
STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



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TO: Township and County Assessors, County Auditors, and Property Tax Boards of Appeal

FROM: Courtney L. Schaafsma, Commissioner

RE: Legislative Changes Affecting Property Assessment

DATE: March 30, 2016

This memorandum addresses various 2016 legislative changes affecting property assessment. Please note that the topics of agricultural base calculation and market segmentation are discussed in separate memoranda. Please also note that this memorandum is intended to be an informative bulletin; it is not a substitute for reading the law.

I. Reassessment of Project Using Public Funds

On March 24, 2016, Governor Pence signed into law House Enrolled Act 1294 (“HEA 1294-2016”), which introduces IC 6-1.1-4-4.8, effective July 1, 2016. This new statute addresses reassessment of certain “covered projects,” meaning the construction, remodeling, redevelopment, rehabilitation, or repair of any building, structure, or other real property improvement if:

- (1) public funds (generally meaning money derived from the revenue sources of the governmental body and deposited into the general or a special fund of the governmental body) are used by a private person in whole or in part to carry out the project; and
- (2) after the completion of the project, the building, structure, or other real property improvement is owned by a private person.

Upon the completion of a covered project, the state agency (generally meaning the authority, board, branch, commission, committee, department, division, or other instrumentality of the executive, including the administrative, department of state government) or political subdivision providing the public funds to carry out the covered project must provide notice of the completion of the covered project to the county assessor of the county in which the building, structure, or other real property improvement is located.

Notwithstanding the reassessment schedule in the county’s reassessment plan, after receiving notice of the completion of a covered project, the county assessor must reassess the building, structure, or other real property improvement by carrying out a physical inspection of that property. The reassessment must be completed on or before the earlier of:

- (1) the date required under the county’s reassessment plan; or

- (2) January 1 of the year after the year in which the county assessor receives notice of the completion of a covered project.

II. “Big Box” Store Assessment

On March 24, 2016, Governor Pence signed into law House Enrolled Act 1290 (“HEA 1290-2016”), which repeals IC 6-1.1-4-43 and IC 6-1.1-4-44, two provisions introduced in 2015 to govern the assessment of “big box” stores (see Senate Enrolled Act 436-2015). As discussed in a different memorandum, the General Assembly has now introduced the concept of market segmentation to assist in the assessment of “big box” stores.

III. Personal Property Audits

On March 24, 2016, Governor Pence signed into law Senate Enrolled Act 308 (“SEA 308-2016”), which amends IC 6-1.1-3-14, effective July 1, 2016. Now a township assessor, or the county assessor if there is no township assessor, *may*, rather than shall, examine and verify or allow a contractor under IC 6-1.1-36-12 to examine and verify the accuracy of a personal property return *if the assessor considers the examination and verification of that personal property return to be useful to the accuracy of the assessment process*. It is still the case that if appropriate, the assessor or contractor under IC 6-1.1-36-12 must compare a return with the books of the taxpayer and with personal property owned, held, possessed, controlled, or occupied by the taxpayer.

SEA 308 makes a corresponding change to IC 6-1.1-36-12, effective July 1, 2016, to make clear that a contract between a county and assessment vendor may require the contractor to examine and verify the accuracy of a personal property return filed by a taxpayer with the county assessor or a township assessor, if the contractor considers the examination and verification of that personal property return to be useful to the accuracy of the assessment process; and compare a return with the books of the taxpayer and with personal property owned, held, possessed, controlled, or occupied by the taxpayer, if the contractor considers the comparison to be useful to the accuracy of the assessment process.

IV. Soil Productivity Factors

SEA 308 amends IC 6-1.1-4-13 so that the soil productivity factors used for the March 1, 2011 assessment date will be used for the January 1, 2016 assessment date *and all future assessment dates*.

V. Classified Forests, Windbreaks, and Filter Strips

SEA 308 amends IC 6-1.1-6-14, IC 6-1.1-6.2-9, and IC 6-1.1-6.7-9 concerning the assessment rate per acre of land classified as native forest land, a forest plantation, or wildlands; a windbreak; or a filter strip, respectively. Such land must be assessed as follows:

- (1) At \$13.29 per acre for general property taxation purposes, for the January 1, 2017, assessment date.
- (2) At the amount per acre determined in the following STEPS for general property taxation purposes, for an assessment date after January 1, 2017:
 - STEP ONE: Determine the amount per acre under this statute for the immediately preceding assessment date.
 - STEP TWO: Multiply the STEP ONE amount by the result of:

- (A) one; plus
- (B) the annual percentage change in the Consumer Price Index for All Urban Consumers published by the federal Bureau of Labor Statistics for the calendar year preceding the calendar year before the assessment date.

It is still the case that ditch assessments on windbreaks and filter strips must be paid.

Contact Information

Questions may be directed to Assessment Division Director Barry Wood at (317) 232-3762 or bwood@dlgf.in.gov.