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Mission of Reassessment

The mission of a reassessment is to inventory, verify, and value all real estate parcels. This process distributes the property tax burden in a uniform and equitable manner. The reassessment of real property includes the following:

- Land
- Buildings and fixtures situated on the land
- Appurtenances to land
- An estate in land or an estate, right, or privilege in mines located on the land or minerals located in the land if the estate, right, or privilege is distinct from the ownership of the surface of the land.

Residential, commercial and industrial land, and agricultural homesites are valued based on values established by the township assessor and reviewed by the Property Tax Assessment Board of Appeals (PTABOA). The primary method for valuing buildings and other improvements is the cost of replacing the improvement minus depreciation, but the comparable sales approach and capitalized income approach may be used by the assessor if shown to be applicable.

Reassessment of Real Property

A general reassessment of all real property within the state is required as of March 1, 2002. The next general reassessment is statutorily required for March 1, 2006. The tax liability resulting from the reassessment is determined by multiplying the net district tax rate by the net assessed valuation of the property less any credits the property may qualify for. All taxes on real property are due in two (2) equal installments on May 10 and November 10 of the following year.

Assessing officials must follow the rules of the State Board of Tax Commissioners in making any assessment or reassessment of real property. Assessing officials must begin the reassessment of real property July 1, 1999, and complete it by March 1, 2002. The reassessment period for collecting data, inspecting, and valuing property is thirty-two (32) months.

Place of Assessment and Person Liable

Real property is assessed at the place where it is situated, and it is assessed to the person liable for the taxes as provided in IC 6-1.1-2-4(b) (c). Generally, the owner of any tangible property on the assessment date of a year is liable for the taxes imposed on the property for that year. However, a person holding, possessing, controlling, or occupying any tangible property on the assessment date of a year is liable for the taxes imposed for that year unless the property is assessed and taxed in the name of the owner, or the owner is liable for the taxes under a contract with that person.

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Tangible property of a partnership is listed and assessed in the firm name with each partner jointly and severably liable for the taxes assessed.

Real property that is controlled by an executor, administrator, guardian, trustee, or receiver is assessed to the executor, administrator, guardian, trustee, or receiver.

The undivided real property of a deceased person that is not under the control of an executor or administrator may be assessed to the decedent's heirs or devisees without designating the heirs or devisees by name. The real property may be assessed in this manner until notice of:

- the division of the property;
- the names of the heirs or devisees; and
- the portion of the property belonging to each heir or devisee;

is given to the auditor of the county in which the real property is situated.

Each heir or devisee is liable for the total taxes imposed on the undivided real property of a decedent. If an heir or devisee pays the total taxes, the heir or devisee may recover from the other heir or devisee:

- the other heir's or devisee's share of the total taxes; and
- interest on the amount referred to above.

In addition, the heir or devisee who pays the taxes acquires the lien for the taxes paid on the property interest of the other heirs or devisees.

Appraisal and Examination of Buildings

The assessor of the township in which the property is located is responsible for appraising the property or having it appraised. The township assessor, or the assessor's authorized representative, may enter and fully examine all buildings and structures in order to determine the assessed value.

The township assessor keeps the reassessment data and records current by securing the necessary field data and making changes in the assessed value of real property as changes occur in its use. The records must show the assessed value of the real property in accordance with the rules of the State Board of Tax Commissioners.

Notice to Taxpayers and County Auditor

The assessing official or PTABOA must give notice to the taxpayer, by mail, of the amount of the assessment or reassessment. During a period of general reassessment, the township assessor must mail the notice of assessment within ninety (90) days after the completion of the appraisal of a parcel. The notice of assessed value is given on Form 11, Notice of Assessment, as prescribed by the State Board of Tax Commissioners.

The township assessor must notify the county auditor of the assessed value of land and improvements immediately after determining the assessed value of all

property in the township. The notice must be on Form 29 as prescribed by the State Board of Tax Commissioners.

Employment of Staff and Professional Appraisers

Subject to the approval of the State Board of Tax Commissioners and the requirements of IC 6-1.1-4-18(a), a township assessor or a group consisting of the county assessor and the township assessors in a county can employ professional appraisers, individuals, or firms that are certified under IC 6-1.1-31.7 as technical advisors.

After notice to the county assessor and all township assessors in the county, a majority of the assessors authorized to vote under this subsection may vote as follows:

- to employ a professional appraiser to act as a technical advisor in the county during a general reassessment period
- to appoint an assessor or a group of assessors to
 - enter into and administer the contract with a professional appraiser employed under this section
 - oversee the work of a professional appraiser employed under this section.

Each township assessor and the county assessor have one vote. A decision by a majority of the persons authorized to vote is binding on the county assessor and all township assessors in the county. Subject to the limitations contained in IC 6-1.1-4-18(a), the appointed assessor or assessors may contract with a professional appraiser employed under this section to supply technical advice during a general reassessment period for all townships in the county. A proportionate part of the appropriation to all townships for assessing purposes will be used to pay for the technical advice.

Written Contract for Technical Advisors

When utilizing the services of a professional appraiser or appraisal firm for assessment or reassessment purposes, the parties must enter into a written contract. The contract used must be either a standard contract developed by the State Board of Tax Commissioners or a contract that has been specifically approved by the State Board of Tax Commissioners.

Notice must be given to solicit bids from anyone desiring to furnish this service before a contract is awarded. The notice of the time and place for receiving bids for the contract must be given by one (1) insertion in two (2) newspapers of general circulation published in the county and representing each of the two leading political parties in the county. If there is only one newspaper published, notice in that one newspaper is sufficient.

The county shall award the contract to the lowest and best bidder who meets all requirements under law for entering a contract to serve as technical advisor in the

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assessment of property. However, any and all bids may be rejected, and new bids may be asked.

Every contract must contain the following:

- a fixed date for completion of all responsibilities under the contract
- a penalty clause under which the amount to be paid for appraisal services is decreased for failure to complete specified services within the specified time
- a provision requiring the appraiser, or appraisal firm, to make periodic reports to the township assessors involved
- a provision stipulating the manner in which, and the time intervals at which, the periodic reports are to be made to the township assessors involved
- a precise stipulation of what service or services are to be provided and what class or classes of property are to be valued
- a provision requiring a performance bond in the amount of the contract, unless specifically waived by the county commissioners
- all applicable standard contract provisions developed by the State Board of Tax Commissioners under IC 6-1.1-4-19
- the provisions, pertaining to contractual duties, required to be specified by professional appraisers under rules promulgated under IC 6-1.1-31.7-3
- a provision that the contract is void if the professional appraiser's or professional appraisal firm's certification under IC 6-1.1-31.7 is revoked by the State Board of Tax Commissioners.

A county may enter into a contract only on or after January 1, 1999, and on or before June 30, 1999, unless specifically waived by the State Board of Tax Commissioners.

The county council shall appropriate the funds necessary for the employment of the deputies, employees, and technical advisors, including any contractual obligations entered into for professional appraisal services.

State Tax Board Review

The State Board of Tax Commissioners shall periodically check the conduct of a general reassessment of property. The Board may inform township assessors, county assessors, and the presidents of county councils in writing if it finds that the general reassessment is not being properly conducted or if property assessments under the general reassessment are not being properly made. Failure of an official to provide the State Board of Tax Commissioners, or a representative of the State Board of Tax Commissioners, with access to official records is evidence of misconduct in office.

The failure of the Board to inform local officials that the reassessment is not being properly conducted or that assessments are not being properly made is not to be construed as an indication by the Board that the general reassessment is being properly conducted, or that property assessments under the general reassessment are being properly made.

If a township or county official fails to prepare a report, a plat, or other property tax record, the State Board of Tax Commissioners or its representative may prepare

it and certify the expenses to the respective township or county that failed to perform the duty. The township or county shall pay the expenses within thirty (30) days. A township or county may recover any amount from the official who failed to perform the duty.

Property Reassessment Fund

The county council of each county must levy for property taxes an amount equal to three-fourteenths ($3/14$) of the estimated cost of the general reassessment. For the general reassessment of real property that is to begin July 1, 2003, the county council shall levy for the property tax reassessment fund an amount equal to one-fourth ($1/4$) the estimated cost in 2000, 2001, 2002, and 2003.

The State Board of Tax Commissioners may raise or lower the property taxes levied for a general reassessment if it determines the estimated cost of the general reassessment has changed.

The collections of property taxes levied for this purpose must be deposited by the county treasurer in a property reassessment fund established by the county auditor. The county shall invest any money accumulated in the property reassessment fund until the money is needed for reassessment expenses. The interest earned on the investment is paid into that fund.

Money assigned to the property reassessment fund may be used only to pay the cost of the following:

- the general reassessment of real property
- computerization of assessment records
- updating of plat books
- development or updating of detailed soil survey data by the United States Department of Agriculture or its successor agency
- payments to assessing officials or members of the Property Tax Assessment Board of Appeals for training by the State Board of Tax Commissioners
- payments for the salary of permanent staff or for the contractual services of temporary staff who assist assessing officials. This appropriation must be approved by the county council.

Real and Personal Property Guide

The use of a unit of machinery, equipment, or structure determines its classification as real or personal property. If the unit is directly used for manufacturing, or a process of manufacturing, it is considered personal property. If the unit is a land or building improvement, it is considered real property.

On-site utility piping, such as sanitary and storm sewers, potable water and fire prevention lines, and gas lines are considered on-site development costs and are included in the base rate when calculating the value of land. Real property land improvements are those improvements extraneous to site development, which are placed on the land to improve the parcel. They are normally considered yard items when calculating the replacement cost of the item. Real property land improvements include, but are not limited to, the following:

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- retaining walls
- private roads
- paved roads
- bridges
- fencing
- reservoirs
- dams
- fixed river, lake, or tidewater wharves and docks
- permanent standard gauge railroad trackage, bridges, and trestles
- walls forming storage yards and fire prevention dikes.

Structural components and other improvements to buildings are considered real property. These include, but are not limited to, the following:

- foundations
- walls
- floors
- roof
- insulation
- stairways
- partitions
- loading and unloading platforms
- canopies
- areaways
- heating systems
- air conditioning
- ventilation systems
- sanitation
- fixed fire protection
- lighting
- plumbing and drinking water
- elevators and escalators.

Mobile homes that are either located on land owned by the home owner or on permanent foundations are considered real property.

A mobile home that does not meet the above criteria and is not assessed as inventory are to be assessed annually under 50 IAC 3.2.

Table 1-1 identifies property as either real property or personal property.

Table 1-1. Real and Personal Property

Property	Type
Agricultural irrigation system, including the distribution system above or below ground	Personal
Air conditioning	
Building air conditioning for comfort of occupants	Real
Package units, through the wall commercial type	Real
Special process equipment to maintain controlled temperature and humidity	Personal
Window units, through the wall or inserted in window	Personal
Air lines for machinery and equipment	Personal
Aluminum pot lines	Personal
Anhydrous ammonia tanks and equipment	
Stationary	Real
Portable	Personal
Ash handling system, pit and framing related to system	Personal
Asphalt mixing plant and equipment (moveable)	Personal
Auto-call and telephone system	Personal
Bar and equipment	Personal
Bins, permanently affixed for storage	Real
Boilers	
Manufacturing process	Personal
Building service	Real
Booths for welding	Personal
Bowling alley lanes	Personal
Bucket elevators, open or enclosed, including casing	Personal
Buildings, such as specially constructed storage, poultry, or livestock processing buildings, not including machinery or equipment	Real
Bulkheads making additional land area to be assessed with and as a part of the improved land	Real

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<p>Carpeting, commercial</p> <p>A real property assessment includes a finished floor. If the carpet is installed over an existing finished floor, carpeting is personal property.</p> <p>If, as in the case of many newer buildings, carpeting has been specified and is the only finished floor, carpeting is assessed as real property.</p>	Real or Personal, depending on the circumstances
Cistern	Real
Coal handling system	Personal
Cold storage	
Built-in cold storage rooms	Real
Cold storage refrigeration equipment	Personal
Cold storage, prefab walk-in type	Personal
Control booth	Personal
Conveyor	
Housing	Personal
Tunnels	Real
Unit, including belt and drives	Personal
Cooling towers	
Primary use for manufacturing	Personal
Primary use for building	Real
Crane	
Moving crane	Personal
Runways, including supporting columns or structure and foundation, inside or outside of buildings	Personal
Dock levelers	Personal
Drapes	Personal
Drying rooms	
Structure	Real
Heating system	Personal
Dust catchers	Personal
Fence, security	Real
Fire alarm system	Personal
Fire walls, masonry	Real
Floors, computer room	Real
Foundations for machinery and equipment	Personal

Gaming riverboats	Real
Gas lines for equipment or processing	Personal
Grain bins, storage	Real
Grain drying equipment	Personal
Grain drying equipment, such as augers and aerators	Personal
Grain elevators (commercial, industrial) storage, silos, tanks, cupolas, working house, head-house, and milling space	Real
Grain elevator machinery and equipment (commercial, industrial), such as inside or outside conveyors, spouting, hopper scales, man lifts, aeration systems, grain cleaners, grain dryers, mechanical grain dumping equipment, loading and unloading systems, truck scales, and all processing machinery and equipment	Personal
Grain storage tents (blow-up)	Personal
Gravel plant, machinery, and equipment	Personal
Greenhouses	
Building	Real
Building, plastic cover, in place on assessment date	Personal
Benches and heating system	Personal
Heating system	
Building heating for comfort of occupants	Real
Special purpose to maintain controlled temperature	Personal
Hoist, hoist pits	Personal
Hydraulic lines	Personal
Irrigation equipment	Personal
Kilns	
Lumber, drying kiln structure	Real
Concrete block, drying kiln structure	Real
Circular down draft, beehive	Real
Heating or drying system	Personal
Landscaping, priced with land	Real
Laundry, steam generating equipment	Personal
Lighting	
Yard	Personal

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Special purpose, inside	Personal
Service station, except building	Personal
Mixers and mixing houses	Personal
Ore bridge foundation	Personal
Ovens, processing	Personal
Piping, process piping above or below ground	Personal
Pits for equipment or processing	Personal
Pools swimming, in-ground or above-ground	Real
Power lines and auxiliary equipment	Personal
Pumps and motors	Personal
Pump house, including substructure	Real
Racks and shelving, portable or removable	Personal
Railroad siding, except belonging to railroad	Real
Ready-mix concrete batch plant and equipment	Personal
Refrigeration equipment	Personal
Refrigerated display cabinets	Personal
Sanitary system	Real
Satellite dishes	
Commercial use	Personal
Residential use	Personal
Scale houses	Real
Scales	
Truck or railroad scales, including pit	Personal
Dormant scales	Personal
Septic system, priced with land	Real
Sheds or buildings	
Permanent, affixed, or portable confinement buildings	Real
Agricultural open portable pull-type	Personal
Detached storage structures	Real
Portable utility sheds	Real
Signs, including supports and foundation	Personal
Silos	
Containing a manufacturing process	Personal
Farm storage silos	Real
Silo equipment	Personal

Storage	Real
Spray pond	
Masonry reservoir	Real
Piping and equipment	Personal
Sprinkler system	Real
Stacks	
Supported individually and servicing heating boilers	Real
Servicing personal property units or a process	Personal
Steam electric generating facility	
Equipment	Personal Property or distributable property
Building	Real
Stone crushing plant and equipment	Personal
Storage facilities, permanent of masonry or wood	Real
Storage vaults and doors, including bank vaults and doors	Real
Substation	
Building	Real
Equipment	Personal
Tanks	
Storage only, except as indicated in clauses (B) and (C), above or below ground	Real
(B) Used as part of manufacturing process	Personal
(C) Underground gasoline tanks at service stations	Personal
Towers, TV or radio broadcasting	Personal
Transformers	Personal
Tunnels	Real
Tunnels, waste heat or processing	Personal
Unit heaters	
Nonportable	Real
Portable	Personal
Unloader runway	Personal
Ventilating	
Ventilating system for manufacturing equipment	Personal
Ventilating system for comfort of employees	Real

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Walls, portable partitions	Personal
Water lines, for processing above or below ground	Personal
Water pumping station, building and structure	Real
Water pumps and motors	Personal
Water treating and softening plant	
Building and structure	Real
Water treating and softening equipment	Personal
Wells used for potable water, priced with land	Real
Wells, pumps, motors, and equipment	Personal
Wiring, power wiring	Personal

NOTE:

This section supercedes listings in any other texts used in the assessment of property.

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