

HOUSE BILL No. 1325

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1-4-4.5.

Synopsis: Farmland assessments. Requires the department of local government finance to eliminate in the calculation of the rolling average used in annual adjustment to the base rate for agricultural land the two years among the six years for which the highest and second highest market values in use of agricultural land are determined.

Effective: July 1, 2014.

Price

January 15, 2014, read first time and referred to Committee on Ways and Means.



Second Regular Session 118th General Assembly (2014)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2013 Regular Session and 2013 First Regular Technical Session of the General Assembly.

HOUSE BILL No. 1325



A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 6-1.1-4-4.5, AS AMENDED BY P.L.112-2012,
- 2 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 3 JULY 1, 2014]: Sec. 4.5. (a) The department of local government
- 4 finance shall adopt rules establishing a system for annually adjusting
- 5 the assessed value of real property to account for changes in value in
- 6 those years since a reassessment under section 4 or 4.2 of this chapter
- 7 for the property last took effect.
- 8 (b) Subject to subsection (e), the system must be applied to adjust
- 9 assessed values beginning with the 2006 assessment date and each year
- 10 thereafter that is not a year in which a reassessment under section 4 or
- 11 4.2 of this chapter for the property becomes effective.
- 12 (c) The rules adopted under subsection (a) must include the
- 13 following characteristics in the system:
- 14 (1) Promote uniform and equal assessment of real property within
- 15 and across classifications.
- 16 (2) Require that assessing officials:



- 1 (A) reevaluate the factors that affect value;
 2 (B) express the interactions of those factors mathematically;
 3 (C) use mass appraisal techniques to estimate updated property
 4 values within statistical measures of accuracy; and
 5 (D) provide notice to taxpayers of an assessment increase that
 6 results from the application of annual adjustments.
- 7 (3) Prescribe procedures that permit the application of the
 8 adjustment percentages in an efficient manner by assessing
 9 officials.
- 10 (d) The department of local government finance must review and
 11 certify each annual adjustment determined under this section.
- 12 (e) In making the annual determination of the base rate to satisfy the
 13 requirement for an annual adjustment under subsection (c) for current
 14 property taxes first due and payable in ~~2011~~ **2016** and thereafter, the
 15 department of local government finance shall determine the base rate
 16 using the methodology reflected in Table 2-18 of Book 1, Chapter 2 of
 17 the department of local government finance's Real Property Assessment
 18 Guidelines (as in effect on January 1, 2005), except that the department
 19 shall adjust the methodology to:
- 20 (1) use a six (6) year rolling average adjusted under subdivision
 21 (2) instead of a four (4) year rolling average; and
 22 (2) eliminate in the calculation of the rolling average the ~~year two~~
 23 **(2) years** among the six (6) years for which the highest ~~and~~
 24 **second highest** market ~~value values~~ in use of agricultural land ~~is~~
 25 **are** determined.
- 26 (f) For assessment dates after December 31, 2009, an adjustment in
 27 the assessed value of real property under this section shall be based on
 28 the estimated true tax value of the property on the assessment date that
 29 is the basis for taxes payable on that real property.
- 30 SECTION 2. [EFFECTIVE JULY 1, 2014] **(a) IC 6-1.1-4-4.5, as**
 31 **amended by this act, applies to:**
 32 **(1) assessment dates occurring after February 28, 2015; and**
 33 **(2) property taxes first due and payable after December 31,**
 34 **2015.**
 35 **(b) This SECTION expires January 1, 2017.**

