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# STATE OF INDIANA

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DEPARTMENT OF LOCAL GOVERNMENT FINANCE



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## Real Property Data Compliance Checks *January 2022*

The compliance reviews detailed in this document are the standard data reviews conducted by the Department of Local Government Finance (“Department”) on the county assessor’s real property data submission. Additional reviews may be conducted if necessary.

The review process for the real property data file submission (“submission”) is a two-step process. The submission is first reviewed in the fall for initial compliance when it can be deemed “pending” or “not compliant.” Pending status is the best status a submission can reach for the fall review. Submissions that reach a pending status will remain in a pending status until the spring review. In the spring, the submission deemed pending is reviewed in relation to the TAXDATA file received from the county auditor as part of the county’s Abstract submission in Gateway. At that time, the submission will be given a final status of compliant or not compliant.

Discrepancies that warrant a not compliant status are noted as rejection items on the compliance report. Rejection items must be identified and corrected. A corrected resubmission is required if a rejection item has been included in the compliance report. Warning items on the compliance report are discrepancies that are not serious enough to reject the submission. However, these items may result in a rejection of the submission for the following year if the issue remains.

Further comments on the submission may appear in the Items Applicable to Future Submissions section of the compliance report.

The records that do not pass the checks outlined in this document may result in a warning and/or rejection item being noted on the county’s compliance report. The Department determines whether failed checks meet the threshold for rejection and shares its analysis with the Legislative Services Agency (“LSA”). For the 2021 Pay 2022 review cycle, the Department used a 3% tolerance level in determining whether a county’s submission would be deemed pending or would be deemed not compliant. In other words, if any of the checks performed on the county’s submission for the 2021 Pay 2022 review cycle – *with a handful of exceptions* – had records where the gross assessed value (“AV”) total that was greater than 3% of the overall total gross AV for the county’s real property, the submission was deemed as not compliant. The overall total gross AV for any given county’s real property data is calculated by summing the values in the “AV Total Land and Improvements” field from the PARCEL file per 50 IAC 26-20-4.

If a county is aware of any potential issues with their files prior to submitting a data extract, the county should provide an explanation along with the data submissions. Additionally, county assessors are encouraged to consult with their CAMA software vendors on reports that can be generated from their CAMA system that looks for the sort of items listed below. These system reports can help the county spot and correct any issues prior to submitting their data extract to

the Department.

### **1. Real Property Compliance Checks**

The following checks are conducted on the real property data submissions:

### **2. Parcel Number Format**

The State parcel number should be in accordance with the real parcel numbering system per 50 IAC 26-8-1. The State parcel number needs to be 18 digits in length with the first two digits referencing the county code/number and should be in the unformatted form (i.e., not include dashes or dots) in the seven real property data files.

### **3. Duplicate Parcel Numbers**

There should be no duplicate parcel numbers in the PARCEL file. The parcel number needs to be unique to each property.

### **4. State Assigned District Check**

Per 50 IAC 26-8-1(f), the last three digits of a parcel number should reference the State assigned district in which the parcel is located. The Department verifies this by checking the State Assigned District Number assigned to that record in the data files. Any parcel that does not meet the criteria is identified.

### **5. Valid Property Class Codes**

All parcels must carry a valid property class code (“PCC”) from Code List 1- Property Class Codes from the Property Tax Management System Code List Manual, which can be found on the [Department’s website](#). The Department is aware that certain counties retain the “000” PCC in their CAMA system for internal purposes. However, PCC “000” does not appear on Code List 1. County officials should work with their software vendor to ensure these records are not included in their roll to the Auditor and data export to the Department.

### **6. Owner’s Name**

Parcels need to be coded with an owner’s name for the property and should not be left blank or null.

### **7. Blank Property Address**

Property Address fields in the PARCEL file need to be populated with a logical value as opposed to being left blank. The Department is mindful that some counties may not provide a complete street address for a parcel until that parcel is platted for development. In this scenario, the Department recommends that the county provide at least the name of the nearest street or road that the parcel is located by. At a minimum, each parcel in a county should have at least a valid city/town, state, and ZIP value populated in the PARCEL file.

### **8. Negative and Non-Numeric Assessed Values**

All AV fields in the PARCEL file should be positive, except the AV Adjustment fields. The PARCEL file may only contain negative values in the Land AV Adjustment, Improvement AV Adjustment, and Farmland AV Adjustment fields. Additionally, all AV fields should only include numeric values.

## **9. Government-Owned Parcels**

Parcels that are coded with a government-owned property class code should have a zero gross assessed value. In the data exports to the Department, parcels coded as government-owned (PCC 600-669) should contain a \$0 AV in all the AV fields and the subsequent files (e.g., LAND and IMPROVE files). The Department is aware that there can be situations in which government-owned properties should be submitted with an AV. If a property is (1) government-owned, (2) has a government-owned PCC, and (3) rents a portion of the property to a Private Entity that should receive a tax bill, the parcel should contain an AV. However, the AV in the data files should only represent the taxable portion of that parcel. The data compliance queries check the “absolutes” and cannot control for this nuance. Therefore, you may receive a warning or rejection for parcels with a government PCC and an AV. To account for this, the Department will accept a list and description of these properties and may consider this when determining data compliance.

## **10. Non-Government Owned Parcels**

Parcels that are coded with a non-government-owned exempt property class code should have a gross assessed value greater than \$0. All not-for-profit and other entities that file for exemptions with the county will fall in PCC 670-699 and should be rolled and reported with AV. The auditor may deduct any values for exemptions to bring the net assessed value to zero.

## **11. PARCEL File Property Tax Cap Additions**

50 IAC 26 added AV fields for each section of the Property Tax Caps. These fields are commonly referred to as the “AV buckets.” The Department runs numerous checks on these AV buckets, as outlined below. The main check, described by (iii), is the AV Total Land and Improvements. According to 50 IAC 26-20-4, AV Total Land and Improvements is the sum of the total current assessed value of the land and total current assessed value of improvements for the property. The Department runs additional checks on the individual subsections of the AV Total Land and Improvements. These checks are conducted on the AV Total Land and the AV Total Improvement fields. According to 50 IAC 26-20-4, the AV Total Land and the AV Total Improvement fields comprise the following AV buckets shown below. Additionally, the sum of all the AV buckets in the PARCEL file should total the AV Total Land and Improvements, which is verified in (iii).

## **12. Sum of the AV Land Buckets = AV Total Land**

AV Land Buckets =

AV - Land Eligible for 1% Circuit Breaker Cap

AV - Non-Homestead Residential Land Subject to 2% Circuit Breaker Cap

AV - Commercial Apartment Land Subject to 2% Circuit Breaker Cap

AV - Long Term Care Facility Land Subject to 2% Circuit Breaker Cap

AV - Mobile Homeland subject to 2% Circuit Breaker Cap

AV - Farmland Subject to 2% Circuit Breaker Cap

AV - Land Subject to 3% Circuit Breaker Cap

## **13. Sum of the AV Improvement Buckets = AV Total Improvement**

AV Improve Buckets =

AV - Improvements Eligible for 1% Circuit Breaker Cap

AV - Non-Homestead Residential Improvements Subject to 2% Circuit Breaker Cap

AV - Commercial Apartment Improvements Subject to 2% Circuit Breaker Cap  
AV - Long Term Care Facility Improvements Subject to 2% Circuit Breaker Cap  
AV - Improvements Subject to 3% Circuit Breaker Cap

#### **14. Sum of all AV Buckets = AV Total Land and Improvements**

AV Improve Buckets + AV Land Buckets = AV Total Land and Improvements

#### **15. IMPROVE File Compliance Checks**

The Department performs several compliance checks that analyze the data contained in the IMPROVE file as a stand-alone data file. These compliance checks, which are exclusive to the IMPROVE file, are as follows:

Invalid Improvement Type Codes – Each record in the IMPROVE file must contain a code that matches a valid entry from either Code List 21A, Code List 21B, or Code List 32 in the Property Tax Management System Code List Manual

AV vs AV Allocation Differences – Each record’s AV should adhere to the following calculation: Improvement AV Eligible for 1% Circuit Breaker Cap + Improvement AV Eligible for 2% Circuit Breaker Cap + Improvement AV Eligible for 3% Circuit Breaker Cap = Assessed Value Field in IMPROVE file

Missing or Null Condition Code - Each record in the IMPROVE file must contain a code that matches a valid entry from Code List 22 in the Property Tax Management System Code List Manual

Missing or Null Grade Code - Each record in the IMPROVE file must contain a code that matches a valid entry from Code List 17 in the Property Tax Management System Code List Manual

#### **16. LAND File Compliance Checks**

The Department performs several compliance checks that analyze the data contained in the LAND file as a standalone data file. These compliance checks, which are exclusive to the LAND file, are as follows:

Invalid Land Type Codes – Each record in the LAND file must contain a code that matches a valid entry from either Code List 6 in the Property Tax Management System Code List Manual

AV vs AV Allocation Differences – Each record’s AV should adhere to the following calculation: Land AV Eligible for 1% Circuit Breaker Cap + Land AV Eligible for 2% Circuit Breaker Cap + Land AV Eligible for 3% Circuit Breaker Cap = Assessed Value with Influence Factors Field in LAND file

Land Records with AV But No Size - Each record in the LAND file that has an AV greater than \$0 should contain some size dimensions in the Actual Frontage, Effective Frontage, Effective Depth, Acreage, and/or Square Feet fields. The most common exception to this rule would be if the record is associated with a condo parcel; in this instance, the Department may ask the county assessor’s office to verify if the flagged records meet that criterion.

### **17. LAND File and PARCEL File Matching Records**

All parcel numbers contained in the LAND file must have a corresponding parcel number match in the PARCEL file. Likewise, records in the PARCEL file with Land AV should have a corresponding record in the LAND file. Additionally, the AVs for records in the LAND file should be consistent with the AVs for those corresponding records in the PARCEL file. The Department verifies this by checking the equations shown below. The check allows for a five percent per parcel tolerance.

AV in LAND file + Land AV Adjustment in PARCEL file = AV Total Land in PARCEL file.

The AV in the LAND file is the Assessed Value with Influence Factors as per 50 IAC 26-20-4. AV in LAND file (restricted to the Farmland AV only) + Farmland AV Adjustment in PARCEL file = AV Farmland Subject to 2% Circuit Breaker Cap in PARCEL file.

To calculate the Farmland AV in the LAND file, land is restricted to Land/Lot Type Codes: 2, 21, 22, 23, 24, 25, 4, 41, 42, 43, 5, 6, 7, 71, 72, 73, 8, 81, 82, and 83.

In addition to the aforementioned checks, the Department performs analysis on the following: A comparison between the value reflected in the AV – Classified Land field for records in the PARCEL file to the corresponding records in the LAND file that have a classified land Land/Lot Type Code associated with them.

A comparison between the value reflected in the Legally Deeded Acreage field for records in the PARCEL file to the value reflected in the Acreage field for corresponding records in the LAND file.

### **18. IMPROVE File and PARCEL File Matching Records**

All records in the IMPROVE file must have a corresponding record in the PARCEL file. The Department verifies that each parcel in the IMPROVE file has a matching parcel in the PARCEL file. Likewise, records in the PARCEL file with Improve AV should have a corresponding record in the IMPROVE file. Additionally, the AVs for records in the IMPROVE file should be consistent with the AVs for those corresponding records in the IMPROVE file. The Department verifies this by checking the equation shown below.

AV in IMPROVE file + IMPROVE AV Adjustment in PARCEL file = AV Total Improvements in PARCEL file.

The AV in the IMPROVE file is the Assessed Value as per 50 IAC 26-20-4.

### **19. PARCEL File versus TAXDATA File**

In the spring review, records should be consistent between the PARCEL file and the Auditor's TAXDATA file. The PARCEL file and the TAXDATA file should contain the same real property records. By comparing the parcel numbers between the two files, the Department can verify which parcels are missing, if any. The Department also reviews the Gross AV of the records in both files. The Gross AV of the real property records in both files should be

consistent. Under the Lock Guidance in 50 IAC 26, there may be a reason for the Gross AV in the PARCEL file to not match the Gross AV in the TAXDATA file. During the spring review, the Department will request the lock modification tracking report, which is generated from the county's tax and billing system, to reconcile the differences between the two files.

## **20. PARCEL File versus Abstract's District AVs**

The AV in the PARCEL file should be consistent with the county's Abstract AV. Grouping the records in the PARCEL file by their State Assigned Taxing District number, the PARCEL Gross AV by the district is compared against the district AV from the county's Abstract. For the fall review, this check is done using the previous year's Abstract (e.g., for Pay 2022, the Pay 2022 data is evaluated alongside the county's Pay 2021 Abstract). A variance exceeding ten percent in a district and for the overall Gross AV may require further investigation and may be noted in the Items Applicable to Future Submissions section of the compliance report. For the spring review, this check is re-visited with the current year Abstract. In this check, the AV variance of each district should not exceed five percent. A variance exceeding five percent in a district and for the overall Gross AV may require further investigation and may be noted in the Items Applicable to Future Submissions section of the compliance report. The number of parcels in each district is also considered. In the spring review, if a discrepancy is found between the PARCEL file and the Abstract's district AV, additional analysis is conducted on the individual parcels from those districts.

Inquiries regarding the compliance of real property data submissions should be sent to the Department's Data Inbox at [data@dlgf.in.gov](mailto:data@dlgf.in.gov).