

INDIANA BOARD OF TAX REVIEW
Small Claims
Final Determination
Findings and Conclusions

Petition: 53-004-23-1-5-00594-23
Petitioners: David and Valerie Compton
Respondent: Monroe County Assessor
Parcel: 53-05-18-200-043.014-004
Assessment Year: 2023

The Indiana Board of Tax Review issues this determination, finding and concluding as follows:

Procedural History

1. On June 14, 2023, David and Valerie Compton filed an appeal petition with the Monroe County Assessor challenging their property's 2023 assessment. On September 7, 2023, the Monroe County Property Tax Assessment Board of Appeals ("PTABOA") held a hearing on the Comptons' petition and issued a determination reducing the assessment from \$652,200 to \$639,100 (\$100,400 for land and \$538,700 for improvements). On October 18, 2023, the Comptons filed a Form 131 petition with us.
2. On August 8, 2024, our designated administrative law judge, Joseph Stanford ("ALJ"), held a telephonic hearing on the Comptons' petition. Neither he nor the Board inspected the property. Valerie Compton appeared *pro se*, and Marilyn Meighen appeared as counsel for the Assessor. Compton and Judith Sharp, the Monroe County Assessor, testified under oath.

Record

3. The official record for this matter includes the following:

Exhibit 1:	2022 Notice of Assessment and Form 130 petition,
Exhibit 2:	2023 Notice of Assessment, Form 130 petition, Form 115 determination, and Form 114 notice of hearing,
Exhibit 3:	Form 131 petition,
Exhibit 4:	Property record card for the Comptons' property, with photographs, sketch, and valuation history,
Exhibit 5:	The Comptons' request regarding their property's grade; Excerpts from Version A – Real Property Assessment Guideline, Appendix A,
Exhibit 6:	Comparison chart, map, and photographs of properties on Lauren Lane,
Exhibit 7:	Comparison chart, map, photographs, and property record cards for properties on Maple Grove Road, Grantham Run, Cambridge Springs, and Binford Woods,

- Exhibit 8: Chart showing sales and assessments in Muirfield with property record cards,
Exhibit 9: Listing of neighborhood factors with photographs,
Exhibit 10: 2022 home sales with 2023 assessed values,
Exhibit 11: Valuation histories for 5019 North Muirfield Drive, 2654 West Prestwick Court, and 5014 North Muirfield Drive.

4. The record also includes: (1) all petitions and other documents filed in this appeal, (2) all notices and orders issued by the Board or the ALJ, and (3) an audio recording of the hearing.

Findings of Fact

5. The Comptons' property is located at 5015 North Muirfield Drive in Bloomington. It is part of a neighborhood known as Muirfield. The Comptons bought the 1.04-acre lot for \$79,000 in 2012. They built a 5,338-square-foot single-family home three years later. Although the home was custom-built, it has vinyl siding and vinyl windows. The driveway is blacktop. *Compton testimony; Exs. 4, 8.*
6. The Assessor assigned the Comptons' home a quality grade of "C+1" when it was first built. But she later changed the grade to "B-1." The property's assessment rose from \$600,700 in 2022 to \$639,100 in 2023, an increase of 6.4%. *Ex. 4.*

Parties' Contentions

A. The Comptons' Contentions

7. The Comptons asked that their home's quality grade be lowered from "B-1" to "C+1," and that their assessment be reduced to \$550,000. According to the Comptons, they have not received an explanation as to why the Assessor increased the home's grade. They characterized their property as more basic than some custom homes in Monroe County, which do not have vinyl siding and windows or blacktop driveways. The Comptons claim they were told that the Assessor's office was trying to get more money by "using every tool in their toolbox" to bring assessments "as high to the cap as possible." *Compton testimony and argument, Ex. 5.*
8. The Comptons claimed that Muirfield is deteriorating when compared to surrounding neighborhoods. They live on a "through street" with more traffic than streets in the surrounding neighborhoods. And Muirfield's roads need repairs. According to Valerie Compton ("Valerie"), Muirfield does not receive city services, although it appears she was just referring to sewer service. She also claimed that the neighborhood's sidewalks were incomplete and that the roads need to be repaired. There were four vacant lots left in the neighborhood, and the developer was having trouble selling them. *Compton testimony and argument; see also, Exs. 4, 6, 8.*

9. The Comptons pointed to what Valerie characterized as a “variation” in land assessments. They compared the 2023 assessments for their lot and six other lots to the lots’ sale or listing prices:

Address	Size	Price	Assessment	Difference
Compton Property	1.04 Acres	\$79,000	\$100,400	27%
5000 N. Muirfield	1.07 Acres	\$67,900	\$75,000	10%
5008 N. Muirfield	1.04 Acres	\$67,900	\$75,100	10%
5041 N. Muirfield	1.65 Acres	\$87,900	\$3,100	-96%
2610 W. Donegal	1.90 Acres	\$87,900	\$90,000	2%
4995 N. Muirfield	2.26 Acres	\$108,000	\$73,200	-32%
5131 N. Muirfield	4.43 Acres	\$97,900	\$114,200	16%

The last two lots sold in 2022. The rest were listings. *Compton argument and testimony; Ex. 8.*

10. The Comptons believe their property was assessed at a higher rate than were comparable or superior properties in better neighborhoods. In that vein, they offered assessment data for nine properties within a one-mile radius of their property. Those properties were assessed at rates ranging from \$90.60/SF to \$136.01/SF, while the Comptons’ property was assessed at \$158.15/SF. Two of the properties from North Lauren Lane in Binford Woods essentially share a backyard with the Comptons. According to Valerie, Binford Woods has larger lots and many stately homes. And it is an established neighborhood that doesn’t have the same amount of traffic or ongoing construction as Muirfield. But in other ways, the two neighborhoods have similar attributes. *Compton testimony and argument; Ex. 6.*
11. The Comptons also compared the neighborhood factor assigned to Muirfield to the factors assigned to 10 other neighborhoods, including Binford Woods. Muirfield had the highest factor, even though many of the other neighborhoods have what Valerie described as high-end homes. *Compton testimony; Ex. 9.*
12. Finally, the Comptons claimed there was a disparity between assessments and sale prices for improved properties. They offered the following sale and assessment data for four properties that sold in 2022:

Property Address	Sale Price	2023 Assessment
2026 West Stanton Ct.	\$595,000	\$416,500
1798 West Lancaster Dr.	\$460,000	\$373,600
4700 North Maple Grove Rd	\$559,540	\$370,600
2502 West Turnberry Circle	\$610,000	\$594,200

Only one of the properties was from Muirfield. All of the homes had four or five bedrooms and between 2.5 and 3.5 bathrooms. Their lots ranged from 0.41 acres to 2.5 acres. *Compton testimony and argument; Ex. 10.*

B. The Assessor's Contentions

13. The Assessor conceded that she had the burden of proof and that the Comptons 2023 assessment should revert to the 2022 value of \$600,700. *Meighen argument; Sharp testimony; Ex. 4.*
14. Turning to the Comptons' claim for an even lower value, the Assessor disputed the implication that she was raising quality grades in order to bring in more money. She explained that changes in assessments are the result of mass appraisal trending, which is performed annually. According to the Assessor, grades are not applied the way they used to be because the market is rapidly increasing, and the cost tables have not been updated in six years. In any case, assessments and sale prices will not be identical in mass appraisal. In order to be consistent and fair, the Assessor tries to arrive at values as close to the market as possible. But she does not perform fee appraisals.
15. Finally, the Assessor argued that the Comptons failed to offer probative evidence to support lowering their assessment. Although they offered some data for other properties, they did not apply generally accepted appraisal or assessment practices to analyze that data. They did not show that the other properties were comparable to their property. Nor did they adjust any of the sale prices or assessments to reflect differences between the properties. And the Comptons did not do a ratio analysis. Instead, their claims largely just attacked the Assessor's methodology in determining assessments. *Meighen argument.*

Conclusions of Law and Analysis

A. The Assessor conceded she had the burden of proving the property's true tax value.

16. Generally, a taxpayer has the burden of proof when challenging a property's tax assessment. Accordingly, the assessment on appeal, "as last determined by an assessing official or the county board," will be presumed to equal "the property's true tax value." I.C. § 6-1.1-15-20(a) (effective March 21, 2022).
17. However, the burden of proof shifts if the property's assessment "increased more than five percent (5%) over the property's assessment for the prior tax year." I.C. § 6-1.1-15-20(b). Subject to certain exceptions, the assessment "is no longer presumed to be equal to the property's true tax value, and the assessing official has the burden of proof." *Id.* If the burden has shifted, and "the totality of the evidence presented to the Indiana board is insufficient to determine the property's true tax value," then the "property's prior year assessment is presumed to be equal to the property's true tax value." I.C. § 6-1.1-15-20(f).
18. The Comptons' assessment increased by 6.4% between 2022 and 2023, and the Assessor conceded she had the burden of proof. She further conceded that the assessment should revert to the 2022 value of \$600,700.

B. Because the totality of the evidence does not suffice to show the property's true tax value, we must presume that its value equals the previous year's assessment of \$600,700.

19. Our analysis does not end with the Assessor's concessions, however. The Comptons seek an even lower assessment.
20. We are the trier of fact in property tax appeals, and our charge is to "weigh the evidence and decide the true tax value of the property as compelled by the totality of the probative evidence" before us. I.C. § 6-1.1-15-20(f). Our conclusion "may be higher or lower than the assessment or the value proposed by a party or witness." *Id.* Regardless of which party has the initial burden of proof, either party "may present evidence of the true tax value of the property, seeking to decrease or increase the assessment." I.C. § 6-1.1-15-20(e).
21. True tax value does not mean "fair market value" or "the value of the property to the user." I.C. § 6-1.1-31-6(c), (e). Instead, it is determined under the rules of the Department of Local Government Finance ("DLGF"). I.C. § 6-1.1-31-5(a); I.C. § 6-1.1-31-6(f). The DLGF defines true tax value as "market value-in-use," which it in turn defines as "[t]he market value-in-use of a property for its current use, as reflected by the utility received by the owner or by a similar user, from the property." 2021 REAL PROPERTY ASSESSMENT MANUAL at 2.
22. To meet its burden of proof, a party "must present objectively verifiable, market-based evidence" of the property's value. *Piotrowski v. Shelby Cty. Ass'r*, 177 N.E.3d 127, 132 (Ind. Tax Ct. 2021) (citing *Eckerling v. Wayne Twp. Ass'r*, 841 N.E.2d 674, 677-78 (Ind. Tax Ct. 2006)). For most real property types, neither the taxpayer nor the assessor may rely on the mass appraisal "methodology" of the "assessment regulations." *PIA Builders & Developers, LLC v. Jennings Cty. Ass'r*, 842 N.E.2d 899, 900, (Ind. Tax Ct. 2006). This is because the "formalistic application" of the procedures and schedules from the DLGF's assessment guidelines lacks the market-based evidence necessary to establish a specific property's market value-in-use. *Piotrowski*, 177 N.E.3d at 133.
23. Market-based evidence may include "sales data, appraisals, or other information compiled in accordance with generally accepted appraisal principles." *Peters v. Garoffolo*, 32 N.E.3d 847, 849 (Ind. Tax Ct. 2015). Relevant assessments are also admissible, but arguments that "another property is 'similar' or 'comparable' simply because it is on the same street are nothing more than conclusions ... [and] do not constitute probative evidence." *Marinov v. Tippecanoe Cty. Ass'r*, 119 N.E.3d 1152, 1156 (Ind. Tax Ct. 2019). Finally, the evidence must reliably indicate the property's value as of the valuation date. *O'Donnell v. Dep't of Local Gov't. Fin.*, 854 N.E.2d 90, 95 (Ind. Tax Ct. 2006). For 2023 assessments, the valuation date was January 1, 2023. I.C. § 6-1.1-2-1.5(a).
24. The Comptons relied partly on methodological claims: that the Assessor should have used a lower quality grade under the Guidelines and a lower neighborhood factor in

assessing their property. As we have already discussed, however, a party cannot rely on such methodological claims to prove a property's true tax value.

25. The Comptons also offered assessment and sales information for vacant lots and improved properties from Muirfield and surrounding neighborhoods. In doing so, they argued that their property was assessed for more than were properties they characterized as comparable or superior to their own. They compared the properties along some relevant lines, such as lot size, home size and framing, and number of bedrooms and bathrooms. But they did not consider other relevant factors, like the homes' comparative ages. More importantly, they did not adjust the sale prices or assessments to reflect relevant differences between the properties or otherwise explain how those differences affected the properties' relative values. *See Long v. Wayne Twp. Ass'r*, 821 N.E.2d 466, 470-71 (Ind. Tax 2005) (holding that taxpayers' sales data for other properties lacked probative value where they failed to explain how the characteristics of those properties compared to their property or how any differences affected market value-in-use).¹
26. Because the totality of the evidence does not suffice to prove the true tax value of the Comptons' property, we must presume that its true tax value equals the previous year's assessment.

C. The Comptons did not make a case for relief based on a lack of uniformity and equality in assessments.

27. In addition to arguing that their property was assessed for more than its true tax value, the Comptons also arguably claimed a lack of uniformity and equality in assessments.
28. The Indiana Constitution's Property Taxation Clause directs the Legislature to "provide, by law, for a uniform and equal rate of property assessment and taxation" and to "prescribe regulations to secure a just valuation for taxation of all property." IND. CONST. art. X § 1(a); *see also* I.C. § 6-1.1-2-1.5(a) ("All tangible property which is subject to assessment shall be assessed on a just valuation basis and in a uniform and equal manner."). The Property Taxation Clause, however, does not require "absolute and precise exactitude as to the uniformity and equality of each individual assessment." *State Bd. of Tax Comm'rs v. Town of St. John*, 702 N.E.2d 1034, 1040 (Ind. 1998) (emphasis in original).
29. A claim for relief based on a lack of uniformity and equality necessarily hinges on the standards for valuing property under our State's assessment system. Before the switch to our current system, true tax value was determined under the State Board of Tax Commissioners' assessment regulations and bore no relation to any external, objectively verifiable measurement standard. *Westfield Golf Practice Ctr., LLC v. Washington Twp. Ass'r*, 859 N.E.2d 396, 398 (Ind. Tax Ct. 2007). That changed under the new system, which incorporates market value-in-use as its external, objectively verifiable benchmark.

¹ The same is true for the Comptons' attempt to compare their lot's assessment to the assessments and sale prices for other lots. They identified the lots' sizes and locations but did not explain how any differences affected the lots' relative values.

The focus shifted from examining how assessment regulations were applied to examining whether a property's assessed value actually reflects that external benchmark. *Id.* at 399. Thus, “the end result—a ‘uniform and equal *rate*’ of assessment—is required, but there is no requirement of uniform procedures to arrive at that rate.” *Id.* (quoting *State ex. rel. Att’y Gen. v. Lake Superior Ct.*, 820 N.E.2d 1240, 1250 (Ind. 2005) (emphasis in original)).

30. In *Westfield Golf*, the Tax Court explained that one method for proving a lack of uniformity and equality is to present ratio studies, comparing the assessments of properties within an assessing jurisdiction with objectively verifiable data, such as sale prices or market value-in-use appraisals. *Id.* at 399 n. 3. The taxpayer in *Westfield Golf* lost its uniformity-and equality claim because it focused solely on the base rate used to assess its driving-range landing area compared to the rates used to assess other driving ranges and failed to show the actual market value-in-use for any of the properties. *Westfield Golf*, 859 N.E.2d at 399.
31. Several years later, the Tax Court expanded on the proper use of ratio studies to support a claim for an equalization adjustment based on an alleged lack of uniformity and equality in assessments. *Thorsness v. Porter Cty. Ass’r*, 3 N.E.3d 49, 53-55 (Ind. Tax Ct. 2014). The taxpayer in *Thorsness* offered evidence showing that while his property was assessed at 99.9% of its sale price, six other properties from his subdivision were assessed at an average of 79.5% of their recent sale prices. *Id.* at 50. At the administrative level, we rejected the taxpayer’s claim on grounds that his evidence neither conformed to professionally accepted standards, nor was based on a statistically reliable sample. *Id.*
32. In rejecting the taxpayer’s appeal, the Tax Court first discussed the 1999 version of the International Association of Assessing Officer’s Standard on Ratio Studies (“IAAO Standard”), which the DLGF had incorporated into its rules for the years under appeal in that case. *Id.* at 53. As is true under the April 2013 version of the IAAO Standard, which the DLGF has since incorporated, the 1999 version required valid ratio studies to be based on data that was both appropriately stratified and statistically analyzed. *Id.*; 50 IAC 27-1-4); 2013 IAAO Standard at 24. Also like the 2013 IAAO Standard, the 1999 version required statistical measures of assessment accuracy and uniformity to be calculated for the entire taxing district and each stratum therein. *Id.* at 54; *see also*, 2013 IAAO Standard at 9, 24 (discussing stratification), 27-29 (discussing statistical analysis). And the DLGF had declared the coefficient of dispersion as “the yardstick by which uniformity is measured in Indiana’s townships.” *Id.* (citing 50 IAC 14-7-1 (repealed April 8, 2010) and 2002 REAL PROPERTY ASSESSMENT MANUAL at 6).² The Court explained that while the taxpayer’s evidence was relevant, it did not show that his property was assessed and taxed at a level exceeding the common level of assessment within his township overall. *Id.*

² While those provisions have since been repealed and replaced, analogous provisions may be found in the DLGF’s current rules. *See* 50 IAC 27-4-5(c); 50 IAC 27-10-1(a); 2021 MANUAL at 14-15.

33. Turning to the appeal before us, the Comptons offered methodological evidence—such as quality grades and neighborhood factors applied to their property and various other properties in the area—to support a claim that the Assessor did not fairly apply assessment regulations. For the reasons explained in *Westfield Golf*, that methodological evidence has little relevance.
34. But the Comptons also offered some evidence that reflected the *rate* of assessment for four improved properties. Although they did not identify the sale price-to-assessment ratio for those properties, they offered data from which those ratios could be computed. Because they did not offer probative evidence to establish the market value-in-use of their own property, however, there is no way to judge whether it was assessed at a similar level as those four properties. In any case, the Comptons did not analyze the data in a manner contemplated by the IAAO Standard and the DLGF's rules, and they used an exceedingly small sample. So while the Comptons' raw sale and assessment data is relevant, it does not suffice to show that the Comptons are entitled to an equalization adjustment.³

Conclusion

35. The Comptons' assessment increased by more than 5% from 2022 to 2023, and the totality of the evidence does not suffice to show their property's true tax value. We therefore order that the assessment be reduced to the previous year's level of \$600,700.

Date: November 6, 2024

Jonathan R. Elrod
Chairman, Indiana Board of Tax Review

Betsy J. Brand
Commissioner, Indiana Board of Tax Review

Timothy Schuch
Commissioner, Indiana Board of Tax Review

³ The Comptons' evidence concerning the sale prices and assessments of vacant lots suffers from the same shortcomings. Although the Comptons showed what they paid for their lot in 2012, they did not offer any evidence to relate that sale price to a value as of the January 1, 2023, valuation date. Nor did they analyze the data in the manner contemplated by the IAAO Standard and the DLGF's rules. And the sample size was even smaller than the sample for sales of improved properties.

- APPEAL RIGHTS -

You may petition for judicial review of this final determination under the provisions of Indiana Code § 6-1.1-15-5 and the Indiana Tax Court's rules. To initiate a proceeding for judicial review you must take the action required not later than forty-five (45) days after the date of this notice. The Indiana Code is available on the Internet at <<http://www.in.gov/legislative/ic/code>>. The Indiana Tax Court's rules are available at <<http://www.in.gov/judiciary/rules/tax/index.html>>.