

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

Petition: 64-023-20-1-5-00298-21
Petitioner: Sam Roknich
Respondent: Porter County Assessor
Parcel: 64-06-03-357-003.000-023
Assessment Year: 2020

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

PROCEDURAL HISTORY

1. Roknich contested the 2020 assessment of his property located at 1561 Parmaker in Chesterton. The Porter County Property Tax Assessment Board of Appeals (“PTABOA”) issued a determination valuing the residential property at \$191,200 (land \$46,600 and improvements \$144,600).
2. Roknich timely filed a Form 131 petition with the Board and elected to proceed under our small claims procedures. On June 22, 2021, Ellen Yuhan, our designated administrative law judge (“ALJ”) held a telephonic hearing on Roknich’s petition. Neither she nor the Board inspected the property.
3. Roknich appeared pro se. Jackie Harrigan appeared for the Assessor. Both testified under oath.

RECORD

4. The official record for this matter contains the following:
 - a. Cover sheet with Roknich’s narrative of issue

Petitioner Exhibit 1:	Property tax bill for the subject property
Petitioner Exhibit 2:	Property record card for 1621 Duffer Drive
Petitioner Exhibit 3:	Property record card for 1560 Bunker Drive
Petitioner Exhibit 4:	Multiple Listing Service information for 1461 Parmaker
Respondent Exhibit 1:	Property record card for the subject property
Respondent Exhibit 2:	Appraisal of William L. Eenshuistra, Jr.
Respondent Exhibit 3:	Aerial photograph

- b. The record 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.

OBJECTIONS

5. The Assessor objected to Petitioner Exhibits 2 and 3 because the homes are not similar in style to the subject property and Roknich did not adjust them. Similarly, the Assessor objected to Exhibit 4 because Roknich included the basement area in his price per square foot calculation.
6. Because the Assessor's objections go solely to the weight that should be given to the evidence, which is the province of the Board, we adopt our ALJ's ruling admitting the exhibits.

BURDEN OF PROOF

7. Generally, a taxpayer seeking review of an assessing official's determination has the burden of proof. Indiana Code § 6-1.1-15-17.2 creates an exception to that general rule and assigns the burden of proof to the assessor in two circumstances--where the assessment under appeal represents an increase of more than 5% over the prior year's assessment, or where it is above the level determined in a taxpayer's successful appeal of the prior year's assessment. I. C. § 6-1.1-15-17.2 (b) and (d).
8. Here, the assessment increased from 174,300 in 2019 to 191,200 in 2020—an increase of 9.7%. The Assessor conceded that he therefore bears the burden of proof.

SUMMARY OF CONTENTIONS

9. The Assessor's case:
 - a. The Assessor provided an appraisal prepared by William L. Eenshuistra, Jr., an Indiana certified general appraiser. Eenshuistra relied solely on the sales comparison approach, and he certified that he prepared the appraisal in accordance with the Uniform Standards of Professional Appraisal Practice ("USPAP"). *Harrigan testimony; Resp't Ex. 2.*
 - b. Eenshuistra searched for comparable sales within the subject's neighborhood and the immediate area before expanding his search area to include the Chesterton and Porter markets. The five comparable sales he identified sold between March and October of 2019 for prices ranging from \$185,000 to \$210,000. He found no support for a market conditions adjustment, but he did adjust them for concessions, age, site size, gross living area, porches, fireplaces, and fences, resulting in adjusted sales prices ranging from \$189,421 to \$210,106. Eenshuistra placed the most weight on Sale #4 and ultimately estimated the subject's market value at \$200,000 as of January 1,

2020. The Assessor asks the Board to change the assessment to reflect Eenshuistra's opinion of value. *Harrigan testimony; Resp't Ex. 2.*

- c. The Assessor uses trending to account for changes in the marketplace, which requires assessors to research sales of properties in a particular area over the previous year. This is part of the annual adjustment process. Ratio studies are also done to ensure that all taxpayer assessments are uniform, and taxpayers are treated fairly. *Harrigan testimony.*
 - d. The Assessor criticized Roknich's evidence because his home is a ranch over a crawlspace, while the three comps he offered are not of a similar style (a bi-level, a tri-level, and a home with a fully finished basement). Roknich made no adjustments for these differences. He also included the basement area in his price per square foot calculation for the property located at 1461 Parmaker even though it would not have the same value as the above-grade area. *Harrigan testimony.*
10. Roknich's case:
- a. The Assessor's appraiser completed his appraisal in May 2021, meaning that he went backwards a year and a half to estimate what the subject's value would have been in January 2020. The appraiser did not rely on any homes from Roknich's subdivision. He used five comps that are located between 1.2 and 4.2 miles away. *Roknich testimony.*
 - b. Roknich provided sales information for two homes from his subdivision. A bi-level home located next door to his home sold for \$116/SF in May 2019, while a tri-level home located half a block away sold for \$115/SF in June 2019. *Roknich testimony; Pet'r Exs. 2 and 3.*
 - c. There were no ranch-style homes sold in Roknich's subdivision in 2019. However, a 3,445 square foot ranch home located three doors down from him sold for \$335,000 in 2020, which comes out to \$97/SF. Roknich was told that this sale is irrelevant for this appeal since it occurred in 2020. Home prices were higher in 2020 than in 2019, making Roknich wonder how the Assessor could value his home at \$122/SF when an identical ranch home three doors away sold for \$97/SF in 2020. *Roknich testimony; Pet'r Ex. 4.*

ANALYSIS

11. The Assessor made a prima facie case supporting his request to increase the 2020 assessment. Roknich failed to impeach the Assessor's evidence and failed to offer more persuasive valuation evidence of his own. The Board reached this decision for the following reasons:

- a. 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); 2011 REAL PROPERTY ASSESSMENT MANUAL at 3. “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.
- b. All three standard appraisal approaches—the cost, sales-comparison, and income approaches—are “appropriate for determining true tax value.” MANUAL at 2. In an assessment appeal, parties may offer any evidence relevant to a property’s true tax value, including appraisals prepared in accordance with generally recognized appraisal principles. *Id.* at 3; *see also Eckerling v. Wayne Twp. Ass’r*, 841 N.E.2d 674, 678 (Ind. Tax Ct. 2006) (reiterating that a market value-in-use appraisal that complies with USPAP is the most effective method for rebutting the presumption that an assessment is correct). Regardless of the method used to prove true tax value, a party must explain how its evidence relates to the property’s value as of the relevant valuation date. *O’Donnell v. Dep’t of Local Gov’t Fin.*, 854 N.E.2d 90, 95 (Ind. Tax Ct. 2006). The valuation date for this appeal is January 1, 2020. Ind. Code § 6-1.1-2-1.5(a).
- c. As discussed above, the Assessor has the burden of proof. He offered a USPAP-compliant appraisal prepared by William L. Eenshuistra, Jr., an Indiana certified general appraiser. Eenshuistra relied on the sales comparison approach and estimated the subject’s value to be \$200,000 as of January 1, 2020.
- d. Roknich criticized several aspects of Eenshuistra’s appraisal, but we conclude that none of his criticisms have merit. Roknich’s first complaint was that Eenshuistra performed his appraisal a year and a half after the valuation date. However, all the comparable sales Eenshuistra relied on sold within about 9 months before the valuation date and he explained that he found no support for a market conditions adjustment. Thus, we conclude that Eenshuistra sufficiently related his opinion of value to the January 1, 2020 valuation date as required by *O’Donnell*.
- e. We also give no weight to Roknich’s complaint about Eenshuistra’s failure to rely on any homes from the subject’s subdivision. As Roknich himself admitted, there were no ranch-style homes sold in the subdivision during 2019. Thus, we take no issue with Eenshuistra’s decision to expand his search area to look for sales of comparable homes in the Chesterton and Porter markets.
- f. Because Roknich failed to impeach the credibility of Eenshuistra’s appraisal, we conclude it is probative evidence of the subject’s market value-in-use. Accordingly, the Assessor made a prima facie case supporting his request to increase the 2020

assessment to reflect Eenshuistra's opinion of value. The burden therefore shifts to Roknich.

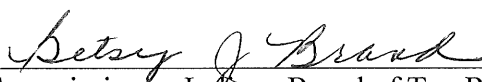
- g. Roknich offered evidence regarding the sales of three purportedly comparable properties from his subdivision. However, as the Assessor pointed out, the three comps Roknich offered are not very similar to the subject and he made no adjustments to account for the relevant differences between them. We therefore conclude that Roknich's sales data lacks probative value. *See Long v. Wayne Twp. Assessor*, 821 N.E.2d 466, 471 (Ind. Tax Ct. 2005) (finding sales data lacked probative value where the taxpayers did not explain how purportedly comparable properties compared to their property or how relevant differences affected value).
- h. Because Roknich offered no probative market-based evidence proving the subject's market value-in-use was lower than \$200,000, he failed to rebut the Assessor's prima facie case.

FINAL DETERMINATION

In accordance with the above findings of fact and conclusions of law, we find for the Assessor and order the 2020 assessment changed to \$200,000.

ISSUED: SEPTEMBER 21, 2021

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>>.