



Indiana Assessors' Association

Sales Validation

Data Analysis Division
September 2011



Agenda

- Overview of the Sales Disclosure Form (SDF)
- Sales Validation
 - Options for Validating Sales Data
 - Sales Screening
 - Annual Adjustment and Sales Verification
- Sales Submission and Sales Reviews
- Project Management Recommendations



SDF Uses

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



SDF and Market Value

- Accurate sales disclosure data is essential for properly trended assessments.
- Properly trended assessments affect the county's ability to achieve on-time billing.
- Without accurate sales data, ratio studies would not be meaningful or applicable.
- Accurate sales validation can save a county time and money when preparing its ratio study.



Conveyance Document Defined

- A conveyance document is defined as any of the following which purports to transfer a real property interest for **valuable consideration**:
 - 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; or
 - another document presented for recording.



Conveyance Document Defined

- Conveyance documents also include 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
- Filers are required to **disclose**, but are **not subject to a fee** when filing the above documents.



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 rerecording to correct prior recorded document



One SDF, One Parcel

- 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 or more contiguous parcels located within a single taxing district.



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-hand of form
- Assigned by county office or online system
- Unique number composed of “C”-County ID (01-92) –Year –Unique ID (system generated)
- Used by DLGF/County to track specific SDF



SALES DISCLOSURE FORM

State Form 46021 (09/7-09)

Prescribed by Department of Local Government Finance
Pursuant to IC 8-1.1-5.5

PRIVACY NOTICE: The telephone numbers and Social Security numbers of the parties on this form are confidential according to IC 8-1.1-5.1(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.)	<input type="checkbox"/> 2. Split <input type="checkbox"/> 3. Land <input type="checkbox"/> 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.)	<input type="checkbox"/> 2. Split <input type="checkbox"/> 3. Land <input type="checkbox"/> 4. Improvement		
7. Legal Description of Parcel A:			
B.)	<input type="checkbox"/> 2. Split <input type="checkbox"/> 3. Land <input type="checkbox"/> 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 condition 1 applies, filer is subject to disclosure and a disclosure filing fee.		
YES	NO	CONDITION
<input type="checkbox"/>	<input type="checkbox"/>	1. A transfer of real property interest for valuable consideration.
<input type="checkbox"/>	<input type="checkbox"/>	2. Buyer is an adjacent property owner.
<input type="checkbox"/>	<input type="checkbox"/>	3. Vacant land.
<input type="checkbox"/>	<input type="checkbox"/>	4. Exchange for other real property ("Trade").
<input type="checkbox"/>	<input type="checkbox"/>	5. Seller paid points. <i>(Provide the value Table C Item 12.)</i>
<input type="checkbox"/>	<input type="checkbox"/>	6. Change planned in the primary use of the property? <i>(Describe in special circumstances in Table C Item 3.)</i>
<input type="checkbox"/>	<input type="checkbox"/>	7. Existence of family or business relationship between buyer and seller. <i>(Complete Table C Item 4.)</i>
<input type="checkbox"/>	<input type="checkbox"/>	8. Land contract. Contract term (yy): _____ and contract date (MM/DD/YYYY): _____
<input type="checkbox"/>	<input type="checkbox"/>	9. Personal property included in transfer. <i>(Provide the value Table C Item 5.)</i>
<input type="checkbox"/>	<input type="checkbox"/>	10. Physical changes to property between March 1 and date of sale. <i>(Describe in special circumstances in Table C Item 3.)</i>
<input type="checkbox"/>	<input type="checkbox"/>	11. Partial interest. <i>(Describe in special circumstances in Table C Item 3.)</i>
<input type="checkbox"/>	<input type="checkbox"/>	12. Easements or right-of-way grants.
If conditions 13-15 apply, filers are subject to disclosure, but no disclosure filing fee.		
YES	NO	CONDITION
<input type="checkbox"/>	<input type="checkbox"/>	13. Document for compulsory transactions as a result of foreclosure or express threat of foreclosure, divorce, court order, judgment, condemnation, or probate.
<input type="checkbox"/>	<input type="checkbox"/>	14. Documents involving the partition of land between tenants in common, joint tenants, or tenants by the entirety.
<input type="checkbox"/>	<input type="checkbox"/>	15. Transfer to a charity, not-for-profit organization, or government.



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



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)			
<i>Seller 1 - Name as appears on conveyance document</i>		<i>Seller 2 - Name as appears on conveyance document</i>	
<i>Address (Number and Street)</i>		<i>Address (Number and Street)</i>	
<i>City, State, and ZIP Code</i>		<i>City, State, and ZIP Code</i>	
<i>Telephone Number</i>	<i>E-mail</i>	<i>Telephone Number</i>	<i>E-mail</i>
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".			
<i>Signature of Seller</i>		<i>Signature of Seller</i>	
<i>Printed Name of Seller</i>	<i>Sign Date (MM/DD/YYYY)</i>	<i>Printed Name of Seller</i>	<i>Sign Date (MM/DD/YYYY)</i>



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 PROPERTY TAX DEDUCTIONS- 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	
THE SALES DISCLOSURE FORM MAY BE USED TO APPLY FOR CERTAIN DEDUCTIONS FOR THIS PROPERTY. IDENTIFY ALL OF THOSE THAT APPLY.			
YES	NO	CONDITION	YES NO CONDITION
<input type="checkbox"/>	<input type="checkbox"/>	1. Will this property be the buyer's primary residence? Provide complete address of primary residence, including county:	<input type="checkbox"/> <input type="checkbox"/> 3. Homestead
Address (Number and Street)			<input type="checkbox"/> <input type="checkbox"/> 4. Solar Energy Heating/Cooling System
City, State ZIP Code County			<input type="checkbox"/> <input type="checkbox"/> 5. Wind Power Device
<input type="checkbox"/>	<input type="checkbox"/>	2. Does the buyer have a homestead in Indiana to be vacated for this residence? If yes, provide complete address of residence being vacated, including county:	<input type="checkbox"/> <input type="checkbox"/> 6. Hydroelectric Power Device
Address (Number and Street)			<input type="checkbox"/> <input type="checkbox"/> 7. Geothermal Energy Heating/Cooling Device
City, State ZIP Code County			<input type="checkbox"/> <input type="checkbox"/> 8. Is this property a residential rental property?
			<input type="checkbox"/> <input type="checkbox"/> 9. Would you like to receive tax statements for this property via e-mail? (Provide contact information below. Please see instructions for more information. Not available in all counties.)
			Primary property owner contact name 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". (Note: Spouse information, Social Security and Driver's License/Other numbers are not necessary if no Homestead Deduction is being filed.)			
Signature of Buyer 1		Signature of Buyer 2/Spouse	
Printed Legal Name of Buyer 1		Printed Legal Name of Buyer 2/Spouse	
Sign Date (MM/DD/YYYY)		Sign Date (MM/DD/YYYY)	
Last 5 digits of Buyer 1 Driver's License/ID/Other Number		Last 5 digits of Buyer 2/Spouse Driver's License/ID/Other Number	
State		State	
Last 5 Digits of Social Security Number		Last 5 Digits of Social Security Number	



Validation of SDF

- Indiana law requires a sales disclosure form (SDF) be reviewed for completeness by the County Assessor before being forwarded to the County Auditor and must be completed whenever a conveyance document is filed.
- 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 is not stamped by the County Assessor.



Part 2 - County Assessor

- Items 1-14 are to be reviewed for completeness.
- Response to all items, except 10, is required.
- Sales conditions subject to a disclosure fee (Part 1B Items 1-11) are required to pay a fee of ten dollars (\$10.00) to the Auditor.
- 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:																									
<input type="checkbox"/> 1. Property	<input type="checkbox"/> 2. AV Land	<input type="checkbox"/> 3. AV Improvement	<input type="checkbox"/> 4. Value of Personal Property	<input type="checkbox"/> 5. AV Total	<input type="checkbox"/> 6. Property Class Code	<input type="checkbox"/> 7. Neighborhood Code	<input type="checkbox"/> 8. Tax District	<input type="checkbox"/> 9. Acreage																	
A.)																									
B.)																									
Assessor Stamp			10. Identify physical changes to property between March 1 and date of sale. _____ _____ _____ _____				<table border="1"> <thead> <tr> <th>YES</th> <th>NO</th> <th>CONDITION</th> </tr> </thead> <tbody> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/> 11. Is form completed?</td> </tr> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/> 12. State sales fee required?</td> </tr> <tr> <td colspan="2"></td> <td><input type="checkbox"/> 13. Date of sale (MM/DD/YYYY): _____</td> </tr> <tr> <td colspan="2"></td> <td><input type="checkbox"/> 14. Date form received (MM/DD/YYYY): _____</td> </tr> </tbody> </table>				YES	NO	CONDITION	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> 11. Is form completed?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> 12. State sales fee required?			<input type="checkbox"/> 13. Date of sale (MM/DD/YYYY): _____			<input type="checkbox"/> 14. Date form received (MM/DD/YYYY): _____
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		<input type="checkbox"/> 13. Date of sale (MM/DD/YYYY): _____																							
		<input type="checkbox"/> 14. Date form received (MM/DD/YYYY): _____																							



Part 2 - County Assessor

- AVs (Items 2-5) should be from previous tax year, if available – if new parcel should be \$0.00.
- Property Class Code (Item 6), Neighborhood Code (Item 7), Tax District (Item 8), and Acreage Fields (Item 9) should be updated to match CAMA system values from last March 1st assessment date.



Part 2 - County Assessor

- Items 15-18 are to be completed.
- Processing the form to the Auditor is not contingent on validation of the sale.

PART 2 - COUNTY ASSESSOR

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. _____

YES	NO	CONDITION
<input type="checkbox"/>	<input type="checkbox"/>	16. Sale valid for trending?
<input type="checkbox"/>	<input type="checkbox"/>	17. Validation of sale complete?
18. Validated by: _____		



Options for Validating Sales Data

- Ask questions at the time of collection.
- Check various on-line sources (MLS, MIBOR, etc.).
- Send a letter to the taxpayer requesting clarification.
- Conduct a site visit and/or view aerial photographs.
- Also, see Appendix A. Sales Validation Guidelines listed in IAAO Standard on Ratio Studies - 2007.



Sales Screening

- Every arm's length, open market sale that appears to meet the condition of a market value-in-use transaction **must** be included in the ratio study *unless*:
 - sales data are incomplete, unverifiable, or suspect;
or
 - fails to pass one or more specific tests of acceptability in the *Standard on Ratio Studies*



Sales Screening

- The county should take the position that all sales are candidates for ratio study...

...unless **“sufficient and compelling information”** can be documented to show otherwise.

- No “cherry picking” will be permitted.
 - Occurs when assessors regard only sales that closely match AVs as valid.



Annual Adjustment - Sales Verification

- 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.



Annual Adjustment - Sales Verification

- Only sales marked “valid for trending” in the SALES File are used to conduct the Department’s ratio study.
- Property data from the Workbook must match the Department’s certified data for assessments to be approved with the exception of:
 - appeals, or
 - correction of errors.



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.

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): _____	<table border="1"> <thead> <tr> <th>YES</th> <th>NO</th> <th>CONDITION</th> </tr> </thead> <tbody> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td>6. Is form completed?</td> </tr> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td>7. Is state fee collected?</td> </tr> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td>8. Attachments complete?</td> </tr> </tbody> </table>	YES	NO	CONDITION	<input type="checkbox"/>	<input type="checkbox"/>	6. Is form completed?	<input type="checkbox"/>	<input type="checkbox"/>	7. Is state fee collected?	<input type="checkbox"/>	<input type="checkbox"/>	8. Attachments complete?
YES	NO	CONDITION												
<input type="checkbox"/>	<input type="checkbox"/>	6. Is form completed?												
<input type="checkbox"/>	<input type="checkbox"/>	7. Is state fee collected?												
<input type="checkbox"/>	<input type="checkbox"/>	8. Attachments complete?												



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.



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.



Assessor Data Submissions

- How do I know my data is ready for review?
 - All records have been entered (direct entry or upload).
 - All records indicate that the form is complete.
 - As appropriate, records have been marked as valid for trending.
 - All records have been reviewed.



Compliance Checks

- Primary checks done to ensure we have
 - all the sales transacted for the calendar year;
 - all the critical data necessary to evaluate ratio study; and
 - all data submissions (sales, real, personal, tax) tested sufficiently so there is a reasonable expectation they are accurate and complete.



Sales Data - Reviews

- Number of sales records received versus number of sales records expected.
- Number of non-fee exempt duplicate records.
- Number of non-fee exempt duplicate multiple parcel records.
- Range of conveyance dates
 - January 1, 2011 – February 28, 2012, inclusive.



Sales Data - Reviews

- Number of non-fee exempt records missing or invalid critical data
 - Critical data:
 - State-assigned taxing district number
 - Property class code
 - Total sales price
 - Buyer/seller basic information
 - If number of records with missing/invalid critical data exceeds 2% of total non-fee exempt records, the data will be rejected!



Sales Data - Reviews

- Match of non-fee exempt sales disclosure parcel numbers to parcel numbers in real property files
 - Necessary for ratio studies as real property files contain AV information



Sales Data - Reviews

- Items that need explanation
 - Special Circumstances Field
 - Variance Document



Sales Data - Reviews

- Check for excessive duplicate records.
- Check for duplicate non-exempt multiple-parcel sales.
- Check for number of splits in the sales file.



Sales Data - Reviews

- Include all calendar year splits and subsequent splits
 - Record entries are sometimes missing from data (assessment vs. calendar year);
 - Note subsequent split sale information in special circumstances field; and
 - Provide any additional information on why parcel number does not match PARCEL data in special circumstances field.



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; and
 - 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.



Project Management

- Sales data range – January 1, 2011 through February 28, 2012
- Deadline for data submission – March 31, 2012
- How do you get it all done in a timely and accurate manner?



Project Management

- Work on sales disclosures throughout the year
 - Data entry of information
 - Sales validation
 - Fee differences with the county auditor
- Benchmarks/goals - Examples
 - Sales will be data entered with two weeks.
 - Sales will be validated within one month.



Project Management

- Work with your assessment vendors throughout the year
 - Get training from your vendors on what they will consider a valid sale for the purposes of the ratio study
 - Develop a good method to bounce questions off of them before completing the form/data entry



Project Management

- Document, document, document
 - As a sale is still fresh in your mind and the minds of the seller and buyer, document any unique details of the sales
 - Special circumstances fields
 - Part 1C, Question 3
 - Part 2, Question 15
 - Variance document



Contact the Department

- **Cathy Wolter – Legal Questions**
 - Telephone: 317.233.4361
 - E-mail: cwolter@dlgf.in.gov
- **Eric Bussis – Data Compliance Questions**
 - Telephone: 317.232.3759
 - E-mail: erbussis@dlgf.in.gov
- **Web site: www.in.gov/dlgf**
 - “Contact Us”: www.in.gov/dlgf/2338.htm.