HOUSE BILL No. 1373

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1-15-20.

Synopsis: Assessments following successful appeals. Provides for a three year cap on the assessment of real property that was the subject of a successful appeal or review that reduced the gross assessed value by more than 5%. Provides that the assessment cap does not follow the real property and is subject to a change in ownership. Provides that the assessed value is determined by standard appraisal methods when a change in ownership occurs within the three years following the successful appeal. Provides that the assessment cap does not apply to assessments determined using the income capitalization approach, determined through the correction of an error or omission, or based upon a change in structural improvements, zoning, or use. Provides that a person has the option of applying the assessed value limitations or filing a claim for refund, but not both.

Effective: July 1, 2019.

Abbott, Morris, Smaltz

January 14, 2019, read first time and referred to Committee on Ways and Means.



Introduced

First Regular Session of the 121st General Assembly (2019)

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 2018 Regular and Special Session of the General Assembly.

HOUSE BILL No. 1373

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 6-1.1-15-20 IS ADDED TO THE INDIANA CODE
2	AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3	1, 2019]: Sec. 20. (a) This section applies to real property for which
4	the gross assessed value of the real property was reduced by more
5	than five percent (5%) for a tax year by an assessing official or
6	reviewing authority in an appeal or review conducted under this
7	chapter. However, this section does not apply to any real property
8	assessment that was determined using the income capitalization
9	approach, was determined through the correction of an error or
10	omission, or if the assessment is based on:
11	(1) structural improvements or other objective factors;
12	(2) zoning; or
13	(3) uses;
14	that were not considered in the assessment for the prior tax year.
15	(b) The gross assessed value of real property for the first year
16	following a tax year in which there was a reduction in the gross

17 assessed value of the real property of more than five percent (5%)



2019

IN 1373-LS 7549/DI 134

by an assessing official of reviewing autority in an appear of review conducted under this chapter may not exceed the amount determined under STEP TWO of the following formula: 3 STEP ONE: Determine the reduced gross assessed value of the real property for the tax year as: (A) last corrected by an assessing official; (B) stipulated or settled by the taxpayer and the assessing official; or (C) determined by the reviewing authority. 10 STEP TWO: Multiply the STEP ONE result by the lesser of: (A) one and five hundredths (1.05); or (B) the annual adjustment factor used by the assessing official to adjust property values for that year. (C) The gross assessed value of real property for the second year following a tax year in which there was a reduction in the gross assessed value of the real property of more than five percent (5%) by an assessing official or reviewing authority in an appeal or review conducted under this chapter may not exceed the amount determined under subsection (b) multiplied by the lesser of: (1) one and five hundredths (1.05); or (2) the annual adjustment factor used by the assessing official to adjust property values for that year. (d) The gross assessed value of real property for the third year following a tax year in which there was a reduction in the gross assessed value of the real property of more than five percent (5%) by an assessing official or reviewing authority in an appeal or review conducted under this chapter may not exceed the amount determined under subsection (c) multiplied by the lesser of:	1	by an assessing official or reviewing authority in an appeal or
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41 (1) The income capitalization approach.		
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42 (2) The sales comparison approach.		
	42	(2) The sales comparison approach.

1 (3) The cost approach. 2 (f) The assessed value limitations set forth in this section are not 3 intended to run with the property. 4 (g) A person whose real property's assessed value is reduced by 5 more than five percent (5%) for a tax year by an assessing official 6 or reviewing authority in an appeal or review conducted under this 7 chapter has the option of applying the assessed value limitations set 8 forth in this section or filing a claim for refund under 9 IC 6-1.1-26-1.1, but not both. 10 SECTION 2. [EFFECTIVE JULY 1, 2019] (a) IC 6-1.1-15-20, as 11 added by this act, applies: 12 (1) to all appeals or reviews pending on July 1, 2019; and 13 (2) to all appeals or reviews filed thereafter. 14 (b) This SECTION expires July 1, 2021.

