

STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



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TO: Assessing Officials
FROM: Barry Wood, Assessment Division Director *JBW*
RE: Assessment Appeals
DATE: February 1, 2010

The first Core Value of the Department of Local Government Finance (“Department”) is “Taxpayer First.” One way to emphasize this belief is to make the property tax appeals process as transparent, easy, and straightforward for taxpayers as possible. Although the appeals process is administered at the local level first, and by the Indiana Board of Tax Review (“IBTR”) at the state level, the Department will be providing information and training to assessing officials throughout 2010 to ensure that assessing officials have the tools and information necessary to proactively address appeals and inform the public about the appeals process.

It is strongly recommended that counties develop and use an appeal tracking tool for processing appeals in an expeditious manner. The Department often receives requests from members of the public, local officials, and members of the General Assembly on the number of locally-administered appeals; thus, it is important that appeals information is thoroughly accounted for in the appeals data file.

The appeals data files (i.e. real property, personal property, mobile, and tax billing) should contain one record for each type of appeal or adjustment (reference Code List 5 - Reason for Change Codes). The record entry must have a corresponding record in the main file (i.e. PARCEL file for real property) and the data contained in the appeal entry must be specific to the corresponding record.

As indicated in 50 IAC 23-6-4(4), the assessment system shall “...Maintain a record of adjustments that affect assessed value resulting from error corrections made at the county level, appeals granted at the county level, and appeals granted by the Indiana board of tax review or any other valid reassessment under state law...” Assessed value reporting, per 50 IAC 23-10-2, also requires the reporting system to make various management reports on changes to assessments available on demand to county assessors or designees within the offices.

As stated in the January 12, 2010 memorandum, “Upcoming Changes to March 1, 2011 (pay-2012) Ratio Study Review Process,” **since changes may occur due to appeals or correction of errors, counties are encouraged to keep a change or appeals log and forward this log to the Department in conjunction with the workbook.** Parcels noted as changed for these two

reasons in the change log will not be counted as discrepancies. A sample change log will be made available for download to the Department's Web site.

The Department has updated fact sheets on Property Appeals and Corrections (see <http://www.in.gov/dlgf/files/PropertyTaxAppealsProcess.pdf> and <http://www.in.gov/dlgf/files/Petition-for-Correction-of-an-ErrorFactSheet.pdf>). Assessors can provide a link to the Department's Web site (under the "Property Tax Appeals Process" tab); the documents can be placed on the assessing official's Web site (if available); or the documents can be reproduced and placed in an easily accessible place for taxpayers in the assessing official's office.

An appeals flow chart (see <http://www.in.gov/dlgf/files/AppealsProcessFlowchart.pdf>) should also be readily available to assist taxpayers. Assessors should provide, at a minimum, a link or information to the Department's Property Tax Appeals page (<http://www.in.gov/dlgf/2508.htm>), which contains the aforementioned documents.

In the 2009 Special Session, the General Assembly passed legislation that states the assessing official now has the burden of proof where the assessment increased by more than five percent (5%) over the preceding assessment date (see our memo on the subject: http://www.in.gov/dlgf/files/090722_-_Rushenberg_Memo_-_Appeals_Process_and_PTABOA_Composition.pdf). If the assessed value increases by more than 5% from the prior assessment date, and a taxpayer appeals the assessment, the burden to prove the accuracy of the assessed value of the subject property is on the assessing official. The market data used to establish the value for that property (i.e., comparable sales data, income and expense information, or cost data) must be used by the assessor to prove the assessed value of the appealed property is correct.

Lastly, as part of our effort to make 2011 the "**Year of Timeliness, Tools, and Transparency**", assessors are reminded that the law still requires them to mail notices of assessment to the taxpayer (e.g., Form 11). IC 6-1.1-22-4; IC 6-1.1-9-1. The IAAO *Standard on Assessment Appeal* (July 2001), Standard 6.1, states that "[w]hen **an assessment is changed**, a notice of assessment that identifies the property, the property owner, the estimated market value, and the assessed value of the property should be mailed to each property owner." (Emphasis added.) <http://www.iaao.org/uploads/assmtapplfstd.pdf>.

The Form 11, which is available on the Department's Web site at <http://www.in.gov/icpr/webfile/formsdiv/21366.pdf>, is the primary form to be used by assessors to give notice to taxpayers of their assessed value. The notices should be mailed after the Department reviews and approves the county's ratio study and workbook.

However, if no Form 11 is mailed (e.g., because the assessment did not change from the prior year), the law still allows taxpayers to appeal their assessments.

To appeal under such circumstances, the taxpayer must file a notice in writing (optional Form 130) with the township assessor, or the county assessor if the township is not served by a township assessor.

The appeal must be filed not later than the later of:

(1) May 10 of the tax billing year; or

(2) forty-five (45) days after the date the tax bill is mailed by the county treasurer, regardless of whether the assessing official changes the taxpayer's assessment. IC 6-1.1-15-1(d).

The taxpayer can only appeal their assessment from the Form 11 if the Form 11 is mailed to that property in a given assessment year. A taxpayer cannot appeal an assessment for a subject property from the Form 11 *and* then again later from the tax bill for the same assessment year on the same property. In other words, the taxpayer only has "one bite at the apple."

If you have any additional questions, please contact Assessment Director Barry Wood at 317.232.3762 or bwood@dlgf.in.gov.

Attachments:

Appeals Frequently Asked Questions
Appeals Flowchart