STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE

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TO: **Assessing Officials**

FROM: **Barry Wood, Assessment Division Director** BW

RE: **Assessment and Appeal Changes**

DATE: **May 22, 2012**

Governor Daniels signed House Enrolled Act No. 1195 ("HEA 1195") into law on March 19, 2012. The legislation contained significant changes to the property tax assessment process and the appeal process, including submission of information under the income capitalization and gross rent multiplier methods, appeal hearing notification timeframes and continuances, comparable property restrictions, and interest on successful assessment appeals.

Submission of Information under the Income Capitalization and Gross Rent Multiplier Methods

Under Section 2, effective July 1, 2012, if a taxpayer wishes to have the income capitalization method or the gross rent multiplier method used in the assessment of the taxpayer's property, the taxpayer must submit the necessary information to the assessor not later than the March 1 assessment date. However, if the information is not submitted by March 1, the taxpayer is not prejudiced in any way and is not restricted in pursuing an appeal. All information related to earnings, income, profits, losses, or expenditures that is provided to the assessor is confidential under IC 6-1.1-35-9.

Appeal Hearing Notification Timeframes and Continuances

Under Section 4, effective July 1, 2012, the county Property Tax Assessment Board of Appeals ("board") must, give at least **thirty (30)** days notice, by mail, of the date, time, and place of the hearing to the taxpayer and the county or township official with whom the taxpayer filed the notice for review. A taxpayer may request a continuance of the hearing (that is, a postponement to a later date) by filing, at least **twenty (20)** days before the hearing date, a request for continuance with the board and the county or township official with evidence supporting a just cause why the board should postpone the hearing. The board must, no later than **ten (10)** days after the date the request for continuance is filed, determine whether the taxpayer has demonstrated just cause for a continuance, at which point the board either must grant or deny the taxpayer's request for continuance. A taxpayer may request that the board take action without the taxpayer being present and make a decision based on the evidence already submitted to the board. The taxpayer may make the request by filing it with the board and county or township official at least **eight (8)** days before the hearing date. A taxpayer may withdraw a petition by

filing a notice of withdrawal with the board and the county or township official at least **eight (8)** days before the hearing date.

A penalty of fifty dollars ($50) will be assessed against the taxpayer if the taxpayer or representative fails to appear at the hearing and the taxpayer's request for continuance was denied. The penalty will also be assessed if the taxpayer's request for continuance, request for the board to take action without the taxpayer being present, or withdrawal is not timely filed. A taxpayer may appeal the assessment of the penalty to the IBTR or directly to the Tax Court.

Comparable Property Restrictions

Under Section 5, effective July 1, 2012, with regard to an appeal, including any review by the IBTR or the Tax Court, pending or commenced after June 30, 2012, a taxpayer or an assessing official may, to accurately determine market-value-in-use:

(1) in a proceeding concerning residential property, introduce evidence of the assessments of comparable properties located in the same taxing district or within two (2) miles of a boundary of the taxing district; and

(2) in a proceeding concerning property that is not residential property, introduce evidence of the assessments of any relevant, comparable property.

However, in a non-residential proceeding, preference shall be given to comparable properties that are located in the same taxing district or within two (2) miles of a boundary of the taxing district. The determination of whether properties are comparable shall be made using generally accepted appraisal and assessment practices.

Interest on Successful Property Tax Appeals

Under Section 7, effective July 1, 2012, if a taxpayer is entitled to a property tax refund or credit because an assessment is decreased, the taxpayer shall also be paid, or credited with, interest on the excess taxes that the taxpayer paid at the rate of four percent (4%) per year. However, in the case of an assessment that is decreased by the IBTR or the Indiana Tax Court, the taxpayer is not entitled to the greater of five hundred dollars ($500) or twenty percent (20%) of the interest to which the taxpayer would otherwise be entitled on the excess taxes unless the taxpayer affirms, under penalty of perjury, that substantive evidence supporting the taxpayer's position had been either:

(1) presented by the taxpayer to the assessor before, or

(2) introduced by the taxpayer at the hearing held by the county board.

An appraisal may not be required by the county board or the assessor in a proceeding before the county board or in a preliminary informal meeting under IC 6-1.1-15-1(h)(2).

If you have any questions, please contact your Assessment Division field representative or Barry Wood at (317) 232-3762 or bwood@dlgf.in.gov.