



Developments at the Department of Local Government Finance

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Commissioner

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The Department's Role in Real Property Assessment

- The Department prescribes the rules for the assessment of real property.
 - “True tax value is the value determined under the rules of the department of local government finance.” IC 6-1.1-31-6(c)
- Assessors shall comply with the Department's rules.
 - Additional factors may be considered if first approved by the Department.



Mass Appraisal vs. Appeals

- While mass appraisal principles are being used successfully for a large percentage of the properties in the State, in recent years, the focus has shifted more to those properties subject to changes in assessed value determined through the appeals process.

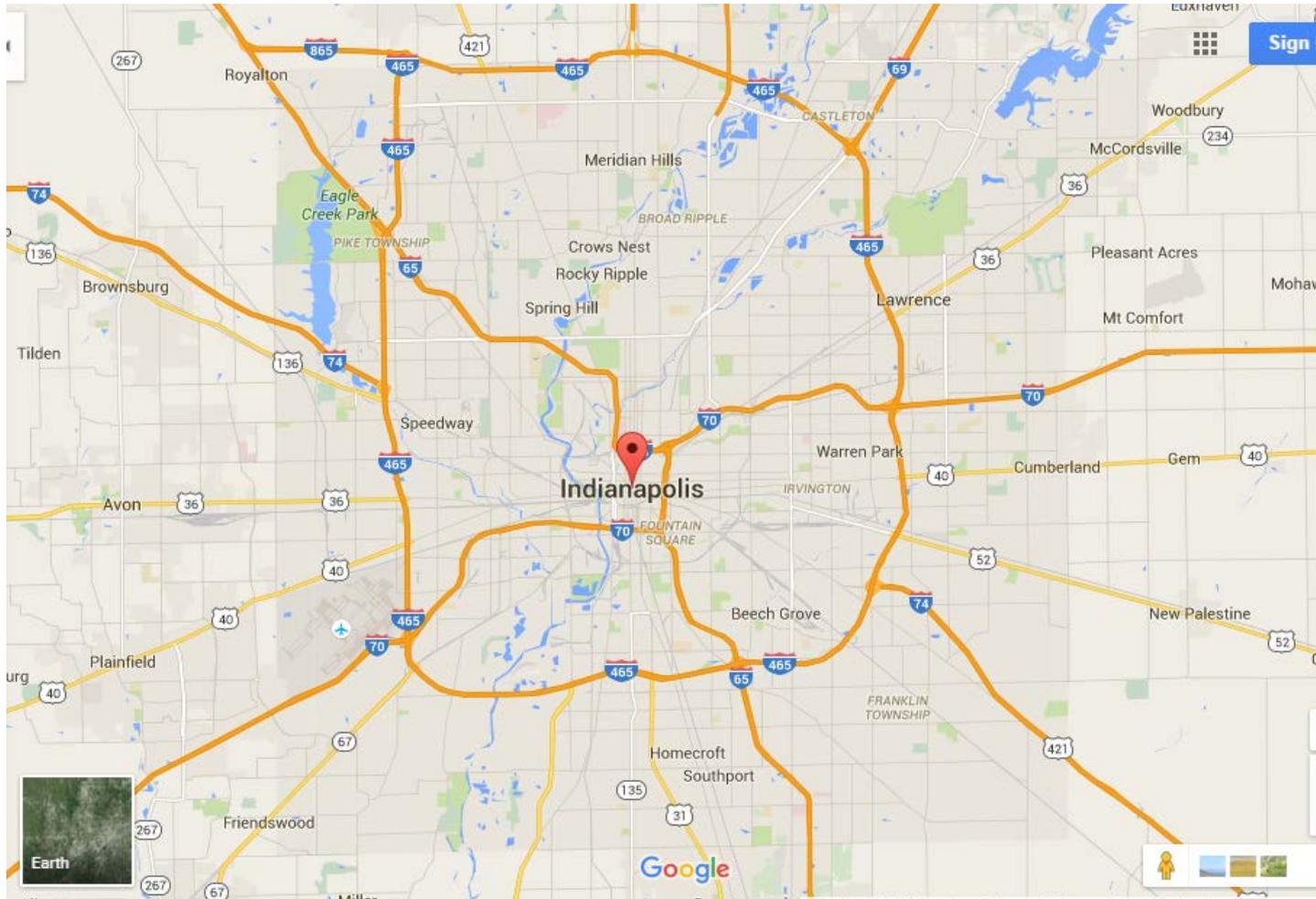


Mass Appraisal vs. Appeals



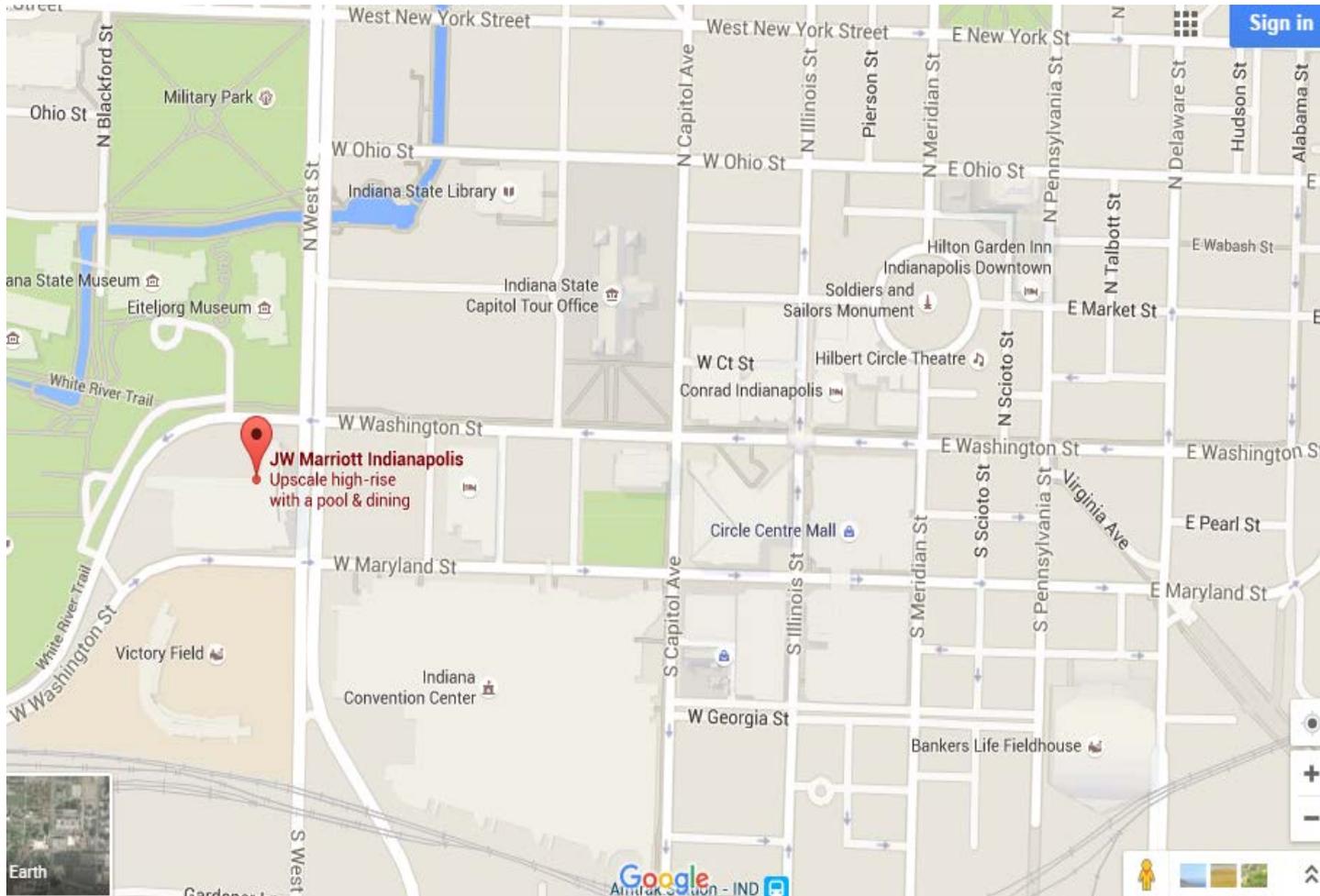


Mass Appraisal vs. Appeals





Mass Appraisal vs. Appeals





Market Segmentation

- The Indiana General Assembly directed much attention during the 2016 session on a concept called “market segmentation”.
- Sales of properties purported to be similar to the subject property can be used to value that subject property only if they hail from the same market or submarket as the subject property.



Market Segmentation

- The Department has been directed to update the real property assessment manual to include guidance on market segmentation.
- Goals for the Update:
 - Thorough
 - Understandable
 - Cooperative
 - Timely



Cost Table Updates

- The Department's current contract with Craftsman expires in 2016.
- The Department has initiated a RFP for a vendor to supply cost table information for an update to the guidelines.
- The current expectation is that new cost table information would be available for the January 1, 2018 assessment date.



More Regular Updates

- Both the market segmentation updates and the cost table updates provide the opportunity for the Department to bring the real property assessment manual and guidelines in line with the current legal and economic environment.
- Moving forward, it will be imperative for the Department to proactively consider updates to these documents in order to continue to better correlate the mass appraisal and the appeals processes.



Appeals Data

- Starting in 2016, each PTABOA is required to provide a report of activities to the Department, the Indiana Board of Tax Review and the Legislative Services Agency before April 1.
- This data will be made publicly available on Gateway (gateway.in.gov).



Appeals Data

- Starting in 2016, each PTABOA is required to provide a report of activities to the Department, the Indiana Board of Tax Review and the Legislative Services Agency by April 1.
 - Number of notices for review filed with the PTABOA in the preceding year.
 - Number of notices for review resolved through a preliminary informal meeting.
 - In whose favor was the issue resolved?



Appeals Data

- Starting in 2016, each PTABOA is required to provide a report of activities to the Department, the Indiana Board of Tax Review and the Legislative Services Agency by April 1.
 - Notices of review for which a hearing was conducted.
 - Number of written decisions issues.
 - In whose favor was the issue resolved?
 - Number of notices of review pending as of December 31.



Personal Property

- De Minimis Exemption
 - Total acquisition cost in the county of less than \$20,000
 - Upon signing of HEA 1169, the Department will release updated personal property forms and FAQs.
 - For 2016 only, a taxpayer may file a notarized certification or may use the updated personal property forms to claim the exemption.



Personal Property

- De Minimis Exemption – Local Service Fee
 - The Department has been collecting the local ordinances for those counties that have chosen to impose a local service fee associated with the de minimis exemption.
 - <http://in.gov/dlgf/7576.htm>



Future Initiatives

- Assessed Value Lifecycle
 - A publicly available tool that would show the changes in gross and net assessed value both throughout the assessment/tax year and also in comparison to prior years.
- Additional Administrative Rule Updates



Contact the Department

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