ARTICLE 21. ANNUAL ADJUSTMENTS

Rule 1. Purpose and Applicability

50 IAC 21-1-1 Purpose
Authority: IC 6-1.1-31-1; IC 6-1.1-31-12
Affected: IC 6-1.1-4-4.5

Sec. 1. The purpose of this article is to establish procedures to govern local assessing officials and the department of local government finance in the annual adjustment of assessed valuations of real property under IC 6-1.1-4-4.5. The procedures, procedural requirements, and standards established by this article will ensure that the annual assessed valuations are reflective of current market value in use conditions. *(Department of Local Government Finance; 50 IAC 21-1-1; filed Dec 30, 2004, 5:28 p.m.: 28 IR 1452)*

50 IAC 21-1-2 Applicability
Authority: IC 6-1.1-31-1; IC 6-1.1-31-12
Affected: IC 6-1.1-4-4.5

Sec. 2. This rule applies to local assessing officials and the department of local government finance exercising authority under IC 6-1.1-4-4.5 in making annual adjustments in assessed valuations of real property within and across classifications. *(Department of Local Government Finance; 50 IAC 21-1-2; filed Dec 30, 2004, 5:28 p.m.: 28 IR 1452)*

50 IAC 21-1-3 Characteristics
Authority: IC 6-1.1-4-4.5; IC 6-1.1-31-1; IC 6-1.1-31-12
Affected: IC 6-1.1-4

Sec. 3. In making annual adjustments in assessed valuations of real property, local assessing officials are required to do the following:

(1) Reevaluate the factors that affect value.
(2) Express the interactions of those factors mathematically.
(3) Use mass appraisal techniques to estimate updated property values within statistical measures of accuracy.
(4) Provide notice to taxpayers of an assessment increase that results from the application of annual adjustments.

(Department of Local Government Finance; 50 IAC 21-1-3; filed Mar 10, 2006, 3:55 p.m.: 29 IR 2512)

Rule 2. Definitions

50 IAC 21-2-1 Applicability
Authority: IC 6-1.1-31-1; IC 6-1.1-31-12
Affected: IC 6-1.1-4-4.5

Sec. 1. The definitions in this rule and 50 IAC 2.3-1-2(c), referring to the 2002 Real Property Assessment Manual and Guidelines 'Version A', apply throughout this article. *(Department of Local Government Finance; 50 IAC 21-2-1; filed Dec 30, 2004, 5:28 p.m.: 28 IR 1452)*

50 IAC 21-2-1.5 "Commissioner" defined
Authority: IC 6-1.1-31-1; IC 6-1.1-31-12
Affected: IC 6-1.1-30-6.5

Sec. 1.5. "Commissioner" means the commissioner of the department. *(Department of Local Government Finance; 50 IAC 21-2-1.5; filed Mar 10, 2006, 3:55 p.m.: 29 IR 2512)*

50 IAC 21-2-2 "Contract" defined
Authority: IC 6-1.1-31-1; IC 6-1.1-31-12
Affected: IC 6-1.1-4; IC 6-1.1-31.7

Sec. 2. "Contract" refers to an agreement under IC 6-1.1-4-17 through IC 6-1.1-4-19.5 between a township assessor or county assessor and an appraiser under IC 6-1.1-31.7 to perform services related to the requirements under this article. *(Department of Local Government Finance; 50 IAC 21-2-2; filed Dec 30, 2004, 5:28 p.m.: 28 IR 1452; filed Mar 10, 2006, 3:55 p.m.: 29 IR 2512)*

50 IAC 21-2-2.5 "Department" defined
Authority: IC 6-1.1-31-1; IC 6-1.1-31-12
Affected: IC 6-1.1-30-1.1

Sec. 2.5. "Department" means the department of local government finance. *(Department of Local Government Finance; 50 IAC 21-2-2.5; filed Mar 10, 2006, 3:55 p.m.: 29 IR 2512)*

50 IAC 21-2-3 "IAAO standard" defined
Authority: IC 6-1.1-31-1; IC 6-1.1-31-12
Affected: IC 6-1.1-4-4.5

Sec. 3. "IAAO standard" refers to the 1999 International Association of Assessing Officers (IAAO) Standards on Ratio Studies, which is hereby incorporated by reference in this article. Copies of the 1999 IAAO Standard on Ratio Studies are available for purchase from the International Association of Assessing Officers. Contact information for the IAAO is on file in the offices of the department. Unless otherwise indicated, the definitions in the glossary section of the IAAO standard apply to all terms defined in the IAAO standard that are used in this article. *(Department of Local Government Finance; 50 IAC 21-2-3; filed Dec 30, 2004, 5:28 p.m.: 28 IR 1452; filed Mar 10, 2006, 3:55 p.m.: 29 IR 2512)*

50 IAC 21-2-4 "Local assessing official" defined
Authority: IC 6-1.1-31-1; IC 6-1.1-31-12
Affected: IC 6-1.1-4-4.5

Sec. 4. "Local assessing official" means the:
(1) county assessor;
(2) township assessor; or
(3) township trustee assessor;
who is responsible for performing the task identified in this rule. *(Department of Local Government Finance; 50 IAC 21-2-4; filed Dec 30, 2004, 5:28 p.m.: 28 IR 1452)*

50 IAC 21-2-5 "Property tax assessment board of appeals" or "PTABOA" defined
Authority: IC 6-1.1-31-1; IC 6-1.1-31-12
Affected: IC 6-1.1-4-4.5; IC 6-1.1-28-1

Sec. 5. The "property tax assessment board of appeals" or "PTABOA" means the board authorized by IC 6-1.1-28-1. *(Department of Local Government Finance; 50 IAC 21-2-5; filed Dec 30, 2004, 5:28 p.m.: 28 IR 1452)*

50 IAC 21-2-6 "Stratification" defined
Authority: IC 6-1.1-31-1; IC 6-1.1-31-12
Affected: IC 6-1.1-4-4.5

Sec. 6. "Stratification" means the process by which properties are broken down into uniform groups by criterion such as location, age, or class. *(Department of Local Government Finance; 50 IAC 21-2-6; filed Dec 30, 2004, 5:28 p.m.: 28 IR 1452)*

50 IAC 21-2-7 "Work plan" defined
Authority: IC 6-1.1-31-1; IC 6-1.1-31-12
Affected: IC 6-1.1-4-4.5

Sec. 7. "Work plan" includes information such as:
(1) staffing requirements;
(2) proposed budget; and
(3) duration of project.
(Department of Local Government Finance; 50 IAC 21-2-7; filed Dec 30, 2004, 5:28 p.m.: 28 IR 1452)

Rule 3. Ratio Studies and Sales Verification

50 IAC 21-3-1 Ratio studies
Authority: IC 6-1.1-31-1; IC 6-1.1-31-12
Affected: IC 6-1.1-4-4.5

Sec. 1. Local assessing officials shall perform all ratio studies using the methods or combination of methods acceptable under the Standard on Ratio Studies published by the International Association of Assessing Officers (IAAO standard) or other acceptable appraisal methods approved by the department. *(Department of Local Government Finance; 50 IAC 21-3-1; filed Dec 30, 2004, 5:28 p.m.: 28 IR 1453)*

50 IAC 21-3-2 Verification requirements
Authority: IC 6-1.1-31-1; IC 6-1.1-31-12
Affected: IC 6-1.1-4-4.5; IC 6-1.1-5.5-3

Sec. 2. (a) The township assessor shall retain and properly verify all sales disclosure forms forwarded to the assessing official under IC 6-1.1-5.5-3. In conjunction with IAAO standards, the township assessor shall utilize the sales verified to determine whether an adjustment factor shall be applied. If the township assessor does not perform the verification of sales under this section and the county assessor determines that the process is essential for purposes of this article, the county assessor shall verify the sales to be used in the determination of adjustment factors.

(b) Each township assessor shall complete sales verification by the January 15 preceding the assessment date or submit a work plan to the county assessor by January 15 providing for completion of verification by the March 1 assessment date. By January 31, the county assessor must determine whether the sales verification process can be performed in a timely manner under the work plan submitted by the township. If the county assessor determines that the sales verification will not be completed in a timely manner, the county assessor shall convene a meeting with the township assessing official or officials to remedy the work plan in an attempt to meet the time requirements of this article. If the parties are unable to remedy the work plan, the county assessor shall verify the remaining sales. The county assessor shall notify the department, the county PTABOA, and the county council should a township official fail to timely complete the sales verification function. *(Department of Local Government Finance; 50 IAC 21-3-2; filed Dec 30, 2004, 5:28 p.m.: 28 IR 1453)*

50 IAC 21-3-3 Valuation date and time adjustment
Authority: IC 6-1.1-31-1; IC 6-1.1-31-12
Affected: IC 6-1.1-4-4.5

Sec. 3. (a) The local assessing official shall use sales of properties occurring between January 1, 2004, and December 31, 2005, in performing sales ratio studies for the March 1, 2006, assessment date. For assessment years occurring March 1, 2007, and thereafter, the local assessing official shall use sales of properties occurring the two (2) calendar years preceding the relevant assessment date.

(b) The valuation date is January 1 of the year preceding the year of the assessment date. Sales occurring before or after that date shall be trended if appropriate, in accordance with the IAAO standard. The time adjusted sale price shall become the basis for all ensuing analysis undertaken under this article.

(c) If the sales data available is insufficient to satisfy the IAAO standard, the local assessing official may use sales from earlier or more recent time periods, or both, by adjusting and time trending the sales data as described in the IAAO standard. If the local assessing official wishes to use a method for adjusting sales data that is not permitted by the IAAO standard, the county assessor shall obtain prior written approval from the director of the assessment division of the department for that alternative method for adjusting

more recent sales data.

(d) If, after expanding the sales window, the local assessing official determines that insufficient data is available to perform a statistically valid study of sales data, the county assessor shall explain in writing to the director of the assessment division of the department the reasons for using other data. County assessors shall not use performance audits in determining annual adjustment factors. *(Department of Local Government Finance; 50 IAC 21-3-3; filed Dec 30, 2004, 5:28 p.m.: 28 IR 1453; filed Mar 10, 2006, 3:55 p.m.: 29 IR 2513)*

Rule 4. Review of Neighborhood Delineations and Land Values

50 IAC 21-4-1 Review of neighborhood delineations

Authority: IC 6-1.1-31-1; IC 6-1.1-31-12
Affected: IC 6-1.1-4-4.5

Sec. 1. (a) The township assessor shall review the residential neighborhood delineations established for the 2002 general reassessment to determine if the delineations used adequately placed like property into homogeneous geographic groups. For purposes of this rule, the local assessing official shall modify neighborhood boundaries if their neighborhood review identifies inadequacies in the original delineations; this may include the development of new neighborhood delineations. The township assessors shall base new delineations on geographical areas exhibiting a high degree of similarity in the following:

(1) Amenities.
(2) Use.
(3) Economic trends.
(4) Building characteristics, such as the following:
    (A) Improvement quality.
    (B) Age.
    (C) Physical characteristics.

(b) If the local assessing official determines through review, ratio studies, or appeals from previous assessment years that the neighborhood delineations need to be modified, the local assessing official shall proceed in setting new neighborhood boundaries in accordance with IC 6-1.1-4 and the Real Property Assessment Guidelines for 2002-Version A.

(c) In areas where values are erratic and geographic neighborhood delineations are not sufficiently homogeneous, it is appropriate either to reassess the properties in that area or to further stratify properties by property characteristics, developing separate factors for various property strata. For example, if older homes in a specific neighborhood are appreciating or depreciating at a more rapid rate than new homes, the two (2) groups should be stratified and analyzed separately with a factor determined for each property type within the specific neighborhood.

(d) It may not be sufficient to merely stratify properties and sales according to their classification, that is, residential and commercial, and develop one (1) neighborhood and one (1) annual adjustment factor for the entire class of property. Properties throughout any given municipality or area, even though they have the same classification, may vary considerably in quality, style, age, location, and amenities and, therefore, may change in value at differing rates. Sales used to develop annual adjustment factors must be comparable to the properties for which the factors are being developed. In other words, the assessor should endeavor to ensure that the factors are developed from a sample of sales that is representative to the population of parcels to which the factor or factors will ultimately be applied.

(e) The assessing official may also determine that it is inappropriate to apply an annual adjustment factor on all parts of a property. For example, the assessing official may determine to apply the annual adjustment factor:

(1) only to the land; or

(2) to the dwelling and one (1) outbuilding or garage and not on other outbuildings, recent additions, or other improvements. In that case, the assessing official shall document the reasons for application of the annual adjustment factor to some, but not all, of the improvements. The assessing official must be able to demonstrate that the factor was calculated based upon a sales analysis including the same subset of parcel data. That is, if the trend factor was developed based upon an analysis of the values of all improvements, then the factor must be applied to all improvements and not merely a subset of the improvements. Before a separate adjustment factor is applied, the local assessing official must confirm that separate factors can be accommodated in the computer-assisted mass appraisal system in the county.

(f) The assessing official shall also delineate commercial, utility, and industrial properties into market areas or otherwise

stratify for purposes of applying annual adjustment factors. Assessors shall base market areas on geographic delineations of areas exhibiting a high degree of similarity in the following:

(1) Amenities.
(2) General use groupings.
(3) Economic trends.
(4) Desirability.
(5) Property characteristics, such as the following:
    (A) Improvement quality.
    (B) Age.
    (C) Physical characteristics.

(Department of Local Government Finance; 50 IAC 21-4-1; filed Dec 30, 2004, 5:28 p.m.: 28 IR 1453; filed Mar 10, 2006, 3:55 p.m.: 29 IR 2513)

50 IAC 21-4-2 Review of land values

Authority: IC 6-1.1-31-1; IC 6-1.1-31-12
Affected: IC 6-1.1-4-4.5

Sec. 2. (a) The township assessor shall review land values established for the 2002 general reassessment to determine if the evidence used to calculate the base rates adequately reflect current market data value adjustments. If upon review it is determined that modifications need to be made in order to promote uniform and equal assessments, the local assessing official shall update the data to achieve the most accurate factor to adjust valuations using one (1) of the following two (2) methods:

(1) Method 1:
    (A) Establish revised land base rates for the January 1, 1999, valuation date, and apply the revised land base rates to develop a revised 2002 land assessment.
    (B) Calculate and apply a revised neighborhood factor using the procedure outlined in the Real Property Assessment Guidelines for 2002-Version A. This method will produce revised 2002 assessments.
    (C) Compare the revised 2002 assessment to 2004 and 2005 sales to develop an annual adjustment factor to adjust the 2002 assessment to the 2006 assessment.
(2) Method 2:
    (A) Establish new land base rates that reflect the January 1, 2005, valuation date, and apply these new land base rates to develop a 2006 land value.
    (B) Calculate and apply a new neighborhood factor using the procedure outlined in the Real Property Assessment Guidelines for 2002-Version A. This method will produce the 2006 assessment directly and the application of an annual adjustment factor will be unnecessary.

(b) The township assessor's proposal of modification of land values must be uniform and consistent with regard to the valuation date of the base unit land values. That is, if the local assessing official is not revising all base unit land values to reflect the valuation date, then the township assessor must make time value adjustments consistent with the other market areas.

(c) If the township assessor determines through review, ratio studies, or appeals from previous assessment years that the land base rate units need to be modified, the local assessing official shall proceed to set new land base rates and apply them in accordance with IC 6-1.1-4. *(Department of Local Government Finance; 50 IAC 21-4-2; filed Dec 30, 2004, 5:28 p.m.: 28 IR 1454; filed Mar 10, 2006, 3:55 p.m.: 29 IR 2514)*

50 IAC 21-4-3 Review of property tax assessment board of appeals (Repealed)

Sec. 3. *(Repealed by Department of Local Government Finance; filed Mar 10, 2006, 3:55 p.m.: 29 IR 2516)*

Rule 5. Analysis; Application of Factor; Stratification

50 IAC 21-5-1 Preliminary analysis

Authority: IC 6-1.1-31-1; IC 6-1.1-31-12
Affected: IC 6-1.1-4-4.5

Sec. 1. (a) Ratio studies shall be generated annually for each township and property class group. The local assessing official will review the statistics for the sales occurring during the two (2) years preceding the assessment date.

(b) The coefficient of dispersion (COD) should be examined for equity of current assessments. If the ratio study conducted reflects a coefficient of dispersion outside what the IAAO Standards require, further stratification or a reassessment of that particular property group may be the only reasonable alternatives for restoring uniformity to the assessments.

(1) When the COD is less than or equal to 10.0, the local assessing official shall proceed under the premise that applying an annual adjustment factor to the classification will be sufficient to meet the requirements of this article.

(2) When the COD is greater than 10.0, the assessor must review neighborhood delineations and stratifications and may consider reviewing land values.

(c) Price related differential (PRD) measures assessment progressivity or regressivity. Stratifications with PRDs greater than 1.03 or less than .98 requires the same remedy as 50 IAC 21-11-1. *(Department of Local Government Finance; 50 IAC 21-5-1; filed Dec 30, 2004, 5:28 p.m.: 28 IR 1455)*

50 IAC 21-5-2 Application of factor

Authority: IC 6-1.1-31-1; IC 6-1.1-31-12
Affected: IC 5-14-1.5; IC 6-1.1-4-4.5

Sec. 2. (a) If, upon review of the ratio studies, the local assessing official determines that a factor must be applied, the local assessing official shall proceed with the application of the annual adjustment factor in accordance with this article.

(b) If assessing officials determine that there are insufficient sales of commercial or industrial improved property in a township or county to determine an annual adjustment factor, the county shall use one (1) or more of the following to derive annual adjustment factors or modify the values of commercial and industrial property:

(1) Marshall and Swift cost and depreciation tables from the first quarter of the calendar year preceding the assessment date.

(2) Income data, rental data, market value appraisals, and other relevant evidence derived from appeals of the 2002 reassessment and adjusted, as applicable, to the January 1 of the year preceding the assessment date.

(3) Commercial real estate reports.

(4) Governmental studies.

(5) Census data.

(6) Multiple listing service (MLS) data.

(7) The independent study performed by the Indiana Fiscal Policy Institute.

(Department of Local Government Finance; 50 IAC 21-5-2; filed Dec 30, 2004, 5:28 p.m.: 28 IR 1455; filed Mar 10, 2006, 3:55 p.m.: 29 IR 2514)

50 IAC 21-5-3 Stratification

Authority: IC 6-1.1-31-1; IC 6-1.1-31-12
Affected: IC 6-1.1-4-4.5; IC 6-1.1-4-39

Sec. 3. (a) If, upon review of ratio studies, neighborhood delineations, and land values, the local assessing official determines that further categorization of property types is necessary to promote uniform and equal assessments, the local assessing official shall attempt stratification before commencing a reassessment to adjust real property market valuations.

(b) The local assessing official will first need to identify similar groups of property, by property class within a neighborhood, based on criteria such as location and age. This breaking down of property or layering of property classifications is stratification. The ratio studies are generated for various strata until the assessor determines the properties that are causing CODs or PRDs, or both, that are outside the requirements of this rule. Refinements are then made to the valuation of all similarly situated properties so that the assessment statistics will fall within the requirements. For example, an examination of the outlier sales indicates that properties on large acreage tracks are undervalued causing the COD to be out of line. Grouping by land size shows an acceptable COD within the group but the median ratio for the larger tracks is lower than the smaller tracks. The assessor might then adjust the excess acreage rate so that the median of the large acreage comes to the same level as the remaining parcels. After this is accomplished in accordance with 50 IAC 21-4-2, the application of an overall adjustment factor shall be applied based on the revised sales ratio.

(c) In accordance with IC 6-1.1-4-39, stratification, if appropriate, and annual adjustment of real property regularly used to rent or otherwise furnish residential accommodations for periods of thirty (30) days or more and that has more than four (4) rental

units shall take into account that the valuation of such property is to be determined by applying the least of the following appraisal approaches:

(1) The cost approach.

(2) The sales comparison approach.

(3) The income capitalization approach.

(d) In accordance with IC 6-1.1-4-39(b), stratification, if appropriate, and annual adjustment of real property that has at least one (1) and not more than four (4) rental units shall take into account that the gross rent multiplier method is the preferred method of valuing such property. *(Department of Local Government Finance; 50 IAC 21-5-3; filed Dec 30, 2004, 5:28 p.m.: 28 IR 1455)*

Rule 6. Agricultural Property

50 IAC 21-6-1 Agricultural property

Authority: IC 6-1.1-31-1; IC 6-1.1-31-12
Affected: IC 6-1.1-4-4.5

Sec. 1. (a) Land used for agricultural purposes shall be adjusted consistent with the guideline methodology developed for the 2002 general reassessment agricultural land value except, in determining the annual base rate, the department shall adjust the methodology to use a six (6) year rolling average instead of a four (4) year rolling average. The department will issue annually, before January 1, the base rate to be applied for the following March 1 assessment date.

(b) Those portions of agricultural parcels that include land and buildings not used agriculturally, such as homes, homesites, and excess land and commercial or industrial land and buildings, shall be adjusted by the factor or factors developed for other similar property within the geographic stratification. The residence portion of agricultural properties will be adjusted by the factors applied to similar residential properties. *(Department of Local Government Finance; 50 IAC 21-6-1; filed Dec 30, 2004, 5:28 p.m.: 28 IR 1456; filed Mar 10, 2006, 3:55 p.m.: 29 IR 2515)*

Rule 7. Time

50 IAC 21-7-1 Time

Authority: IC 6-1.1-31-1; IC 6-1.1-31-12
Affected: IC 6-1.1-4-4.5; IC 6-1.1-4-22; IC 6-1.1-13-7; IC 6-1.1-33.5

Sec. 1. (a) Assessing officials shall do the following:

(1) Perform annual adjustments compliant with this article before tax rates are set by the department based on values generated by any form of annual adjustment performed under this rule.

(2) Execute the adjustment and subsequent finalization of values without interruption.

If the department determines that further review of a county's assessed values is warranted, the department will notify the county in accordance with 50 IAC 21-10, 50 IAC 21-11, or IC 6-1.1-33.5.

(b) If any annual adjustment factor is applied, a notice of assessment shall be sent to each affected taxpayer pursuant to IC 6-1.1-4-22(a). *(Department of Local Government Finance; 50 IAC 21-7-1; filed Dec 30, 2004, 5:28 p.m.: 28 IR 1456; filed Mar 10, 2006, 3:55 p.m.: 29 IR 2515)*

Rule 8. Mandatory Analysis

50 IAC 21-8-1 Mandatory analysis

Authority: IC 6-1.1-31-1; IC 6-1.1-31-12
Affected: IC 6-1.1-4-4.5

Sec. 1. After the application of annual adjustment factors, the county assessor shall calculate assessment ratio studies and provide the results to the department in the manner specified in 50 IAC 14-5-1 through 50 IAC 14-5-3. *(Department of Local Government Finance; 50 IAC 21-8-1; filed Dec 30, 2004, 5:28 p.m.: 28 IR 1456; filed Mar 10, 2006, 3:55 p.m.: 29 IR 2515)*

Rule 9. Transfer of Data to the Department of Local Government Finance

50 IAC 21-9-1 Transfer of data

Authority: IC 6-1.1-31-1; IC 6-1.1-31-12
Affected: IC 6-1.1-4-4.5; IC 6-1.1-4-25; IC 6-1.1-5-14; IC 6-1.1-33.5-3

Sec. 1. (a) On or before March 1 of each assessment year, the county assessors must submit to the department all sales disclosure data in the formats specified by the department in electronic form. The data format must include all sales disclosure data on all sales occurring in the county for the preceding calendar year. For the 2005 assessment year, the county assessor must provide sales data for both the 2003 and 2004 assessment years by the March 1, 2005, deadline.

(b) The county assessor must submit to the department all parcel data in the specified formats as required by IC 6-1.1-4-25 to be utilized by the department in accordance with IC 6-1.1-33.5-3. The data may be submitted upon certification of values by the assessor to the auditor on July 1 as required by IC 6-1.1-5-14 or thereafter, but in no event later than October 1.

(c) Upon request, the county assessor or any person that the county or township assessor has contracted to perform any studies associated with this annual adjustment rule shall provide, at no cost to the department, any further information that the department determines is necessary or proper to the department's determination of compliance with the requirements of IC 6-1.1-4-4.5, this rule, or the IAAO standard. *(Department of Local Government Finance; 50 IAC 21-9-1; filed Dec 30, 2004, 5:28 p.m.: 28 IR 1456; filed Mar 10, 2006, 3:55 p.m.: 29 IR 2515)*

50 IAC 21-9-2 Computer assisted mass appraisal systems

Authority: IC 6-1.1-31-1; IC 6-1.1-31-12
Affected: IC 6-1.1-4-4.5

Sec. 2. (a) The local assessing official shall be responsible for ensuring the sales data is included in the database used in the property valuation software employed by the assessors. The local assessor may also capture this data in other analytical or data capture software systems, but all transfers with a stated consideration must be included in the primary valuation software.

(b) This article is not intended to require assessors to utilize particular computer assisted mass appraisal (CAMA) system fields to annually adjust the values. The intent of annual adjustments is to reach current market value in use and if that is more easily accommodated within the county's system by application of modifying the neighborhood factor or some other field than by applying a separate annual adjustment factor that is acceptable. *(Department of Local Government Finance; 50 IAC 21-9-2; filed Dec 30, 2004, 5:28 p.m.: 28 IR 1457)*

Rule 10. Mandatory Application of Factor

50 IAC 21-10-1 Provision of information to the department

Authority: IC 6-1.1-31-1; IC 6-1.1-31-12
Affected: IC 6-1.1-4-4.5

Sec. 1. (a) If the median ratio calculated for any class in a township, as verified by the department, falls outside the range specified in the IAAO standard, the county assessor shall apply the factor required to bring the median ratio to one (1.0).

(b) If the county assessor believes that reasons exist why no factor, or a factor other than that required to bring the median ratio to one (1.0), should be applied in a particular township, the county assessor shall immediately:

(1) notify the commissioner in writing of those reasons; and
(2) request permission to take:
    (A) action other than that mandated in subsection (a); or
    (B) no action.

(c) The commissioner shall act on the request within thirty (30) days of receiving the request. In response to a county assessor's request for permission to take action other than that mandated in subsection (a), the commissioner may:

(1) require the county assessor to take the action mandated in subsection (a);
(2) permit the action requested by the county assessor; or
(3) require the county assessor to take other action short of that required in subsection (a).

(Department of Local Government Finance; 50 IAC 21-10-1; filed Dec 30, 2004, 5:28 p.m.: 28 IR 1457; filed Mar 10, 2006, 3:55 p.m.: 29 IR 2516)

Rule 11. Reassessment

50 IAC 21-11-1 Reassessment

Authority: IC 6-1.1-31-1; IC 6-1.1-31-12
Affected: IC 6-1.1-4-4.5

Sec. 1. (a) If the coefficient of dispersion for any class in a township, as verified by the department, falls outside the range specified in the IAAO standard (fifteen (15.0) for residential improved property; twenty (20.0) for all other classes), the county assessor shall direct the township assessor to reassess the class in that township.

(b) If the price-related differential for any class in a township, as verified by the department, falls outside the range specified in the IAAO standard (0.98 to 1.03), the county assessor shall direct the township assessor to reassess the class in that township.

(c) If the county assessor believes that reasons exist not to reassess a class in a particular township under subsection (a), the county assessor shall immediately:

(1) notify the commissioner in writing of those reasons; and

(2) request permission to take:

(A) action other than that mandated in subsection (a); or

(B) no action.

(d) The commissioner shall act on the request within thirty (30) days of receiving the request. In response to a county assessor's request for permission to take action other than mandated in subsection (a), the commissioner may:

(1) require the county assessor to take the action mandated in subsection (a);

(2) permit the action requested by the county assessor; or

(3) require the county assessor to take other action short of that required in subsection (a).

(Department of Local Government Finance; 50 IAC 21-11-1; filed Dec 30, 2004, 5:28 p.m.: 28 IR 1457; filed Mar 10, 2006, 3:55 p.m.: 29 IR 2516)

Rule 12. Action by Department of Local Government Finance

50 IAC 21-12-1 Action

Authority: IC 6-1.1-31-1; IC 6-1.1-31-12
Affected: IC 6-1.1-4-4.5; IC 6-1.1-14-4; IC 6-1.1-14-9

Sec. 1. (a) In the event that a county fails to perform the actions required by this rule, by the deadlines set in this article, the department of local government finance shall perform those actions. In doing so, the department of local government finance shall use data in its possession, obtained from:

(1) the county assessor; or

(2) any of the sources listed in this rule.

(b) Using the data described in subsection (a), the department of local government finance shall propose to apply different annual adjustment factors in any county, within a county, between counties, or in the state as a whole, in any one (1) or more of the classes of property listed in 50 IAC 21-8-1. The department of local government finance shall issue notice and provide opportunity for hearing in accordance with IC 6-1.1-14-4 and IC 6-1.1-14-9, as applicable, before issuing final annual adjustment factors.

(Department of Local Government Finance; 50 IAC 21-12-1; filed Dec 30, 2004, 5:28 p.m.: 28 IR 1458)

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