



Department of Local Government Finance

Assessment 101

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Assessment 101

- I. Role of the Assessor
- II. Assessment Timeline
- III. Cyclical Reassessment
- IV. Annual Adjustments
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I. Role of the Assessor

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Role of the Assessor

IC 36-2-15-5 Duties; transfer of duties

Sec. 5. (a) The county assessor shall perform the functions assigned by statute to the county assessor, including the following:

- (1) Countywide equalization.
- (2) Selection and maintenance of a countywide computer system.
- (3) Certification of gross assessments to the county auditor.
- (4) Discovery of omitted property.
- (5) In:
 - (A) a township in which the transfer of duties of the elected township assessor is required by subsection (c); or

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Role of the Assessor

IC 36-2-15-5 Duties; transfer of duties

- (B) a township in which the duties relating to the assessment of tangible property are not required to be performed by a township assessor elected under IC 36-6-5;
- performance of the assessment duties prescribed by IC 6-1.1.
- (b) A transfer of duties between assessors does not affect:
- (1) any assessment, assessment appeal, or other official action made by an assessor before the transfer; or
 - (2) any pending action against, or the rights of any party that may possess a legal claim against, an assessor that is not described in subdivision (1)

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Role of the Assessor

IC 36-2-15-5 Duties; transfer of duties

- Any assessment, assessment appeal, or other official action of an assessor made by the assessor within the scope of the assessor's official duties before the transfer is considered as having been made by the assessor to whom the duties are transferred.
- (c) If the individual elected to the office of township assessor has not attained the assessor-appraiser certification level required by IC 36-6-5-1 before the date the term of office begins, the assessment duties prescribed by IC 6-1.1 that would otherwise be performed in the township by the township assessor are transferred to the county assessor on that date. If assessment duties in a township are transferred to the county assessor under this subsection, those assessment duties are transferred back to the township assessor if at a later election an individual who has attained the assessor-appraiser certification level required by IC 36-6-5-1 is elected to the office of township assessor.

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Role of the Assessor

- Dealing With Other Offices:
- The assessor frequently interacts with the following offices:
 - County Auditor
 - County Treasurer
 - County Commissioners
 - County Council
 - County Attorney
 - The Department of Local Government Finance (Department)
 - The Legislative Services Agency (LSA)
 - Members of the General Assembly and/or their staff.

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Role of the Assessor

- To a lesser degree, the assessor may interact with the following offices:
 - The Indiana Board of Tax Review (IBTR)
 - County Recorder
 - County Surveyor
 - Building/Planning/Zoning Department
 - Town or City Councils
 - Mayors
 - Clerk-Treasurers
 - Town Managers
 - Other elected officials, appointed officials, employees, or stakeholders.

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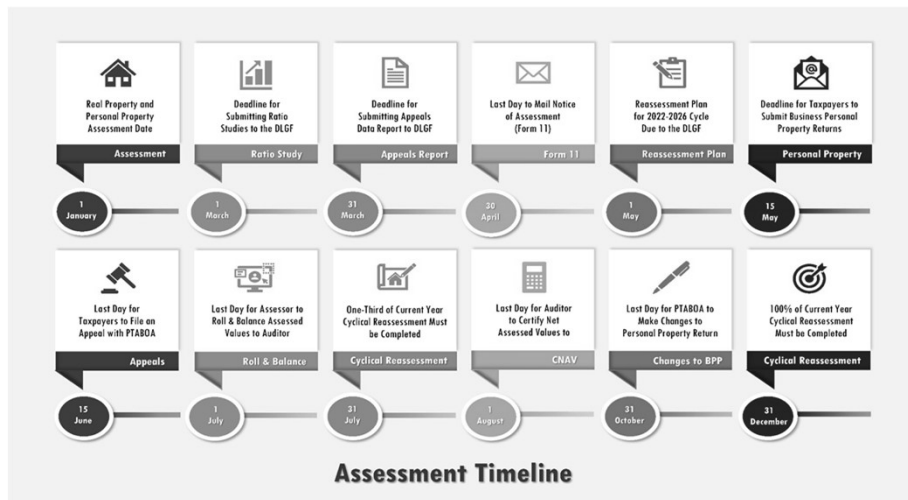
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II. Assessment Timeline



Assessment Timeline





Assessment Timeline

- Timeline
 - January 1: Assessment Date
 - February 1: Assessors submit Sales Disclosure Files for previous year to the Department
 - March 1: Assessors submit their Ratio Study to the Department
 - April 30: Assessors send out Notices of Assessment (Form 11's)
 - May 1: The current year phase of the Cyclical Reassessment starts
 - May 15: Business Personal Property Returns due
 - June 15: Property Tax Appeal due date
 - July 1: Assessor "rolls and balances" assessed values with the auditor
 - July 31: One-third (1/3) of the current year Cyclical Reassessment must be completed
 - August 1: Auditor submits Certified Net Assessed Values to Department
 - October 31: Last day for PTABOA to make changes to personal property returns
 - October 31: Two-thirds (2/3) of the current year Cyclical Reassessment must be completed
 - December 31: 100% completion of the current year Cyclical Reassessment

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III. Cyclical Reassessment

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Cyclical Reassessment

- A cyclical reassessment is a process undertaken by local assessing officials to ensure that property records are accurate representations of parcels of land and/or their improvements. During a reassessment, local assessing officials visit each property to ensure information on the property record card, such as the square footage of the building, acreage of the land, etc., is correct.
- Approximately 25% of the parcels in the county are reassessed each year during the four-year cycle.

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Cyclical Reassessment

The mission of a reassessment is to inventory, verify, and value all real estate parcels. This process distributes the property tax burden in a uniform and equitable manner. The reassessment of real property includes the following:

- Land
- Buildings and fixtures situated on the land
- Appurtenances to land
- An estate in land or an estate, right, or privilege in mines located on the land or minerals located in the land if the estate, right, or privilege is distinct from the ownership of the surface of the land.

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Cyclical Reassessment

- Real property is assessed at the place where it is situated, and it is assessed to the person liable for the taxes as provided in IC 6-1.1-2-4(b) and (c).
- Generally, the owner of any tangible property on the assessment date of a year is liable for the taxes imposed on the property for that year; however, a person holding, possessing, controlling, or occupying any tangible property on the assessment date of a year is liable for the taxes imposed for that year unless the property is assessed and taxed in the name of the owner, or the owner is liable for the taxes under a contract with that person.
- Tangible property of a partnership is listed and assessed in the firm name with each partner jointly and severably liable for the taxes assessed.

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Cyclical Reassessment

- The jurisdiction in which the property is located is responsible for appraising the property or having it appraised. The assessing official, or the assessor's authorized representative, may enter and fully examine all buildings and structures in order to determine the assessed value.
- The assessing official keeps the reassessment data and records current by securing the necessary field data and making changes in the assessed value of real property as changes occur in its use. The records must show the assessed value of the real property in accordance with the rules of the Department of Local Government Finance.

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IV. Annual Adjustments

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Annual Adjustments

- Annual Adjustments or “trending” of property values became part of Indiana’s move to a market-based assessment system that began in 2002.
- Trending requires assessors to research sales of properties in a particular area over the prior year. Using that information, assessors then estimate the values of other properties in the same area to determine an assessed value.
- January 1 is the assessment date. Additionally, each year stands alone.

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Annual Adjustments

How is the value of my property determined?

- The tax assessment and billing cycle begins with the assessor's valuation of your property. Just like other states, in Indiana properties are valued using mass appraisal techniques. With mass appraisal, your property is looked at in conjunction with other properties in your area. Assessors consider age, grade, and condition. Finally, in a process known as annual adjustment, or "trending," each year real property sales data is used to determine if the value of properties in your area should change to match the market value found in the sales of recent properties.
- Prior to 2002, property was reassessed every 5 to 10 years. That left taxpayers with a large change in their assessments between reassessments, which often led to sudden increases in property tax bills.

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Annual Adjustments

What role does the Department have in the property tax assessment process?

- The Department plays several roles related to property valuation and assessment. The primary role of the Department is an oversight role. After the assessor has placed values on all properties in a county, the assessor submits to the Department an assessment to sales "ratio study" for review and approval. The ratio study is basically a comparison between sales and assessed values in the county to ensure that market values are being used to determine assessed values. The Department uses several statistical tests to determine whether assessed values are in line with property sales in the area. Tests are also run to ensure that the assessments are fair and treat all property owners equally. Once these tests are passed, the assessment work in the county is approved.
- In addition to oversight activities, the Department is responsible for the assessment of certain types of railroad and utility property.

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Annual Adjustments

How do I know how much my property is worth? What if I don't agree with my property's value?

- You will receive notice of your property's value in one of two ways: the county assessor may send you a notice of assessment, known as a Form 11. Otherwise, the assessed value of your property can be found with your tax bill. This document is known as the TS-1 tax comparison statement.
- If you feel your assessment does not reflect the market value-in-use of your property, you may appeal your assessment. To file an appeal, you must contact your local assessor in writing by June 15 (if the assessing official sent the Form 11 by April 30). If the assessing official did not send a Form 11, then the tax bill would serve as the notice, and a taxpayer would have until June 15 of the following year to file an appeal. Indiana law does not require taxpayers to submit an appraisal in order to appeal an assessment.

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Annual Adjustments

How do I know if my new assessed value is correct?

- The assessed value should reflect the amount a willing buyer would pay for the property at the time of assessment. When a property owner receives the notice of new assessment, the best way to determine if it is accurate is to ask if the property could have sold for approximately that amount. The accuracy of assessments refers to how close the assessments determined by local assessing officials are to market value-in-use.

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V. Ratio Studies

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Ratio Studies

- As part of the Annual Adjustment process, counties are responsible for submitting a ratio study and uniformity for all classes of property in all townships. The ratio study measures the accuracy and equity of assessments. It is determined by the formula:

$$\text{Assessed Value/Sale Price} = \text{Ratio}$$

- The assessment ratio for all properties in Indiana is to be 100%.
- The accuracy of assessments refers to how close the assessments determined by local assessing officials are to market value-in-use.

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Ratio Studies

- The equity of assessments refers to how uniform assessments are within a class of property or geographic area. It is measured by the Coefficient of Dispersion, or the relative dispersion or variability of assessments from the median. For improved residential property, it should be $0 \leq < 15\%$. For all other classes of property, it should be $0 \leq < 20\%$.
- The ratio studies are submitted by the county to the Department, which reviews and approves the submitted ratio studies.

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Ratio Studies

- Accuracy - It is measured by the median or average level of assessment for a class of property. For any class of property in a township, it should fall between 90% and 110%.
- Equity - Is measured by the coefficient of dispersion (COD). The COD should be $0 \leq < 15\%$ on improved residential property and $0 \leq < 20\%$ on all other classes.
- Coefficient of Dispersion - The relative dispersion or variability of assessments from the median. For improved residential property, it should be $0 \leq < 15\%$. For all other classes of property, it should be $0 \leq < 20\%$.

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Ratio Studies

- Price Related Differential (PRD) - Tells whether low-value properties in a class are over- or under- valued in relation to high-value properties.
- Regressivity/Progressivity - The PRD for any class of property in a township should be between .98 and 1.03.

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Ratio Studies

- What is the “Ratio” in Ratio Studies?

Assessed Value

Sales Price

(Example 1)

\$100,000

\$150,000 = .67

<1 = Underassessed

(Example 2)

\$100,000

\$80,000 = 1.25

>1 = Over assessed

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Ratio Studies

AV Pivot Table
Boone County County
2020 Assessment Year

StudySection	More than 10% Decrease	0 to 10% Decrease	No Change	0 to 10% Increase	10 to 30% Increase	30 to 100% Increase	More Than Doubled	Total
Commercial Improved	27	352	667	34	17	26	29	1152
Commercial Vacant	14	1	234	22	0	2	9	282
Industrial Improved	8	72	96	21	4	6	13	220
Industrial Vacant	1	0	85	9	0	0	4	99
Residential Improved	43	1812	264	18027	2008	235	696	23085
Residential Vacant	20	4	2057	86	9	5	539	2720

StudySection	More than 10% Decrease	0 to 10% Decrease	No Change	0 to 10% Increase	10 to 30% Increase	30 to 100% Increase	More Than Doubled
Commercial Improved	2%	31%	58%	3%	1%	2%	3%
Commercial Vacant	5%	0%	83%	6%	0	1%	3%
Industrial Improved	4%	33%	44%	10%	2%	3%	6%
Industrial Vacant	1%	0	86%	9%	0	0	4%
Residential Improved	0%	8%	1%	78%	9%	1%	3%
Residential Vacant	1%	0%	76%	3%	0%	0%	20%

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VI. Appeals and the PTABOA

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Appeals and the PTABOA

- Ind. Code § 6-1.1-28-1 allows the county commissioners to determine if they want a three (3) or five (5) member PTABOA.
- SEA 87-2016 authorized the creation of multiple county PTABOA's starting January 1, 2017.
- The PTABOA must be comprised of individuals "knowledgeable in the valuation of property."

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Appeals and the PTABOA

- Five (5) Member PTABOA:
 - Commissioners appoint three (3) members.
 - County fiscal body (i.e. council) appoints two (2) members.
 - At least one (1) of the members appointed by the fiscal body must be a Level II or III assessor-appraiser.
 - At least one (1) of the commissioner's appointments must be a Level II or III; however, they may waive this requirement. The county fiscal body may waive this as well.
 - No more than 3 of the 5 members may be of the same political party, and at least 3 of the 5 are residents of the county.

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Appeals and the PTABOA

- Three (3) Member PTABOA
 - The county fiscal body appoints 1 individual who must be a Level II or III assessor-appraiser.
 - The commissioners appoint 2 freehold members. Not more than 2 of the members may be of the same political party and at least 2 of the members are residents of the county.
 - At least 1 of the commissioner's appointments must be a Level II or III; however, they may waive this requirement. The county fiscal body may waive this as well.

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Appeals and the PTABOA

- Compensation & policies are local issues.
- Board members shall receive compensation on a per diem basis for each day of actual service.
- The county council shall fix the rate of compensation.
- The county assessor shall keep an attendance record.
- The county assessor certifies the number of days to the county commissioners.

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Appeals and the PTABOA

- Role of the assessor with the PTABOA:
 - Non-voting member of the PTABOA;
 - Shall serve as secretary of the Board;
 - Shall keep full and accurate minutes of the proceedings of the Board;
 - Shall give notice of the time, place, and purpose of each annual session of the county property tax assessment board; and
 - The assessor should have an appeal tracking process to ensure all appeals are addressed in a timely manner.

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Appeals and the PTABOA

- Preliminary hearings (Ind. Code § 6-1.1-15-1.2)
- Assessors schedule a preliminary conference with the taxpayer at a time convenient to the taxpayer.
- Prior to the preliminary conference, the assessor and taxpayer exchange the information each will be relying on at the time of the preliminary conference.
- If either the taxpayer or the assessor obtain additional information after the preliminary informal hearing but before the PTABOA hearing, that information must be provided to the other party.

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Appeals and the PTABOA

- If either the taxpayer or assessor provided information for the first time at the PTABOA hearing, the PTABOA shall continue the hearing until the receiving party has an opportunity to look at the additional information.
 - The required continuance can be waived by the person receiving the new information.
 - The PTABOA shall hold a hearing on the appeal not more than 180 days after the filing date of the written notice.
 - The PTABOA is required to give 30 days notice of the hearing. Ind. Code § 6-1.1-15-1.2(d).
 - If good cause is shown, the PTABOA shall grant a request for continuance filed in writing at least ten (10) days before the hearing, and reschedule the hearing.

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Appeals and the PTABOA

- A taxpayer may withdraw an appeal by filing a written request at least ten (10) days before the hearing. The PTABOA shall issue a notification of final assessment determination indicating the withdrawal and no change in the assessment. A withdrawal waives a taxpayer's right to appeal to the Indiana Board of Tax Review (IBTR).
- The PTABOA shall determine an appeal without a hearing if requested by the taxpayer in writing at least twenty (20) days before the hearing.

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Appeals and the PTABOA

Who Can File an Appeal?

- The taxpayer of record on the assessment date. Additionally, the IBTR has previously ruled that others with an interest in the property may file an appeal (i.e., a person other than the taxpayer on the assessment date may file an appeal if they are responsible for the property taxes due for that assessment date, even though they may not have owned the property on the assessment date).

What if an appeal is not timely filed?

- Although taxpayers ultimately may not be successful with their appeal, their due process rights should be upheld, and they should be allowed to file an appeal.

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Appeals and the PTABOA

- Assessment increases as a result of an appeal
 - Can an assessment increase as a result of an appeal?
 - Yes, per Ind. Code § 6-1.1-9-4 (a), undervalued or omitted property may be increased within three (3) years after the assessment date for that prior year (as long as proper notice is given to the taxpayer). The assessing official should; however, be prepared to defend the increase in the assessed value and possibly explain why the assessment has been increased.

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Appeals and the PTABOA

Form 11 vs. Tax Statement:

- The taxpayer must file a separate petition for each parcel. The petition may be filed any time after the assessing official's action, but not later than the following:
 - For assessments after December 31, 2018:
 - (1) June 15 of the assessment year, if the notice of assessment is mailed by the county before May 1 of the assessment year, or
 - (2) June 15 of the year in which the tax bill is mailed by the county treasurer, if the notice of assessment is mailed by the county on or after May 1 of the assessment year, whichever is earlier.

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VII. Abatements

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Abatements

- Personal property abatement
 - A property tax deduction from the assessed valuation granted by a designating body for the installation of qualifying abatable equipment in an ERA.
- Real property abatement
 - A property tax deduction from the assessed valuation granted by the designating body for the construction of a new structure or a rehabilitation of property in an ERA. (It does not include land.)

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Abatements

- Economic Revitalization Area (ERA)
 - An area that is within the corporate limits of a city, town, or county that has become undesirable for, or impossible of, normal development and occupancy.
- It is a legal description for a piece of real estate.
- If ownership transfers, the designation transfers with the property, as long as the property continues to be used in compliance with the established standards.

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Abatements

IC 6-1.1-12.1-1

- ...

(7) “Designating body” means the following:

- (A) For a county that does not contain a consolidated city, the fiscal body of the county, city, or town.
- (B) For a county containing a consolidated city, the metropolitan development commission.

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Abatements

- Designating body can designate an ERA on its own or upon application of a property owner.
- If designating body works on its own, no Statement of Benefits (Form SB-1) is necessary for a preliminary designation; however, one will be required later when finalizing the details for a new business that desires to locate there.
- If the property owner asks for an ERA designation, a Form SB-1 must be filed.

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Abatements

Statement of Benefits – Personal Property (Form SB-1/PP)

- The Form SB-1/PP provides information on the proposed project and is an estimate of costs, jobs created, etc. This is done before the project begins.
- A taxpayer could have a single Form SB-1 or multiple Form SB-1's which could cover several projects over a number of years.
- The reason why the Form SB-1/PP is so important is because the designating body must determine if the totality of the benefits (number of jobs, salaries, & other benefits) is sufficient to justify the deduction.
 - IC 6-1.1-12.1-3

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Abatements

- IC 6-1.1-12.1-17 (b) states that an abatement schedule may not exceed ten (10) years.
 - However, beginning July 1, 2015, IC 6-1.1-12.1-18 allows the designating body to approve an enhanced abatement of up to twenty (20) years on certain business personal property.
- IC 6-1.1-12.1-18 also requires that if an enhanced personal property abatement is granted for a period exceeding ten years, the designating body shall conduct a public hearing & review the Form CF-1/PP for each year after the tenth year of the abatement deduction cycle.

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Abatements

- Designating body may impose a fee for filing a deduction application. This one-time fee may be sufficient to defray actual processing and administrative costs. IC 6-1.1-12.1-2(h)
- Designating body may also impose an annual fee with the consent of the property owner.
- This fee is based on a percentage not to exceed 15% of the tax savings and is used to promote economic development. IC 6-1.1-12.1-14

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Abatements

- The following facilities are not authorized to receive a real property deduction:
 - (1) Golf courses; country clubs; massage parlors; tennis clubs; skating facilities; handball or racquetball facilities; hot tub facilities; suntan facilities; racetracks; or
 - (2) Any facility that has a primary purpose of retail food and beverage, automobile sales and service, or other retail purposes...
 - Unless the facility is located in an economic development target area established under IC 6-1.1-12.1-7.

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Abatements

- (3) Residential facilities may not be approved unless it is multifamily of which at least 20% of the units are for low – moderate income individuals OR is in an economic development target area OR is designated as a residentially distressed area.
- (4) Or a package liquor store.

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Abatements

- A person that desires to obtain the deduction must attach a certified deduction schedule (Form 103-ERA) with his/her timely filed personal property return (Form 103-Long) and file it with the proper assessing official. (IC 6-1.1-12.1-5 for real property-Form 322/RE)

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Abatements

Compliance with Statement of Benefits (Form CF-1/PP)

- Form CF-1/PP must be filed with the designating body and the assessor of the township where the equipment resides each year a personal property abatement deduction is requested.
- Must be filed between January 1 and May 15 or the approved extension date.

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Abatements

- The major difference between the Form SB-1/PP and the Form CF-1/PP is that one is an estimate of the project before it begins and the other is a summary of the actual information after the project has been completed.
- The Form SB-1/PP structures the deduction and the Form CF-1/PP is used to request & approve the deduction.

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Abatements

- The county auditor shall maintain real property abatement records.
- The assessing officials are responsible for the maintenance of the personal property abatement records. (IC 6-1.1-3-21)
- If the designating body wishes to waive non-compliance, they shall conduct a public hearing and then may adopt a resolution.
 - IC 6-1.1-12.1-11.3
- The decision to grant, deny, or partially grant a waiver of non-compliance rests on the shoulders of the designating body.

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Abatements

- The main differences between the real property abatement process and the personal property process are:
 - Self Assessment (PP) versus the assessor generating the assessed value that the auditor applies the deduction to for real property.
 - Annual filing for the deduction by the taxpayer (PP) versus a single filing for the improvements for that assessment date on real property.

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Abatements

- The Department recommends that the county auditor maintain a copy of the property record card (PRC) for each year that a taxpayer receives a deduction. Many times, the PRC contains the information necessary for the deduction to be calculated. If a question arises after reviewing the PRC, the auditor and the assessor can work together to determine the correct deduction.

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Abatements

- The annual recalculation of the deduction is done by the taxpayer for personal property while the assessor & the auditor work together to calculate the deduction for real property. This can become quite complex with layers of abatements (multi-year projects built in phases) combined with annual adjustments and general reassessments.

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Abatements

- IC 6-1.1-12.1-8 requires the county auditor to publish a legal ad in the newspaper by December 31 each year.
- This statute provides the information that must be included in it.
- A copy of this legal ad must be provided to the Department by December 31 through Gateway.

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VIII. PPOP-IN

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PPOP-IN

- Personal Property Online Portal – Indiana (PPOP-IN). The new, 24/7, self-service PPOP-IN portal lets taxpayers and authorized agents file Forms 102, 103-Short, 103-Long, 103-N, 103-O, 104, and 106 online. Taxpayers also have the ability to upload additional personal property forms and any necessary supporting documentation.

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PPOP-IN

PPOP-IN Account Information

- Each taxpayer and authorized agent accessing PPOP-IN has their own account for the system. Each user registers for an account with an email address. Registering for an account is split into two parts.

Access Indiana

- Each user will be required to set-up an account with Access Indiana.

Account Information

- After the Access Indiana account is created, the user will set-up an account with PPOP-IN PPOP-IN.

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PPOP-IN

- Our initial goal was to have 9,000 returns filed via PPOP-IN.
- By mid-September 2021, we have had over 16,500 returns filed.
- Returns were filed in all 92 counties.
- Over 300 taxpayers responded to a survey. Approximately 74% responded they were satisfied with PPOP-IN overall.
- Approximately 75% stated they would use PPOP-IN next year.

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Questions

- Barry Wood
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 - "Contact Us" <https://www.in.gov/dlgf/contact-us/>

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