Title

Indiana
Department of Local Government Finance

Committed to a fair and equitable property tax system for Hoosier taxpayers.

BASIC Sales Disclosure

Department of Local Government Finance

January 2011

Sales Disclosure History

- Original Law passed in 1996
- IC 6-1.1-5.5
- Used first for setting the 2002 reassessment neighborhood factor
- Use for trending starting in 2006

SDF Uses

- Used as the primary source of data to set market value
- Source of comparables for taxpayers, realtors and appraisers , local assessing officials

SDF and Market Values

- To accurately set market value assessor needs:

1) Sufficient quaintly of disclosures
2) Accurate sales disclosures

Assessor Duties

- Review SDF at filing for Accuracy and completeness.
- Complete Section 2 of the SDF
- Verify the SDF
- Submit forms to DLFG by March 31st

Assessor Review

- Sales Disclosure Form to be reviewed for completeness by the county assessor, then forwarded to the county auditor
- The county auditor may not accept a conveyance if
  - The sales disclosure form is not included with the conveyance document; or
  - The sales disclosure form is incomplete and/or not stamped by the county assessor

Conveyance Document Defined

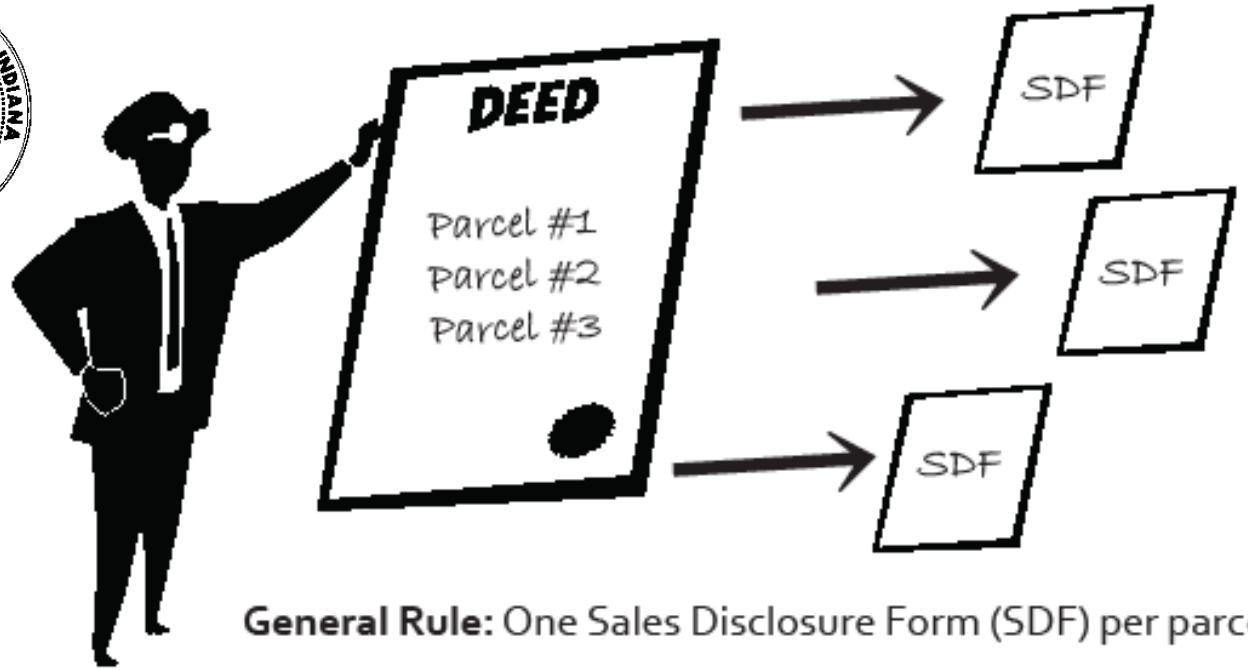
- A conveyance document is defined as any transfer of a real property interest for **valuable consideration** to include:
  - A document
  - A Deed
  - A Contract of sale
  - An Agreement
  - A Judgment
  - A lease that includes the fee simple estate and is for a period in excess of ninety (90) years
  - A quitclaim deed serving as a source of title
  - A document presented for recording that purports to transfer a real property interest for valuable consideration
  - Another document presented for recording

Conveyance Document Defined

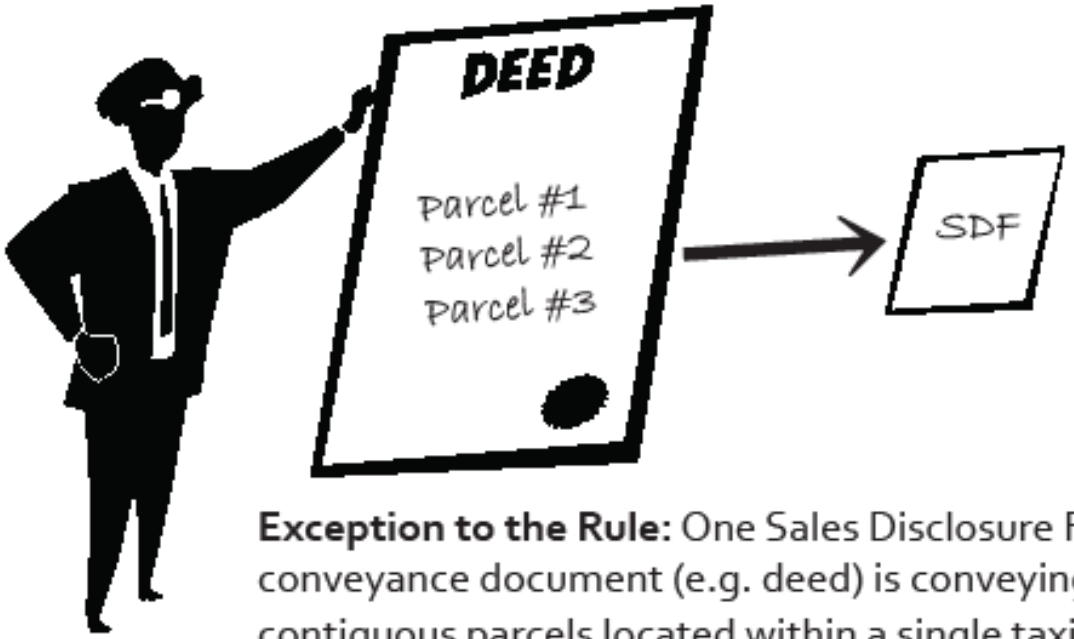
- Filers are required to **disclose**, but are **not subject to a fee** when filing the following:
  - Documents for compulsory transactions as a result of foreclosure or express threat of foreclosure, divorce, court order, judgment, condemnation, or probate
  - Documents involving the partition of land between tenants in common, joint tenants, or tenants by the entirety
  - Transfer to a charity, not-for-profit organization, or government
  - Easements or right-of-way grants

Conveyance Document Defined

- Filers should note that the following items do **NOT** require a sales disclosure form be prepared:
  - Security interest documents such as mortgages or trust deeds; leases less than 90 years
  - Agreements and other documents for mergers, consolidations, and incorporations involving solely non-listed stock
  - Quitclaim deeds not serving as a source of title
  - A transfer for no consideration or a gift, or when <u>rerecording to correct prior recorded document</u>.



General Rule: One Sales Disclosure Form (SDF) per parcel



Exception to the Rule: One Sales Disclosure Form (SDF) if single conveyance document (e.g. deed) is conveying two (2) or more contiguous parcels located within a single taxing district (i.e. township).

Review the SDF

SALES DISCLOSURE FORM
State Form 46021 (R8/7-08)
Prescribed by Department of Local Government Finance
Pursuant to IC 6-1.1-5.5

SDF ID | County | Year | Unique ID
SDF Date: _____

PRIVACY NOTICE: The telephone numbers of the parties on this form are confidential according to IC 6-1.1-5.5-3(d).

PART 1 – To be completed by BUYER/GRANTEE and SELLER/GRANTOR
A. PROPERTY TRANSFERRED – MUST BE CONVEYED ON A SINGLE CONVEYANCE DOCUMENT

1. Property Number	Check box if applicable to parcel	5. Complete Address of Property	6. Complete Tax Billing Address (if different from property address)
A.)	☐ 2. Split ☐ 3. Land ☐ 4. Improvement		
7. Legal Description of Parcel A:			
B.)	☐ 2. Split ☐ 3. Land ☐ 4. Improvement		
7. Legal Description of Parcel B:			

B. CONDITIONS – IDENTIFY ALL THAT APPLY

If conditions 1-11 apply, filers are subject to disclosure and a disclosure filing fee.

YES	NO	CONDITION
☐	☐	1. A transfer of real property interest for valuable consideration.
☐	☐	2. Buyer is an adjacent property owner.
☐	☐	3. Vacant land.
☐	☐	4. Exchange for other real property ("Trade").
☐	☐	5. Seller paid points. (Provide the value Table C Item 12.)
☐	☐	6. Change planned in the primary use of the property? (Describe in special circumstances in Table C Item 3.)
☐	☐	7. Existence of family or business relationship between buyer and seller. (Complete Table C Item 4.)
☐	☐	8. Land contract. Contract term (yr): _____ and contract date (MM/DD/YYYY): _____
☐	☐	9. Personal property included in transfer. (Provide the value Table C Item 5.)
☐	☐	10. Physical changes to property between March 1 and date of sale. (Describe in special circumstances in Table C Item 3.)
☐	☐	11. Partial interest. (Describe in special circumstances in Table C Item 3.)

If apply, filers conditions 12-15 are subject to disclosure, but no disclosure filing fee.

YES	NO	CONDITION
☐	☐	12. Document for compulsory transactions as a result of foreclosure or express threat of foreclosure, divorce, court order, judgment, condemnation, or probate.
☐	☐	13. Documents involving the partition of land between tenants in common, joint tenants, or tenants by the entirety.
☐	☐	14. Transfer to a charity, not-for-profit organization, or government.
☐	☐	15. Easements or right-of-way grants.

C. SALES DATA – DISCLOSE VALUE OF ITEMS LISTED IN TABLE B, ITEMS 1-15

1. Conveyance date (MM/DD/YYYY): _____
2. Total number of parcels: _____
3. Describe any unusual or special circumstances related to this sale, including the specification of any less-than-complete ownership interest and terms of seller financing.

YES	NO	CONDITION
☐	☐	4. Family or business relationship existing between buyer and seller? Amount of discount: $_____

Disclose actual value in money, property, a service, an agreement, or other consideration.

5. Estimated value of personal property:	$
6. Sales price:	$

YES	NO	CONDITION
☐	☐	7. Is the seller financing sale? If yes, answer questions (8-13).
☐	☐	8. Is buyer/borrower personally liable for loan?
☐	☐	9. Is this a mortgage loan?

10. Amount of loan:	$
11. Interest rate:	%
12. Amount in points:	$
13. Amortization period:	

INDIANA SALES DISCLOSURE FORM SDF ID: _____

D. PREPARER

Preparer of the Sales Disclosure Form
Address (Number and Street)
City, State, and ZIP Code

E. SELLER(S)/GRANTOR(S)

Seller 1 - Name as appears on conveyance document
Address (Number and Street)
City, State, and ZIP Code
Telephone Number E-mail

Under penalties of perjury, I hereby certify that this Sales Disclosu
and complete as required by law, and is prepared in accordance w

Signature of Seller
Printed Name of Seller Sign Date (MM/DD/YYYY)

F. BUYER(S)/GRANTEE(S) – APPLICATION FOR DEDUCTIONS AND CR

Buyer 1 - Name as appears on conveyance document
Address (Number and Street)
City, State, and ZIP Code
Telephone Number E-mail

THE SALES DISCLOSURE FORM MAY BE USED TO APPLY FOR CERTAIN DEDUCTIONS FOR THIS

YES	NO	CONDITION
☐	☐	1. Will this property be the buyer's primary residence? Provide complete address of primary residence, including county:
		Address (Number and Street) City, State ZIP Code County
☐	☐	2. Does the buyer have a homestead to be vacated for this residence? If yes, provide complete address of residence vacating, including county:
		Address (Number and Street) City, State ZIP Code County

Under penalties of perjury, I hereby certify that this Sales Disclosu
and complete as required by law, and is prepared in accordance w

Signature of Buyer1 Signature of Buyer2
Printed Name of Buyer 1 Sign Date (MM/DD/YYYY) Printed Name of Buyer 2 Sign Date (MM/DD/YYYY)

INDIANA SALES DISCLOSURE FORM SDF ID: _____

PART 2 - COUNTY ASSESSOR

The county assessor must verify and complete items 1 through 14 and stamp the sales disclosure form before sending to the

1. Property	2. AV Land	3. AV Improvement	4. Value of Personal Property	5. AV Total	6. Prop Class C
A.)					
B.)					

Assessor Stamp

10. Identify physical changes to property between Ma date of sale. _____

Items 15 through 18 are to be completed by the assessor when validating this sale:

15. If applicable, identify any additional special circumstances relating to validation of sale. _____

PART 3 - COUNTY AUDITOR

Auditor Stamp

1. Disclosure fee amount collected: $_____
2. Other Local Fee: $_____
3. Total Fee Collected: $_____
4. Auditor receipt book number: _____
5. Date of transfer (MM/DD/YYYY): _____

PART 4 – RECEIPT FOR STATEMENT OF CREDIT/DEDUCTION OF ASSESSED VALUATION

SDF ID SDF Date (MM/DD/YYYY)
Parcel Number

List the deductions for which the Sales Disclosure Form is application:

Buyer 1 - Name as app
Address of Property (N
City, State, and ZIP Co

Auditor Signature Date (MM/DD/YYYY)

A person who knowingly and intentionally falsifies value of transferred real property, or omits or falsifies any information required to be provided in the sales disclosure form commits a Class C felony.

Parts of the Form

- Part 1 - To be completed by Buyer/Grantee and Seller/Grantor
  - A. Property Transferred
  - B. Conditions
  - C. Sales Data
  - D. Preparer
  - E. Seller(s)/Grantor(s)
  - F. Buyer(s)/Grantee(s) – application for deductions and credits
- Part 2 - County Assessor
- Part 3 - County Auditor
- Part 4 – Receipt for statement of credit/deduction of assessed valuation

SDF ID

- Located in upper right of form
- Assigned by online system
- Unique number composed of County ID (01-92) – Year – Unique ID (system generated)
- Used by DLGF/County to track specific SDF

SALES DISCLOSURE FORM
State Form 46021 (R8/7-08)

Prescribed by Department of Local Government Finance
Pursuant to IC 6-1.1-5.5

PRIVACY NOTICE: The telephone numbers of the parties on this form are confidential according to IC 6-1.1-5.5-3(d)

SDF ID | County | Year | Unique ID

SDF Date: _____

Part 1A. Property Transferred

- A separate SDF is required for each parcel conveyed, regardless of whether more than one (1) parcel is conveyed under a single conveyance document.
- However, only one (1) SDF is required if there is a single conveyance document that conveys two (2) or more **contiguous** parcels located **entirely within a single taxing district**
- Item 1 property number requires State 18-digit property ID with dashes/periods - If no State ID has been assigned, subdivision and lot number is required

PART 1 – To be completed by BUYER/GRANTEE and SELLER/GRANTOR
A. PROPERTY TRANSFERRED – MUST BE CONVEYED ON A SINGLE CONVEYANCE DOCUMENT

1. Property Number	*Check box if applicable to parcel*	*5. Complete Address of Property*	*6. Complete Tax Billing Address (if different from property address)*
A.)	☐ *2. Split* ☐ *3. Land* ☐ *4. Improvement*		
7. Legal Description of Parcel A:			

Part 1A. Property Transferred

- Items 1, 5, 6, and 7 are required (attachment (s) can be provided for 7)
- Items 2, 3, 4 are checked only if applicable
- Hardcopy form allows space for 2 parcels – online is unlimited

PART 1 - To be completed by BUYER/GRANTEE and SELLER/GRANTOR
A. PROPERTY TRANSFERRED - MUST BE CONVEYED ON A SINGLE CONVEYANCE DOCUMENT

1. Property Number	Check box if applicable to parcel	5. Complete Address of Property	6. Complete Tax Billing Address (if different from property address)
A.)	☐ 2. Split ☐ 3. Land ☐ 4. Improvement		
7. Legal Description of Parcel A:			
B.)	☐ 2. Split ☐ 3. Land ☐ 4. Improvement		
7. Legal Description of Parcel B:			

Part 1B. Conditions

- Conditions 1-11 are subject to **disclosure and filing fee**
- Conditions 12-15 are subject to **disclosure but no filing fee**
- All conditions **must be marked** either YES or NO

B. CONDITIONS – IDENTIFY ALL THAT APPLY

If conditions 1-11 apply, filers are subject to disclosure and a disclosure filing fee.

YES	NO	CONDITION
☐	☐	1. A transfer of real property interest for valuable consideration.
☐	☐	2. Buyer is an adjacent property owner.
☐	☐	3. Vacant land.
☐	☐	4. Exchange for other real property ("Trade").
☐	☐	5. Seller paid points. *(Provide the value Table C Item 12.)*
☐	☐	6. Change planned in the primary use of the property? *(Describe in special circumstances in Table C Item 3.)*
☐	☐	7. Existence of family or business relationship between buyer and seller. *(Complete Table C Item 4.)*
☐	☐	8. Land contract. Contract term *(YY)*: _____ and contract date *(MM/DD/YYYY)*: _____
☐	☐	9. Personal property included in transfer. *(Provide the value Table C Item 5.)*
☐	☐	10. Physical changes to property between March 1 and date of sale. *(Describe in special circumstances in Table C Item 3.)*
☐	☐	11. Partial interest. *(Describe in special circumstances in Table C Item 3.)*

If apply, filers conditions 12-15 are subject to disclosure, but no disclosure filing fee.

YES	NO	CONDITION
☐	☐	12. Document for compulsory transactions as a result of foreclosure or express threat of foreclosure, divorce, court order, judgment, condemnation, or probate.
☐	☐	13. Documents involving the partition of land between tenants in common, joint tenants, or tenants by the entirety.
☐	☐	14. Transfer to a charity, not-for-profit organization, or government.
☐	☐	15. Easements or right-of-way grants.

Part C. Sales Data

- Date the conveyance document is signed - Effective date of the deed or document, or the date of the most recent signature on the conveyance document
- Items 1, 2, 4, 5, 6, 7 are required
- DLGF **strongly** recommends using items 3 to provide any information to assist the county
- Items 8-13 are only required if item 7 is YES

C. SALES DATA – DISCLOSE VALUE OF ITEMS LISTED IN TABLE B, ITEMS 1-14

1. Conveyance date (MM/DD/YYYY): _____
2. Total number of parcels: _____
3. Describe any unusual or special circumstances related to this sale, including the specification of any less-than-complete ownership interest and terms of seller financing.

_____

YES	NO	CONDITION
☐	☐	4. Family or business relationship existing between buyer and seller? Amount of discount: $_____

Disclose actual value in money, property, a service, an agreement, or other consideration.

5. Estimated value of personal property:	$
6. Sales price:	$

YES	NO	CONDITION
☐	☐	7. Is the seller financing sale? If yes, answer questions (8-13).
☐	☐	8. Is buyer/borrower personally liable for loan?
☐	☐	9. Is this a mortgage loan?

10. Amount of loan:	$
11. Interest rate:	%
12. Amount in points:	$
13. Amortization period:	

Part 1D. Preparer

- Provides information on the individual preparing the form
- Phone number and email are required to allow Auditor/Assessor ability to call preparer if questions relative to the SDF arise.
- Once posted, phone numbers and email addresses are visible to state and county officials only, not online viewers

D. PREPARER

Preparer of the Sales Disclosure Form	*Title*
Address (Number and Street)	*Company*
City, State, and ZIP Code	*Telephone Number* *E-mail*

Part 1E. Seller(s)/Grantor(s)

- Provides information on the seller of the property
- Phone number and email are required and handled the same as for Preparer
- Contact information must be valid for 30 days
- Seller signature is required

E. SELLER(S)/GRANTOR(S)

Seller 1 - Name as appears on conveyance document	*Seller 2 - Name as appears on conveyance document*
Address (Number and Street)	*Address (Number and Street)*
City, State, and ZIP Code	*City, State, and ZIP Code*
Telephone Number *E-mail*	*Telephone Number* *E-mail*

Under penalties of perjury, I hereby certify that this Sales Disclosure, to the best of my knowledge and belief, is true, correct and complete as required by law, and is prepared in accordance with IC 6-1.1-5.5, "Real Property Sales Disclosure Act".

Signature of Seller	*Signature of Seller*
Printed Name of Seller *Sign Date (MM/DD/YYYY)*	*Printed Name of Seller* *Sign Date (MM/DD/YYYY)*

Part 1F. Buyer(s)/Grantee(s)

- Provides information on the buyer of the property
- Phone number and email are required and handled the same as for Preparer and Seller
- Contact information must be valid for 30 days
- Buyer signature is required

F. BUYER(S)/GRANTEE(S) – APPLICATION FOR DEDUCTIONS AND CREDITS – IDENTIFY ALL ITEMS THAT APPLY

Buyer 1 - Name as appears on conveyance document	*Buyer 2 - Name as appears on conveyance document*
Address (Number and Street)	*Address (Number and Street)*
City, State, and ZIP Code	*City, State, and ZIP Code*
Telephone Number *E-mail*	*Telephone Number* *E-mail*

Under penalties of perjury, I hereby certify that this Sales Disclosure, to the best of my knowledge and belief, is true, correct and complete as required by law, and is prepared in accordance with IC 6-1.1-5.5, "Real Property Sales Disclosure Act".

Signature of Buyer1	*Signature of Buyer2*
Printed Name of Buyer 1 *Sign Date (MM/DD/YYYY)*	*Printed Name of Buyer 2* *Sign Date (MM/DD/YYYY)*

Part 1F. Buyer(s)/Grantee(s)

- Provides information on deductions for which the SDF can be used
- Response to all items is required, except address ( ) for item 2 if response is no

THE SALES DISCLOSURE FORM MAY BE USED TO APPLY FOR CERTAIN DEDUCTIONS FOR THIS PROPERTY. IDENTIFY ALL OF THOSE THAT APPLY.

YES	NO	CONDITION
☐	☐	1. Will this property be the buyer's primary residence? Provide complete address of primary residence, including county:
		Address (Number and Street)
		City, State ZIP Code *County*
☐	☐	2. Does the buyer have a homestead to be vacated for this residence? If yes, provide complete address of residence vacating, including county:
		Address (Number and Street)
		City, State ZIP Code *County*

YES	NO	CONDITION
☐	☐	3. Homestead
☐	☐	4. Solar Energy Heating/Cooling System
☐	☐	5. Wind Power Device
☐	☐	6. Hydroelectric Power Device
☐	☐	7. Geothermal Energy Heating/Cooling Device
☐	☐	8. Is this property a residential rental property?

Part 2 - County Assessor (Validation of SDF)

- SDF to be reviewed for completeness (items 1-14) by the county assessor **before** being forwarded to the auditor
- Response to all items, except 10 (), is required
- Sales conditions subject to a disclosure fee (Part 1B items 1-10) are required to pay a fee of ten dollars ($10.00) to the auditor
- AVs (items 2-5) should be from previous tax year if available – if new parcel should be $0.00
- Response NO on item 11 means form is **rejected**.

PART 2 - COUNTY ASSESSOR

The county assessor must verify and complete items 1 through 14 and stamp the sales disclosure form before sending to the auditor:

1. Property	2. AV Land	3. AV Improvement	4. Value of Personal Property	5. AV Total	6. Property Class Code	7. Neighborhood Code	8. Tax District	9. Acreage
A.)								
B.)								

Assessor Stamp

10. Identify physical changes to property between March 1 and date of sale. _____

YES	NO	CONDITION
☐	☐	11. Is form completed?
☐	☐	12. Sales fee required?

13. Date of sale (MM/DD/YYYY): _____

14. Date form received (MM/DD/YYYY): _____

SDF Part 2 –County Assessor

- Verify the sales disclosure form is complete and accurate as this information is vital to trending assessments properly
  - Updating the assessed values, property class code, neighborhood code, tax district, and acreage fields to match CAMA system values from last March 1 assessment date is important

SDF Part 2 –County Assessor

- Required Sales Information
  - "...Sales data files should reflect the physical characteristics of the property sold. If significant legal, physical, or economic changes have occurred between the sale date and the assessment date, the sale should not be used for ratio studies. (The sale may still be valid for mass appraisal modeling by matching the sale price against the characteristics that existed on the date of sale.)"
    - Per IAAO Standard on Ratio Studies –2007 Section A.2 Information Required

SDF Part 2 –County Assessor

- Complete validation of sales data in preparation for ratio study analysis
  - "The usefulness of sales data is directly related to the completeness and accuracy of the data. Sales data should be routinely confirmed or verified by contacting buyers, sellers, or other knowledgeable participants in the transaction. In general, the fewer the sales in stratum, the less common or more complex the type of property, and the more atypical the sale price, the greater the effort should be to confirm the particulars of the sale..."
    - Per IAAO Standard on Ratio Studies –2007 Section A.3.1 Importance of Confirmation

SDF Part 2 –County Assessor

- Complete validation of sales data in preparation for ratio study analysis–cont.
  - Sale marked as valid for trending in data?
    - (The DLGF expects to see all eligible sales marked valid for trending in the ratio study unless otherwise noted.)
  - Sales marked “Y” for valuable consideration and “N” for valid for trending should provide an explanation on why the sale cannot be used in the special circumstances field.

SDF Part 2 –County Assessor

- Options for validating sales data if needed
  - Ask questions at time of collection
  - Check various on-line sources (MLS, MIBOR, etc.)
  - Send letter to taxpayer requesting clarification
  - Conduct site visit and/or view aerial photographs
  - Also see Appendix A. Sales Validation Guidelines listed in IAAO Standard on Ratio Studies -2007
- Validation of sale complete and information updated in sales disclosure system

Part 3 - County Auditor

- SDF fee to be collected based on response Part 2, item 12 = YES
- Response to all items is required
- If items 1, 2, 3 are no fee then complete with $0.00
- Receipt book number is **required** for reconciliation

PART 3 - COUNTY AUDITOR				
Auditor Stamp	1. Disclosure fee amount collected: $_____	YES	NO	CONDITION
	2. Other Local Fee: $_____	☐	☐	6. s form completed?
	3. Total Fee Collected: $_____	☐	☐	7. s fee collected?
	4. Auditor receipt book number: _____	☐	☐	8. Attachments complete?
	5. Date of transfer (MM/DD/YYYY): _____			

SDF Part 3 –County Auditor

- County Assessor receives information completed by County Auditor (Part 3) and inputs into sales disclosure system
- Sales disclosure fee differences reported to the assessor should be researched with the auditor and documented at regular intervals

SDF Part 3 –County Auditor

- Assessor should always correct issues in the sales data, whenever possible, prior to submitting data file to DLGF
- Items that cannot be fixed, such as discrepancies concerning fees collected, should be compiled in a variance document and submitted to the DLGF along with the sales data

Common Questions and Answers

- **Who keeps the original SDF: the county auditor or the county assessor?**
- Because original signatures are not required, the county assessor must keep a copy of the SDF submitted and return the original submitted to the party for filing with the county auditor.
- Per the new statute in HEA 1293, the assessor is required to keep a copy of the forms for five years; the auditor is required to keep original copies of SDF's that are used as credit applications.

Common Questions and Answers

- **How can a county auditor be sure a transfer is for no consideration and therefore exempt?**
  - The document may contain language such as “for no consideration” or “as a gift” or other similar language. All offices need to work together to ensure that the filer gets accurate information when they present the document for recording.

Data Submission / Data Compliance

- County Assessor must submit all sales disclosures received during the prior year
- Submitted SDF must be verified before submission
- DLGF data division reviews submission
- Data must be approved before sales ratio study can be approval

Data Compliance –“The Big Picture”

•Accurate sales disclosure data is essential for properly trended assessments

•Properly trended assessments affect the county’s ability to achieve on-time billing

•The County Assessor is responsible for approving the substance of their data (assessment records) regardless of any outside vendor partnerships

Sales Compliance Checks

- Why do we do compliance checks? What are our goals?
  - Primary checks done to ensure we have
    - all the sales transacted for the calendar year, and
    - All the critical data necessary to evaluate ratio study
  - ***"The findings of a ratio study can only be as accurate as data used in the study."***
    - ***(IAAO Standard on Ratio Studies –2007, pgs. 8-9)***
  - ***"Quality control techniques can be used to measure market activity or to determine whether an assessor is fully reporting sales information."***
    - ***(IAAO Standard on Ratio Studies –2007, pg. 30***

Sales Compliance Checks

- What are the major sales review concerns in terms of data checks when reviewing sales data?
  - # of non-exempt sales received matches number expected
  - Percentage of non-exempt sales valid for trending *(note: exempt sales valid for trending are considered later during the ratio study review)*
  - Check for excessive duplicate records
  - Check for duplicate non-exempt multiple-parcel sales

Sales Compliance Checks

- There is a direct relationship between the sales data collected and the ratio study.
  - New data integrity checks for 2010p2011 studies will be implemented to compare:
    - Ratio Study to the Workbook
    - Sales data to the Ratio Study
    - Workbook to the Real Property PARCEL data (both before and after trending)
  - How will these checks help the county?

Collecting Accurate Sales Data

- Preliminary review of SDF forms received in Assessor's office
  - Check for accuracy and completeness
  - If a taxpayer insists on filing the SDF form instead of the original deduction form and the SDF form is filed for a deduction ONLY (i.e. Homestead), the SDF form should NOT be entered into your sales database.
  - For valuable consideration and all other arms length transaction filings need a sales price
  - Incomplete sales (missing critical data) marked as valid for trending will be excluded

Collecting Accurate Sales Data

- What does the form mean?
  - Valuable Consideration vs. Not For Valuable Consideration
  - Importance of identifying the correct sales conditions
  - Critical data reviewed –Tax District Number, Property Class Code, Sales Price, and Buyer/Seller Information
  - Conveyance Date is the date on which the sale was closed or completed (date sale price agreed upon) and not the date the transfer was processed (recorded)
  - Using the Special Circumstances field (Assessor) to document additional details of the transaction

Collecting Accurate Sales Data

- Sales disclosure fee required vs. not required
  - What should the assessor's office do if there is a discrepancy between how the assessor directed the fee to be collected and how/when the auditor actually collected the fee?
  - What does the DLGF do if an auditor revenue collection issue is determined?

Collecting Accurate Sales Data

- Processing Land Contracts
  - A SDF and FILING FEE is required for both beginning and end of the contract transactions
    - Fees collected for the latter will be manually deducted from the revenue figures since these sales would not show up in the sales data (conveyance date does not fall within the calendar year of sales data submitted)
  - The SDF form filed in the year the contract originated (current year) may possibly be used for trending if it is determined to be an arms length transaction
  - The SDF form filed in the year the contract ends (deed transfers at this time) would not normally be used for trending because the conveyance date (the date sale price was agreed to) occurred prior to the current data collection period

Collecting Accurate Sales

- Processing Splits and Combinations
  - Record entries are sometimes missing from data file because they were entered as next year's sales (assessment vs. calendar year)
  - No parcel match to current assessment data (before roll)
    - Subsequent split sale should be noted in special circumstances field
    - Provide information on why sale parcel number does not match

Collecting Accurate Sales Data

- Duplicate entries
  - Recommend county first try to edit the sale to correct it to avoid entering a second time
  - Problems editing sales –please contact our office for assistance
  - If you must re-enter a sale (no other option), identify the first entry as the duplicate and explain why in the special circumstances field; the re-entry of the sale will be the complete SDF with all pertinent and correct information.

Data Management Recommendations

- Check sales data before submitting to DLGF because:
  - Sales used in a ratio study must reflect market value-in-use
  - Sales prices must reflect only the market value-in-use and not the value of personal property, financing, or leases
  - Only sales that occur during the period of analysis are used
  - Sales should be excluded (marked not valid) from the ratio study ONLY with good cause

Data Management Recommendations

- Sales data is considered the base or source of the sales that will be used for the ratio study
- Every arm's length, open market sale that appears to meet the conditions of a market value-in-use must be included in the ratio study unless "sufficient and compelling information" can be documented to show otherwise
- Verify workbook information
  - Provide a list of appeals and/or other correction of errors for any changes on the historical AVs