# TITLE 50 DEPARTMENT OF LOCAL GOVERNMENT FINANCE

*NOTE: Under IC 6-1.1-31-1, the name of the State Board of Tax Commissioners is changed to Department of Local Government Finance, effective January 1, 2002.*

## ARTICLE 1. GENERAL PROVISIONS

### Rule 1. Miscellaneous Property Tax, Budget and Bonding Requirements

**50 IAC 1-1-1 Personal property schedules; refusal to give information**

Authority: IC 6-1.1-31-1
Affected: IC 6-1.1-3-9; IC 6-1.1-3-15; IC 6-1.1-5-13

Sec. 1. All Taxpayers (Individuals, Firms, Corporations, Partnerships). All taxpayers (individuals, firms, corporations, (both domestic and foreign), partnerships, and unincorporated companies) shall be and are required, in addition to giving a full statement of all their personal property, to answer all interrogatories set out in the personal property schedules on proper forms prescribed by the State Board of Tax Commissioners, and furnished by the county assessor.

Any failure on the part of a taxpayer to give the information requested or show a sufficient reason why the same cannot be given, shall be considered a refusal to give information to the assessing officer, and the assessing officer is authorized to set down and assess to such taxpayer such amount of personal property as he may deem just. *(Department of Local Government Finance; Reg 1-1; filed Jan 8, 1946, 2:50 pm: Rules and Regs. 1947, p. 1880)*

**50 IAC 1-1-2 Weekly reports of township assessors**

Authority: IC 6-1.1-31-1
Affected: IC 6-1.1-3-18; IC 6-1.1-3-5; IC 6-1.1-4

Sec. 2. Township Assessors' Weekly Reports. Township assessors and their deputies shall make weekly report to the county assessor on Form 14, showing for each taxing unit separately, the number of assessments made each day, and make report in detail as required by such form. Failure to make such report shall be sufficient cause for the filing of a complaint by the county assessor against such delinquent officers. *(Department of Local Government Finance; Reg 1-2; filed Jan 8, 1946, 2:50 pm: Rules and Regs. 1947, p. 1880)*

**50 IAC 1-1-3 Report of county assessors to state board**

Authority: IC 6-1.1-31-1
Affected: IC 6-1.1-3; IC 6-1.1-4; IC 6-1.1-14

Sec. 3. County Assessors' Report to State Board. County assessors shall make report on Form No. 15 to the State Board of Tax Commissioners for each taxing unit separately in detail as required by such form on the following dates:

Second Monday in March
Fourth Monday in March
Second Monday in April
Fourth Monday in April
On or before the 20th day in May

Failure on the part of such county assessor to file such report shall be sufficient reason for the citing of such county assessor to appear before the State Board of Tax Commissioners to show cause why he should not be removed from office. *(Department of Local Government Finance; Reg 1-3; filed Jan 8, 1946, 2:50 pm: Rules and Regs. 1947, p. 1881)*

**50 IAC 1-1-4 Appeals from county boards of review (Repealed)**

Sec. 4. *(Repealed by Department of Local Government Finance; filed Jan 13, 1988, 2:07 pm: 11 IR 1730)*

**50 IAC 1-1-5 Review or reassessment by state board of tax commissioners (Repealed)**

Sec. 5. *(Repealed by Department of Local Government Finance; filed Jan 13, 1988, 2:07 pm: 11 IR 1730)*

**50 IAC 1-1-6 Municipal budget forms; filing**
Authority: IC 6-1.1-31-1
Affected: IC 6-1.1-17

Sec. 6. Budget for Tax Levy–Notice. The proper legal officers of any municipal corporation shall file two (2) complete sets of budget forms (as prescribed by the State Board of Accounts) with the county auditor, of which the county auditor shall file with the State Board of Tax Commissioners one (1) complete set, together with a complete transcript of said county Tax Adjustment Board, within seven days after adjournment to the Tax Adjustment Board. *(Department of Local Government Finance; Reg 1-8; filed Jan 8, 1946, 2:50 pm: Rules and Regs. 1947, p. 1884)*

**50 IAC 1-1-7 Municipality's appeal from county board of tax adjustments**
Authority: IC 6-1.1-31-1
Affected: IC 6-1.1-17-13; IC 6-1.1-17-15

Sec. 7. Petition for Appeal to State Board of Tax Levies. Any municipal corporation by its lawful and authorized officials may file an appeal with the State Board of Tax Commissioners from the action of the County Board of Tax Adjustments.

Ten (10) or more taxpayers in any municipal corporation other than those who pay poll tax only, who are affected by any local tax levy and who may feel aggrieved by such levy or any item thereof may file a petition with the County Auditor of the county in which such municipal corporation is located, setting forth the reason for said appeal or that any item in such levy will raise more money than the public needs require. Such petition shall be referred by the County Auditor to the State Board of Tax Commissioners for its action thereon as prescribed by law.

All such appeals shall be filed with the State Board of Tax Commissioners not later than the 15th day of October of the year in which the levy is made. (64-314 and 64-1331, Burns Revised Statute, 1933). *(Department of Local Government Finance; Reg 1-9; filed Jan 8, 1946, 2:50 pm: Rules and Regs. 1947, p. 1884)*

**50 IAC 1-1-8 Municipal bond issue in excess of $5,000**
Authority: IC 6-1.1-31-1
Affected: IC 6-1.1-20

Sec. 8. Proceedings for Issuance of Bonds in Excess of $5,000.00. Whenever the proper legal officer of any municipal corporation contemplates the issuing of bonds or other evidences of indebtedness, in excess of $5,000.00, they shall indicate the same by ordinance or resolution determining to issue such bonds and notice of such determination shall be given by the proper officials as provided.

Such notice shall be sufficient if Form 33 as prescribed by the State Board of Tax Commissioners is used. Ten or more taxpayers may appeal to the State Board of Tax Commissioners for a hearing thereon as provided by law. The State Board of Tax Commissioners will fix the date for a hearing concerning petition for Bond Issue and remonstrance in the county where such taxing unit is located.

A complete transcript of the proceedings concerning the proposed loan by Bond Issue, notes, or other obligations evidencing indebtedness, except temporary loan, shall consist of the following items. (64-1332, Burns).

(A) Copy of the petition containing names of fifty or more owners of taxable real estate praying for the issuance of bonds (Acts 1937, Ch. 119, Sec. 7).

(B) Certificate of person or persons carrying the petition. (Acts 1937, Ch. 119, Sec. 7).

(C) Certificate of the County Auditor that the signers are owners of taxable real estate. (Acts 1937, Ch. 119, Sec. 7).

(D) Also a petition of 25% of the free holders when bonding a civil township for construction of a school building. (See Burns 1933, 28-3419).

(E) Certificate of Auditor as to valuation. (State Board Requirement).

(F) Certificate of bonded indebtedness. (State Board Requirement).

(G) Certificate of Auditor that no remonstrance was filed prior to the expiration date, being thirty days from the date of the

first publication of the Notice to Taxpayers that a Petition was Filed. (Acts 1937, Ch. 119, Sec. 7).

(H) Proofs of publication that a petition was filed. (Acts 1937, Ch. 119, Sec. 7). (Affidavit of publisher required).

(I) Proofs of publication of determination to issue bonds. (If in excess of $5,000.00, Burns 64-1332) (Affidavit of publisher required).

(J) Proofs of publication of additional appropriation. (Ch. 150, Acts 1935) (Affidavit of publisher required).

(K) Certified copy of the appropriation ordinance passed by the legislative body of any taxing unit.

*(Department of Local Government Finance; Reg 1-10; filed Jan 8, 1946, 2:50 pm: Rules and Regs. 1947, p. 1885)*

**50 IAC 1-1-9 Reassessment of real property**

Authority: IC 6-1.1-31-1
Affected: IC 6-1.1-4-7; IC 6-1.1-4-8

Sec. 9. Reassessment of Real Estate. Under its power to order reassessment of real estate in any taxing unit or units of any individual owning real estate, application for such reassessment must be filed in duplicate on or before March 31, of any calendar year, general election year or otherwise, with the county assessor of the county wherein such real estate is located and presented to the State Board of Tax Commissioners before March 31. Said application to be signed and verified by the owner or owners of any real estate and for improvements on Form No. 152, "Petition for Reassessment," prescribed by the State Board of Tax Commissioners and shall contain:

(1) The legal description of the property and street address.

(2) The name of the taxing unit wherein it is located.

(3) The last assessed value.

(4) The true cash value of same on March 1st of the current year.

(5) Petitioner's estimate of actual value.

(6) All other information required as set out on Form 152.

On receiving such application duly verified, notice shall be given a hearing held in the county where such real estate is located after which the Board may order a reassessment of the real estate to be made by the proper local assessing officer. Such officer shall assess the real estate and notify the owner of the amount of the assessment made. Such taxpayer, if he is not satisfied, may appear before the County Board of Review at its regular session in June and make such objection as he may deem necessary. (64-1019 Burns). *(Department of Local Government Finance; Reg 1-11; filed Jan 8, 1946, 2:50 pm: Rules and Regs. 1947, p. 1886)*

**Rule 2. Directives on Personal Property (Repealed)**

*(Repealed by Department of Local Government Finance; filed Dec 7, 1988, 9:35 a.m.: 12 IR 907, eff Mar 1, 1989)*

**Rule 3. Directives on Real Property**

**50 IAC 1-3-1 Assessment of oil and gas wells, equipment, and royalty interests**

Authority: IC 6-1.1-31-1
Affected: IC 6-1.1-1-15; IC 6-1.1-4-12.4; IC 6-1.1-4-12.5

Sec. 1. ASSESSMENT OF OIL AND GAS WELLS AS REAL PROPERTY IN ACCORDANCE WITH IC 6-1.1-1-15, 6-1.1-4-12.4 AND 6-1.1-4-12.5. In order to provide for a uniform method of assessment of oil and gas wells, the State Board of Tax Commissioners has prescribed the following procedures.

The number of barrels of oil in storage shall be valued at the posted price of oil as of the assessment date. The posted price of oil as of the assessment date will be computed by this Board, taking into consideration the tier pricing policy in effect at that time, and issued as an addendum to STB Directive 78-2 *[50 IAC 1-2 was repealed filed Dec 7, 1988, 9:35 a.m.: 12 IR 907, eff Mar 1, 1989.]*. The price for crude oil will be stated in terms of price per barrel while the price for natural gas will be stated in terms of price per 1,000 cubic feet (MCF) in said Directive.

Oil on hand at a lease site shall be assessed like any other inventory (to be reported on Form 103 *[Form 103, renumbered 50 IAC 4-10-3–50 IAC 4-10-10 by the revisor, was repealed, filed Jan 23, 1980, 2:33 pm: 3 IR 1311]*) and shall be computed by multiplying the number of barrels in storage by the price of oil per barrel by .21667. (This results in the same assessed value that

would be realized by multiplying the number of barrels by the price of oil, less 35% times 1/3).

The interests in oil or gas shall be valued at the average daily production times the posted price established by this Board for oil or gas times 365. This value must be divided by 3 to determine the assessed value. For those leases being produced by a secondary recovery method, the "interest in oil assessment" is to be reduced by 1/2, as is indicated on the schedule.

To further assure uniformity, equipment incidental to and necessary for the production of oil and gas has been defined as an appurtenance to land and is to be assessed to the working interest. The assessed value per producing oil well and assessed valuation per producing gas well will be determined by this Board and issued as an addendum to STB Directive 78-2 *[50 IAC 1-2 was repealed filed Dec 7, 1988, 9:35 a.m.: 12 IR 907, eff Mar 1, 1989.]* along with the prices to be utilized for the valuation of petroleum products. Equipment not constituting an appurtenance shall be returned by the taxpayer as personal property on Forms 103 and 104 *[Forms 103 and 104, renumbered 50 IAC 4-10-3–50 IAC 4-10-10 and 50 IAC 4-10-11 by the revisor were repealed, filed Jan 23, 1980, 2:33 pm: 3 IR 1311]*, i.e. office equipment, trucks, boats, etc.

Royalty and overriding royalty interests which bear no part of the expense of a lease have been recognized to have a higher value than the working interests, therefore, to arrive at a total assessed value for these interests a factor of 1.50 is used. This is also indicated on the schedule.

All information shall be filed on schedules previously prescribed as G&O Form #1 by the State Board of Tax Commissioners or on a similar form conforming thereto. A separate schedule is to be filed for each lease with the township assessor on or before May 15th each year.

Each schedule shall show the name and address of the operator, the name, township and legal description of the lease, and the name, address and proportionate interest of each taxpayer. *(Department of Local Government Finance; Real Property Directive 78-101; filed Jan 30, 1978, 4:09 pm: Rules and Regs. 1979, p. 426)*

**50 IAC 1-3-2 Exemption of public airports**

Authority: IC 6-1.1-31-1
Affected: IC 6-1.1-10-15

Sec. 2. EXEMPTION OF PUBLIC AIRPORTS. IC 6-1.1-10-15 provides for an exemption from property taxes of land which is reasonably necessary to and used for public airport purposes, regardless of whether owned by a municipality, private individual, corporation or partnership, so long as the owner holds a valid and current public airport certificate issued by the Aeronautics Commission of Indiana.

Land used for public airport purposes is limited to those portions of the airport complex, including improvements, namely: runways and taxiways, but does not include land areas used for crop production or other portions of the airport complex from which income is derived.

Where the property is owned by a governmental unit, it will all be considered exempt and there will be no need to file for such exemption. Where the property is owned by an individual or entity other than a governmental unit, it will be necessary for the taxpayer to annually file a 136 petition, Application for Property Tax Exemption, with the local County Auditor.

After conferring with the Aeronautics Commission, the following rules are offered for your guidance in determining the extent of the exempt property.

(1) Income producing property will be considered as non-exempt. Examples include hangar space and tie-down areas which may be rented, and land used for growing crops.

(2) Runways are exempt and we should adopt the Aeronautics Commission guides and consider the runway to have a 250 foot minimum width.

(3) Taxiways are also exempt, but are generally non-existent in small airports. Where they are found, the area should be clearly defined.

*(Department of Local Government Finance; Real Property Directive 78-102; filed Jan 30, 1978, 4:09 pm: Rules and Regs. 1979, p. 427)*

**50 IAC 1-3-3 Assessment of improvements on leased land**

Authority: IC 6-1.1-31-1
Affected: IC 6-1.1-1-15

Sec. 3. ASSESSMENT OF IMPROVEMENTS ON LEASED GROUND. The following is quoted from IC 6-1.1-1-15 which defines real property:

"Real property" means:

(1) land located within this state;

(2) a building or fixture situated on land located within this state;

(3) an appurtenance to land located within this state; and

(4) an estate in land located within this state, or an estate, right, or privilege in mines located on or minerals, including but not limited to oil or gas, located in the land, if the estate, right, or privilege is distinct from the ownership of the surface of the land.

The above section has been construed to mean that all improvements on leased ground shall be assessed as real estate.

To carry out the provisions of this section all improvements on leased ground shall be assessed in the current real estate reassessment program in the same manner as any other real estate. This will include the preparation of a permanent assessment record, the computation of the assessment using Indiana Real Estate Property Appraisal Manual, the mailing of a notice of the assessment, and all other provisions of existing laws and rules and regulations governing the assessment of real estate. The only exception will be that no land or lot values will be included and the assessments and records should clearly show that they represent "Improvements on Leased Ground."

The value of any such improvements should be listed with other real estate in the Assessor's Book and the Tax Duplicate prepared by the county auditor, but, as stated, should be clearly identified as "Improvements on Leased Ground" so there is no conflict with the real estate and improvements thereon assessed in the name of the owner of the fee simple title. This wording may be entered in the column provided for description of real estate. The value of such improvements shall be entered in the appropriate column provided for that purpose in such records. *(Department of Local Government Finance; Real Property Directive 78-103; filed Jan 30, 1978, 4:09 pm: Rules and Regs. 1979, p. 427)*

**50 IAC 1-3-4 Agricultural yield and influence factors**

Authority: IC 6-1.1-31-1
Affected: IC 6-1.1-31

Sec. 4. ASSESSMENT OF AGRICULTURAL LANDS. In order to provide for more uniform and equitable assessment of agricultural lands, the Board has considered additional information in the matter and determined as follows:

(1) Per Regulation No. 17 (Indiana Real Property Appraisal Manual), influence factors are applicable to the extended values of land types in all counties (see Procedure #6, Page LV-04,) both those using Detailed Soil Survey Maps and those using General Soil Maps.

(2) Yield factors are to be increased for the following soil associations in counties using General Soil Maps:

#100 to .57
#101 to .52
#105 to .57
#106 to .52

(3) All other yield factors, except the four referred to above, which are less than .47 for any soil I.D. shall be increased to .47 (applicable to all counties, both those using Detailed Soil Survey Maps and those using General Soil Maps.)

*(Department of Local Government Finance; Real Property Directive 78-104; filed Jan 30, 1978, 4:09 pm: Rules and Regs. 1979, p. 428)*

**50 IAC 1-3-5 Assessment of hog barns**

Authority: IC 6-1.1-31-1
Affected: IC 6-1.1-31

Sec. 5. ASSESSMENT OF HOG CONFINEMENT BUILDINGS. In order to provide for the uniform assessment of hog confinement buildings the Board has determined that the pricing schedule on page RF-35 of the Indiana Real Property Appraisal Manual, with additions or deductions for components, supports the guidelines herein for the valuation of such property.

Because a farrowing barn, used primarily for sow farrowing and pig nursery, is similar in construction to a type-2 flat barn

and a finishing barn, used primarily for housing and feeding until market weight, is similar in construction to type-3 general purpose building, the following guidelines are provided for respective buildings:

| AREA | FARROWING | FEEDING |
|---|---|---|
| 400 | $7.40 | $ |
| 600 | 6.90 | |
| 800 | 6.50 | |
| 1,000 | 6.10 | 4.40 |
| 1,200 | 5.50 | 4.10 |
| 1,800 | 5.20 | 3.85 |
| 2,400 | 5.00 | 3.75 |
| 3,000 | 4.80 | 3.65 |
| 4,000 | 4.50 | 3.45 |
| 5,000 | 4.40 | 3.40 |
| 6,000 | 4.30 | 3.35 |
| 8,000 | 4.15 | 3.25 |
| Included for plumbing | .10 | .10 |
| Included for lighting | .15 | .10 |
| Included for concrete floor | .65 | .65 |
| Included for insulation (See Page RF-35 for variable) | | |
| Add for all slated floor and pits | 2.30 | 2.30 |
| Add for ¼ slatted floor and pits | 1.10 | 1.10 |
| Add for wood pens and ventilation | 2.40 | 1.90 |
| Add for steel pens and ventilation | 4.55 | 3.60 |
| Add for feeding bunks and systems from Page RF-35 | | |
| Adjust for quality construction from grade D to grade B. | | |
| Adjust for depreciation with 20 year guideline life. | | |
| Pits, where applicable, should be valued from Schedule on GC-39. | | |

*(Department of Local Government Finance; Real Property Directive 78-105; filed Jan 30, 1978, 4:09 pm: Rules and Regs. 1979, p. 429)*

**50 IAC 1-3-6 Assessment schedule for horizontal pressure tanks**

Authority: IC 6-1.1-31-1
Affected: IC 6-1.1-31

Sec. 6. ASSESSMENT OF HORIZONTAL PRESSURE TANKS. In order to provide for the uniform assessment of horizontal steel pressure tanks, commonly used for the storage of liquid and gas fuels, the Board has determined the following pricing schedule for such real property, completely installed on saddle pads with normal fittings, but not incuding *[sic.]* the value of pipe, valves, pumps or foundations:

| CAPACITY (Gallons) | SIZE (Feet) | COST |
|---|---|---|
| 1,000 | 3½ × 16 | $ 1,200 |
| 2,000 | 5 × 15 | 2,200 |
| 3,000 | 5 × 22 | 3,200 |
| 4,000 | 5 × 29 | 4,100 |
| 5,000 | 5 × 36 | 4,900 |
| 7,500 | 6 × 37 | 6,900 |
| 10,000 | 6 × 50 | 8,900 |
| 12,500 | 6 × 61 | 10,400 |
| 15,000 | 7½ × 50 | 12,500 |
| 20,000 | 7½ × 65 | 16,200 |
| Over 20,000 | Varied | .80 per gallon |

The depreciation on subject property should be determined from the thirty (30) year economic life schedule on page DP-02 *[50 IAC 2 was repealed filed Dec 13, 1989, 5:00 p.m.: 13 IR 864; errata filed Feb 19, 1990, 3:35 p.m.: 13 IR 1187.]* of the Real Property Appraisal Manual. *(Department of Local Government Finance; Real Property Directive 78-106; filed Jan 30, 1978, 4:09*

*pm: Rules and Regs. 1979, p. 429)*

**50 IAC 1-3-7 Reassessment after subdivision, rezoning, and improvements**
Authority: IC 6-1.1-31-1
Affected: IC 6-1.1-1-15; IC 6-1.1-4-4; IC 6-1.1-4-12; IC 6-1.1-11-9; IC 6-1.1-31

Sec. 7. GENERAL REASSESSMENT OF SUBDIVIDED AND REZONED LANDS. "6-1.1-4-12. Subdivided land; rezoned land; improvements. If land assessed on an acreage basis is subdivided into lots, the land shall be reassessed on the basis of lots. If land is rezoned for, or put to, a different use, the land shall be reassessed on the basis of its new classification. If improvements are added to real property, the improvements shall be assessed. An assessment or reassessment made under this section is effective on the assessment date. However, if land assessed on an acreage basis is subdivided into lots, the lots may not be reassessed until the next assessment date following a transaction which results in a change in legal or equitable title to that lot."

With the exception made by IC 6-1.1-11-9 of real property owned, used and occupied by the governments of the United States, Indiana, its agencies and political subdivisions, the general reassessment required by IC 6-1.1-4-4 is to include all real property as defined in IC 6-1.1-1-15.

Therefore, the Land Valuation section of Regulation 17 *[50 IAC 2 was repealed filed Dec 13, 1989, 5:00 p.m.: 13 IR 864; errata filed Feb 19, 1990, 3:35 p.m.: 13 IR 1187.]* (1976) should be followed in the general reassessment of subdivided and rezoned lands, but the present classification of the land should not change. *(Department of Local Government Finance; Real Property Directive 78-107; filed Jan 30, 1978, 4:09 pm: Rules and Regs. 1979, p. 430)*

**50 IAC 1-3-8 Assessment of coal lands and coal rights**
Authority: IC 6-1.1-31-1
Affected: IC 6-1.1-31

Sec. 8. ASSESSMENT OF COAL LANDS. In order to provide uniformity to the assessment of lands with present or former coal deposits thereon and commonly owned by coal mining entities, the Board has determined as follows:

(1) Fee simple ownership of land shall be valued pursuant to guidelines provided in the real property appraisal manual. (p. LV-04 *[50 IAC 2 was repealed filed Dec 13, 1989, 5:00 p.m.: 13 IR 864; errata filed Feb 19, 1990, 3:35 p.m.: 13 IR 1187.]*).

(2) Mineral ownership only within land shall be valued at $60.00 per acre.

(3) Surface ownership only shall be valued as fee simple ownership of land.

(4) A minimum of one acre shall be valued as Industrial land at the principal location of active mine operations.

(5) Land which has been surface mined prior to identification of soil association number or series shall be assigned a yield factor of .47, subject to the adjustments provided in the manuals for influence factors.

*(Department of Local Government Finance; Real Property Directive 78-108; filed Jan 30, 1978, 4:09 pm: Rules and Regs. 1979, p. 430)*

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