

Property Tax Assessment

Mission

To ensure an equitable and uniform application of the property tax laws as administered by local officials.

Summary of Activities

Property tax administration in Indiana is implemented by the **State Board of Tax Commissioners**, in four divisions:

The Assessment Division promotes consistent assessment procedures throughout the state by providing guidance to taxpayers, technical instruction to locally elected officials, and securing compliance with the applicable laws for real and personal property. The division is also responsible for assessing distributable property, reviewing economic revitalization area deduction applications, assisting comparative assessment or equalization studies, and auditing personal property assessments.

The Tax Review Division conducts ongoing research and analysis in all areas of property taxation to ensure that the distribution of the property tax burden is uniform and equitable. This is accomplished through the review of assessment practices, fiscal impact studies, economic data collection, equalization calculations, and other analytical reviews.

The Appeals Division performs administrative reviews of appeals of real and personal property tax assessments, reviews tax exemptions and certain credits and deductions, and adjudicates whether or not determinations have been made in accordance with the laws of Indiana.

The Communications and Public Affairs Division is responsible for media relations, constituent inquiries, and public information requests received from partners, constituents, and other interested parties. This division is also responsible for training 1,100 local assessing officials, their deputies, and third-party vendors that perform assessments across the state.

External Factors

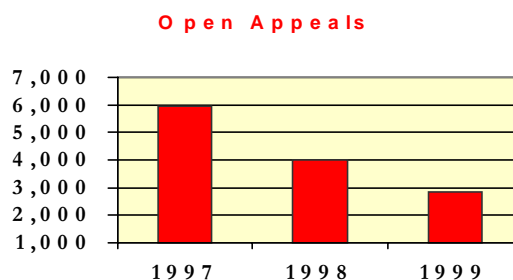
The most significant external factor affecting property tax administration is the latest decision in the case of *Town of St. John vs. State Tax Board*, issued by the Indiana Tax Court on May 31, 2000. This decision requires that a new reassessment manual be completed by June 1, 2001, that the reassessment be effective March 1, 2002, and that the Tax Board submit monthly status reports beginning July 1, 2000, on its progress in adopting and implementing new regulations. Meeting the Tax Court's timeline, not just for completing the manual but also in terms of training local assessors to perform the reassessment, will require much coordination and effort from everyone involved.

Another significant external factor is the amount of appeal and litigation activity. For example, in 1999 the Appeals Division received over 1,500 new appeals. This number of new appeals is unusual at this point in an assessment cycle. Historically, most appeals are received immediately after a reassessment year, and the number of new appeals decreases in subsequent years. The division has also been spending increasing amounts of time addressing the increasing number of cases pending before the Tax Court.

Evaluation and Accomplishments

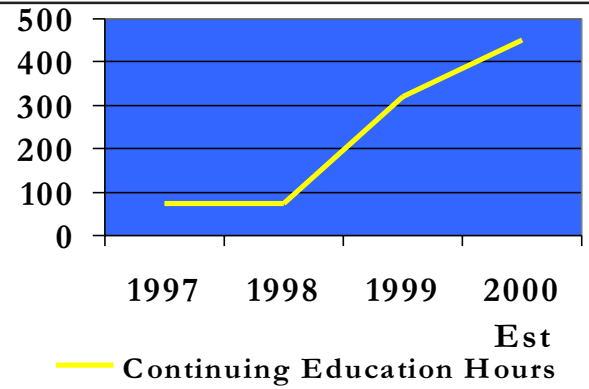
The Appeals Division continued to decrease the total number of outstanding appeals by issuing more decisions than the number of appeals received. The Division also implemented significant improvements in the quality of the decisions and the amount of detail contained in the written explanation of these decisions.

Consequently, the Appeals Division continues to decrease the number of outstanding appeals while simultaneously



providing better communication and public education regarding the decision-making process.

In addition to public information responsibilities, the Communications & Public Affairs Division provided more training opportunities to locally elected officials, made training sessions more applicable to the actual work of assessors, and made the sessions more accessible. The chart at right shows the recent history and planned number of continuing education hours offered by the Tax Board.



Plans for the Biennium

- 1) Establishment of a new property tax appeals board. A modest fee structure is proposed for the Tax Board to provide funding for services to assist local governments.
- 2) Successfully complete the pending reassessment, and improve the level of technical assistance and establish valuation benchmarks for local assessing officials., in light of the magnitude of the change the coming reassessment will bring to the assessment community.
- 3) Continue to decrease the appeals backlog by striving for continuous improvement in the internal appeals processing operations.
- 4) Improve data capture, processing, and retrieval. Adequate and accurate information is essential to determine how well the property tax system is working and to provide feedback to the Assessment Division, the General Assembly, and the public.
- 5) Develop a long-term curriculum and certification program to continually upgrade the skills and increase the independence of assessors. Because of the St. John decision, the Tax Board is also reexamining its classes to emphasize more reliance on market data and market based valuation methodologies. It is also exploring options for computer-based and self-directed class offerings.

<i>Program: 0925</i>	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003
Appropriation (All Funds)	\$4,171,660	\$4,197,386	\$4,197,386	\$4,830,934	\$4,635,934
Expenditures	\$5,223,482	\$3,871,109	\$4,781,945		

**Sources of Funds
FY 2001 (Approp)**

■ General ■ Dedicated ■ Federal ■ Other

100%

**Uses of Funds
FY 2001 (Approp)**

■ Personal Services ■ Distributions ■ Capital ■ Other

74%
26%