

REPRESENTATIVES FOR PETITIONER: Charles Hotka, pro se

REPRESENTATIVE FOR RESPONDENT: Ayn Engle, Attorney

**BEFORE THE
INDIANA BOARD OF TAX REVIEW**

CHARLES HOTKA)	Petition No.:	07-003-23-1-5-00722-23
)		
Petitioner,)	Parcel No.:	07-10-22-300-117.000-003
)		
v.)	County:	Brown
)		
BROWN COUNTY ASSESSOR,)	Assessment Year:	2023
)		
Respondent.)		

FINAL DETERMINATION

The Indiana Board of Tax Review (“Board”), having reviewed the facts and evidence, and having considered the issues, now finds and concludes the following:

INTRODUCTION

1. Charles Hotka contested his 2023 assessment. The Assessor had the burden of proof and presented an appraisal prepared in accordance with the Uniform Standards of Professional Appraisal Practice (“USPAP”) that provides a reliable opinion of the subject property’s true tax value. Hotka failed to provide any reliable evidence supporting a different value. We therefore find in favor of the Assessor.

PROCEDURAL HISTORY

2. On June 8, 2023, Hotka filed a Form 130 notice challenging the 2023 assessment of his property located at 3705 Orchard Road, Columbus, Indiana. On November 21, 2023, the Brown County Property Tax Assessment Board of Appeals (“PTABOA”) issued a Form 115 final determination valuing the subject property at \$320,400 (\$32,800 for land and \$287,600 for improvements).
3. On December 15, 2023, Hotka filed a Form 131 petition with the Board and elected to proceed under our small claims procedures. On February 9, 2024, we granted the Assessor’s motion to remove the case from small claims, and on May 10, 2024, we granted the Assessor’s request to enter and inspect the subject property. On September 25, 2024, our designated administrative law judge, David Smith (“ALJ”), held a telephonic hearing on the petition. Neither he nor the Board inspected the subject property.
4. Charles Hotka, Mark Ratterman, and Ken Surface testified under oath.
5. Hotka submitted the following exhibits:

Petitioner Ex. 6:	Definitions
Petitioner Ex. 7:	Department of Local Government Finance (“DLGF”) Overview
Petitioner Ex. 8:	DLGF Fact Sheet
Petitioner Ex. 10:	Page 2 of 2021 Real Property Assessment Manual (“Manual”)
Petitioner Ex. 12:	Property Record Card (“PRC”) for subject property
Petitioner Ex. 13:	Page 3 of Manual and comments
Petitioner Ex. 14:	2023 Brown County Ratio Study
Petitioner Ex. 15:	Chart of vacant land sales data, comments and PRCs
Petitioner Ex. 16:	PRC for 7230 Bellsville Pike and comments
Petitioner Ex. 17:	Pictures and information for 7230 Bellsville Pike
Petitioner Ex. 18:	PRC for 9989 State Road 135 South and comments
Petitioner Ex. 19:	Pictures and information for 9989 State Road 135 South
Petitioner Ex. 23:	Rebuttal information for 3717 Orchard Road (Ratterman Comp #1)

- Petitioner Ex. 24: Rebuttal information for 5600 Poplar Grove (Ratterman Comp #2)
- Petitioner Ex. 25: Rebuttal information for 4125 Plum Creek (Ratterman Comp #6)
- Petitioner Ex. 26: Hotka's Revised Appraisals Summary
- Petitioner Ex. 27: Appraisal Report prepared by Mark Ratterman w/ highlighting
- Petitioner Ex. 28: Cost Approach Summary and PRC for 4125 Plum Creek (Ratterman Comp #6)
- Petitioner Ex. 29: Cost Approach Summary and PRC for 8955 Grandview Road (Ratterman Comp #4)
- Petitioner Ex. 30: Information on metal roofing
- Petitioner Ex. 31: Analysis of five vacant land sales and PRCs
- Petitioner Ex. 32: List of Brown County vacant land sales and PRCs
- Petitioner Ex. 33: Page 15 of Ratterman's Appraisal Report w/ notations
- Petitioner Ex. 35: Survey and picture of subject property, and district definitions for unincorporated areas
- Petitioner Ex. 36: Ingress and Egress Easement, recorded 07/19/1978
- Petitioner Ex. 38: Classified Forest Land application for subject property
- Petitioner Ex. 41: Copy of Indiana Code § 6-1.1-4-13 w/ notations
- Petitioner Ex. 42: 2021 Real Property Assessment Guidelines ("Guidelines"), Appendix C – Residential and Agricultural Cost Schedules
- Petitioner Ex. 43: Guidelines, Chapter 2 w/ notations
- Petitioner Ex. 44: 50 IAC § 2.4-1-1 w/ notations
- Petitioner Ex. 45: Guidelines, Appendix C, page 22

6. The Assessor submitted the following exhibits:

- Respondent Ex. A: Appraisal Report prepared by Mark Ratterman
- Respondent Ex. B: PRC for subject property
- Respondent Ex. C: Classified Forest Land application for subject property
- Respondent Ex. D: Guidelines, Chapter 2
- Respondent Ex. E: DLGF Memo dated December 30, 2022

7. The record also includes the following: (1) all pleadings, briefs, motions, and documents filed in this appeal; (2) all notices and orders issued by the Board or our ALJ; and (3) an audio recording of the hearing. Additionally, in accordance with 52 IAC 4-6-11(a)(2), we take official notice of the record of proceedings in *Hotka v. Brown Co. Ass'r, Pet. No. 07-003-22-1-5-01093-22* (Ind. Bd. Tax Rev., Sept. 27, 2023).

OBJECTIONS

8. Our ALJ ruled on several objections during the hearing. We see no need to revisit those objections, and we adopt our ALJ's rulings. However, our ALJ took several objections under advisement to which we now turn.
9. The Assessor made hearsay objections to Petitioner's Exhibits 6, 23, 24, 25, and 30, arguing that the sources of the information are unknown. Our procedural rules allow us to admit hearsay with the caveat that we cannot base our final determination solely on hearsay that has been properly objected to and that does not fall within a recognized exception to the hearsay rule. 52 IAC 4-6-9(d). We overrule the objections, admit the exhibits, and note that none of them serve as a basis for our final determination.
10. The Assessor also objected to the admission of Petitioner's Exhibit 32—a list of Brown County vacant land sales and the first page of four PRCs. The Assessor argued that the exhibit is incomplete because Hotka only provided the first page of each PRC. We overrule the objection. To the extent the Assessor was concerned about the incomplete PRCs being made part of the record, she was free to offer the complete documents which we note are fully available to her. *See Ind. Evid. R. 106* (allowing an objecting party to require the introduction of the parts of the document it wants considered alongside the objectionable material).

FINDINGS OF FACT

A. THE SUBJECT PROPERTY

11. The subject property is located at 3705 Orchard Road in Columbus, Indiana. It consists of a 1-1/2 story home and a pole barn situated on a 121.032-acre parcel. Hotka purchased the 121.032-acre parcel as vacant land in February 2014 for \$210,000. On January 21, 2015, the Indiana Department of Natural Resources approved his application for classification of 119.856 acres of the parcel as native forest land under Ind. Code § 6-1.1-6 *et seq.* The home has approximately 2,032 square feet of above-grade living area with

two bedrooms, two full bathrooms¹, and two half bathrooms. It also has a 1,220 square foot, partially finished basement² with an overhead garage door. The home has a private septic system and public water service, and it is accessed from Orchard Road via an easement. *Ratterman testimony; Hotka testimony; Pet'r Exs. 35, 36; Resp't Exs. A, B, C.*

12. For the 2023 assessment year, we find that the Assessor properly designated 119.856 acres of the parcel as classified forest (Land Type 21), one acre as a homesite (Land Type 9), and the remaining 0.176-acres as residential excess acres (Land Type 91). The subject property's assessment was \$320,400 in 2023, an increase of about 28% over the \$250,000 assessment we ordered³ for the 2022 assessment year. *Surface testimony; Resp't Exs. B, C, D.*

B. VALUATION EVIDENCE

13. The Assessor presented an appraisal report prepared by Mark Ratterman, MAI, SRA, an Indiana Certified General Appraiser. Ratterman graduated from the Indiana University School of Business in 1977 and has been an appraiser for 45 years. He is currently a partner in a firm called REsource, LLC. Ratterman holds a real estate broker's license and he also acts as the property manager for an office building. He is currently serving on the Indiana Real Estate Appraisal Licensing Certification Board and the Hendricks County PTABOA. Ratterman is an approved instructor for the Real Estate Commission, and he teaches some real estate classes to appraisers. He has also authored a variety of real estate-oriented books. *Ratterman testimony; Resp't Ex. A.*
14. Ratterman developed an opinion of the true tax value of the subject property's fee simple interest as of January 1, 2023, and certified that his appraisal complies with the Uniform Standards of Professional Appraisal Practice ("USPAP"). To arrive at his opinion of value, Ratterman developed a cost approach and a sales comparison approach, but he did

¹ The upper-level bathroom has an incomplete shower.

² The ceiling is 100% finished with drywall and the walls are 25% finished with drywall, but there is no crown molding or trim. The floor is unfinished concrete. *Ratterman testimony; Resp't Ex. A*

³ See *Hotka v. Brown Co. Ass'r*, Pet. No. 07-003-22-1-5-01093-22 (Ind. Bd. Tax Rev., Sept. 27, 2023).

not develop an income capitalization approach because he did not consider it feasible for the subject property. *Ratterman testimony; Resp't Ex. A.*

15. Before developing the individual valuation approaches, Ratterman valued the 119.856 acres of classified forest pursuant to I.C. § 6-1.1-6 *et seq.* using the assessment rate for classified lands published by the DLGF for the January 1, 2023 assessment date. Applying the prescribed assessment rate of \$15.65/acre to the 119.856 acres produced a value of \$1,900 (rounded) for that portion of Hotka's parcel, which Ratterman then incorporated into his cost and sales comparison approaches. We find that Ratterman properly valued the classified forest. *Ratterman testimony; Resp't Exs. A, E.*

16. Ratterman began his cost approach by determining the value of the remaining 1.176 acres of Hotka's parcel. He used a regression model developed using 106 sales of vacant Brown County parcels with between one and 25 acres that sold in 2021 or 2022. Ratterman testified that they were all marketed for sale as residential building sites, but he admitted that he did not review sales disclosure forms or otherwise verify any of the sales. Two of the sales appear to have been marketed as commercial sites (Nos. 9, 58) and three had commercial zoning designations (Nos. 21, 58, 96). Additionally, two of the sales were properties with existing homes (Nos. 6, 7). To arrive at an indicated value, Ratterman entered the 106 sales into Microsoft Excel and used a trend function to graph their sales prices and add a regression line. His regression analysis returned a value for a 1.18-acre parcel of \$45,000 (rounded), which he adopted as his opinion of value for the 1.176-acre portion of Hotka's parcel. *Ratterman testimony; Hotka testimony; Resp't Ex. A; Pet'r Ex. 32.*

17. Hotka pointed to several alleged issues with Ratterman's group of 106 vacant land sales. He complained that only five of the sales were in the subject property's tax district and that six were within walking distance of downtown Nashville. Although land sales from within the subject property's specific tax district might be preferable, Hotka did not demonstrate that their inclusion was unreasonable. However, Hotka did show that

Ratterman's land sales included several sales of properties that were either zoned for commercial use or that had existing improvements. Thus, we find Hotka successfully undermined Ratterman's claim that they were all marketed for sale as vacant residential building sites. Nevertheless, Hotka failed to offer evidence demonstrating that Ratterman's inadvertent inclusion of six questionable sales in a data set with 106 sales significantly altered his land value conclusion. And we find Hotka's attempt to calculate his own land value using five land sales from the VanBuren tax district insufficient to rebut Ratterman's opinion of value because Hotka failed to establish that his analysis complies with generally accepted appraisal principles. Indeed, Hotka did not even attempt to apply qualitative or quantitative adjustments for relevant differences such as size or market conditions. Consequently, we find Hotka failed to impeach the reliability of Ratterman's opinion of value for the 1.176-acre portion of Hotka's parcel. *Hotka testimony; Ratterman testimony; Pet'r Exs. 31, 32, 33.*

18. Ratterman valued the improvements using Marshall and Swift Valuation Service ("MVS"), a national cost service generally accepted in the appraisal community. He adjusted MVS's cost estimates for local prices and used them to value the dwelling, basement area, basement finished area, front and screen porches, deck, pole barn, and fireplace. Ratterman arrived at a total estimated cost new of \$346,354. He then applied a 12% physical depreciation adjustment for age/wear and tear and a 5% adjustment for functional obsolescence due to the unfinished bathroom. Ratterman concluded to a depreciated value for the building improvements and added in the "as is" value of site improvements, producing a depreciated value for all improvements of \$304,552. To reach a value indication, he then added in his land value estimates for the classified forest and the remaining 1.176 acres and marketing fees of \$22,500, resulting in an indicated value of \$370,000 (rounded) under the cost approach. *Ratterman testimony; Resp't Ex. A.*

19. To show that Ratterman overvalued the improvements, Hotka created his own cost approach summaries for two properties Ratterman relied on in his sales comparison approach. According to Hotka, his summaries show that the cost approach overvalues properties when compared to their actual sales prices. But like his attempt to calculate his own land value, we do not find either of Hotka's cost approach summaries to be credible because he failed to establish that his analyses comply with generally accepted appraisal principles. Hotka relied on many of the same MVS's cost estimates that Ratterman employed for valuing aspects of the improvements without establishing that they are appropriate base costs for the two properties he was attempting to value. Furthermore, Hotka admittedly used the values listed in Appendix C of the Guidelines to value features the two properties had that are not present in the subject property instead of using market-based evidence. He also applied the same 12% physical obsolescence adjustment that Ratterman applied in his cost approach even though neither property is the same age as the subject property. Finally, Hotka applied a 5% functional obsolescence adjustment to both properties even though the only reason Ratterman applied that adjustment to the subject property was because of its unfinished bathroom, a defect not present in either of the two properties Hotka was attempting to value. Thus, we find Hotka failed to impeach the reliability of Ratterman's opinion of the depreciated value of the subject property's improvements or his final opinion of value under the cost approach. *Hotka testimony; Pet'r Exs. 27, 28, 29.*
20. Ratterman began his sales comparison approach by searching for comparable properties in Brown County. In looking for comparable sales, he treated the subject property like it was a 1.178-acre lot, and he elected to add in the statutory value of the classified forest after reconciling to an indicated value. Ratterman selected six sales of Brown County properties with parcels ranging in size from 0.25 to 11.78 acres that sold between March 2021 and December 2022. He adjusted the comparable sales for market conditions, site size, view amenity, age, condition, above-grade rooms, gross living area, basement size, basement finish, below-grade bathrooms, functional utility and floor plan, garage area, porches, decks, fireplaces, pole barns, sheds, and mother-in-law apartments. Ratterman

acknowledged that his appraisal report contains incorrect square footages for Comparable No. 1's above-grade area and basement. The above-grade area is 1,721 square feet instead of 1,232 square feet, and the basement is 752 square feet instead of 1,060 square feet. He explained that correcting for the actual square footages would change his adjustments for those two areas, resulting in an adjusted sale price of \$353,700 instead of the \$367,800 shown in his adjustment grid. However, he testified that correcting for the errors did not change his value conclusion. After adjustment, Ratterman's comparable sales had prices ranging from \$345,000 to \$396,000. He assigned equal weight to all six of his comparable sales and reconciled to a value of \$365,000. After adding in the value of the classified forest, Ratterman concluded to an indicated value of \$366,900 under the sales comparison approach. *Ratterman testimony; Resp't Ex. A.*

21. In an effort to cast doubt on Ratterman's sales comparison approach, Hotka presented analyses of three of Ratterman's six comparable sales (Nos. 1, 2, and 6) and used them to calculate his own proposed value for the subject property. As with his other attempts at valuing the subject property, however, we do not find any of Hotka's analyses credible because they do not comply with generally accepted appraisal principles. At first blush, his analyses appear to mirror the work of a licensed appraiser, but unlike Ratterman, Hotka's opinion is not backed by any licensing, education, training, or experience in the appraisal industry. Ratterman also credibly testified that Hotka's adjustment methods were not consistent with either USPAP or generally accepted appraisal principles. That shortcoming is readily apparent in Hotka's analyses because he admittedly based most of the adjustments he applied on pricing information from various mass appraisal sources such as PRC's and the Guidelines instead of evidence derived from the market. And for some adjustments such as the mother-in-law apartment associated with Comp. No. 6, Hotka seemingly relied on little more than his own subjective judgement. Thus, we find Hotka failed to impeach the reliability of Ratterman's opinion of value from the sales comparison approach. *Hotka testimony; Ratterman testimony; Pet'r Exs. 23, 24, 25, 26.*
22. In his reconciliation, Ratterman placed more reliance on the sales comparison approach

and reconciled to a final value conclusion for the subject property's true tax value of \$366,900 as of January 1, 2023. *Ratterman testimony; Resp't Ex. A.*

23. We find that Ratterman's appraisal complies with generally accepted appraisal principles. We further find that he relied on objectively verifiable market-based evidence in his valuation approaches to arrive at a credible opinion of value. Although we find Ratterman's cost approach less convincing due to the issues Hotka highlighted with some of the land sales included in the regression analysis, we find Ratterman's sales comparison approach—which mirrored his final value conclusion—to be highly persuasive. For these reasons, along with Ratterman's credentialed expertise and experience, we find his final opinion of value to be a reliable estimate of the subject property's true tax value.

24. Hotka presented his own PRC, PRCs for several other Brown County properties, and a ratio study to support his contention that the Assessor regularly uses a trending factor of 162% to increase the assessments on improvements to recapture under-valued land assessments. Because Hotka maintains that applying market-based trending to his home is improper, he developed a proposed assessment for the subject property that excluded the trending factor. Eliminating the 162% trending factor the Assessor applied to the depreciated replacement cost of Hotka's home produced an improvement value of \$171,260. To that, Hotka then added in the current assessed values for the homesite (\$30,000), classified forest (\$1,900), the remaining 0.176-acres of residential excess acres (\$900), and the pole barn (\$17,300), resulting in a proposed assessment of \$221,360 for the subject property. While both parties agree that the classified forest was properly assessed pursuant to I.C. § 6-1.1-6 *et seq*, the remainder of Hotka's proposed assessment relies exclusively on values the Assessor developed using the mass appraisal methodology contained in the Guidelines as opposed to the type of market-based evidence needed to establish an individual property's market value-in-use. We therefore find it to be an unreliable estimate of the subject property's true tax value. *Hotka testimony; Pet'r Exs. 12, 14, 15, 16, 17, 18, 19.*

CONCLUSIONS OF LAW AND ANALYSIS

A. BURDEN OF PROOF

25. Generally, the 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." Ind. Code § 6-1.1-15-20(a) (effective March 21, 2022).
26. 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.*
27. 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).
28. Here, the 2023 assessment of \$320,400 increased by more than 5% over the previous year's assessment of \$250,000⁴, and the Assessor agreed that she has the burden of proof.

B. VALUATION STANDARD

29. The Indiana Board of Tax Review is 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 of a property's true tax value "may be higher or lower than the assessment or the value proposed by a party or witness." *Id.* Regardless of which party has the

⁴ See Ind. Code § 6-1.1-15-20(c) (explaining that an assessment for a prior tax year means the final value as determined by a reviewing authority).

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).

30. 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). For land devoted to agricultural use, true tax value must be determined in accordance with the Guidelines and Ind. Code § 6-1.1-4-13. MANUAL at 2. The Guidelines classify agricultural land types. For most of those classifications, the land must be assessed using a statewide base rate for each year, which assessors then adjust based on soil productivity. GUIDELINES, CH. 2 at 72-78. However, agricultural land enrolled in the classified forest program (Land Type 21) must be assessed at the rates established by I.C. § 6-1.1-6-14. *Id.* at 82-84, 100.
31. For other property types, 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.” MANUAL at 2. For those property types, neither the taxpayer nor the assessor may rely on the mass appraisal “methodology” of the “assessment regulations.” *P/A Builders & Developers, LLC v. Jennings Cty. Ass’r*, 842 N.E.2d 899, 900, (Ind. Tax Ct. 2006). They instead “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)). 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.
32. Thus, for properties like the subject property, the parties are faced with a hybrid regime for proving true tax value. Land devoted to agricultural use must be valued using a statewide base rate and a soil productivity index system, and the parties’ evidence must

conform to the Guidelines. Similarly, land enrolled in the classified forest program must be assessed in conformity with the Guidelines at the rates established under I.C. § 6-1.1-6-14. For improvements, including homes, the parties must offer market-based evidence to establish market value-in-use. That is also true for land used as a “homesite” (Land Type 9), as well as land classified as “residential excess acreage” (Land Type 91) or “agricultural excess acreage” (Land Type 92). Those three nominally agricultural land types are valued in the same way as residential land instead of through the soil productivity method. See GUIDELINES, CH. 2 at 51-52, 90 (explaining that land used for residential purposes is residential land, and that the value of a residential acreage parcel larger than one acre is not determined using the soil productivity method but is instead determined using base rates determined from sales data and should represent its market value as of January 1st); see also, I.C. § 6-1.1-4-4.5(e) (requiring that beginning with the January 1, 2023 assessment date, “[t]hose portions of agricultural parcels that include land and buildings not used for an agricultural purpose, such as homes, homesites, and excess residential land...shall be adjusted by the factor or factors developed for other similar property within the geographic stratification. The residential portion of agricultural properties shall be adjusted by the factors applied to similar residential purposes.”)

C. ANALYSIS

33. Here, the Assessor accepted the burden of proof and presented Ratterman’s appraisal in support of her proposed assessment of \$366,900. Ratterman is a qualified and licensed expert who certified that he completed his appraisal report and formed his valuation opinion in conformity with USPAP. He properly valued the classified forest pursuant to I.C. § 6-1.1-6 *et seq.* And he applied the cost and sales comparison approaches, which are both generally accepted methodology in the appraisal profession, to estimate the market value-in-use of the fee-simple interest of the remainder of the subject property. In doing so, Ratterman relied on market data and used his professional expertise in analyzing that data to reach a valuation opinion. He also generally complied with valuation standards and assumptions underlying Indiana’s true tax value system.

Therefore, we find Ratterman's valuation opinion sufficient to make a prima facie case establishing the subject property's true tax value.

34. For his part, Hotka asserted that the subject property's 2023 assessment should be \$221,360. Based on his belief that applying market-based trending to his home is improper, Hotka's proposed assessment relied on the depreciated replacement cost the Assessor calculated for his home before applying the 162% trending factor. However, his claim that the Assessor cannot apply trending factors is in direct conflict with the Guidelines and I.C. § 6-1.1-4-4.5(e), which specifically require residential homes on agricultural parcels to be adjusted by market-based factors.
35. Furthermore, the Assessor calculated the depreciated replacement cost for Hotka's home, and developed the current assessments for his classified forest, homesite, residential excess acreage, and pole barn using mass appraisal methodologies from the Guidelines. As the Tax Court has explained, however, parties cannot rely on the mass appraisal methodologies contained in the assessment regulations for most real property types because they lack the market-based evidence necessary to establish a specific property's market value-in-use. In this case, the only portion of the subject property that can be valued by applying the Guidelines is the 119.856 acres of classified forest. Valuing the rest of Hotka's land and improvements requires objectively verifiable, market-based evidence. Thus, except for the assessed value attributable to the land enrolled in the classified forest program, we find that Hotka erred by relying on the assessed values the Assessor developed to support his opinion of value.
36. Because Hotka did not submit objectively verifiable, market-based evidence to establish the market value-in-use of his homesite, residential excess acreage, home, or pole barn, he failed to comply with the valuation standards and assumptions underlying Indiana's true tax value system. We therefore find his proposed assessment insufficient to make a prima facie case establishing the subject property's true tax value.

FINAL DETERMINATION

37. The burden of proof shifted under I.C. § 6-1.1-15-20. The Assessor established the subject property's true tax value as of January 1, 2023. Hotka failed to offer any reliable evidence supporting a different value. Because the totality of the evidence shows the true tax value of the subject property is \$366,900, we find for the Assessor and order the 2023 assessment increased to that amount.

Date: MAY 27, 2025


Chairman, Indiana Board of Tax Review

Commissioner, Indiana Board of Tax Review


Commissioner, Indiana Board of Tax Review

- 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>>.