment plan is submitted by the county.
- (2) The department of local government finance shall determine the classes of real property to be used for purposes of this section.
- (3) Except as provided in subsection (b), the reassessment plan must divide all parcels of real property in the county into four (4) different groups of parcels. Each group of parcels must contain approximately twenty-five percent (25%) of the parcels within each class of real property in the county.

- (4) Except as provided in subsection (b), all real property in each group of parcels shall be reassessed under the county's reassessment plan once during each four (4) year cycle.
  - (5) The reassessment of a group of parcels in a particular class of real property shall begin on May 1 of a year.
  - (6) The reassessment of parcels:
    - (A) must include a physical inspection of each parcel of real property in the group of parcels that is being reassessed; and
    - (B) shall be completed on or before January 1 of the year after the year in which the reassessment of the group of parcels begins.
  - (7) For real property included in a group of parcels that is reassessed, the reassessment is the basis for taxes payable in the year following the year in which the reassessment is to be completed.
  - (8) The reassessment plan must specify the dates by which the assessor must submit land values under section 13.6 of this chapter to the county property tax assessment board of appeals.
  - (9) Subject to review and approval by the department of local government finance, the county assessor may modify the reassessment plan.
- (b) A county may submit a reassessment plan that provides for reassessing more than twenty-five percent (25%) of all parcels of real property in the county in a particular year. A plan may provide that all parcels are to be reassessed in one (1) year. However, a plan must cover a four (4) year period. All real property in each group of parcels shall be reassessed under the county's reassessment plan once during each reassessment cycle.
- (c) The reassessment of the first group of parcels under a county's reassessment plan shall begin on July 1, 2014 and shall be completed on or before January 1, 2015.
- (d) The department of local government finance may adopt rules to govern the reassessment of property under county reassessment plans.

#### **IC 6-1.1-4-5.5**

##### **Petition for reassessment under county reassessment plan**

**Sec. 5.5. (a)** A petition for the reassessment of a real property group designated under a county's reassessment plan prepared under section 4.2 of this chapter may be filed with the department of local government finance not later than forty-five (45) days after notice of assessment. A petition for reassessment of real property applies only to the most recent real property assessment date.

(b) The petition for reassessment must be signed by the lesser of one hundred (100) owners of parcels in the group or five percent (5%) of owners of parcels in the group. The signatures on the petition must be verified by the oath of one (1) or more of the signers. A certificate of the county auditor stating that the signers constitute the required number of owners of taxable real property in the group of parcels must accompany the petition.

(c) Upon receipt of a petition under subsection (a), the department of local government finance may order a reassessment under section 9 of this chapter or conduct a reassessment under section 31.5 of this chapter.

#### **IC 6-1.1-4-17**

##### **Department of local government finance approval of employment of professional appraisers; department approval only if party to the contract; department approval of county decision to not employ professional appraiser in general reassessment**

**Sec. 17. (a)** Subject to the approval of the department of local government finance and the requirements of section 18.5 of this chapter, a county assessor may employ professional appraisers as technical advisors for assessments in all townships in the county. The department of local government finance may approve employment under this subsection only if the department is a party to the employment contract and any addendum to the employment contract.

(b) A decision by a county assessor to not employ a professional appraiser as a technical advisor in a reassessment under section 4 or 4.2 of this chapter is subject to approval by the department of local government finance.

(c) As used in this chapter, "professional appraiser" means an individual or firm that is certified under IC 6-1.1-31.7.

#### **IC 6-1.1-4-18.5**

##### **Professional appraisal; contract for services; bids required**

**Sec. 18.5. (a)** A county assessor may not use the services of a professional appraiser for assessment or reassessment purposes without a written contract. The contract used must be either a standard contract developed by the department of local government finance or a contract that has been specifically approved by the department. The department shall ensure that the contract:

(1) includes all of the provisions required under section 19.5(b) of this chapter; and

(2) adequately provides for the creation and transmission of real property assessment data in the form required by the legislative services agency and the division of data analysis of the department.

(b) No contract shall be made with any professional appraiser to act as technical advisor in the assessment of property before the giving of notice and the receiving of bids from anyone desiring to furnish this service. Notice of the time and place for receiving bids for the contract shall be given by publication by one (1) insertion in two (2) newspapers of general circulation published in the county and representing each of the two (2) leading political parties in the county. If only one (1) newspaper is there published, notice in that one (1) newspaper is sufficient to comply with the requirements of this subsection. The contract shall be awarded to the lowest and best bidder who meets all requirements under law for entering a contract

to serve as technical advisor in the assessment of property. However, any and all bids may be rejected, and new bids may be asked.

(c) The county council of each county shall appropriate the funds needed to meet the obligations created by a professional appraisal services contract which is entered into under this chapter.

If you have any questions, please contact your [Assessment Field Representative](#).