REPRESENTATIVE FOR PETITIONER: Milo Smith, Certified Tax Representative

REPRESENTATIVE FOR RESPONDENT: Marilyn Meighen, Attorney

BEFORE THE
INDIANA BOARD OF TAX REVIEW

Hardways, LLC,	)	Petition No.: 47-004-23-1-4-00370-25
Petitioner.	)	Parcel No.: 47-06-14-422-045.000-010
v.	)	County: Lawrence
Lawrence County Assessor,	)	Township: Marion
Respondent.	)	Year: 2023

June 22, 2026

FINAL DETERMINATION

The Indiana Board of Tax Review ("Board") having reviewed the facts and evidence, and having considered the issues, now finds, and concludes the following:

INTRODUCTION

1. Hardways, LLC appealed the 2023 assessment of its self-storage facility in Bedford. The Assessor had the burden of proof and offered a credible, USPAP-certified appraisal prepared by Appraiser Brian Shelton that concluded to the lowest of the three valuation approaches as required by Indiana Code § 6-1.1-4-46. Hardways did not successfully impeach Shelton's appraisal or provide any reliable evidence that supported a different value. Accordingly, we find for the Assessor and order the assessment changed to reflect the value from Shelton's appraisal.

PROCEDURAL HISTORY

2. On June 14, 2024, Hardways filed its Form 130 petition contesting the 2023 assessment of its self-storage property located 1212 13th Street, in Bedford. On March 4, 2025, the Lawrence County Property Tax Assessment Board of Appeals issued its Form 115 determination, reducing the assessment to $657,800 ($128,300 for land and $529,500 for improvements).

3. On April 23, 2025, Hardways filed a Form 131 petition with the Board, electing to proceed under our small claims procedures. On June 11, 2025, the Assessor filed her written request for the appeal to be transferred to our standard procedures docket, which we granted on June 26, 2025.

4. On August 19, 2025, our designated administrative law judge ("ALJ"), Erik Jones, held a telephonic hearing regarding a discovery dispute. The details of this dispute and our resolution of it can be found in our September 23, 2025, order granting the Assessor's Motion to Compel.

5. On March 24, 2026, our ALJ held a telephonic hearing on the merits of Hardways' petition. Hardways' Tax Representative, Milo Smith, and Appraiser Brian Shelton testified under the penalties for perjury.

6. Hardways submitted the following exhibits:

Pet'r Ex.: 1	2022 Property Record Card ("PRC") for subject property,
Pet'r Ex.: 2	2023 PRC (before Form 120 determination),
Pet'r Ex.: 3	2023 PRC (after Form 120 determination),
Pet'r Ex.: 4	Excerpts from 2021 Real Property Assessment Manual,
Pet'r Ex.: 5	I.C. § 6-1.1-4-4.9 (with highlights),
Pet'r Ex.: 6	I.C. § 6-1.1-31-5,
Pet'r Ex.: 7	I.C. § 6-1.1-4-46,
Pet'r Ex.: 8	Photographs of subject property,
Pet'r Ex.: 9	Screenshot of www.trachte.com,
Pet'r Ex.: 10	Standard on Mass Appraisal of Real Property (approved July 2017),
Pet'r Ex.: 11	Screenshot of Google AI search result for Location Cost Multipliers and chart of 2023 location cost multipliers difference from www.in.gov,

Pet'r Ex.: 15	E-mail between Milo Smith and April Collins, dated July 23, 2024,
Pet'r Ex.: 16	E-mail between Milo Smith and Barry Wood, dated March 2, 2026.

7. The Assessor submitted the following exhibits:

Resp't Ex.: A	2023 PRC for subject property,
Resp't Ex.: B	Corrected Appraisal Report, prepared by Brian Shelton, dated March 16, 2026,
Resp't Ex.: C	Appraisal Report, prepared by Brian Shelton, dated March 13, 2026,
Resp't Ex.: D	E-mail exchange between April Collins and Marilyn Meighen, dated March 9, 2026

8. The record also includes the following: (1) all pleadings, briefs, and documents filed in this appeal, (2) all orders, and notices issued by the Board or ALJ; and (3) an electronic recording of the hearing.

FINDINGS OF FACT

A. The Subject Property

9. The subject property consists of a self-storage facility in Bedford situated on approximately two acres of industrial land. The improvements consist of 135 metal, pre-engineered self-storage units, which range in size from 5'x10' to 10'x30'. The improvements were constructed between 1998 and 2001. *Smith testimony; Pet'r Exs. 1-3, 9; Resp't Ex. B at 2-3.*

10. The 2023 assessment under appeal of $657,800 is an increase of approximately 26% over the prior year's assessment of $520,900. *Pet'r Ex 1.*

B. Shelton's Appraisal Report

11. The Assessor offered an appraisal report prepared by Brian Shelton. Shelton is a certified general appraiser in Indiana and Kentucky and is designated as an MAI by the Appraisal Institute. He has extensive experience valuing commercial real estate, including apartments, office buildings, and self-storage complexes. *Shelton testimony; Resp't Ex. B.*

12. Shelton certified that his appraisal complied with the Uniform Standards of Professional Appraisal Practice ("USPAP"). He appraised the fee simple interest using a jurisdictional exception based on Indiana Code § 6-1.1-4-46(d), which requires valuing self-storage facilities based on the lowest valuation determined by applying the cost, sales-comparison, and income approaches to value. He valued the subject property as of the January 1, 2023, assessment date. *Shelton testimony*; *Resp't Ex. B at 1-2.*

13. For his cost approach, Shelton started by estimating the value of the subject property's land. He ultimately relied on three land sales he felt were comparable to the subject that were sold for self-storage development close to the valuation date. He adjusted two of the sales for differences in location but made no adjustments to the last sale. After adjustments, Shelton concluded to a rounded land value of $121,000. *Shelton testimony; Resp't Ex. B at 17-21.*

14. To estimate the replacement cost of the subject property's improvements, Shelton used data from Marshall Valuation Service for a low-cost Class S Mini-Warehouse. After applying the cost estimate to the building's 37,750 square feet of area, he arrived at a replacement cost new of $1,340,125. He did not apply any indirect costs or entrepreneurial incentive. Next, he estimated depreciation using the age/life method. Shelton determined the subject property had a normal life of between 35 and 45 years and an effective age of 20 years. Based on this, he concluded to 50% physical depreciation which resulted in a depreciated replacement cost of $670,062. Adding that to the land value, along with estimates for the site improvements, yielded a rounded indicated value of $800,000 under the cost approach. *Shelton testimony; Resp't Ex. B at 21-23.*

15. For his sales-comparison approach, Shelton used five sales of Indiana self-storage facilities that sold between February 2021 and June 2023. After one sale was adjusted for non-realty components, the sale prices ranged from $5,588/unit to $9,483/unit. Shelton also adjusted the sales for factors such as climate control and age/condition. He considered location and market conditions adjustments but determined none were necessary. After adjustment, the sale prices ranged from $5,346/unit to $7,112/unit. He

reconciled these to a value of $6,000/unit. Applying this to the subject property's 135 storage units yielded a value of $810,000. *Shelton testimony; Resp't Ex. B at 24-30.*

16. Shelton began his income-capitalization approach by looking at the subject property's actual monthly rental rates. After comparing these to five rent comparables, he determined the subject property's rental rates were within the market range. For that reason, he used the subject property's actual rental rates, which ranged from $55/unit to $110/unit depending on the size of the unit. This produced a potential gross income of $167,400. Shelton found the subject property was 96% occupied, but noted that vacancy and collection loss is typically higher for short-term rentals. For that reason, he concluded to a stabilized vacancy of 10%. He estimated expenses and reserves at $62,025. Applying these to his potential gross income yielded a net operating income of $90,000. *Shelton testimony; Ex. B at 31-33.*

17. To develop his capitalization rate, Shelton looked at data from RealtyRates.com including the debt coverage ratio technique, the band of investment technique, and surveys. These sources indicated rates ranging from 7.47%-10.02%. He also extracted rates from two of the sales from his sales-comparison analysis. These were 8.82% and 7.46%. Based on this data, he concluded to a rate of 8%, then loaded it to account for taxes to arrive at an adjusted capitalization rate of 11%. After applying his loaded capitalization rate, Shelton reached an indicated value of $820,000 under the income capitalization approach. *Shelton testimony; Ex. B at 33-34.*

18. Based on Indiana Law, Shelton concluded that he must reconcile his conclusions to the lowest valuation from the three approaches, which was $800,000 for the subject property's market value-in-use under the cost approach. *Shelton testimony; Ex. B at 33-34.*

19. We find Shelton is an expert in the valuation of real property and that his three valuation approaches were credible estimates of value based on reliable market data. We also find that Shelton appropriately reconciled to the lowest of the three approaches as required by Indiana Code § 6-1.1-4-46. For these reasons, we find by a preponderance of the

evidence that Shelton's opinion is a reliable estimate of the true tax value of the subject property as of the valuation date.

CONTENTIONS

A. Assessor's Contentions

20. The Assessor asked the Board to adopt Shelton's conclusion of $800,000 for the subject property.

B. Hardways' Contentions

21. Hardways argued that the assessment should be based on the value indicated under the Guidelines from the Department of Local Government Finance ("DLGF") and the appropriate local cost modifiers. In addition, Hardways disputed numerous changes from the prior year's assessment including:

- A decrease in the abnormal obsolescence deduction.
- The addition of a market factor.
- A change in the grade.
- A change in the effective year.

Hardways also argued that the Assessor failed to document the reason for these changes as required by law. *Smith testimony; Pet'r Exs. 1-11, 15, 16.*

22. Finally, Hardways argued that using any method to value the subject property other than the DLGF guidelines would result in an assessment that was not uniform and equal because it would be based on different data than other similar properties in the county. Hardways asked the Board to adopt the value from the prior year's assessment of $520,900. *Smith testimony; Pet'r Exs. 1-11, 15, 16.*

BURDEN OF PROOF

23. Generally, the taxpayer has the burden of proof when challenging a property tax assessment. Accordingly, the assessment on appeal, "as last determined by an assessing official or the county board," will be presumed to equal "the property's true tax value." Ind. Code § 6-1.1-15-20(a) (eff. Mar. 21, 2022).

24. However, the burden of proof shifts if the property's assessment "increased more than five percent (5%) over the property's assessment for the prior tax year." I.C. § 6-1.1-15-20(b). Subject to certain exceptions, none of which apply here, the assessment "is no longer presumed to be equal to the property's true tax value, and the assessing official has the burden of proof." *Id.*

25. If the burden has shifted, and the "totality of the evidence presented to the Indiana Board is insufficient to determine the property's true tax value," then the "property's prior year assessment is presumed to be equal to the property's true tax value." I.C. § 6-1.1-15-20(f).

26. Here, the assessment increased more than 5% over the prior year's assessment and the Assessor concedes that she bears the burden of proof. Thus, we find the burden of proof rests with the Assessor.

CONCLUSIONS OF LAW

27. The Board is the trier of fact in property tax appeals, and our charge is to "weigh the evidence and decide the true tax value of the property as compelled by the totality of the probative evidence" before us. I.C. § 6-1.1-15-20(f). Our conclusion may be higher or lower than the assessment or the value proposed by a party or witness." *Id.* Regardless of which party has the burden of proof, either party "may present evidence of the true tax value of the property, seeking to decrease or increase the assessment." I.C. § 6-1.1-15-20(e).

28. For most types of real property, true tax value is determined under the DLGF's rules. Ind. Code §§ 6-1.1-31-5(a), -6(f) (2023). However, for assessment dates after December 31, 2022, the Indiana Legislature has specifically defined true tax value for a self-service storage facility as the lowest valuation for the land and improvements determined by applying each of the following approaches:

(1) Cost approach that includes an estimated reproduction or replacement cost of buildings and land improvements as of the date of valuation, together

with estimates of the losses in value that have taken place due to wear and tear, design and plan, and other depreciation and obsolescence.

(2) Sales comparison approach, using data for generally comparable property.

(3) Income capitalization approach, using an applicable capitalization method and appropriate capitalization rates that are developed and used in computations that lead to an indication of value commensurate with the risks for the subject property use.

Ind. Code § 6-1.1-4-46(d) (2023).

29. To meet its burden of proof, a party "must present objectively verifiable, market-based evidence" of the property's value. *Piotrowski v. Shelby Cty. Ass'r*, 177 N.E.3d 127, 132 (Ind Tax Ct. 2021) (*citing Eckerling v. Wayne Twp. Ass'r*, 841 N.E.2d 674, 677-78 (Ind. Tax Ct. 2006)). For most real property types, neither the taxpayer nor the assessor may rely on the mass appraisal "methodology" of the "assessment regulations." *P/A Builders & Developers, LLC v. Jennings Cty. Ass'r*, 842 N.E.2d 899, 900 (Ind. Tax Ct. 2006), *review denied*. This is because the "formalistic application" of procedures and schedules from the DLGF's assessment guidelines lacks the market-based evidence necessary to establish a specific property's market value-in-use. *Piotrowski*, 177 N.E.3d at 133.

30. Market-based evidence may include "sales data, appraisals, or other information compiled in accordance with generally accepted appraisal principles." *Peters v. Garoffolo*, 32 N.E.3d 847, 849 (Ind. Tax Ct. 2015). Relevant assessments are also admissible, but arguments that "another property is 'similar' or 'comparable' simply because it is on the same street are nothing more than conclusions . . . [and] do not constitute probative evidence." *Marinov v. Tippecanoe Cty. Ass'r*, 119 N.E.3d 1152, 1156 (Ind. Tax Ct. 2019).

31. To meet her burden, the Assessor relied on Shelton's appraisal, in which he estimated the subject property's market value-in-use at $800,000 as of January 1, 2025. Shelton applied all three generally accepted valuation approaches and concluded to the lowest of those approaches in his reconciliation based on Indiana Code § 6-1.1-4-46(d). As discussed above, we find his opinion to be a credible estimate of the value of the subject

property. Hardways primarily criticized Shelton for not relying on the DLGF guidelines in developing his cost estimates. But Indiana Code § 6-1.1-4-46(d) does not mandate a valuation under the Guidelines. Rather, it requires a valuation based on reproduction or replacement cost combined with estimates of depreciation and obsolescence. *See* I.C. § 6-1.1-4-46(d)(1). We find Shelton's appraisal appropriately followed those parameters. In addition, nothing in Indiana Code § 6-1.1-4-46 requires a departure from the long-standing precedent that in a tax appeal, value is determined through the use of market-based evidence rather than by the application of the Guidelines. For these reasons, we find the Assessor met her burden of proof by providing reliable evidence of the true tax value of the subject property in the form of the Shelton appraisal. We now turn to whether Hardways provided reliable evidence supporting a different value.

32. Hardways primarily argued that certain changes should not have been made to the prior year's assessment, including changes regarding obsolescence, market factor, grade, and effective year. But simply attacking the methodology used to develop the assessment is insufficient to establish a value. *Piotrowski,* 177 N.E.3d at 133. Instead, parties must use market-based evidence to "demonstrate that the suggested value accurately reflects the property's true market value-in-use." *Eckerling v. Wayne Twp. Ass'r,* 841 N.E.2d 674, 678 (Ind. Tax Ct. 2006). Hardways did not offer any reliable, market-based evidence at all. In addition, as discussed above, Hardways argument that the subject property's true tax value must be based solely on the Guidelines is not supported by the plain language of Indiana Code § 6-1.1-4-46. For these reasons, we find Hardways has failed to make a case for any specific value.

33. Hardways also argued that the Assessor failed to document certain changes to the assessment as required by Indiana Code § 6-1.1-4-4.9. But we find these allegations conclusory at best. Moreover, Indiana Code § 6-1.1-4-4.9 does not provide a remedy for an Assessor's failure to make the required documentation, and Hardways provide no argument or citation to relevant authority showing what the remedy would be. For these reasons, Hardways has failed to show it is entitled to any relief on these grounds.

34. Finally, Hardways claimed that the use of a valuation method other than that prescribed by the DLGF Guidelines would necessarily result in a non-uniform assessment because it would be based on different data than the assessments of other similar properties. But this argument is entirely inconsistent with the principles regarding the use of market-based evidence found in *P/A Builders*, *Piotrowski*, *Eckerling*, and a slew of similar cases. If the use of market-based evidence is required on appeal, then the resulting valuation cannot be *per se* non-uniform as compared to an assessment developed under the Guidelines. Hardways made no attempt to distinguish these cases.

35. Even though Hardways offered no support for its facial challenge to the use of market-based evidence, we will still examine whether Hardways successfully demonstrated a lack of uniformity and equality in this particular assessment. As the Tax Court has explained, "when a taxpayer challenges the uniformity and equality of his or her assessment *one* approach that he or she may adopt involves the presentation of assessment ratio studies, which compare the assessed values of properties within an assessing jurisdiction with objectively verifiable data, such as sales prices or market value-in-use appraisals." *Westfield Golf Prac. Ctr. v. Washington Twp. Ass'r,* 859 N.E.2d 396, 399 n.3 (Ind. Tax Ct. 2007). Such studies, however, should be prepared according to professionally acceptable standards. *Kemp v. State Bd. of Tax Comm'rs,* 726 N.E.2d 395, 404 (Ind. Tax Ct. 2000). They should also be based on a statistically reliable sample of properties that actually sold. *Bishop v. State Bd. of Tax Comm'rs,* 743 N.E.2d 810, 813 (Ind. Tax Ct. 2001) (citing *Southern Bell Tel. and Tel. Co. v. Markham,* 632 So.2d 272, 276 (Fla. Dist. Co. App. 1994)), *review denied.*

36. When a ratio study shows that a given property is assessed above the common level of assessment, the property's owner may be entitled to an equalization adjustment. *See Dep't of Local Gov't Fin. v. Commonwealth Edison Co.,* 820 N.E.2d 1222, 1227 (Ind. 2005) (holding that taxpayer was entitled to seek an adjustment on grounds that its property taxes were higher than they would have been if other property in Lake County had been properly assessed). The equalization process adjusts the property assessments so "they bear the same relationship of assessed value to market value as other properties

within that jurisdiction." *Thorsness v. Porter County Ass'r,* 3 N.E.3d 49, 52 (Ind. Tax Ct. 2014) (citing *GTE N. Inc. v. State Bd. of Tax Comm'rs,* 634 N.E.2d 882, 886 (Ind. Tax Ct. 1994)). Article 10, Section 1 (a) of Indiana's Constitution, however, does not guarantee "absolute and precise exactitude as to the uniformity and equality of each individual assessment." *State Bd. of Tax Comm'rs v. Town of St. John,* 702 N.E.2d 1034, 1040 (Ind. 1998).

37. Here, we have market-based evidence for the value of the subject property in the form of the Shelton appraisal. But we have no market-based evidence of the value of the "similar" properties Hardways claimed would show a non-uniform assessment. Nor do we have a list of those properties, or any evidence that they constituted a statistically reliable sample. Without such evidence, we cannot determine whether the subject property is assessed at a different rate than other similar properties. Thus, Hardways has failed to make a case for any relief on these grounds.

CONCLUSION

38. The Assessor had the burden of proof and provided reliable evidence of the subject property's value in the form of the Shelton appraisal. Hardways failed to offer reliable evidence that supported any specific value or otherwise demonstrate that it was entitled to any relief. The totality of the evidence shows that Shelton's conclusion of $800,000 is the best evidence of the true tax value of the subject property as of the valuation date. Accordingly, we order the 2023 assessment changed to that amount.

The Final Determination of the above captioned matter is issued by the Indiana Board of Tax Review on the date written above.

Jonathan R. Elrod
Chairman, Indiana Board of Tax Review

Timothy Schultz
Commissioner, Indiana Board of Tax Review

Brandee A. Chavez
Commissioner, Indiana Board of Tax Review

- APPEAL RIGHTS -

You may petition for judicial review of this final determination under the provisions of Indiana Code § 6-1.1-15-5 and the Indiana Tax Court's rules. To initiate a proceeding for judicial review you must take the action required not later than forty-five (45) days of the date of this notice. The Indiana Code is available on the Internet at <http://www.in.gov/legislative/ic/code>. The Indiana Tax Court's rules are available at<http://www.in.gov/judiciary/rules/tax/index.html>.