

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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**FISCAL IMPACT STATEMENT**

**LS 6762**

**BILL NUMBER:** HB 1166

**NOTE PREPARED:** Dec 21, 2020

**BILL AMENDED:**

**SUBJECT:** Property Tax Assessment Appeals.

**FIRST AUTHOR:** Rep. Soliday

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:**     **GENERAL**  
                              **DEDICATED**  
                              **FEDERAL**

**IMPACT:** Local

**Summary of Legislation:** This bill provides that if an assessment on a taxpayer's residential real property or commercial property is increased for a tax year for any reason other than trending, and the taxpayer appeals the increased assessment to the county property tax assessment board of appeals (PTABOA) or the Indiana Board of Tax Review (IBTR) and prevails, or prevails at any subsequent appeal of the increased assessment, the assessing official may not increase the assessed value (AV) on the residential real property or commercial property for the next five years for any reason other than trending.

The bill specifies that the provision does not apply where there was a change in structural improvements, zoning, or use that was not considered in the assessment for the prior tax year.

**Effective Date:** January 1, 2022.

**Explanation of State Expenditures:**

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** This bill could result in lower AV for some properties for up to five years. The lower AVs will lead to higher tax rates, tax shifts to other taxpayers, and possibly lower local revenues because of higher tax cap losses in some places.

Assessors may change assessments for several reasons other than trending. One such reason is cyclical

reassessment. Under the bill, if the owner of residential or commercial property prevails in an appeal of an AV increase not resulting from trending then the AV may not be increased for five years for any reason other than trending.

For qualifying properties, this provision will prohibit AV increases resulting from the four year cyclical reassessment or any reason other than trending or a change in structural improvements, zoning, or property use.

**State Agencies Affected:**

**Local Agencies Affected:** Local assessors; Local civil taxing units and school corporations.

**Information Sources:**

**Fiscal Analyst:** Bob Sigalow, 317-232-9859.