



What's New for Counties?

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Agency Overview

- **Commissioner**
 - Oversees the operations of the Department and serves as a member of the Distressed Unit Appeals Board.
- **Assessment Division**
 - Promotes consistent assessing procedures throughout the state by providing guidance and technical instruction and securing compliance with the law to ensure fair and equitable assessment of property for taxpayers.
- **Budget Division**
 - Works closely with local officials in preparing their annual budgets and provides recommendations to the Commissioner on matters related to budgets, rates, levies, exceptions to property tax controls and taxpayer exceptions to tax rate increases.



Agency Overview

- **Data Analysis Division**
 - Review of real, personal, tax billing, and sales data to ensure it meets statutory standards to allow for analysis.
- **Legal Division**
 - Drafts and publishes property tax assessment rules and interprets statutory law to ensure property tax assessments and local government budgeting are carried out in accordance with Indiana law, including DLGF rules and regulations.



Core Agency Objectives

- Ensure property tax assessment and local government budgeting follow Indiana law.
- Ensure that data submission standards and deadlines are met.
- Annually review and approve tax rates and levies of every political subdivision including all counties, cities, towns, townships, school corporations, libraries, and other entities with tax levy authority.
- **TOP PRIORITY: ON-TIME PROPERTY TAX BILLING** – a joint effort with local county officials.



Assessment Issues

- Reassessment of Project Using Public Funds
- HEA 1294 introduces IC 6-1.1-4-4.8, effective July 1, 2016. This new statute addresses reassessment of certain “covered projects,” meaning the construction, remodeling, redevelopment, rehabilitation, or repair of any building, structure, or other real property improvement if:
 - (1) public funds (generally meaning money derived from the revenue sources of the governmental body and deposited into the general or a special fund of the governmental body) are used by a private person in whole or in part to carry out the project; and
 - (2) after the completion of the project, the building, structure, or other real property improvement is owned by a private person.



Assessment Issues

- **Reassessment of Project Using Public Funds, continued**
- Upon the completion of a covered project, the state agency (generally meaning the authority, board, branch, commission, committee, department, division, or other instrumentality of the executive, including the administrative, department of state government) or political subdivision providing the public funds to carry out the covered project must provide notice of the completion of the covered project to the county assessor of the county in which the building, structure, or other real property improvement is located.



Assessment Issues

- **Reassessment of Project Using Public Funds, continued**
- Notwithstanding the reassessment schedule in the county's reassessment plan, after receiving notice of the completion of a covered project, the county assessor must reassess the building, structure, or other real property improvement by carrying out a physical inspection of that property. The reassessment must be completed on or before the earlier of:
 - (1) the date required under the county's reassessment plan; or
 - (2) January 1 of the year after the year in which the county assessor receives notice of the completion of a covered project.



Assessment Issues

- **“Big Box” Store Assessment**
- HEA 1290 repeals IC 6-1.1-4-43 and IC 6-1.1-4-44, two provisions introduced in 2015 to govern the assessment of “big box” stores (see SEA 436-2015). The General Assembly has now introduced the concept of market segmentation to assist in the assessment of “big box” stores.



Assessment Issues

- **Personal Property Audits**
- SEA 308 amends IC 6-1.1-3-14, effective July 1, 2016. Now a township assessor, or the county assessor if there is no township assessor, *may*, rather than shall, examine and verify or allow a contractor under IC 6-1.1-36-12 to examine and verify the accuracy of a personal property return *if the assessor considers the examination and verification of that personal property return to be useful to the accuracy of the assessment process*. It is still the case that if appropriate, the assessor or contractor under IC 6-1.1-36-12 must compare a return with the books of the taxpayer and with personal property owned, held, possessed, controlled, or occupied by the taxpayer.



Assessment Issues

- **Personal Property Audits, continued**
- SEA 308 makes a corresponding change to IC 6-1.1-36-12, effective July 1, 2016, to make clear that a contract between a county and assessment vendor may require the contractor to examine and verify the accuracy of a personal property return filed by a taxpayer with the county assessor or a township assessor, if the contractor considers the examination and verification of that personal property return to be useful to the accuracy of the assessment process; and compare a return with the books of the taxpayer and with personal property owned, held, possessed, controlled, or occupied by the taxpayer, if the contractor considers the comparison to be useful to the accuracy of the assessment process.



Assessment Issues

- **Agricultural Issues**
- SEA 308 amends IC 6-1.1-4-13 so that the soil productivity factors used for the March 1, 2011 assessment date will be used for the January 1, 2016 assessment date *and all future assessment dates*.
- SEA 308 amends IC 6-1.1-4-13.2 (effective retroactive to January 1, 2016) by deleting language introduced in 2015 that set the agricultural base rate at \$2,050 plus the assessed value growth quotient.
- SEA 308 amends IC 6-1.1-4-4.5 to introduce a new formula for determining the agricultural base rate. This amendment is effective retroactive to January 1, 2016, meaning this new formula is first effective for the January 1, 2016 assessment date.
- **For the January 1, 2016 assessment date, the agricultural base rate is \$1,960 per acre.**



Assessment Issues

- **Agricultural Issues, continued**

The new formula is as follows:

- (1) Use a six-year rolling average adjusted under subdivision (3) below instead of a four-year rolling average.
- (2) Use the data from the six most recent years preceding the year in which the assessment date occurs for which data is available, before one of those six years is eliminated under subdivision (3) when determining the rolling average.
- (3) Eliminate in the calculation of the rolling average the year among the six years for which the highest market value in use of agricultural land is determined.
- (4) After determining a preliminary base rate that would apply for the assessment date without applying the adjustment under this subdivision, the Department shall adjust the preliminary base rate as follows:
 - (A) If the preliminary base rate for the assessment date would be at least 10% greater than the final base rate determined for the preceding assessment date, a capitalization rate of 8% must be used to determine the final base rate.
 - (B) If the preliminary base rate for the assessment date would be at least 10% less than the final base rate determined for the preceding assessment date, a capitalization rate of 6% must be used to determine the final base rate.
 - (C) If neither clause (A) nor clause (B) applies, a capitalization rate of 7% must be used to determine the final base rate.
 - (D) In the case of a market value in use for a year that is used in the calculation of the six-year rolling average under subdivision (1) for purposes of determining the base rate for the assessment date:
 - (i) that market value in use must be recalculated by using the capitalization rate determined under clauses (A) through (C) for the calculation of the base rate for the assessment date; and
 - (ii) the market value in use recalculated under item (i) must be used in the calculation of the six year rolling average under subdivision (1).



Assessment Issues

- **Agricultural Issues, continued**

SEA 308 amends IC 6-1.1-6-14, IC 6-1.1-6.2-9, and IC 6-1.1-6.7-9 concerning the assessment rate per acre of land classified as native forest land, a forest plantation, or wildlands; a windbreak; or a filter strip, respectively. Such land must be assessed as follows:

- (1) At \$13.29 per acre for general property taxation purposes, for the January 1, 2017, assessment date.
- (2) At the amount per acre determined in the following STEPS for general property taxation purposes, for an assessment date after January 1, 2017:

STEP ONE: Determine the amount per acre under this statute for the immediately preceding assessment date.

STEP TWO: Multiply the STEP ONE amount by the result of:

(A) one; plus

(B) the annual percentage change in the Consumer Price Index for All Urban Consumers published by the federal Bureau of Labor Statistics for the calendar year preceding the calendar year before the assessment date.

It is still the case that ditch assessments on windbreaks and filter strips must be paid. ¹⁴



Appeals

- **Review of Exemption Applications**
- HEA 1068 amends IC 6-1.1-11-7 so that if a taxpayer's exemption application is disapproved by the county property tax assessment board of appeals ("PTABOA") and the taxpayer desires a review of that decision, the taxpayer must, within 45 days (rather than 30 days) after the notice is mailed, petition the Indiana Board of Tax Review ("IBTR").
- Moreover, under IC 6-1.1-11-7(d), if the PTABOA fails to approve or disapprove an exemption application within 180 days after the owner files an application for the exemption, the owner may, before the PTABOA approves or disapproves the exemption application, petition the IBTR to approve or disapprove the exemption application as authorized under IC 6-1.1-15-3(g). Such a petition must be conducted in the same manner as appeals under IC 6-1.1-15-4 through IC 6-1.1-15-8.
- HEA 1068 makes a corresponding amendment to IC 6-1.1-15-3 so that if an owner petitions the IBTR under IC 6-1.1-11-7(d) (see above), IBTR is authorized to approve or disapprove an exemption application previously submitted to a PTABOA under IC 6-1.1-11-6 and that is not approved or disapproved by the PTABOA within 180 days after the owner filed the application for the exemption. The county assessor is a party to a petition to the IBTR under IC 6-1.1-11-7(d).



Appeals

- **Correction of Error Appeals**
- HEA 1068 amends IC 6-1.1-15-12 so that if the PTABOA fails to issue a determination within 180 days after a taxpayer's petition to correct errors (Form 133) is filed with the county auditor, the taxpayer may, before a determination is issued by the PTABOA, petition the IBTR to correct errors in a final administrative determination.



Appeals

- **Property Tax Assessment Appeals Fund**
- HEA 1273 amends IC 6-1.1-15-10.5, which introduced a property tax assessment appeals fund in 2015 legislation.
- To reiterate, IC 6-1.1-15-10.5 allows the fiscal officer of a taxing unit to establish a property tax assessment appeals fund. The source of money for the fund will be property tax receipts attributable to an increase in the taxing unit's tax rate caused by appeals that reduce the certified net assessed value in the taxing unit. Now, however, a taxing unit may transfer property tax receipts from a fund that is not a debt service fund to the unit's property tax assessment appeals fund. In other words, this fund will not have a tax rate associated with it; money deposited into the fund must be transferred from the unit's other funds. Again, a taxing unit may not transfer property tax receipts from a debt service fund to its property tax assessment appeals fund.



Appeals

- **Property Tax Assessment Appeals Fund, continued**
- Money in the fund can only be used to pay for expenses the county assessor incurs in defending an appeal of property located in the taxing unit and for refunds resulting from a property tax appeal (but not a correction of error). The balance in the fund may not exceed 5% of the amount budgeted by the taxing unit in a particular year.
- Money transferred into this fund is not considered miscellaneous revenue. As such, the taxing unit and the Department must disregard any balance in the fund in determining taxing unit's tax levy, tax rate, and budget (except appropriations for funding appeals and refunds) for a particular calendar year.
- The Department emphasizes that under statute, property tax receipts that qualify as levy excess under IC 6-1.1-18.5-17 and IC 20-44-3 must be treated as levy excess and are not eligible for transfer to a taxing unit's property tax assessment appeals fund.



Appeals

- **Assessor Reimbursement for Appeals**
- SEA 308 introduces IC 6-1.1-18-23. This new provision allows a county fiscal body (normally the county council) to adopt an ordinance to provide that the county assessor be reimbursed for certain costs incurred by the county assessor in defending an appeal under IC 6-1.1-15 that is “uncommon and infrequent in the normal course of defending appeals” under IC 6-1.1-15. Costs include appraisal and expert witness fees incurred in defending an appeal.
- The ordinance must specify:
 - 1) the appeal or appeals and why they are uncommon and infrequent;
 - 2) a detailed list of expenses incurred by fund and by parcel number; and
 - 3) that the county auditor will deduct the expenses listed in the ordinance from property tax receipts collected in the taxing district in which the parcel is located before apportioning receipts to taxing units for the next semiannual settlement under IC 6-1.1-27.



Appeals

- **Assessor Reimbursement for Appeals, continued**
- Property tax receipts that are collected under this statute must be deposited in the county fund that incurred the initial expense.
- Expenses for an appeal that are deducted from a civil taxing unit's property tax revenue under this statute are not considered to be part of a payment of a refund resulting from an appeal for purposes of a maximum permissible property tax levy appeal under IC 6-1.1-18.5-16. In other words, a unit whose tax receipts are intercepted by the auditor under this statute may NOT point to that revenue loss as the basis for a shortfall appeal under IC 6-1.1-18.5-16.



Appeals

- **Appeals by Holders of Tax Sale Certificates**
- HEA 1290 adds IC 6-1.1-15-0.7, which provides that a holder of a tax sale certificate under IC 6-1.1-24 does not have an interest in tangible property for purposes of obtaining a review or bringing an appeal of an assessment of property under IC 6-1.1-15.



Appeals

- **Legislation Authorizing Multiple County PTABOAs**
- SEA 87 authorizes the creation of multiple county PTABOAs starting January 1, 2017.
- **Establishment**
- Specifically, SEA 87 creates IC 6-1.1-28-0.1, which provides that the legislative bodies (normally the county commissioners) of two or more counties may adopt substantially similar ordinances to establish a multiple county PTABOA. The multiple county PTABOA must consist of the entire geographic area of all participating counties.



Appeals

- **Legislation Authorizing Multiple County PTABOAs, continued**
- **Membership**
- Under IC 6-1.1-28-0.2, each multiple county PTABOA must consist of either of the following number of members:
 - 1) Three members, not more than two of whom may be from the same political party.
 - 2) Five members, not more than three of whom may be from the same political party.
- The ordinance must specify the number of members of the multiple county PTABOA.
- Each member of a multiple county PTABOA must be at least 18 and knowledgeable in the valuation of property. A majority of the members of a multiple county PTABOA must have attained the certification of a level two or a level three assessor-appraiser under IC 6-1.1-35.5.
- The following individuals may not be members of a multiple county PTABOA:
 - 1) An elected county official.
 - 2) An employee of a county or township that is in the geographic area within the jurisdiction of the multiple county PTABOA.
 - 3) An appraiser (as defined in IC 6-1.1-31.7-1) in a county that is in the geographic area within the jurisdiction of the multiple county PTABOA.



Appeals

- **Legislation Authorizing Multiple County PTABOAs, continued**
- **Membership, continued**
- Under IC 6-1.1-28-0.4, the fiscal bodies of the counties that establish a multiple county PTABOA must adopt substantially similar ordinances to appoint the members of the multiple county PTABOA subject to the qualifications and requirements set forth above. The term of a member of a multiple county PTABOA is one year and begins January 1.
- A member is eligible for reappointment. If the term of a member expires, the member is not reappointed, and a successor is not appointed, the term of the member continues until a successor is appointed.
- Under IC 6-1.1-28-0.3, the members of a multiple county PTABOA are to receive compensation as determined jointly by the fiscal bodies of each participating county. In the case of a multiple county PTABOA, the costs and payment of the expenses and per diem compensation must be apportioned among the participating counties in the manner specified in the establishing ordinances (IC 6-1.1-28-8). Moreover, the participating counties must jointly determine the number and compensation of field representatives and hearing examiners to be employed by each county to promptly and efficiently perform the duties and functions of the multiple county PTABOA (IC 6-1.1-28-10).
- The auditor for the county required to provide administrative support (see below) must administer and file the oath for each member (IC 6-1.1-28-2).



Appeals

- **Legislation Authorizing Multiple County PTABOAs, continued**
- **Role of Assessors**
- Under IC 6-1.1-28-0.5, the county assessor for the county that has the greatest population of the counties participating in a multiple county PTABOA must provide administrative support to the multiple county PTABOA. The ordinances establishing the multiple county PTABOA must specify the manner and amount of reimbursement that a county assessor is entitled to receive from each participating county for providing administrative support. A county assessor's office that provides administrative support shall: (1) coordinate with the county assessors of all counties within the jurisdiction of the multiple county PTABOA to perform necessary functions concerning appeals and correction of errors initiated by a taxpayer under IC 6-1.1-15; (2) keep full and accurate minutes of the proceedings of the multiple county PTABOA; and (3) perform other necessary duties.



Appeals

- **Legislation Authorizing Multiple County PTABOAs, continued**
- **Duties of Multiple County PTABOAs**
- Under IC 6-1.1-28-0.6, a multiple county PTABOA must assume the authorities and duties as the PTABOA for property located in the geographic area of the counties participating in the multiple county PTABOA. The multiple county PTABOA must assume these authorities and duties on the date specified in the establishing ordinances.
- A county PTABOA for a county that participates in a multiple county PTABOA must transfer records relating to proceedings of that PTABOA to the multiple county PTABOA and must stay the proceedings on any:
 - 1) notices of review;
 - 2) exemption applications;
 - 3) claims for a deduction;
 - 4) motions;
 - 5) requests; and
 - 6) similar administrative pleadings;filed or pending with that PTABOA pending further action upon transfer to the multiple county PTABOA. A multiple county PTABOA must docket matters stayed as soon as practicable after the multiple county PTABOA is established. Any time limitation that applies to a proceeding before a county PTABOA that is stayed is tolled beginning after the multiple county PTABOA is established and until the proceeding is docketed with the multiple county PTABOA.



Appeals

- **Legislation Authorizing Multiple County PTABOAs, continued**
- **Duties of Multiple County PTABOAs, continued**
- Indiana Code 6-1.1-28-0.8 provides that a multiple county PTABOA has all the rights and powers necessary or convenient to carry out IC 6-1.1-28.

- A multiple county PTABOA may meet in a location as specified in the establishing ordinances (IC 6-1.1-28-4).



Appeals

- **Legislation Authorizing Multiple County PTABOAs, continued**
- **Notice of Annual Session**
- Under IC 6-1.1-28-0.7, the county assessor of the county responsible for administration of a multiple county PTABOA must give notice of the time, date, place, and purpose of each annual session of the multiple county PTABOA. The county assessor must give the notice two weeks before the first meeting by:
 - 1) publication of the notice within the geographic area over which the multiple county PTABOA has jurisdiction in the same manner as political subdivisions subject to IC 5-3-1-4(e) are required to publish notice; and
 - 2) posting of the notice on the county assessor's Internet website.
- **Miscellaneous**
- SEA 87 makes a variety of corresponding amendments to other statutes.



Deductions

- **Veteran Deductions**
- SEA 304 makes various changes concerning property tax deductions for disabled veterans.

- **Totally Disabled Veteran Deduction**
- First, IC 6-1.1-12-14 is amended, effective January 1, 2017 (the 2017 Pay 2018 cycle), so that a disabled veteran is not eligible for the “totally disabled” veteran deduction if the assessed value of the veteran’s Indiana real property, Indiana mobile home not assessed as real property, and Indiana manufactured home not assessed as real property exceeds \$175,000. Under current law, by contrast, the veteran would not be eligible for this deduction if the assessed value of all of the veteran’s “tangible” property exceeds \$143,160. So the amendment both raises the assessed value limit and counts only certain types of Indiana property toward that limit. This particular deduction is available to veterans who are either totally disabled (need not be service-connected) or who are at least 62 years of age with a disability of at least 10% (need not be service-connected). More veterans should qualify for this deduction than before. Veterans previously ineligible for the deduction must apply for it to receive it starting with the 2017 Pay 2018 cycle.



Deductions

- **Veteran Deductions, continued**
- **Deduction for Homestead Donated to Veteran**
- SEA 304 introduces a new deduction at IC 6-1.1-12-14.5, effective January 1, 2017 (the 2017 Pay 2018 cycle), which allows a veteran to claim a deduction from the assessed value of the individual's homestead if:
 - (1) the individual served in the military or naval forces of the United States for at least 90 days;
 - (2) the individual received an honorable discharge;
 - (3) the individual has a disability of at least 50%;
 - (4) the individual's disability is evidenced by:
 - (A) a pension certificate or an award of compensation issued by the United States Department of Veterans Affairs; or
 - (B) a certificate of eligibility issued to the individual by the Indiana Department of Veterans' Affairs ("IDVA") after IDVA has determined that the individual's disability qualifies the individual to receive a deduction under this new statute; and
 - (5) the homestead was conveyed without charge to the individual who is the owner of the homestead by an organization that is exempt from income taxation under the federal Internal Revenue Code.



Deductions

- **Veteran Deductions, continued**
- **Deduction for Homestead Donated to Veteran, continued**
- The amount of the deduction is determined as follows:
 - (1) If the individual is totally disabled, the deduction is equal to 100% of the assessed value of the homestead.
 - (2) If the individual has a disability of at least 90% but the individual is not totally disabled, the deduction is equal to 90% of the assessed value of the homestead.
 - (3) If the individual has a disability of at least 80% but less than 90%, the deduction is equal to 80% of the assessed value of the homestead.
 - (4) If the individual has a disability of at least 70% but less than 80%, the deduction is equal to 70% of the assessed value of the homestead.
 - (5) If the individual has a disability of at least 60% but less than 70%, the deduction is equal to 60% of the assessed value of the homestead.
 - (6) If the individual has a disability of at least 50% but less than 60%, the deduction is equal to 50% of the assessed value of the homestead.
- **“Homestead” has the meaning set forth in IC 6-1.1-12-37, the homestead deduction statute (dwelling and immediately surrounding acre).**



Deductions

- **Veteran Deductions, continued**
- **Deduction for Homestead Donated to Veteran, continued**
- A veteran who claims this deduction for an assessment date may not also claim a “partially disabled veteran deduction” or “totally disabled veteran deduction” under IC 6-1.1-12-13 or 14, respectively, for that same assessment date. Also, an unused portion of this deduction, if any, **CANNOT** be applied to excise taxes.
- A veteran claiming this deduction must do so on a form prescribed by the Department. The Department will update State Form 12662 in late 2016 to include this deduction.



Deductions

- **Homestead Deduction**
- SEA 304 makes an amendment to the homestead deduction statute (IC 6-1.1-12-37), effective January 1, 2017 (the 2017 Pay 2018 cycle). The amendment concerns the provision whereby a person who is serving on active duty in any branch of the armed forces of the United States and is ordered to transfer to a location outside Indiana can, under certain circumstances, continue to claim the homestead deduction during the person's absence. Specifically, the property continues to qualify as a homestead even if the property is leased while the individual is away from Indiana and is serving on active duty, if the individual has lived at the property at any time during the past 10 years. Otherwise, the property ceases to qualify as a homestead if it is leased while the individual is away from Indiana. Under current law, by contrast, there are no exceptions to the idea that the property ceases to qualify for the deduction if it is leased.



Deductions

- **Homestead Deduction, continued**
- HEA 1273 and HEA 1081 both make a variety of technical changes to the homestead deduction statute (effective January 1, 2017 [the 2017 Pay 2018 cycle]). Because these changes do not substantively alter the operation of the homestead deduction, the Department will not elaborate on these changes here. Specific questions about these changes may be directed to the contact below.



Deductions

- **Ineligible Homestead Deduction Procedures**
- HEA 1273 amends IC 6-1.1-36-17, which governs the procedures for handling an ineligible homestead deduction. The amendment is effective July 1, 2016.
- Most significantly, auditors now have *discretion* to seek the taxes and penalty corresponding to an ineligible homestead deduction. Moreover, if an auditor chooses to seek the taxes and penalty, the auditor may do so only within three years after the date on which taxes for the particular year are first due. An auditor choosing to seek the taxes and penalty must issue a notice of taxes, interest, and penalties due to the owner that improperly received the deduction and include a statement that the payment is to be made payable to the county auditor.



Deductions

- **Ineligible Homestead Deduction Procedures, continued**
- The notice must require full payment of the amount owed within:
 - (1) one year with no penalties and interest, if:
 - (A) the taxpayer did not comply with the requirement to return the homestead verification form (“pink form”); and
 - (B) the county auditor allowed the taxpayer to receive the homestead deduction in error; or
 - (2) 30 days, if subdivision (1) does not apply.



Deductions

- **Ineligible Homestead Deduction Procedures, continued**
- By way of example, if John did not return a verification form for his property and the county erroneously left the deduction on the property anyway, John would have one year to repay the taxes if the auditor chooses to seek those taxes from John. However, John would NOT owe the 10% civil penalty. Conversely, if Bob returned a verification form for his property indicating his eligibility for the deduction and it turns out he was not in fact eligible, and if the auditor chooses to seek the taxes and penalty from Bob, Bob would have 30 days to pay the amount due (taxes and 10% civil penalty). What is more difficult to classify under this new amendment is the situation where a person *did* return a verification form indicating his ineligibility for the deduction, but the county erroneously leaves the deduction in place nonetheless. Under those circumstances, the Department would encourage auditors to use their discretion and NOT seek the taxes and penalty from such a person.
- The Department strongly recommends that auditors and their staffs read through IC 6-1.1-36-17 in its entirety to fully understand the process for handling an ineligible homestead deduction.



Deductions

- **Deductions on Property Owned by a Trust**
- SEA 371 amends IC 6-1.1-12-17.9 concerning the eligibility of property owned by a trust for certain deductions. The law continues to allow a person to claim certain deductions on property owned by a trust if the person has a beneficial interest in the trust (or “the right to occupy the real property rent free under the terms of a qualified personal residence trust created by the individual under United States Treasury Regulation 25.2702-5(c)(2)”) and the person otherwise qualifies for the deduction. However, the law no longer requires the person to be “considered the owner of the real property under IC 6-1.1-1-9(f) or IC 6-1.1-1-9(g),” meaning a life tenant or grantor of a qualified personal residence trust.



Deductions

- **Deductions on Property Owned by a Trust, continued**
- Property owned by a trust can still potentially have the following deductions: over 65; blind/disabled person; partially disabled veteran; totally disabled veteran; surviving spouse of World War I veteran; standard homestead deduction; and supplemental homestead deduction. As a reminder, the same person cannot claim an over 65 deduction along with deductions other than the mortgage, standard homestead, supplemental homestead, and fertilizer storage deductions.



Deductions

- **Heritage Barn Deduction**
- HEA 1215 amends IC 6-1.1-12-26.2 concerning the heritage barn deduction. The amendment is effective July 1, 2016.
- The heritage barn deduction is now only available for a mortise and tenon barn that on the assessment date was constructed before 1950 and retains sufficient integrity of design, materials, and construction to clearly identify the building as a barn. There is no longer any prohibition against using the barn for agricultural purposes in the operation of an agricultural enterprise or for business purposes. Statute defines “mortise and tenon barn” to mean a barn that was built using heavy wooden timbers, joined together with wood-pegged mortise and tenon joinery, that form an exposed structural frame.



Deductions

- **Heritage Barn Deduction, continued**
- Statute now requires the applicable township or county assessor to verify that the barn was constructed before 1950. Moreover, the auditor must apply the deduction to a heritage barn that received the deduction in the preceding year unless the auditor determines that the property is no longer eligible for the deduction *because the barn was not constructed before 1950*. Statute did not previously include this phrase. The Department understands this to mean that if Barn A qualified for and received the heritage barn deduction under the previous version of the law on January 1, 2016, but Barn A is not a mortise and tenon barn, Barn A will NOT lose the deduction for January 1, 2017 since Barn A was built before 1950. It is still the case that this deduction terminates following a change in ownership of the heritage barn (if John sells Barn A to Bob, John's heritage barn deduction is removed for the following assessment date and Bob must apply in his own name). Generally, however, the only basis an auditor has now for removing a heritage barn deduction from a heritage barn already receiving it is if the auditor determines that the barn was not constructed before 1950. Thus, auditors and assessors should give special attention to ensuring that barns for which the deduction is initially granted are in fact eligible.



Deductions

- **Abatements**
- HEA 1273 amends several abatement statutes.
- Under IC 6-1.1-12.1-5, a taxpayer who fails to timely apply for the rehabilitated property abatement may file between January 1 (rather than March 1) and May 10 of a subsequent year. Moreover, if a designating body fails either to set the number of years for the abatement or the abatement schedule, the auditor must return the application to the designating body so it can remediate the error. These changes are effective July 1, 2016.
- Under IC 6-1.1-12.1-5.3, a taxpayer who fails to timely apply for a vacant building abatement may file between January 1 (rather than March 1) and May 10 of a subsequent year. This change is effective retroactive to January 1, 2016.



Deductions

- **Abatements, continued**
- Under IC 6-1.1-40-11, a taxpayer seeking to apply for a deduction for manufacturing equipment in a maritime opportunity district must do so between January 1 (rather than March 10) and May 15 of that year. This amendment is effective retroactive to January 2, 2016.
- Under IC 6-1.1-44-6, a taxpayer seeking to apply for a deduction for purchases of investment property by manufacturers of recycled components must file the application between January 1 (rather than March 10) and May 15 of that year. A person that obtains a filing extension for the year in which the investment property is installed must file the application between January 1 (rather than March 10) and the extended due date for that year. This amendment is effective retroactive to January 2, 2016.



Deductions

- **Property Tax Disclosure Form**
- HEA 1273 repeals IC 6-1.1-36-18, which was introduced in 2015 and implemented a county-optional “property tax disclosure” that, if adopted by a county, would have required a party to disclose any delinquent taxes when applying for certain benefits, such as property tax deductions or exemptions.

- **Sunset of Certain Deductions**
- SEA 309 sunsets certain deductions. No new deductions for the rehabilitation of residential property under IC 6-1.1-12-18 may be granted after the January 1, 2017 assessment date. SEA 309-2016 also amends IC 6-1.1-12-22 so that no new deductions for the rehabilitation of historic property (a building or structure erected at least 50 years before the date of the deduction application) may be granted after the January 1, 2017 assessment date. Corresponding changes are made to IC 6-1.1-12-19, 20, 23, 24, 25, 46, IC 6-1.1-12.1-6, and IC 6-1.1-42-22.



Exemptions

- **Charges and Fees on Exempt Property**
- HEA 1180 introduces provisions concerning charges, fees, and payments in lieu of taxes (“PILOTs”) for a “qualified property,” meaning property that:
 - (1) is located in a tax increment allocation area (or “TIF District”) and:
 - (A) was located in the tax increment allocation area before the designation of the area and the property has been continuously used since the date the area was designated for a tax exempt purpose; or
 - (B) was donated for a tax exempt purpose; and
 - (2) is exempt from property taxation.
- The changes are effective July 1, 2016.
- Because of the breadth of this amendment, addressing its entirety here is impractical. Interested parties are encouraged to review the Department’s memorandum at [http://www.in.gov/dlhf/files/pdf/160330 - Schaafsma Memo - 2016 Legislative Changes Affecting Property Tax Exemptions.pdf](http://www.in.gov/dlhf/files/pdf/160330_-_Schaafsma_Memo_-_2016_Legislative_Changes_Affecting_Property_Tax_Exemptions.pdf).



Exemptions

- **Homeowners' Association Personal Property**
- HEA 1273 introduces IC 6-1.1-10-37.8, and which is effective retroactive to January 1, 2016. This provision provides that for assessment dates after December 31, 2015, tangible personal property is exempt from property taxation if that tangible personal property:
 - (1) is owned by a homeowners association (as defined in IC 32-25.5-2-4); and
 - (2) is held by the homeowners association for the use, benefit, or enjoyment of members of the homeowners association.
- Again, this exemption will first apply for the 2016 Pay 2017 cycle.



Exemptions

- **Sunset of and Restriction of Certain Exemptions**
- SEA 309-2016 amends IC 6-1.1-10-16, effective July 1, 2016, so that an exemption granted for a tract of land (or tract of land plus all or part of a structure on the land) acquired for the purpose of erecting, renovating, or improving a single family residential structure that is to be given away or sold in a charitable manner, by a nonprofit organization, and to low income individuals is no longer available beyond the January 1, 2017 assessment date. An existing exemption under this statute terminates when the property is conveyed by the nonprofit organization to another owner or January 2, 2017, whichever occurs first.
- SEA 309 amends IC 6-1.1-10-16.7 to restrict but not eliminate the exemption for improvements on real property that are constructed, rehabilitated, or acquired for the purpose of providing low income housing.



Exemptions

- **Exemption of Certain Airport Property, continued**
- SEA 308-2016 amends IC 6-1.1-10-15 concerning the exemption of certain authority property. The change is effective July 1, 2016. Specifically, real property owned by the airport owner and used for airport operation and maintenance purposes, which also now includes the following property:
 - (A) Leased property that:
 - (i) is used for agricultural purposes; and
 - (ii) is located within the area that federal law and regulations of the Federal Aviation Administration restrict to activities and purposes compatible with normal airport operations.
 - (B) Runway protection zones.
 - (C) Avigation easements.
 - (D) Safety and transition areas, as specified in IC 8-21-10 concerning the regulation of tall structures and 14 CFR Part 77 concerning the safe, efficient use and preservation of the navigable airspace.
 - (E) Land purchased using funds that include grant money provided by the Federal Aviation Administration or the Indiana Department of Transportation.



Exemptions

- **Exemption for Personal Property with Acquisition Cost of Less than \$20,000**
- HEA 1169 introduces legislative changes concerning the exemption for business personal property with an acquisition cost of less than \$20,000. This memorandum addresses these changes, which are effective upon passage of the bill and thus affect personal property assessment for 2016. Please note that this memorandum is intended to be an informative bulletin; it is not a substitute for reading the law.
- Whereas the law previously required a taxpayer declaring this exemption to file a notarized certification with the county assessor, HEA 1169 provides that the taxpayer would declare the exemption by using a personal property form (specifically, Form 103-Short, Form 103-Long, or Form 102, as applicable). In other words, a taxpayer will no longer file a notarized certification to declare the exemption, but will instead use a personal property form to do so.



Exemptions

- **Exemption for Personal Property with Acquisition Cost of Less than \$20,000, continued**
- However, for purposes of the January 1, 2016 assessment date only, a taxpayer who has used or who will use a notarized certification to declare the exemption does NOT violate the law. In other words, taxpayers who have already filed a notarized certification do NOT need to file a personal property return to declare the exemption. Moreover, a taxpayer who files a notarized certification for 2016 despite this change in law does NOT need to file a personal property return to declare the exemption. Put differently, the notarized certification is grandfathered in for 2016 only. Either the notarized certification or the personal property form is acceptable for 2016.
- The Department of Local Government Finance (“Department”) has updated Forms 103-Short, 103-Long, 102, and 104 to include a check box and corresponding instructions. The Department emphasizes that an eligible taxpayer does NOT need to complete the entire personal property return. In addition, a taxpayer declaring the exemption on a Form 103 or Form 102 does NOT need to attach a Form 104 or any other form or schedule. The Department reiterates that it has provided instructions in the forms directing eligible taxpayers to complete only certain sections of the forms.



Exemptions

- **Exemption for Personal Property with Acquisition Cost of Less than \$20,000, continued**
- Nothing else about the exemption, late fee, or optional service fee has changed. In sum, the deadline to file the notarized certification or personal property return remains May 16 for 2016 (because May 15 falls on a Sunday, the deadline moves to the next business day). A notarized certification or personal property return used to declare the exemption that is filed late triggers a \$25 late fee. A county council may still adopt an ordinance to impose a service on those declaring the exemption at an amount **up to** \$50 per taxpayer.
- For more information about the exemption, please visit <http://www.in.gov/dlgf/files/151123> - [FAQ - Personal Property Exemption.pdf](#). The Department will be updating the document at this link to reflect these legislative changes.



Budget Issues

- **Deadline for Establishing Unit to Ensure Levy for Ensuing Year**
- HEA 1273 amends IC 6-1.1-18.5-7 so that a civil taxing unit may not impose a property tax levy for a year if the unit did not exist as of January 1 (rather than March 1) of the preceding year. This change is effective July 1, 2016. In other words, for a new unit to receive a tax levy for 2018, it must exist on or before January 1, 2017. Please note that because of the effective date of the amendment to this statute, technically for a unit to receive a tax levy for 2017, it must have existed on or before March 1, 2016 (even though the assessment date for 2016 was January 1).



Budget Issues

- **Excess Levy Appeals**
- HEA 1273 amends IC 6-1.1-18.5-13, effective July 1, 2016, so that a taxing unit can no longer seek what is commonly referred to as an “extension of services excess levy appeal” on the basis that it has extended governmental services to “additional persons.” The appeal is still potentially available to taxing units that extend services to “additional geographic areas,” as well as in annexation and consolidation situations.
- HEA 1273 also repeals a number of obsolete excess levy appeal provisions.



Budget Issues

- **Budget Streamlining**
- SEA 321 introduces significant legislative changes concerning the budgeting process for local units of government. **Please note that many of these changes will take place in future years. The effective start date for each change is identified below to allow for quick reference.** Over the next couple of years, the Department will issue additional guidance and conduct training sessions to ensure that local government officials have the information they need to accommodate these legislative changes.



Budget Issues

- **Budget Streamlining, continued**
- **Ratio Studies – Starts in 2017**
- SEA 321 amends IC 6-1.1-14-12 so that starting in 2017, each county must submit its ratio study and coefficient of dispersion study to the Department by March 1.

- **Cumulative Fund Establishment – Starts in 2018**
- SEA 321 amends IC 6-1.1-17-16.7 so that beginning in 2018, a petition for the establishment or re-establishment of a cumulative fund must be submitted to the Department before May 1 (rather than before August 2). **The Department emphasizes that this means a unit seeking to establish or re-establish a cumulative fund must complete the process from start to finish after January 1 and submit the petition to the Department before May 1 starting in 2018.** As is the case under current law, the remonstrance period can extend past the April 30 submission deadline and the auditor's certificate of no remonstrance can likewise be submitted after April 30.



Budget Issues

- **Budget Streamlining, continued**
- **Debt Service Estimate Reporting – Starts in 2018**
- SEA 321 adds IC 6-1.1-17-0.7 so that before May 1 of each year after 2017, political subdivisions must report to the Department an estimate of the total debt service obligations that will be due in the last six months of the current budget year and throughout the ensuing budget year. The estimate will be important for defining estimated maximum property tax rates for debt service funds.

- **Local Option Income Tax Distribution Amounts – Starts in 2018**
- SEA 321 amends IC 6-3.6-9-5 so that beginning in 2018, the State Budget Agency (“SBA”) must provide to the Department and the county auditor of each adopting county an estimate of the certified local income tax distribution before June 1. The Department must calculate the amount that will be distributed at the taxing district level and provide that total to county auditors by July 1. For 2016 and 2017, SBA must provide the figures by August 1, and the Department must provide its figures not later than 15 days after receipt from SBA.



Budget Issues

- **Budget Streamlining, continued**
- **Assessed Value Growth Quotient and Maximum Rates – Starts in 2016**
- SEA 321 modifies IC 6-1.1-18.5-2 to require SBA to provide the Assessed Value Growth Quotient (“AVGQ”) to civil taxing units, school corporations, and the Department before July 1. **This change is effective July 1, 2016, and thus impacts budget adoption in 2016 for Pay 2017.**
- **Maximum Rate Estimates – Starts in 2018**
- Indiana Code 6-1.1-17-0.7 also provides that before July 15 of each year after 2017, the Department must furnish an estimate of the maximum property tax rate that may be imposed for cumulative funds, debt service funds, and any other funds for which a maximum property tax rate is established by law.



Budget Issues

- **Budget Streamlining, continued**
- **Maximum Rate for Cumulative Capital Development Funds – Starts in 2016**
- SEA 321 amends IC 6-1.1-18.5-9.8 so that before July 15, the Department must provide to each county, city, and town an estimate of the maximum cumulative capital development fund (“CCD”) tax rate that the county, city, or town may impose for the ensuing year. Moreover, the statute has been amended so that the CCD fund levy is outside a unit’s maximum levy. SEA 321 removed from IC 6-1.1-18.5-9.8 the previous comparison of existing cumulative fund levies to the unit’s 1984 cumulative levies as a determining factor in the amount of the CCD levy that would be treated as outside the maximum levy.
- **Maximum Levy Estimates – Starts in 2016**
- SEA 321 introduces IC 6-1.1-18.5-24, which requires the Department to provide to each taxing unit before July 15 an estimate of its maximum permissible property tax levy for the ensuing year. The Department’s estimates must, as necessary, provide guidance on calculating allowable adjustments to the maximum levy. The Department’s estimate is not binding for the purposes of budget adoption by a taxing unit. **This change is effective July 1, 2016, and thus impacts budget adoption in 2016 for Pay 2017.**



Budget Issues

- **Budget Streamlining, continued**
- **Circuit Breaker Estimates and Reporting Responsibilities – Starts in 2016**
- SEA 321 adds IC 6-1.1-20.6-11.1, which requires the Department to provide before August 1 to each taxing unit that levies property taxes an estimate of the amount by which the unit's distribution of property taxes will be reduced in the upcoming budget year due to circuit breakers.

- Indiana Code 6-1.1-20.6-11.1 permits the Department to require taxing units to provide information on proposed debt issuance, excess levy appeals, and fund establishments that may impact the ensuing year's tax levies and tax rates. The Department will prescribe a format and submission methodology for the information, along with a deadline that may be set no later than June 30 of each year. **This change is effective July 1, 2016, and thus impacts budget adoption in 2016 for Pay 2017.**



Budget Issues

- **Budget Streamlining, continued**
- **Net Revenue Estimates – Starts in 2016**
- Indiana Code 6-1.1-17-0.7 also provides that before August 1 of each year after 2017, the Department must provide to each political subdivision an estimate of the maximum net property tax and miscellaneous revenues that the political subdivision will receive after application of any circuit breaker credits granted under IC 6-1.1-20.6. **While this change statutorily starts in 2018, in order to accomplish other objectives of SEA 321, the Department anticipates providing these estimates starting in 2016 for the 2016 pay 2017 budgets.**

- **Notice of Assessed Value Withholding – Starts in 2016**
- SEA 321 amends IC 6-1.1-17-0.5 so that county auditors must provide notice of their assessed value withholding to the Department and each political subdivision in the county not later than July 31 (rather than December 31). **This change is effective July 1, 2016, and thus impacts budget adoption in 2016 for Pay 2017.**



Budget Issues

- **Budget Streamlining, continued**
- **Auditor's Certificate and Certified Net Assessed Values Submission – Starts in 2016**
- SEA 321 amends IC 6-1.1-17-1 to remove the requirement that county auditors send a certificate of net assessed values to each political subdivision. Auditors must, however, submit certified net assessed valuation (“CNAV”) data to the Department by August 1 in the manner prescribed by the Department. The Department must make certified assessed values visible to political subdivisions through Gateway. **This change is effective July 1, 2016, and thus impacts reporting in 2016.**
- SEA 321 also amends IC 6-1.1-17-1 to remove the requirement that county auditors provide estimates of revenue to each political subdivision (commonly referred to as the “Auditor’s Certificate”). Instead, the Department will provide this information to each political subdivision (see above). **This change is effective July 1, 2016, and thus impacts budget adoption in 2016 for Pay 2017.**



Budget Issues

- **Budget Streamlining, continued**
- **Parcel-Level Data on Certified Net Assessed Values – Starts in 2018**
- Beginning in calendar year 2018, the CNAV data submitted by county auditors must be parcel-level data. Parcel-level CNAV data is expected to improve the accuracy of net revenue estimates produced by the Department.

- **Budget Formulation – Starts in 2016**
- SEA 321 amends IC 6-1.1-17-3 to state that, when formulating estimated budgets, political subdivisions must consider the **net** property tax revenue that will be collected in reliance on the Department’s estimates of circuit breaker impact and maximum net tax and miscellaneous revenues for the unit. This change is intended to ensure that budget figures that are advertised and adopted provide taxpayers with a better picture of what the actual budgets for the unit will be after considering circuit breaker impact. **This change is effective July 1, 2016, and thus impacts budget adoption in 2016 for Pay 2017.**



Budget Issues

- **Budget Streamlining, continued**
- **Budget Notices – Starts in 2016**
- Indiana Code 6-1.1-17-3, as amended by SEA 321, provides that a unit's Budget Notice to Taxpayers ("Form 3") must include the estimated maximum levy and estimated circuit breaker impact as provided to the unit by the Department. Moreover, the Form 3 is no longer required to be posted to Gateway by September 13. Rather, Form 3 must be submitted through Gateway at least 10 days before the unit's public hearing (an amended Form 3 must likewise be posted at least 10 days before the hearing). **This change is effective July 1, 2016, and thus impacts budget adoption in 2016 for Pay 2017.** References to newspaper budget notices have been deleted.



Budget Issues

- **Budget Streamlining, continued**
- **Non-Binding Review (County Fiscal Body Recommendations) – Starts in 2016**
- SEA 321 repeals IC 6-1.1-17-3.5 and thus eliminates the current county council review process. SEA 321 adds IC 6-1.1-17-3.6 to establish a new process for county fiscal body reviews and non-binding recommendations.
- Specifically, at the county fiscal body's first meeting in August, the county fiscal body will review estimated levy limits and estimated circuit breaker impacts provided by the Department to the political subdivisions in the county. The county fiscal body may request that representatives from the taxing units attend the meeting, and must allow those who do attend to comment on their proposed budgets, levies, and rates for the ensuing year. Finally, the county fiscal body may issue a written recommendation for taxing units in the county. If the county fiscal body does not issue a recommendation, the auditor must distribute a copy of the minutes from the meeting to the county's taxing units once the minutes are approved. **This change is effective July 1, 2016, and thus impacts budget adoption in 2016 for Pay 2017.**
- **Pilot Program for More Thorough Non-Binding Review – Starts in 2016**
- SEA 321 repeals IC 6-1.1-17-3.7, thereby eliminating the "pilot program" for more thorough nonbinding review of proposed budgets, levies, and rates.



Budget Issues

- **Budget Streamlining, continued**
- **Budget Review Procedures – Starts in 2016**
- SEA 321 amends the Department’s budget review procedures under IC 6-1.1-17-16. For non-debt and non-cumulative funds:
 - **If the unit’s adopted levy exceeds the estimated maximum levy as provided by the Department:** The Department will conduct its traditional full review of the unit’s budget and levies.
 - **If the unit’s adopted levy is less than the estimated maximum levy as provided by the Department:**
 - If the budget is fundable based on the adopted levy and estimated revenues, the Department will conduct a shortened review, focusing on the certification of levies and tax rates. The adopted budgets will be accepted as the unit’s official budgets for the budget year.
 - If the budget is not fundable based on the adopted levy and estimated revenues, the Department will conduct its traditional full review of the unit’s budget and levies.
- Because political subdivisions are required to consider the estimated maximum levy and circuit breaker impacts, the Department anticipates that this change to statute will result in a quicker budget review for many taxing units.
- The Department will certify a budget for all funds not subject to levy limits, including debt service and cumulative funds. The Department must certify the tax rates and tax levies for all funds of political subdivisions subject to the Department’s review. **This change is effective July 1, 2016, and thus impacts budget adoption in 2016 for Pay 2017.**



Budget Issues

- **Budget Streamlining, continued**
- **Budget Order Deadline – Starts in 2018**
- SEA 321 amends IC 6-1.1-17-16 so that beginning for budget year 2019, the Department must certify budgets for all political subdivisions by December 31, unless a taxing unit in a county issues debt after December 1 or intends to file a shortfall appeal under IC 6-1.1-18.5-16. In that situation, the Department must certify budgets for the taxing units in the county by January 15 of the budget year.

- **County Maximum Levy Exemptions – Starts in 2016**
- SEA 321 modifies IC 6-1.1-18.5-10 to require the Department to provide before July 15 an estimate of the maximum amount of property taxes imposed for community mental health centers or community intellectual disability and other developmental disabilities centers that are exempt from levy limits for the ensuing year. **This change is effective July 1, 2016, and thus impacts budget adoption in 2016 for Pay 2017.**



Budget Issues

- **Budget Streamlining, continued**
- **Intellectual Disabilities Center Funding – Starts in 2016**
- SEA 321 amends IC 12-29-1-1, IC 12-29-1-2, and IC 12-29-1-3 so that beginning with the 2017 budget year, the maximum allowable appropriation for community intellectual disability and other developmental disabilities centers that is eligible to be exempt from the county's maximum levy limits is equal to the previous year's appropriations multiplied by the AVGQ.
- The Department will provide to counties an estimate of the maximum allowable appropriation that is eligible to be exempt from the county's maximum levy limits under these statutes before July 15.
- **Community Mental Health Center Funding – Starts in 2016**
- Similarly, SEA 321 amends IC 12-29-2-2 so that beginning with the 2017 budget year, the maximum amount of county funding for community mental health center operations that is eligible to be exempt from the county's maximum levy limits is equal to the prior year's maximum amount multiplied by the AVGQ. The maximum amounts benchmark back to a base amount determined in 2004, growing each year by AVGQ.



Budget Issues

- **Budget Streamlining, continued**
- **Juror Fees – Starts in 2016**
- SEA 321 repeals IC 6-1.1-18.5-10.1, which had excluded juror fees from a unit’s maximum levy. **This change is effective July 1, 2016, and thus impacts budget adoption in 2016 for Pay 2017.**

- **Bank Personal Property – Starts in 2016**
- SEA 321 amends IC 6-1.1-18.5-19.1 so that for the 2017 budget year, the Department must make a one-time, permanent adjustment to a unit’s maximum levy limits in an amount equal to the excluded bank personal property levy for budget year 2016. **This change is effective July 1, 2016, and thus impacts budget adoption in 2016 for Pay 2017.**

- **Release of Excess Assessed Value from Tax Increment Financing District – Starts in 2016**
- SEA 321 amends IC 36-7-14-39, IC 36-7-14-48, IC 36-7-14-52, IC 36-7-15.1-26, IC 36-7-15.1-35, IC 36-7-15.1-53, and IC 36-7-15.1-62 so that redevelopment commissions must report to the Department before June 15, rather than before July 1, the amount of excess Tax Increment Financing (“TIF”) assessed value that will be released to taxing units in the taxing district. **This change is effective upon passage, and thus impacts budget adoption in 2016 for Pay 2017.**



Petition & Remonstrance/Referendum

- **Amendments to Referendum and Petition & Remonstrance Processes, continued**
- SEA 279 amends IC 6-1.1-20-3.1 so that after a political subdivision gives notice of its preliminary determination concerning a controlled project potentially subject to the petition and remonstrance process, a petition requesting the application of the petition and remonstrance process may be filed by the lesser of: 500 persons (rather than 100 under current law) who are either owners of property within the political subdivision or registered voters residing within the political subdivision; or 5% of the registered voters residing within the political subdivision.
- SEA 279 similarly amends IC 6-1.1-20-3.5 so that after a political subdivision gives notice of its preliminary determination concerning a controlled project potentially subject to a referendum, a petition requesting the referendum process may be filed by the lesser of: 500 persons (rather than 100 under current law) who are either owners of property within the political subdivision or registered voters residing within the political subdivision; or 5% of the registered voters residing within the political subdivision.
- These changes take effect July 1, 2016.



Petition & Remonstrance/Referendum

- **Amendments to Referendum and Petition & Remonstrance Processes, continued**
- With regard to a petition requesting the referendum process, the county voter registration office must determine whether each person who signed the petition is a registered voter. However, after the county voter registration office has determined that at least 525 persons (rather than 125 persons under current law) who signed the petition are registered voters within the political subdivision, the county voter registration office is not required to verify whether the remaining persons who signed the petition are registered voters. If the county voter registration office does not determine that at least 525 persons (rather than 125 persons under current law) who signed the petition are registered voters, the county voter registration office, not more than 15 business days after receiving a petition, must forward a copy of the petition to the county auditor. The county voter registration office, not more than ten business days after determining that at least 525 persons (rather than 125 persons under current law) who signed the petition are registered voters or after receiving a statement from the county auditor under IC 6-1.1-20-3.5(b)(8) (as applicable), must make the final determination of whether a sufficient number of persons have signed the petition.
- These changes take effect July 1, 2016.



Fire Protection Territories

- **Equipment Replacement Fund**
- HEA 1273 amends IC 6-1.1-41-6 to make clear that at least 10 taxpayers within the jurisdiction of a territory are needed in order to object to the territory's establishment or re-establishment of an equipment replacement fund under IC 36-8-19-8.5.



Miscellaneous Topics

- **Disclosure of Financial and Operational Data on Gateway, continued**
- **Expenditure Information, continued**
- Similarly, SEA 126 amends IC 5-14-3.8-3 (effective January 1, 2017) so that the Department of Local Government Finance (“Department”) must include with its existing Gateway postings concerning political subdivisions a listing of expenditures specifically identifying those for personal services; other operating expenses or total operating expenses; debt service, including lease payments, related to debt; and a listing of fund balances, specifically identifying balances in funds that are being used for accumulation of money for future capital needs.



Miscellaneous Topics

- **Disclosure of Financial and Operational Data on Gateway, continued**
- **Financial and Operational Summary**
- SEA 126 introduces IC 5-14-3.9 (effective July 1, 2016), which implements a “Financial and Operational Summary” for each political subdivision, meaning a county, township, city, town, school corporation, library district, fire protection district, public transportation corporation, local hospital authority or corporation, local airport authority district, special service district, special taxing district, or other separate local governmental entity that may sue and be sued.

- After July 31, 2017, the Department must publish an annual summary of each political subdivision on Gateway on dates determined by the Department. A political subdivision must prominently display on the main page of the political subdivision’s Internet site the link provided by the Department to Gateway. **However, this obligation applies only to a political subdivision that has an Internet site. The law does NOT require a political subdivision to establish an Internet site.**



Miscellaneous Topics

- **Disclosure of Financial and Operational Data on Gateway, continued**
- **Financial and Operational Summary, continued**
- The Department will determine the information to be disclosed in the summary necessary to reflect the financial condition and operations of the political subdivision, which may include the following:
 - (1) Information disclosed under IC 5-14-3.7 or IC 5-14-3.8 (see Section I of this memo).
 - (2) Total operating budget.
 - (3) Approximate number of full-time and part-time employees.
 - (4) Outstanding indebtedness and interest paid on indebtedness.
 - (5) Disbursements.
 - (6) Assessed valuation and tax rates.
 - (7) Revenue from all sources.
- The Department will determine the form of the summary, which must be presented in a manner that:
 - (1) can be conveniently and easily accessed from a single webpage; and
 - (2) is commonly known as an Internet dashboard.
- Moreover, the summary must be in a form that is concise and reasonably easy to understand.



The DLGF Needs Your Help!

- **There is growing discontent within the General Assembly about the way some assessors and PTABOs are handling assessments and assessment appeals.**
- **See Senate Bill 223-2016! Although this bill did not advance, legislation on assessment activities and appeals WILL be coming in 2017.**
- **The DLGF needs the help of county attorneys to counsel local officials about their legal duties and obligations.**
- **IC 6-1.1-37-2**

Assessment violations by public officials or employees

Sec. 2. An assessing official or a representative of the department of local government finance who:

- (1) knowingly assesses any property at more or less than what the official or representative believes is the proper assessed value of the property;
- (2) knowingly fails to perform any of the duties imposed on the
- (3) official or representative under the general assessment provisions of this article; or
- (4) recklessly violates any of the other general assessment provisions of this article;

commits a Class A misdemeanor.



The DLGF Needs Your Help!

- **The DLGF needs your help in advising county officials of the statutory requirements for bidding out contracts for goods and services, particularly in the context of contracts for assessment services and software. The DLGF must be a signatory to such contracts. See IC 6-1.1-4-17, IC 6-1.1-4-18.5, IC 6-1.1-4-19.5, and IC 6-1.1-31.5-2.**
- IC 6-1.1-4-18.5: “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.” See IC 5-22.
- Complaints have been made that counties are not properly bidding out these contracts. Please help the DLGF in ensuring your county is properly bidding these contracts and that the contracts are sent to DLGF for its review and signature. Only the State form contracts may be used – see <http://www.in.gov/dlgf/6854.htm>.



Contact the Department

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- Website: www.in.gov/dlgf
 - “Contact Us”: www.in.gov/dlgf/2338.htm