

# STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



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**TO:** County Assessors  
**FROM:** Brian E. Bailey, Interim Commissioner   
**RE:** Changes to Assessment Provisions under HEA 1086-2010  
**DATE:** April 15, 2010

## Introduction

This memorandum provides guidance on amendments to the Indiana Code affecting certain assessment provisions. These changes to the law were made as part of HEA 1086-2010. This guidance is intended to be an aid in understanding changes to the law and is no substitute for the law itself.

The following changes in the law will be addressed:

- (1) A new requirement that an assessor document changes to parcel characteristics and the reasons for those changes
- (2) Technical clarification that the assessor is required to complete the annual adjustment process and roll gross assessed values to the auditor on or before July 1
- (3) Clarification that a petition for reassessment applies only to the most recent real property assessment date
- (4) A new procedure for the establishment of land values and petitions for review of those values
- (5) Repeal of statutory authority that allowed the Department of Local Government Finance ("Department") to rescind an order requiring a state conducted assessment or reassessment

## Guidance

### **Changes to parcel characteristics must be documented**

A new section was added to the Indiana Code that governs the assessor's changes to underlying parcel characteristics. That new section is Indiana Code 6-1.1-4-4.4.

If an assessor changes the underlying parcel characteristics, including age, grade, or condition, of a property from the previous year's assessment date, the assessor shall document: (1) each change, and (2) the reason each change was made. In any appeal of the assessment, the assessor has the burden to prove each change was valid.

This section of HEA 1086-2010 became effective upon passage, which was March 25, 2010. It is therefore effective for the March 1, 2011 assessment date.

### **Clarification that assessor must complete annual adjustments no later than July 1**

The section that establishes the deadline for the assessor to roll gross assessed values to the auditor was amended to remove any doubt that the values must reflect annual adjustments. The amendment was made to Indiana Code 6-1.1-4-4.6 to make clear that the annual adjustment work and roll must be completed on or before July 1.

### **A petition for reassessment applies only to the most recent real property assessment date**

The section of the Indiana Code that governs petitions for reassessment was amended. The amendment was made to Indiana Code 6-1.1-4-5.

Under this amendment, a petition for reassessment of real property applies to the most recent real property applies only to the most recent real property assessment date. The Department has the discretion to order or conduct a reassessment following other provisions of the Indiana Code.

### **New procedure for determining land values**

An amendment to Indiana Code 6-1.1-4-13.6 changes the procedure for determining land values. Under the new law, effective January 1, 2011, the county assessor determines the land values for all classes of property even in townships that have a township assessor. The county assessor is required to determine the land values and submit them to the Property Tax Assessment Board of Appeals ("PTABOA") no later than July 1, 2011, and every fourth year thereafter. The amendment repeals the provision that required the PTABOA to review and modify the values and coordinate the valuation of property adjacent to boundaries with other counties.

If the county assessor fails to determine land values by the July 1, 2011 deadline, the PTABOA becomes responsible for determining the values. The PTABOA must do so before the values become effective. If the PTABOA fails to do so, the responsibility falls to the Department.

The new law allows property owners to file a petition with the Department for the review of land values that were determined by the county assessor. To initiate the review, a petition must be signed by the lesser of 100 property owners in the county or 5% of the property owners in a county. The petition must be filed no later than 45 days after the county assessor determines the land values. Upon receiving the petition, the Department shall review the land values and hold a public hearing on the petition. The Department has the discretion to approve, modify, or disapprove the land values.

**Once the Department orders a state conducted assessment or reassessment,  
it can't rescind the order**

The new law repealed a provision in Indiana Code 6-1.1-4-31(b) that allowed the Department to rescind its own order that a state conducted assessment or reassessment take place.

**Contact Information**

Questions may be directed to Barry Wood, Assessment Director at 317.232.3762 or [bwood@dlgf.in.gov](mailto:bwood@dlgf.in.gov).

