

# HOUSE BILL No. 1082

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## DIGEST OF INTRODUCED BILL

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

**Synopsis:** Assessment procedures. Requires a township or county assessor to document any changes made to the parcel characteristics of real property from the previous year's assessment in an assessment of the real property. Provides that in an appeal of the assessment, the township or county assessor has the burden of proving the validity of any change to the parcel characteristics. Allows a taxpayer to submit a preferred appraisal approach for assessment of certain rental property. Provides that, on appeal, if a township or county assessor has failed to use the preferred appraisal approach, the taxpayer shall be awarded reasonable attorney's fees, court costs, and other reasonable expenses.

**Effective:** July 1, 2023.

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## Teshka, Manning

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January 9, 2023, read first time and referred to Committee on Ways and Means.

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First Regular Session of the 123rd General Assembly (2023)

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 2022 Regular Session of the General Assembly.

# HOUSE BILL No. 1082

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 6-1.1-4-4.9 IS ADDED TO THE INDIANA CODE  
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
3 1, 2023]: **Sec. 4.9. (a) This section applies to an assessment:**  
4 **(1) under section 4.2 or 4.5 of this chapter or another law; and**  
5 **(2) occurring after December 31, 2023.**  
6 **(b) If the township assessor, or the county assessor if there is no**  
7 **township assessor for the township, changes the underlying parcel**  
8 **characteristics, including age, grade, or condition, of a property**  
9 **from the previous year's assessment date, the township or county**  
10 **assessor shall document:**  
11 **(1) each change; and**  
12 **(2) the reason that each change was made.**  
13 **In any appeal of the assessment, the township or county assessor**  
14 **has the burden of proving that each change was valid.**  
15 SECTION 2. IC 6-1.1-4-39, AS AMENDED BY P.L.111-2014,  
16 SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
17 JULY 1, 2023]: **Sec. 39. (a) For assessment dates after February 28,**



1 2005, except as provided in subsections (c) and (e), **and subject to**  
2 **subsection (f)**, the true tax value of real property regularly used to rent  
3 or otherwise furnish residential accommodations for periods of thirty  
4 (30) days or more and that has more than four (4) rental units is the  
5 lowest valuation determined by applying each of the following  
6 appraisal approaches:

7 (1) Cost approach that includes an estimated reproduction or  
8 replacement cost of buildings and land improvements as of the  
9 date of valuation together with estimates of the losses in value  
10 that have taken place due to wear and tear, design and plan, or  
11 neighborhood influences.

12 (2) Sales comparison approach, using data for generally  
13 comparable property.

14 (3) Income capitalization approach, using an applicable  
15 capitalization method and appropriate capitalization rates that are  
16 developed and used in computations that lead to an indication of  
17 value commensurate with the risks for the subject property use.

18 (b) The gross rent multiplier method is the preferred method of  
19 valuing:

20 (1) real property that has at least one (1) and not more than four

21 (4) rental units; and

22 (2) mobile homes assessed under IC 6-1.1-7.

23 (c) A township assessor (if any) or the county assessor is not  
24 required to appraise real property referred to in subsection (a) using the  
25 three (3) appraisal approaches listed in subsection (a) if the assessor  
26 and the taxpayer agree before notice of the assessment is given to the  
27 taxpayer under section 22 of this chapter to the determination of the  
28 true tax value of the property by the assessor using one (1) of those  
29 appraisal approaches.

30 (d) To carry out this section, the department of local government  
31 finance may adopt rules for assessors to use in gathering and  
32 processing information for the application of the income capitalization  
33 method and the gross rent multiplier method. If a taxpayer wishes to  
34 have the income capitalization method or the gross rent multiplier  
35 method used in the initial formulation of the assessment of the  
36 taxpayer's property, the taxpayer must submit the necessary information  
37 to the assessor not later than the assessment date. However, the  
38 taxpayer is not prejudiced in any way and is not restricted in pursuing  
39 an appeal, if the data is not submitted by the assessment date. A  
40 taxpayer must verify under penalties for perjury any information  
41 provided to the township or county assessor for use in the application  
42 of either method. All information related to earnings, income, profits,



1 losses, or expenditures that is provided to the assessor under this  
2 section is confidential under IC 6-1.1-35-9 to the same extent as  
3 information related to earnings, income, profits, losses, or expenditures  
4 of personal property is confidential under IC 6-1.1-35-9.

5 (e) The true tax value of low income rental property (as defined in  
6 section 41 of this chapter) is not determined under subsection (a). The  
7 assessment method prescribed in section 41 of this chapter is the  
8 exclusive method for assessment of that property. This subsection does  
9 not impede any rights to appeal an assessment.

10 (f) **If a taxpayer wishes to have a preferred appraisal approach**  
11 **used in the assessment of a taxpayer's property described in**  
12 **subsection (a), the taxpayer must submit the necessary information**  
13 **to the assessor not later than the assessment date. If a taxpayer**  
14 **requests the application of a preferred appraisal approach under**  
15 **this subsection, the township or county assessor shall use the**  
16 **preferred appraisal approach in the assessment of the taxpayer's**  
17 **property.**

18 (g) **If, on appeal or judicial review of an assessment described**  
19 **in this section, the county property tax assessment board of**  
20 **appeals, Indiana board, or court, as applicable, finds that the**  
21 **township or county assessor failed to use the preferred appraisal**  
22 **approach as timely submitted by the taxpayer under subsection (f),**  
23 **the county property tax assessment board of appeals, Indiana**  
24 **board, or court, as applicable, shall award the taxpayer reasonable**  
25 **attorney's fees, court costs, and other reasonable expenses in an**  
26 **amount not to exceed five thousand dollars (\$5,000).**

27 SECTION 3. [EFFECTIVE JULY 1, 2023] (a) **IC 6-1.1-4-39, as**  
28 **amended by this act, applies to assessment dates occurring after**  
29 **December 31, 2023.**

30 (b) **This SECTION expires July 1, 2026.**

