

This chapter describes how each type of land is valued. It discusses how the township assessor determines base rates for the following types of land:

- platted lots
- residential acreage and agricultural homesites
- commercial and industrial acreage.

In addition, this chapter describes how the assessor applies the base rates to determine the true tax land value for each of the types of land listed above, as well as for agricultural acreage. Step-by-step instructions are included for completing the “Land Data and Computations” section of the Property Record Card for each type of land.

Overview of the Land Valuation Process

Role of the Assessor

Each township assessor shall determine the value of all classes of residential land, commercial land, industrial land, and agricultural homesite within his or her jurisdiction. The established value of this land represents the January 1, 1999 market value in use of improved land. The established rates shall be submitted to the county Property Tax Assessment Board of Appeals for review.

The following list does not apply to this section:

- (1) land assessed as land devoted to agricultural use under IC 6-1.1-4-13;
- (2) land classified as forest land under IC 6-1.1-6;
- (3) land classified as a windbreak under IC 6-1.1-6.2;
- (4) land classified as wildlife habitat or riparian under IC 6-1.1-6.5;
- (5) land classified as a filter strip under IC 6-1.1-6.7.

The following guidelines shall be followed in determining land valuations.

Representative Parcels

The township assessor must select a representative number of sales disclosure statements filed under IC 6-1.1-5.5 or written estimations of a property value provided by a licensed real estate professional that are based on relevant sales data to justify the land value determination for each neighborhood. All sales disclosure statements must be verified by:

- (1) a visual inspection of the subject property; and
- (2) a reasonable attempt to determine that the transaction was negotiated as an arm's-length transaction.

All sales disclosure statements selected must be adjusted to exclude the value of any personal property of significant value that was included in the disclosed sales price. All sales disclosure statements selected involving property that is not typical of the neighborhood must be adjusted to negate the affect the atypical aspects of the property have on the disclosed sales price.

For the purposes of this section, a "representative number" shall mean a number that is no less than three percent (3%) of the total number of parcels within the neighborhood established under the section headed "neighborhood" unless the township assessor submits written findings to the Property Tax Assessment Board of Appeals that support the township assessor's determination that:

- (1) a lesser percentage is truly representative of values in the neighborhood; or
- (2) disclosure statements from a substantially similar neighborhood are truly representative of values in the neighborhood.

Township assessors should select disclosure statements or estimations of value that, based on all relevant facts and evaluation of the neighborhood as a whole, fairly represent the value of property in the neighborhood.

Representative disclosure statements

Representative disclosure statements selected for use must refer to a transaction, or written estimations of value must refer to an estimation of value, that is dated no more than eighteen (18) months prior or subsequent to January 1, 1999. Valuation adjustments may be made based on the date of the disclosure statement or estimations of value. Valuation adjustments should be made as is necessary to approximate the value of the subject land on January 1, 1999.

Land Value Ratio

The township assessor must determine an appropriate land value ratio to be applied to sales disclosure statements or estimations of value of improved properties. This ratio must take into account factors that are critical to determination of the value of the land. The ratio and factors must be included as part of the land value determination submitted to the Property Tax Assessment Board of Appeals under IC 6-1.1-4-13.6(a) and presented at the public hearing held under IC 6-1.1-4-13.6(a). The factors should include, but not be limited to, such factors as:

- (1) unimproved lot sale prices designated by property developers;
- (2) the desirability due to physical features, such as waterfront property or wooded lots;
- (3) the desirability of the location due to external features, such as school district or proximity to commercial developments; and
- (4) consideration of the replacement cost of the improvement.

Neighborhoods

All property within a township must be established as part of a neighborhood defined by the township assessor. A township assessor shall define neighborhoods according to:

- (1) common development characteristics;
- (2) the average age of the majority of improvements;
- (3) the size of lots or tracts;
- (4) subdivision plats and zoning maps;
- (5) school and other taxing district boundaries;
- (6) distinctive geographic boundaries;
- (7) any manmade improvements that significantly disrupt the cohesion of adjacent properties;
- (8) sales statistics; and
- (9) other characteristics deemed appropriate to assure equitable determinations.

Maps

All neighborhoods must be identified on easily read maps. The maps must be numerically organized, clearly delineate the neighborhood boundary, show the neighborhood established base rate and the code number. All neighborhoods shall be assigned a code number for identification. A copy of the maps shall be provided to the secretary of the Property Tax Assessment Board of Appeals.

All property record cards must give the:

- (1) number of the map on which the neighborhood that includes the subject property is shown;
- (2) neighborhood code number; and
- (3) applicable base rate.

Base Rates and Base Lots

The township assessor shall establish a base rate for pricing each neighborhood. Base rates should include a specifically stated value for water supply, sewage disposal, and all other on-site development costs. Neighborhoods shall be classified according to majority use as residential, agricultural homesite, commercial, or industrial. The township shall also establish a base lot to represent the typical and average characteristics of lots in the neighborhood for the purpose of making pricing adjustments.

Maximum allowable percentage variance

The township shall establish a maximum allowable percentage variance between the base lot value for neighborhoods having the same classification and substantially similar characteristics. The maximum allowable percentage variance should not exceed twenty percent (20%). (If ranges are established, the maximum allowable percentage variance should be applied to compare the two (2) highest rates to each other and the two (2) lowest rates to each other.) If adjacent neighborhoods located on opposite sides of a township or county boundary:

- (1) have the same classification and substantially similar characteristics; and
- (2) the variance between the neighborhood base lot value is greater than the maximum allowable percentage variance established by either township;

the proposed base lot values shall be reviewed and may be adjusted by the county Property Tax Assessment Board of Appeals. The township assessing officials shall participate in the public hearing and adjust the base lot values as directed by the county Property Tax Assessment Board of Appeals.

For the purposes of this section, “substantially similar characteristics” refers to characteristics that are predominant in, and common to, each neighborhood, and in all material respects are substantially similar in terms of:

- (1) the size and shape of lots or tracts;
- (2) the age and style of improvements;
- (3) the condition and quality of improvements;

- (4) zoning;
- (5) the general use of improvements;
- (6) development conditions;
- (7) infrastructure components;
- (8) geographic features;
- (9) proximity to primary traffic routes;
- (10) governmental services; and
- (11) neighborhood desirability, as reflected by market value in uses.

The county Property Tax Assessment Board of Appeals shall conduct a public hearing for the purpose of adjusting any base lot values that cause the maximum allowable percentage variance for a township to be exceeded. Each affected township assessor shall present evidence to support the base lot value established by that township assessor. The county Property Tax Assessment Board of Appeals shall review the evidence and shall make an equitable adjustment to one (1) or both of the affected base lot values so that the adjusted base lot values are within the maximum allowable percentage variance for both townships. The county Property Tax Assessment Board of Appeals shall submit the proposed values and related information, on the required neighborhood valuation forms, to the county Property Tax Assessment Board of Appeals of each adjacent county.

Upon receipt of the proposed base lot values received, the county Property Tax Assessment Board of Appeals shall compare the base lot values of all adjacent neighborhoods located on a county boundary that have the same classification and substantially similar characteristics. If the maximum allowable percentage variance for a township is exceeded, the county Property Tax Assessment Board of Appeals in the county with the lower base lot value shall conduct a joint hearing with the county Property Tax Assessment Board of Appeals for the county having the higher base lot value. The joint hearing shall be held in the county having the lower base lot value. If, at the conclusion of a required public hearing, the two (2) county Property Tax Assessment Board of Appeals fail to adjust the base lot values in a manner that bring both base lot values within the established maximum allowable percentage variance of each affected township, the lower base lot value shall be deemed adjusted to a rate equal to the highest of the subject base lot values. No hearing or adjustment shall be required when the maximum allowable percentage variance is exceeded as a consequence of a base lot value adjustment necessitated by the prior application of this section.

Required public hearings:

- (1) must be advertised in accordance with IC 5-3-1;
- (2) may not be continued more than one (1) time; and
- (3) may not be continued to a date more than thirty (30) days subsequent to the date of the initial public hearing.

Influence Factors

In addition to the provisions of this chapter, the township assessor shall establish detailed criteria relating to influence factors that may be applied to individual parcels. The criteria relating to influence factors shall include:

- (1) criteria for identifying and determining the existence of unique features that are inconsistent with the norm for the neighborhood;
- (2) specific conditions that will be considered as evidence that a parcel deserves an influence factor;
- (3) a method for evaluating whether a particular condition actually influences the value of the parcel; and
- (4) any factors, criteria, or conditions relating to influence factors that are promulgated in a rule by the State Board of Tax Commissioners.

The criteria relating to influence factors must be included as part of the land value determination submitted to the Property Tax Assessment Board of Appeals under IC 6-1.1-4-13.6(a) and presented at the public hearing held under IC 6-1.1-4-13.6(a).

Role of the Property Tax Assessment Board of Appeals

The Property Tax Assessment Board of Appeals (PTABOA) provides a major role in the establishment of equitable land assessments. The PTABOA is responsible for reviewing all proposed values and supporting documentation submitted from each township assessor and determining whether these proposed base values are equitable between the townships. Another responsibility concerning equity is the comparison of the local proposed values to the values established by the surrounding counties for adjoining neighborhoods with similar characteristics. This responsibility is especially important in those counties that share a mutual taxing unit.

The PTABOA will conduct a public hearing on the township's proposed values and shall modify the values, if necessary, to insure an equitable assessment of land. A second public hearing may be necessary if the proposed neighborhood values received from the surrounding counties do not adhere to the variance requirements established in 50 IAC 13-5-2. If a township assessor fails to submit values to the PTABOA before November 1, 2000, the PTABOA shall determine the values for the township.

Establishing Land Value Maps

Each township assessor must obtain copies of maps pertaining to the various areas of the township. These maps must be plat maps or recorded plats that have been reproduced from the county's plat mapping system. The maps are necessary to indicate the developed portions of a township. The maps should indicate the outlines of the blocks, streets, roads, and alleys, and include the lots and their dimensions. Some organizational ideas for planning the mapping obligation for this function are:

- In a smaller, less populated township the number of maps necessary to complete the task of compiling the land value maps could be relatively small. A master township map might be included with copies of separate plat map pages for the areas of the township which are considered more developed. These developed areas could be a small town or a variety of different platted subdivisions sprinkled throughout the township.

- In a medium sized township the number of maps increases because the mixture of developed properties increases. A general township map would be beneficial to use as an index location system, but the main working maps should be reproduced using each section as the base. Each developed area of the section would have a separate map of the area as recorded in the plat books.
- In a large township the map requirements would be limited to the parameters of the existing county system. Normally, these townships have a sophisticated system in place that identifies a specific portion of the township by plat page. The maps necessary to complete the land value map obligation would be at the plat page level.

Many assessors begin the land valuation process by first recording the current values on the working copy of the maps. This process develops a picture of the values and their current neighborhood boundaries. These neighborhood boundaries may change as the township assessor analyzes the changing characteristics of established neighborhoods and identifies the developing areas within the township. Preliminary neighborhood boundaries may be sketched onto the working boundaries at this time to reflect the township assessor's initial impression of the values within the township.

The township assessor can begin the task of analyzing sales information to determine the market value in use of the land as of January 1, 1999. Sales information of individual properties is derived from sales disclosure forms. These forms are filed with the county at the time a property exchanges hands and a copy for each form has been retained for each transaction since July 1, 1997. The sales disclosure forms should be organized and filed by property location and property class. An analysis of the grouped sales as compared with their map location could influence the assessor to redraw the preliminary neighborhood boundaries. The objective of this comparison is to refine each neighborhood into a market value in use range for similar type properties. Each specific neighborhood shall be identified on reproducible maps and have an assigned code number unique to the area.

Once the sales have been grouped, an analysis of the neighborhood is made to determine the land value ratio. This ratio is expressed as a percentage and represents the amount of a sale attributable to the land. The mechanics for determining this ratio are further explained under the ***Allocation Method*** in the Section ***Evaluating Sales Information***. It is advisable that the assessor start in the areas of the township which are clearly of a greater value and analyze the reasons why these values are higher. Once these reasons become apparent, the assessor can use the distinguishing features as a basis for the further analysis of the entire township. This process is necessary because each designated neighborhood within the township shall have a land value ratio, which must be reported to the Property Tax Assessment Board of Appeals.

A visual inspection and verification process is required on a representative sample of properties included in each sales grouping. By reviewing the sales disclosures for each neighborhood, the assessor can select properties for inspection that represent the typical property for the neighborhood. The sales transaction of property should be free of any unique circumstances that would suggest the stated purchase price is not representative of the neighborhood.

The visual inspection is necessary to make sure that the assessor understands the physical aspects of the property at the time of sale. A copy of the property record card, as of the sale date, would serve as the best comparison method. If there are necessary questions raised during the inspection, the assessor should contact the buyer of the property to ensure that the correct information is captured. The visual inspection of the property also gives the assessor the opportunity to compare the characteristics of the subject neighborhood against the characteristics of various other neighborhoods.

Each identified neighborhood shall have a representative sample of sales to establish the land value. The representative sample is defined in this article as three percent (3%) of the total number of parcels within the neighborhood. If the number of sales disclosures for the neighborhood is less than the required three percent (3%), the assessor must contact a local licensed real estate professional about providing a letter of opinion on the value of various parcels located throughout the neighborhood as of January 1, 1999. A lesser percentage for the neighborhood is permissible if the assessor submits to the Property Tax Assessment Board of Appeals either written findings stating that the lower percentage of sales analyzed in the subject neighborhood is truly representative of the values or written findings stating that sales analyzed for a substantially similar neighborhood represent the values of the subject neighborhood.

The most important issue to consider next is the assessor's task of establishing the market value in use for residential, commercial, industrial, and agricultural homesite land as of January 1, 1999. The assessor shall report to the Property Tax Assessment Board of Appeals the assigned pricing method and base rates, but value is the most important aspect to stress. The pricing method and base rate are mathematical functions to arrive at this desired value. As a source of value comparison between neighborhoods, the assessor shall designate a base lot for each specific neighborhood throughout the township.

The base lot represents the typical and average characteristics of lots located within the neighborhood. For a homogeneous neighborhood that contains only subdivided lots of 60' x 132', the designated base lot is 60' x 132'. The base lot for a neighborhood comprised of agricultural parcels only is a one (1) acre homesite.

The base lot and its value are used by the Property Tax Assessment Board of Appeals to compare substantially similar neighborhoods and to make judgments on those neighborhoods that are considered different. These comparisons are made on neighborhood values within a township, neighborhood values between two (2) or more townships, and neighborhood values between adjoining counties. A maximum value variance between substantially similar neighborhoods with the same classification shall not exceed twenty percent (20%). The township assessor shall establish a maximum allowable variance of twenty percent (20%) or less. If the values of adjacent similar neighborhoods located on opposite sides of a township or county boundary exceed either of the declared township maximums, the affected township assessors must conduct a joint public hearing and adjust the base lot values to a level that meets the designated variance for each township.

Sales disclosure documents and real estate broker's letters of opinion can next be analyzed to determine the actual value of the subject neighborhoods. By

applying the established land value ratio to the sales information, the assessor can determine the amount of sale attributable to land. The value for each sale is compared against the remaining neighborhood sales to determine the appropriate value for the neighborhood. As this comparison is performed for each neighborhood, a final analysis of the neighborhood boundaries is warranted to ensure that the boundaries are correct on each map.

With the neighborhood boundaries finalized and the maps completed with the recorded values, the assessor can begin the task of calculating the base rates applicable to each neighborhood. This function is completed by following the guidelines included in this chapter.

Evaluating Sales Information

When establishing land values throughout the county, each township assessor shall evaluate sales information by using the sales comparison method, the abstraction method, or the allocation method. Each method is described below.

The ***sales comparison method*** is one of the most reliable methods of estimating land value. Under this method, the sale prices of similar properties are compared. The greater the number of sales, the more reliable the results. Sales prices might require adjustment to account for differences in the properties compared. Sale prices may be adjusted by a percentage or a specific dollar amount basis. The assessor should research every market area and base adjustments on measurable market differences in properties. Examples of the adjustment process using the sales comparison method are provided below.

Example 1: A vacant parcel sold for \$10,200 in early 1999. The parcel slopes sharply from the street. The developer of the subdivision reports that the parcel sold at a discount of \$3,000 to cover the cost of correcting the problem. To make the sale representative of other vacant land in the area, add the amount of the discount to the sales price ($\$10,200 + \$3,000 = \$13,200$). The cost of the discount added to the land selling price is equal to the true land value.

Example 2: A vacant parcel sold for \$10,000 on contract. Information obtained from the real estate broker indicates that the buyer was related to the developer and obtained a 15% discount on the sale. The value of the unimproved lot is 85% of the adjusted sale price. To adjust for the discount, find the sale price without the discount ($\$10,000 \div .85 = \$11,765$). The cost to improve the land is added to the vacant land price to equal an improved land value.

The ***abstraction method*** is used to determine the indicated value of residential land if the sample of vacant land sales is insufficient for a geographic area. This method of estimating land value is most reliable when a minimum amount of depreciation has occurred on the improvements. The value of land is determined by subtracting the depreciated value of the improvements from the sales price. The result indicates the contribution of the land value to the total sale. An example of the abstraction method is provided below.

Example: A residential property sold for \$59,500 in January 1999. If the depreciated value of the structures equals \$50,300, the indicated value of the improved land is \$9,200 ($\$59,500 - \$50,300 = \$9,200$).

The **allocation** or **percentage of sale** method is used to determine the indicated value of land if the sample of sales for a neighborhood represent improved properties. This method of estimating land values depends on an analysis of the various neighborhoods to determine the percentage contribution of land to the total sale.

Compare the sale price of vacant land to the sale price of the improved parcels within a homogeneous neighborhood. The resulting ratio is equal to the allocation percentage of sale for the neighborhood. However, before the comparison can be made, adjust the vacant lot sale upward to account for improvements such as utility hook-ups, landscaping, residential driveways, and private walkways. This adjustment is necessary because these appurtenances to the land are valued with the land. Also, the amount of improvement can be expressed as a percentage of the total land value. In the following example, the amount is expressed as a whole dollar development cost.

Example: Suppose a vacant land sale for neighborhood #501 is \$20,000 and the applicable development costs are \$5,000 in January, 1999. Determine an estimate of the applicable percentage ratio by comparing the \$25,000 developed land value to the recent neighborhood #501 sale prices of improved properties. For example, if improved properties are selling for \$125,000 to \$135,000, the estimated percentage of sale range for neighborhood #501 is 18.5% to 20%. The value of a standard lot in neighborhood #501 would be estimated at \$25,000. If a neighborhood has no vacant parcels to help determine a developed lot value, the assessor must begin the process of comparing the subject neighborhood to neighborhoods where the percentage of sale is known. Comparable neighborhoods consist of neighborhoods with similar sale prices and neighborhood characteristics. Once a comparable neighborhood has been established, the percentage of sale ratio is multiplied against the selling prices of the improved parcels to arrive at an estimated land value for the subject neighborhood.

Selecting Unit Values Used for Land Valuation

Unit values or base rates are units of measurement used in the assessment calculation process. The township assessor determines which of the following four types of unit values, described in the sections below, are appropriate for valuing the different types of land in the county:

- front foot value
- square foot value
- acreage value
- site value
- unit density

The size, dimensional data available on tax maps or plat maps, methods of comparison used by the typical buyer and seller, and the ease of application

should determine the selection of the most applicable pricing method for the neighborhood. It should be stressed that the pricing method for valuing the neighborhood is of less importance than arriving at the correct value of the land as of the valuation date.

Front Foot Value

Front foot value is a whole dollar amount applied to the most desirable frontage of a parcel. For commercial property in a downtown area, front footage along the main street is of primary importance. For a residential parcel in a platted subdivision, front footage along the street is of primary importance. In both cases, the front foot method is appropriate because the front footage of the parcel has the greatest influence on the land's value. Front foot value is the appropriate method when the selling price of similar properties, divided by the amount of frontage is similar. The following example illustrates the relationship between front foot value and selling price.

Example: Parcel A has 100 feet of frontage on Main Street and Parcel B has 50 feet of frontage on Main Street. Both parcels have the same depth. Parcel A sold for \$12,000. Parcel B sold for \$6,000. To calculate the base rate, divide the sale price of the parcel by the frontage feet:

$$\text{Parcel A} \quad \$12,000 \div 100' = \$120$$

$$\text{Parcel B} \quad \$6,000 \div 50' = \$120$$

In both cases, the selling price divided by the number of frontage feet equals \$120 per front foot. Because the same base rate is obtained on both properties, the assessor determines that the front foot method is the appropriate land valuation method for these properties.

Square Foot Value

Square foot value is a value applied to each individual square foot of a parcel. The square foot method is used when the selling price divided by the area in square feet for similar properties is similar. The following example illustrates how to use the selling price to determine square foot value.

Example: Parcels C and D both have 100 feet of frontage on Oak Street. Parcel C is 200 feet deep, has an area of 20,000 square feet, and sold for \$10,000. Parcel D is 100 feet deep, has an area of 10,000 square feet and sold for \$5,000. Calculate the square foot value by dividing the sale price of the parcel by the area of the parcel in square feet:

$$\text{Parcel C} \quad \$10,000 \div 20,000 = \$0.50$$

$$\text{Parcel D} \quad \$5,000 \div 10,000 = \$0.50$$

Because the same base rate (\$0.50 per square foot) is obtained for both properties, the assessor determines that the square foot method is the appropriate method for these properties. The front foot value method is not appropriate because the front foot value method produces a front foot value for Parcel C that is twice the front foot value for Parcel D.

Acreage Value

The acreage value method is appropriate where a particular use requires a large amount of land. The most frequent uses of the acreage value method are for:

- agricultural homesites
- rural residential homesites
- rural residential excess acreage
- commercial and industrial land
- irregularly shaped platted lots that are too cumbersome to size

Site Value

The site value method is applied when characteristics peculiar to a particular parcel distort the value determined using other methods. This value distortion is normally attributed to the parcel's shape or size. The following example illustrates the use of the site value method.

Example: In a neighborhood the standard lot is 50 feet by 120 feet, with a calculated front foot price of \$100. The typical lot sells for \$5,000. However, Lot #20 is an irregularly shaped lot with dimensions that make it extremely difficult to determine lot size and price. The value estimate for Lot #20 is similar to all other lots in the area, so the site value estimate is recorded at a flat rate of \$5,000. In this example the \$5,000 site value is equivalent to the base lot value, indicating that in the assessor's judgment the irregularity of the subject's shape neither enhances nor detracts from the value of the subject in respect to the base lot value. To record the data on the property record card, enter the land type, the actual frontage, if known, and the base lot value. The base lot value, which in this case is the same as the site value, is entered in the "Estimated Values" cell. Any influence factors applicable to the subject should be applied in the same manner as provided for later in this chapter.

- Suppose that the irregularity of the subject's shape **enhanced** the value of the subject by 10%. In this case, the base lot value (\$5,000) of the subject neighborhood recorded in the space provided for Estimated Value is increased. Enter code 4 [+] 10% in the space provided for Influence Factors. The resulting true tax value for the subject is \$5,500 (\$5,000 + 10%).
- Suppose that the irregularity of the subject's shape **decreased** the value of the subject by 10%. However, the decrement was off-set by the subject's premium location. In this instance the base lot value of the subject neighborhood recorded in the space provided for Estimated Value is decreased by recording code 4 [-] 10% and increased by recording the code 0 [+] 10% in the space provided for Influence Factors. The resulting true tax value for the subject lot is \$5,000 (\$5,000 = 10% - 10%). In this case, the influence denoted by code 0 is specified in the space provided for memoranda on the property record card.

Note: In all cases the starting point is the base lot value of the subject neighborhood, and the treatment of that value as an "estimated value".

Unit Density

Unit density is a value applied to the number of units which can be constructed on a site. It is used when the market indicates that a site is sold on a unit basis, such as an apartment property where the unit of comparison is sale price per buildable apartment.

Valuing Improved Vacant Platted Lots

Platted lots are valued on the basis of improvements made to them. Improvements to the land include, but are not limited to, the cost of:

- a water well
- a septic system
- connecting a structure into a public water and sewage system
- landscaping
- private walkways and residential driveways

The township assessor must survey the township to determine the costs of these improvements for each neighborhood as of January 1, 1999. The cost attributable to a water and sewage system should represent depreciated costs of not less than 50% of the total installation cost of each component.

The improved land value estimate represents the cost of vacant land, plus the depreciated cost of a water well and septic system or public utility hook-up fees plus any costs, such as landscaping and private walkways and residential driveways incurred to make the parcel suitable for building. An example of estimating the land value for an individual land sale is provided below.

Example: An 80 feet by 150 feet commercial platted vacant lot was purchased for \$30,000. The water well and septic system cost for this particular area is \$5,500. The depreciated cost of the water well and septic system is calculated as: $(.80 \times \$5,500) \$4,400$. The assessor knows that the water well and septic system are relatively new, so the 80% ratio is used. The landscaping cost associated with the parcel is estimated to be \$10,000. The cost of the vacant land plus the depreciated cost of the water well and septic system and landscaping attributable to the land equals the value of the improved vacant lot $(\$30,000 + \$4,400 + \$10,000 = \$44,400)$.

Reporting Township Assessor Results to the Property Tax Assessment Board of Appeals

The township assessor must report the results of his or her activities to the Property Tax Assessment Board of Appeals, using the neighborhood report forms provided in figures 2-1, 2-2, and 2-3. The assessor must submit a report form for each neighborhood. The specific neighborhood report form used for a particular neighborhood depends on the land use. Different forms are provided for the following land uses:

- residential
- rural residential or agricultural homesite

- commercial or industrial.

The steps for completing a summary report form are grouped into the following tasks, described in the sections below:

- Task 1—Record general information.
- Task 2—Provide valuation information.
- Task 3—Record comments and directions for establishing values.

Task 1—Recording General Information

To provide information about the neighborhood, perform these steps on the Residential, the Agricultural Homesite and Rural Residential, and the Commercial and Industrial forms:

- Step 1 In the “County Number” blank, enter the two digit county number assigned to the county where the neighborhood is located.
- Step 2 In the “Township Number” blank, enter the State Board of Tax Commissioners four digit number assigned to the township where the neighborhood is located.
- Step 3 In the “Taxing District Number” blank, enter the State Board of Tax Commissioners five digit number assigned to the taxing district where the neighborhood is located.
- Step 4 In the “Page ___ of ___” blank, indicate the page number of this form and the total number of pages in the township:
- a. In the left blank, enter the number of this form.
 - b. In the right blank, enter the total number of pages in the entire report for the township.
- Step 5 In the “Map Number” blank, enter the number of the map that identifies the location of the subject neighborhood.
- Step 6 In the “Neighborhood Number” blank, enter the number assigned to the individual neighborhood by the township assessor.
- Step 7 In the “Land Value Ratio” blank, enter the percentage of sale that is attributable to land for the identified neighborhood. A land value ratio is required for each neighborhood under 50 IAC 13-3-1.
- Step 8 In the “Adjoining Neighborhood Numbers” blank, enter the neighborhood number for each neighborhood immediately “North”, “East”, “South”, and “West” of the neighborhood reported on the form.
- a. *If the adjoining neighborhood is in a different township*, place the Board’s assigned county number and the Board’s assigned township number in the appropriate directional blank space.
 - b. *If the adjoining neighborhood is located in a different township or county and the neighborhood number is unknown*, place an “X” after the county and township number.

Example 1: The adjoining neighborhood to the west is in Benton County’s Gilboa Township. After a discussion with the Gilboa Township Assessor to determine the neighborhood number, the assessor enters

the code 04-0003-4 to indicate the adjoining neighborhood has been numbered 4 by the Gilboa Township Assessor.

Example 2: The adjoining neighborhood to the west is in Benton County's Gilboa Township, but the neighborhood number is unknown. The coding of 04-0003-X would be entered in the "West" blank.

- Step 9 In the "Total Land Improvement Costs Attributable to Neighborhood" blank, enter the total dollar amount of the "Sewage Disposal System" blank, the "Water System" blank, and the "Other" blank. This total is the amount of land improvement costs included into the base lot value for the specific neighborhood. These numbers are extremely important so that rational influence factor adjustments can be made throughout the neighborhood.
- a. In the "Sewage Disposal System" blank, enter the whole dollar amount included in the neighborhood base for a sewage disposal system.
 - b. In the "Water System" blank, enter the whole dollar amount included in the neighborhood base for a water system.
 - c. In the "Other" blank, enter the whole dollar amount for other improvements associated with the land. Items, such as landscaping, private walkways, and residential driveways are a few examples to consider in establishing a whole dollar amount.

Task 2—Providing Valuation Information

The steps necessary to provide valuation information for the neighborhood vary depending on the neighborhood's land type. Instructions are provided below for the following land types:

- residential
- rural residential
- agricultural homesite
- commercial or industrial platted lots
- commercial or industrial unplatted acreage.

To provide valuation information for a **residential neighborhood**, refer to Figure 2-1 and perform these steps:

Step 1 *If the neighborhood has platted lots*, place a check in the "Platted Lots" check box. Use this area of the form when performing Step 2 through Step 7.

If the neighborhood has unplatted acreage, place a check in the "Unplatted Acreage" check box. Use this area of the form when performing Step 2 through Step 7.

Step 2 *If you checked the "Unplatted Acreage" check box in Step 1*, in the "Acres" cell, enter the acreage of the base tract.

If you checked the "Platted Lots" check box in Step 1:

- a. In the “Width” cell, enter the width (in feet) of the base lot.
 - b. In the “Depth” cell, enter the depth (in feet) of the base lot.
 - c. In the “Depth Table” cell, enter the name of the standard depth table that is to be used for the neighborhood, such as 120’, 132’, and so forth.
 - d. *If the pricing method for the platted lot is to be priced either by an average rate or a square foot rate, enter the size in the “Area/S.F. Size” blank.*
- Step 3 In the “Pricing Method” section, place a check in the check box corresponding to the pricing method selected for the neighborhood.
- Step 4 In the “Base Rate” section, indicate the base rate or base rate range.
- If a single base rate has been determined for the neighborhood, in both the “Low” cell and “High” cell, enter the base rate.*
- If a range of base rates has been determined for the neighborhood, in the “Low” cell, enter the lowest rate in the range. In the “High” cell, enter the highest rate in the range.*
- Step 5 In the “Residential Excess Acreage” section, indicate the base rate or base rate range. The rates may be necessary for platted subdivisions containing large acreage lots or unplatted residential areas where the tracts are over one acre.
- If a single base rate has been determined for the neighborhood, in the “Low” and “High” cell, enter the base rate.*
- If the range of base rates has been determined for the neighborhood, in the “Low” cell, enter the lowest rate in the range. In the “High” cell, enter the highest rate in the range.*
- Step 6 In the “Base Value” section, indicate the value or range of values for the base lot.
- If one base rate has been determined for the neighborhood, calculate the value using the base lot size, the appropriate depth table, the selected pricing method, and the base rate. Enter the value in both the “Low” cell and the “High” cell.*
- If a range of base rates has been determined for the neighborhood, calculate the low value using the standard lot size, the appropriate depth table, the selected pricing method, and the low base rate. Enter the value in the “Low” cell. Calculate the high value using the high base rate. Enter the value in the “High” cell.*
- Note:** *If the pricing method is by acre or square footage, and the land measures less than one acre, the Size Adjustment table must be used.*

RESIDENTIAL Neighborhood Valuation Form

To be submitted to the Property Tax Assessment Board of Appeals by Township Assessor

Page ____ of ____

County Number: _____

Map Number: _____

Township Number: _____

Neighborhood Number: _____

Taxing District Number: _____

Land Value Ratio: _____

Adjoining Neighborhood Numbers:

Place the adjoining neighborhood numbers in the appropriate directional space. If the adjoining neighborhood is in a different township, place the STB county number and the STB township number in the applicable space. If the neighborhood is unknown, place an X after the township number. Example West: 04 - 0003 - # 4 (Benton Co. - Gilboa Twp. - Neigh. #4)

North: _____

East: _____

South: _____

West: _____

Total Land Improvement Costs Attributable to Neighborhood (Total of items below): \$ _____

Sewage Disposal System: \$ _____ Water System: \$ _____ Other: \$ _____

PLATTED LOTS: []

<u>Base Size:</u>	<u>Pricing Method:</u>	<u>Base Rate:</u>	<u>Base Value:</u>
Width: _____	Per Front Foot: []	Low: _____	Low: _____
Depth: _____	Per Square Foot: []	High: _____	High: _____
Depth Table: _____	Per Acre: []	<u>Residential Excess Acreage:</u>	
Acre / S.F. Size: _____	Site Value: []	Low: _____	High: _____

UNPLATTED ACREAGE: []

<u>Base Size:</u>	<u>Pricing Method:</u>	<u>Base Rate:</u>	<u>Base Value:</u>
	Per Front Foot: []	Low: _____	Low: _____
Acre / S.F. Size: _____	Per Square Foot: []	High: _____	High: _____
	Per Acre: []	<u>Residential Excess Acreage:</u>	
	Site Value: []	Low: _____	High: _____

Comments Concerning Neighborhood _____

Figure 2-1. Providing Valuation Information for Residential Neighborhoods

To provide valuation information for **agricultural homesites** and **rural residential acreage** in a neighborhood, refer to Figure 2-2 and perform these steps:

Step 1 *If the base rates are being designated for agricultural homesites only, place a check in the “Agricultural Homesite” check box and continue with Step 2.*

If the base rates are being designated for rural residential homesites only, place a check in the “Rural Residential” check box and continue with Step 2.

If the base rates are being designated for both agricultural and rural residential homesites throughout the neighborhood, place a check in both the “Agricultural Homesite” and “Rural Residential” check boxes and proceed to Step 2.

Step 2 *If a single base rate has been determined for a one-acre improved homesite of each land classification, enter the base rate for each land classification in the appropriate row in the “Base Rate Low” column and the “Base Rate High” column.*

If a range of base rates has been determined for a one-acre improved homesite of each land classification, enter the lowest base rate in the range for each land classification in the appropriate row in the “Base Rate Low” column. Enter the highest base rate in the range for each land classification in the appropriate row in the “Base Rate High” column.

If a single base rate or a range of base rates has been determined for only one land classification, enter the rates as described above in the applicable classification category.

Step 3 *If a single base rate has been determined for excess agricultural and rural residential acreage, enter the base rate in the “Excess Acreage Rate” in the “Low” column and the “High” column for the applicable land classification.*

If a range of base rates has been determined for excess agricultural and rural residential acreage, enter the lowest base rate in the range in the “Excess Acreage Rate” row in the “Low” column. Enter the highest base rate in the range in the “Excess Acreage Rate” row in the “High” column for the applicable land classification.

**AGRICULTURAL HOMESITE and RURAL RESIDENTIAL
Neighborhood Valuation Form**

To be submitted to the County Property Tax Assessment Board of Appeals by Township Assessor

Page ____ of ____

County Number: _____

Map Number: _____

Township Number: _____

Neighborhood Number: _____

Taxing District Number: _____

Land Value Ratio: _____

Adjoining Neighborhood Numbers:

Place the adjoining neighborhood numbers in the appropriate directional space. If the adjoining neighborhood is in a different township, place the STB county number and the STB township number in the applicable space. If the neighborhood is unknown, place an X after the township number. Example: West: 04 - 0003 - # 4 (Benton Co. - Gilboa Twp. - Neigh. #4)

North: _____

East: _____

South: _____

West: _____

Total Land Improvement Costs Attributable to Neighborhood (Total of items below): \$ _____

Sewage Disposal System: \$ _____ Water System: \$ _____ Other: \$ _____

AGRICULTURAL HOMESITES: []		RURAL RESIDENTIAL: []	
<u>Land Classification:</u>	<u>Base Rate:</u>	<u>Excess Acreage Rate:</u>	
	Low:	High:	Low: High:
EXCELLENT	_____	_____	_____
GOOD	_____	_____	_____
AVERAGE	_____	_____	_____
BELOW AVERAGE	_____	_____	_____
POOR	_____	_____	_____

Comments Concerning Neighborhood _____

Figure 2-2. Providing Valuation Information for Rural Residential Acreage or Agricultural Homesites in a Neighborhood

To provide valuation information for **commercial or industrial platted acreage** in a neighborhood, refer to Figure 2-3 and perform the following steps:

- Step 1 Place a check in the “Platted Lots” check box. Use this area of the form when performing Step 2 through Step 7.
- Step 2 Indicate the dimensions of the base lot and the corresponding depth table:
- In the “Width” cell, enter the width (in feet) of the base lot.
 - In the “Depth” cell, enter the depth (in feet) of the base lot.
 - In the “Standard Depth Table” cell, enter the name of the depth table that is to be used for the neighborhood, such as 120’, 132’, and so forth.
 - If the pricing method for the platted lot is to be priced either by an acreage rate or a square foot rate, enter the size in the “Acre/S.F. Size” blank.*
- Step 3 In the “Pricing Method” section, place a check in the check box corresponding to the pricing method selected for the neighborhood.
- Step 4 In the “Base Rate” section, indicate the base rate or base rate range.
- If a single base rate has been determined for the neighborhood, in both the “Low” cell and “High” cell, enter the base rate.*
- If a range of base rates has been determined for the neighborhood, in the “Low” cell, enter the lowest rate in the range. In the “High” cell, enter the highest rate in the range.*
- Step 5 In the “Base Value” section, indicate the value or range of values for the base lot.
- If one base rate has been determined for the neighborhood, calculate the value using the base lot size, the appropriate depth table, the selected pricing method, and the base rate. Enter the value in both the “Low” cell and the “High” cell.*
- If a range of base rates has been determined for the neighborhood, calculate the low value using the standard lot size, the appropriate depth table, the selected pricing method, and the low base rate. Enter the value in the “Low” cell. Calculate the high value using the high base rate. Enter the value in the “High” cell.*
- Note: If the pricing method is by acres or square foot, and the land measures less than one acre, the Size Adjustment Table must be used.

COMMERCIAL and INDUSTRIAL Neighborhood Valuation Form

To be submitted to the County Property Tax Assessment Board of Appeals by Township Assessor

Page ____ of ____

County Number: _____

Map Number: _____

Township Number: _____

Neighborhood Number: _____

Taxing District Number: _____

Land Value Ratio: _____

Adjoining Neighborhood Numbers:

Place the adjoining neighborhood numbers in the appropriate directional space. If the adjoining neighborhood is in a different township, place the STB county number and the STB township number in the applicable space. If the neighborhood is unknown, place an X after the township number. Example West: 04 - 0003 - # 4 (Benton Co. - Gilboa Twp. - Neigh. #4)

North: _____

East: _____

South: _____

West: _____

Total Land Improvement Costs Attributable to Neighborhood (Total of items below):\$ _____

Sewage Disposal System: \$ _____

Water System: \$ _____

Other: \$ _____

PLATTED: []

<u>Base Size:</u>	<u>Pricing Method:</u>	<u>Base Rate:</u>	<u>Base Value:</u>
Width: _____	Per Front Foot: []		
Depth: _____	Per Square Foot: []	Low: _____	Low: _____
Depth Table _____	Per Acre: []		
Acre / S.F. Size: _____	Site Value: []	High: _____	High: _____

UNPLATTED: []

For front foot pricing and small acreage tracts, complete the platted section.

<u>Pricing Method:</u>	<u>Land Classification:</u>	<u>Base Rate:</u>	
		Low:	High:
Per Square Foot: _____	PRIMARY: _____	_____	_____
	SECONDARY: _____	_____	_____
Per Acre: _____	USABLE UNDEVELOPED: _____	_____	_____
	UNUSABLE UNDEVELOPED: _____	_____	_____

Comments Concerning Neighborhood _____

Figure 2-3. Providing Valuation Information for Commercial or Industrial Acreage

To provide valuation information for **commercial or industrial unplatted acreage** in a neighborhood, refer to Figure 2-3 and perform the following steps:

- Step 1 Place a check in the “Unplatted Lots” check box. Use this area of the form when performing Step 2 through Step 5.
- Step 3 In the “Pricing Method” section, place a check in the check box corresponding to the pricing method selected for the area.
- Step 4 *If a single base rate has been determined for each land classification*, enter the base rate for each land classification in the appropriate row in the “Base Rate Low” column and “Base Rate High” column.

If a range of base rates has been determined for each land classification, enter the lowest base rate in the range for each land classification in the appropriate row in the “Base Rate Low” column. Enter the highest base rate in the range for each land classification in the appropriate row in the “Base Rate High” column.

Task 3—Recording Comments Concerning Neighborhood

In the “Comments Concerning Neighborhood” section, enter any specific directions that the assessor should follow when applying the base rates provided in the report.

Assessment of Rights-of-Way to Adjacent Property Holder

Land may not be assessed to an adjacent property holder if it is:

- occupied by, and is within the right-of-way of, a railroad, interurban, or street railway
- within the line of a levee constructed and maintained either by a levee association or under any law of this state
- used and occupied as part of a public drainage ditch, including land that:
 - is adjacent to the ditch
 - cannot be used for farmland or any other purpose because of a need for access to the ditch
- within a right-of-way that is used and occupied as a public highway.

If the land has not been transferred by deed to a person who holds the land for railroad, interurban, street railway, levee, drainage, or public highway purposes, the land is assessed to the adjacent property owner. However, the assessed value of the land so assessed is deducted from the assessed value of the land assessed to the adjacent property owner.

If an assessor and a landowner fail to agree on the amount of land assessed, the county surveyor must survey the land in question.