

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

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**FISCAL IMPACT STATEMENT**

**LS 6762**

**BILL NUMBER:** HB 1166

**NOTE PREPARED:** Feb 4, 2021

**BILL AMENDED:** Feb 4, 2021

**SUBJECT:** Property Tax Assessment Appeals.

**FIRST AUTHOR:** Rep. Soliday

**FIRST SPONSOR:**

**BILL STATUS:** CR Adopted - 1<sup>st</sup> House

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

**IMPACT:** Local

**Summary of Legislation:** (Amended) This bill provides that if an assessment on a taxpayer's residential real property, agricultural property, or commercial property is increased for a tax year, 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 property for the next four years.

The bill specifies that the provision does not apply to an assessment if the assessment is based on substantial improvements, zoning, or uses that were 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:** (Revised) This bill will result in lower AV for some properties for up to four 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.

Currently, assessors may change assessments for several reasons including cyclical reassessment and annual trending. Under the bill, if the owner of residential, agricultural, or commercial property prevails in an appeal

of an AV increase then the AV may not be increased for four years except for changes in zoning or property use, or if there have been substantial improvements made to the property.

**State Agencies Affected:**

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

**Information Sources:**

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