

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

Petition: 21-003-21-1-4-00108-22
Petitioner: Lester Schaefer
Respondent: Fayette County Assessor
Parcel: 21-05-25-504-513.000-003
Assessment Year: 2021

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

PROCEDURAL HISTORY

1. Lester Schaefer contested the 2021 assessment of his property located at 561 Vine Street in Connersville. On January 7, 2022, the Fayette County Property Tax Assessment Board of Appeals (“PTABOA”) issued its final determination valuing the subject property at \$77,700 (\$24,200 for land and \$53,500 for improvements).
2. Schaefer timely filed a Form 131 petition with the Board and elected to proceed under our small claims procedures. On June 2, 2022, our designated administrative law judge, David Smith (“ALJ”), held a hearing on Schaefer’s petition. Neither he nor the Board inspected the subject property.
3. Schaefer and Fayette County Assessor Jeff Coleman both appeared pro se and testified under oath.

RECORD

4. The official record for this matter contains the following:

Respondent Exhibit A:	2021 Form 130
Respondent Exhibit B:	2021 Form 134
Respondent Exhibit C:	Obsolescence report
Respondent Exhibit D:	2013 Property Record Card (“PRC”) for subject
Respondent Exhibit E:	Comparable Sales-House Type Ratio Study
Respondent Exhibit F:	Comparable Sales-All Sales for the Neighborhood
Respondent Exhibit G:	Comparable Sales-Hybrid Comparison
Respondent Exhibit H:	2021 PRC for subject with sketch ¹

¹Although the Assessor offered Exhibits H-1 and H-2 as separate exhibits, we treat them as one exhibit and will refer to it as Respondent Ex. H for purposes of this decision.

Respondent Exhibit I:	2021 PRC for 119 N. Fountain Street
Respondent Exhibit J:	2020 PRC for 508 Howard Street
Respondent Exhibit K:	2020 PRC for 1121 E. 5 th Street
Respondent Exhibit L:	Comparable location map
Respondent Exhibit M:	GIS map
Respondent Exhibit N:	Appraisal Report
Respondent Exhibit O-1:	Mortgage rates
Respondent Exhibit O-2:	Photo and sale information for 564 Vine Street
Respondent Exhibit O-3:	Photo and sale information for 605 Vine Street
Respondent Exhibit O-4:	Photo and sale information for 705 Vine Street

5. The official record for this matter 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.

SUMMARY OF CONTENTIONS

6. **Schaefer's case:**

- a. When Schaefer originally bought the subject property, he intended to appeal the assessment. He brought his purchase agreement to a meeting with the prior assessor to discuss his concerns. Schaefer assumes the assessor agreed with him because she brought his assessment in line with the value they discussed using an obsolescence adjustment. Following the appeal, Schaefer felt like he was paying a fair amount. *Schaefer testimony.*
- b. Schaefer takes issue with his current land assessment, which is way overpriced. The average lot in Connersville sells for around \$16,000, and there are two lots on 5th Street that the owner would sell for \$2,500 apiece. He also argues that the 1% tax cap does not mean anything because when an assessor increases the assessed value of a property, the taxes on that property go up. *Schaefer testimony.*

7. **The Assessor's case:**

- a. The change in assessment does affect the tax bill, but the 1% cap rate has nothing to do with the Assessor's function. The subject property's assessment jumped from \$43,300 in 2020 to \$79,000 in 2021 because the Assessor removed an obsolescence adjustment. In 2012, the previous assessor granted the subject property a 59% obsolescence adjustment during a prior assessment appeal. That grant was consistent with the previous assessor's grant of obsolescence factors to 1,512 of the approximately 11,000 dwellings in Fayette County. The subject property continued to receive the 59% obsolescence adjustment until the Assessor removed it in August 2020 following a review of the dwellings receiving adjustments. The subject property's 2021 assessment reflects its "reconstruction cost new," minus a depreciation adjustment for its age, plus a 0.86 market factor adjustment for its

neighborhood. Following an informal meeting with Schaefer, the Assessor dropped the assessment to \$77,700 after fixing an error in how the subject property's enclosed framed porch was sketched in the computer system. *Coleman testimony; Resp. Exs. C-E, H.*

- b. The Assessor completed several studies to verify the accuracy of the subject property's current assessment, including a ratio study of similar craftsman properties, a hybrid sales comparison review of properties in the area, and a review of all sales from the past three years in the subject property's neighborhood and one other adjacent neighborhood. The ratio study supported a value of \$95,600 for 2021, while the hybrid sales comparison review resulted in a value of \$97,200 for 2021. The Assessor also completed a sales comparison analysis of comparable properties within a mile of the subject which produced a value of \$78,800. The current assessment is fair, and the Assessor is not asking to increase the assessed value. *Coleman testimony; Resp. Exs. E-G, I-N, O-2, O-3, O-4.*

ANALYSIS

8. Generally, an assessment determined by an assessing official is presumed to be correct. 2021 REAL PROPERTY ASSESSMENT MANUAL at 3. The petitioner has the burden of proving that the assessment is incorrect and what the correct assessment should be. *Eckerling v. Wayne Twp. Ass'r*, 841 N.E.2d 674, 678 (Ind. Tax Ct. 2006).²
9. We find that Schaefer failed to meet his burden. The goal of Indiana's real property assessment system is to arrive at an assessment reflecting the property's true tax value. 50 IAC § 2.4-1-1(c); MANUAL at 2. 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). It is instead 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." MANUAL at 2.
10. Evidence in an assessment appeal should be consistent with that standard. For example, market value-in-use appraisals that comply with the Uniform Standards of Professional Appraisal Practice often will be probative. *See id.*; *see also Kooshtard Property VI, LLC v. White River Twp. Ass'r*, 836 N.E.2d 501, 506 n.6 (Ind. Tax Ct. 2005). So may cost or sales information for the property under appeal, sales or assessment information for comparable properties, and any other information compiled according to generally

² The Legislature repealed the burden-shifting statute, I.C. § 6-1.1-15-17.2, on March 21, 2022. P.L. 174-2022 § 32 (repeal effective on passage). In the same bill, a new statute created a substitute burden-shifting statute, I.C. 6-1.1-15-20, for new appeals filed after the effective date of March 21, 2022. P.L. 174-2022 § 34 (effective on passage). Because Schaefer filed his appeal with the PTABOA before March 21, 2022, and our hearing on this appeal occurred after the Legislature repealed I.C. § 6-1.1-15-17.2, neither the new nor the repealed statute apply to this case.

accepted appraisal principles. *Eckerling*, 841 N.E.2d at 678. Simply attacking the methodology used to determine an assessment, however, does not suffice; instead, a party must offer market-based evidence to show that the property's assessed value does not reflect its market value-in-use. *Piotrowski v. Shelby Cty. Ass'r*, 177 N.E.3d 127, 132 (Ind. Tax Ct. 2021).

11. Schaefer contends that we should reduce the subject property's 2021 assessment. Although he did not specify a value at the hearing, he requested a total assessment of \$43,300 on his Form 131 petition. But Schaefer failed to present any probative market-based evidence to show his property's market value-in-use. His generalized statements about the average price of lots in Connersville and the asking price for two other unidentified lots fall well short of providing the type of comparative analysis needed to carry probative weight. *See Long v. Wayne Twp. Ass'r*, 821 N.E.2d 466, 471 (Ind. Tax Ct. 2005) (holding that the taxpayer's sales data lacked probative value because they failed to compare relevant characteristics or explain how differences affected value).
12. As for Schaefer's argument regarding the tax caps, we note that Indiana Code § 6-1.1-20.6-7.5, which is often referred to as the tax cap statute, limits a property owner's tax liability to a percentage of the property's gross assessment.³ It does not, as Schaefer appears to contend, limit an assessor from increasing a property's assessed value by more than 1%.
13. Because Schaefer offered no probative market-based evidence to demonstrate the subject property's correct market value-in-use, he failed to make a prima facie case for a lower assessment. And because the Assessor did not request an increase in the assessment, we need not consider his valuation evidence.

³The statute provides a credit against a person's property tax liability, with the amount of the credit dependent on the property type:

Sec. 7.5 (a) A person is entitled to a credit against the person's property tax liability for property taxes first due and payable after 2009. The amount of the credit is the amount by which the person's property tax liability attributable to the person's:

- (1) homestead exceeds one percent (1%)
- (2) residential property exceeds two percent (2%)
- (3) long term care property exceeds two percent (2%)
- (4) agricultural property exceeds two percent (2%)
- (5) nonresidential real property exceeds three percent (3%); or
- (6) personal property exceeds three percent (3%)

of the gross assessed value of the property that is the basis for determination of property taxes for that calendar year.

I.C. § 6-1.1-20.6-7.5

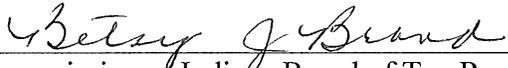
FINAL DETERMINATION

In accordance with the above findings of fact and conclusions of law, we find for the Assessor and order no change to the 2021 assessment.

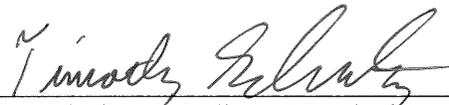
ISSUED: 8/25/2022



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>>.