



March 20, 2015

ENGROSSED HOUSE BILL No. 1603

DIGEST OF HB 1603 (Updated March 17, 2015 12:47 pm - DI 120)

Citations Affected: IC 6-1.1.

Synopsis: Property tax appeals. Provides that when a deadline imposed upon a political subdivision, the department of local government finance, or the Indiana board in the property tax statutes is not a business day, the last day for the political subdivision, the department of local government finance, or the Indiana board to take the action required is the first business day after the stated deadline. Provides that affected taxing units are entitled to notice of each appeal and to a quarterly status report concerning property tax appeals. Allows the fiscal officer of a taxing unit to establish a property tax assessment appeals fund to hold property tax receipts that are attributable to an increase in the taxing unit's tax rate caused by a reduction in the taxing unit's net assessed value (as permitted under current law). Provides that money in the account may be used only to pay a county assessor's appeal expenses and property tax refunds. Provides that the balance in a taxing unit's property tax assessment appeals fund may not exceed 5% of the amount budgeted by the taxing unit for a particular year.

Effective: January 1, 2016.

Smaltz, Price, Ober, Pryor

(SENATE SPONSOR — HEAD)

January 20, 2015, read first time and referred to Committee on Ways and Means.
February 10, 2015, amended, reported — Do Pass.
February 16, 2015, read second time; recommitted to Committee on Local Government.
February 19, 2015, amended, reported — Do Pass.
February 23, 2015, re-read second time, ordered engrossed. Engrossed.
February 24, 2015, read third time, passed. Yeas 95, nays 0.

SENATE ACTION

March 2, 2015, read first time and referred to Committee on Tax & Fiscal Policy.
March 19, 2015, amended, reported favorably — Do Pass.

EH 1603—LS 7061/DI 92



March 20, 2015

First Regular Session of the 119th General Assembly (2015)

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 2014 Regular Session and 2014 Second Regular Technical Session of the General Assembly.

ENGROSSED HOUSE BILL No. 1603

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 6-1.1-1-25 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE
3 JANUARY 1, 2016]: **Sec. 25. If a deadline imposed upon a political
4 subdivision, the department of local government finance, or the
5 Indiana board by this article is not a business day, the last day for
6 the political subdivision, the department of local government
7 finance, or the Indiana board to take the action required by this
8 article is the first business day after the stated deadline.**
- 9 SECTION 2. IC 6-1.1-15-1, AS AMENDED BY P.L.257-2013,
10 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
11 JANUARY 1, 2016]: Sec. 1. (a) A taxpayer may obtain a review by the
12 county board of a county or township official's action with respect to
13 either or both of the following:
14 (1) The assessment of the taxpayer's tangible property.
15 (2) A deduction for which a review under this section is

EH 1603—LS 7061/DI 92



1 authorized by any of the following:

2 (A) IC 6-1.1-12-25.5.

3 (B) IC 6-1.1-12-28.5.

4 (C) IC 6-1.1-12-35.5.

5 (D) IC 6-1.1-12.1-5.

6 (E) IC 6-1.1-12.1-5.3.

7 (F) IC 6-1.1-12.1-5.4.

8 (b) At the time that notice of an action referred to in subsection (a)
9 is given to the taxpayer, the taxpayer shall also be informed in writing
10 of:

11 (1) the opportunity for a review under this section, including a
12 preliminary informal meeting under subsection (h)(2) with the
13 county or township official referred to in this subsection; and

14 (2) the procedures the taxpayer must follow in order to obtain a
15 review under this section.

16 (c) In order to obtain a review of an assessment or deduction
17 effective for the assessment date to which the notice referred to in
18 subsection (b) applies, the taxpayer must file a notice in writing with
19 the county or township official referred to in subsection (a) not later
20 than forty-five (45) days after the date of the notice referred to in
21 subsection (b).

22 (d) A taxpayer may obtain a review by the county board of the
23 assessment of the taxpayer's tangible property effective for an
24 assessment date for which a notice of assessment is not given as
25 described in subsection (b). To obtain the review, the taxpayer must file
26 a notice in writing with the township assessor, or the county assessor
27 if the township is not served by a township assessor. The right of a
28 taxpayer to obtain a review under this subsection for an assessment
29 date for which a notice of assessment is not given does not relieve an
30 assessing official of the duty to provide the taxpayer with the notice of
31 assessment as otherwise required by this article. The notice to obtain
32 a review must be filed not later than the later of:

33 (1) May 10 of the year; or

34 (2) forty-five (45) days after the date of the tax statement mailed
35 by the county treasurer, regardless of whether the assessing
36 official changes the taxpayer's assessment.

37 (e) A change in an assessment made as a result of a notice for
38 review filed by a taxpayer under subsection (d) after the time
39 prescribed in subsection (d) becomes effective for the next assessment
40 date. A change in an assessment made as a result of a notice for review
41 filed by a taxpayer under subsection (c) or (d) remains in effect from
42 the assessment date for which the change is made until the next



- 1 assessment date for which the assessment is changed under this article.
 2 (f) The written notice filed by a taxpayer under subsection (c) or (d)
 3 must include the following information:
 4 (1) The name of the taxpayer.
 5 (2) The address and parcel or key number of the property.
 6 (3) The address and telephone number of the taxpayer.
 7 (g) The filing of a notice under subsection (c) or (d):
 8 (1) initiates a review under this section; and
 9 (2) constitutes a request by the taxpayer for a preliminary
 10 informal meeting with the official referred to in subsection (a).
 11 (h) A county or township official who receives a notice for review
 12 filed by a taxpayer under subsection (c) or (d) shall:
 13 (1) immediately forward the notice to the county board; and
 14 (2) attempt to hold a preliminary informal meeting with the
 15 taxpayer to resolve as many issues as possible by:
 16 (A) discussing the specifics of the taxpayer's assessment or
 17 deduction;
 18 (B) reviewing the taxpayer's property record card;
 19 (C) explaining to the taxpayer how the assessment or
 20 deduction was determined;
 21 (D) providing to the taxpayer information about the statutes,
 22 rules, and guidelines that govern the determination of the
 23 assessment or deduction;
 24 (E) noting and considering objections of the taxpayer;
 25 (F) considering all errors alleged by the taxpayer; and
 26 (G) otherwise educating the taxpayer about:
 27 (i) the taxpayer's assessment or deduction;
 28 (ii) the assessment or deduction process; and
 29 (iii) the assessment or deduction appeal process.
 30 (i) Not later than ten (10) days after the informal preliminary
 31 meeting, the official referred to in subsection (a) shall forward to the
 32 county auditor and the county board the results of the conference on a
 33 form prescribed by the department of local government finance that
 34 must be completed and signed by the taxpayer and the official. The
 35 form must indicate the following:
 36 (1) If the taxpayer and the official agree on the resolution of all
 37 assessment or deduction issues in the review, a statement of:
 38 (A) those issues; and
 39 (B) the assessed value of the tangible property or the amount
 40 of the deduction that results from the resolution of those issues
 41 in the manner agreed to by the taxpayer and the official.
 42 (2) If the taxpayer and the official do not agree on the resolution



1 of all assessment or deduction issues in the review:

2 (A) a statement of those issues; and

3 (B) the identification of:

4 (i) the issues on which the taxpayer and the official agree;

5 and

6 (ii) the issues on which the taxpayer and the official
7 disagree.

8 (j) If the county board receives a form referred to in subsection

9 (i)(1) before the hearing scheduled under subsection (k):

10 (1) the county board shall cancel the hearing;

11 (2) the county official referred to in subsection (a) shall give
12 notice to the taxpayer, the county board, the county assessor, and
13 the county auditor of the assessment or deduction in the amount
14 referred to in subsection (i)(1)(B); and

15 (3) if the matter in issue is the assessment of tangible property,
16 the county board may reserve the right to change the assessment
17 under IC 6-1.1-13.

18 (k) If:

19 (1) subsection (i)(2) applies; or

20 (2) the county board does not receive a form referred to in
21 subsection (i) not later than one hundred twenty (120) days after
22 the date of the notice for review filed by the taxpayer under
23 subsection (c) or (d);

24 the county board shall hold a hearing on a review under this subsection
25 not later than one hundred eighty (180) days after the date of that
26 notice. The county board shall, by mail, give at least thirty (30) days
27 notice of the date, time, and place fixed for the hearing to the taxpayer
28 and the county or township official with whom the taxpayer filed the
29 notice for review. The taxpayer and the county or township official
30 with whom the taxpayer filed the notice for review are parties to the
31 proceeding before the county board. A taxpayer may request a
32 continuance of the hearing by filing, at least twenty (20) days before
33 the hearing date, a request for continuance with the board and the
34 county or township official with evidence supporting a just cause for
35 the continuance. The board shall, not later than ten (10) days after the
36 date the request for a continuance is filed, either find that the taxpayer
37 has demonstrated a just cause for a continuance and grant the taxpayer
38 the continuance, or deny the continuance. A taxpayer may request that
39 the board take action without the taxpayer being present and that the
40 board make a decision based on the evidence already submitted to the
41 board by filing, at least eight (8) days before the hearing date, a request
42 with the board and the county or township official. A taxpayer may



1 withdraw a petition by filing, at least eight (8) days before the hearing
 2 date, a notice of withdrawal with the board and the county or township
 3 official.

4 (l) At the hearing required under subsection (k):

5 (1) the taxpayer may present the taxpayer's reasons for
 6 disagreement with the assessment or deduction; and

7 (2) the county or township official with whom the taxpayer filed
 8 the notice for review must present:

9 (A) the basis for the assessment or deduction decision; and

10 (B) the reasons the taxpayer's contentions should be denied.

11 A penalty of fifty dollars (\$50) shall be assessed against the taxpayer
 12 if the taxpayer or representative fails to appear at the hearing and,
 13 under subsection (k), the taxpayer's request for continuance is denied,
 14 or the taxpayer's request for continuance, request for the board to take
 15 action without the taxpayer being present, or withdrawal is not timely
 16 filed. A taxpayer may appeal the assessment of the penalty to the
 17 Indiana board or directly to the tax court. The penalty may not be added
 18 as an amount owed on the property tax statement under IC 6-1.1-22 or
 19 IC 6-1.1-22.5.

20 (m) The official referred to in subsection (a) may not require the
 21 taxpayer to provide documentary evidence at the preliminary informal
 22 meeting under subsection (h). The county board may not require a
 23 taxpayer to file documentary evidence or summaries of statements of
 24 testimonial evidence before the hearing required under subsection (k).
 25 If the action for which a taxpayer seeks review under this section is the
 26 assessment of tangible property, the taxpayer is not required to have an
 27 appraisal of the property in order to do the following:

28 (1) Initiate the review.

29 (2) Prosecute the review.

30 (n) The county board shall prepare a written decision resolving all
 31 of the issues under review. The county board shall, by mail, give notice
 32 of its determination not later than one hundred twenty (120) days after
 33 the hearing under subsection (k) to:

34 (1) the taxpayer;

35 (2) the official referred to in subsection (a);

36 (3) the county assessor; and

37 (4) the county auditor.

38 (o) If the maximum time elapses:

39 (1) under subsection (k) for the county board to hold a hearing; or

40 (2) under subsection (n) for the county board to give notice of its
 41 determination;

42 the taxpayer may initiate a proceeding for review before the Indiana



1 board by taking the action required by section 3 of this chapter at any
2 time after the maximum time elapses.

3 **(p) Upon receiving a request for a preliminary informal meeting**
4 **under subsection (b), the county or township official referred to in**
5 **subsection (a) shall notify the county auditor in writing that the**
6 **assessment is under appeal. With respect to an appeal of the**
7 **assessment of real property or personal property filed after June**
8 **30, 2015, the notice must include the appellant's name and address,**
9 **the assessed value of the appealed items for the assessment date**
10 **immediately preceding the assessment date for which the appeal**
11 **was filed, and the assessed value of the appealed items on the most**
12 **recent assessment date. The county auditor shall send a copy of the**
13 **notice to the fiscal officer of each taxing unit affected by the**
14 **appeal, including an affected redevelopment commission**
15 **established under IC 36-7. The county auditor shall compile a list**
16 **of the fiscal officers who are notified under this subsection and**
17 **shall forward the list to the county assessor. A county or township**
18 **official required to provide a notice under this subsection may:**

19 **(1) provide written notice; or**

20 **(2) provide the notice electronically.**

21 SECTION 3. IC 6-1.1-15-10.5 IS ADDED TO THE INDIANA
22 CODE AS A NEW SECTION TO READ AS FOLLOWS
23 [EFFECTIVE JANUARY 1, 2016]: **Sec. 10.5. (a) The fiscal officer of**
24 **a taxing unit may establish a separate fund known as the property**
25 **tax assessment appeals fund to hold property tax receipts that are**
26 **attributable to an increase in the taxing unit's tax rate caused by**
27 **a reduction in the taxing unit's net assessed value under**
28 **IC 6-1.1-17-0.5.**

29 **(b) Money in a taxing unit's property tax assessment appeals**
30 **fund may be used only to pay the following:**

31 **(1) Expenses incurred by a county assessor in defending**
32 **appeals prosecuted under this chapter with respect to**
33 **property located in the taxing unit.**

34 **(2) Refunds under section 11 of this chapter.**

35 **(c) The balance in a taxing unit's property tax assessment**
36 **appeals fund may not exceed five percent (5%) of the amount**
37 **budgeted by the taxing unit for a particular year.**

38 SECTION 4. IC 6-1.1-15-19 IS ADDED TO THE INDIANA CODE
39 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
40 JANUARY 1, 2016]: **Sec. 19. (a) A county assessor shall quarterly**
41 **send a notice to the fiscal officer of each taxing unit affected by an**
42 **appeal prosecuted under this chapter, including the fiscal officer**



1 of an affected redevelopment commission established under
2 IC 36-7. The notice must include the following information:
3 (1) The date on which a notice for review was filed.
4 (2) The name and address of the taxpayer who filed the notice
5 for review.
6 (3) The assessed value for the assessment date the year before
7 the appeal, and the assessed value on the most recent
8 assessment date.
9 (4) The status of the taxpayer's appeal.
10 (b) A notice required by this section may be provided to the
11 appropriate fiscal officer in an electronic format.



COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1603, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 6, line 21, delete "appeal." and insert "**appeal, including an affected redevelopment commission established under IC 36-7.**".

Page 6, line 23, delete "A fiscal officer receiving notice of the appeal".

Page 6, delete lines 24 through 42.

Delete pages 7 through 8.

Page 9, delete lines 1 through 15.

Page 9, line 19, after "of" insert "**property taxes that would be due on the assessed value as determined by the assessor and the property taxes that would be due based on the assessed value proposed in the appeal by the taxpayer.**

(b) The taxpayer shall verify in the appeal petition the maximum amount that constitutes disputed property tax receipts.".

Page 9, delete lines 20 through 24.

Page 9, line 25, delete "(b)" and insert "(c)".

Page 9, line 35, delete "(c)." and insert "(d)".

Page 9, line 36, delete "(c)" and insert "(d)".

Page 9, line 38, delete "(b)." and insert "(c)".

Page 9, line 39, delete "(d)" and insert "(e)".

Page 10, line 30, delete "chapter." and insert "**chapter, including the fiscal officer of an affected redevelopment commission established under IC 36-7.**".

Page 11, line 24, after "IC 6-1.1-15" delete "." and insert ", **not to exceed five percent (5%) of the total assessed value for the taxing district.**".

Page 12, line 6, after "reduction under" insert "**subsection (d) and**".

Page 12, line 9, after "under" insert "**subsection (d) and**".

Page 14, delete lines 24 through 42.

Delete pages 15 through 20.

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1603 as introduced.)

BROWN T

Committee Vote: yeas 22, nays 0.

EH 1603—LS 7061/DI 92



COMMITTEE REPORT

Mr. Speaker: Your Committee on Local Government, to which was referred House Bill 1603, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, delete lines 9 through 15.

Page 2, line 41, reset in roman "forty-five (45)".

Page 2, line 41, delete "sixty (60)".

Page 6, delete lines 25 through 42, begin a new paragraph and insert:

"SECTION 3. IC 6-1.1-15-10.5 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2016]: Sec. 10.5. (a) The fiscal officer of a taxing unit may establish a separate fund known as the property tax assessment appeals fund to hold property tax receipts that are attributable to an increase in the taxing unit's tax rate caused by a reduction in the taxing unit's net assessed value under IC 6-1.1-17-0.5.**

(b) Money in a taxing unit's property tax assessment appeals fund may be used only to pay the following:

(1) Expenses incurred by a county assessor in defending appeals prosecuted under this chapter with respect to property located in the taxing unit.

(2) Refunds under section 11 of this chapter.

(c) The balance in a taxing unit's property tax assessment appeals fund may not exceed five percent (5%) of the amount budgeted by the taxing unit for a particular year."

Page 7, delete lines 1 through 35.

Page 8, delete lines 10 through 42.

Delete pages 9 through 11.

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1603 as printed February 17, 2015.)

PRICE

Committee Vote: yeas 11, nays 0.

EH 1603—LS 7061/DI 92



COMMITTEE REPORT

Madam President: The Senate Committee on Tax and Fiscal Policy, to which was referred House Bill No. 1603, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 6, line 16, delete "that" and insert "**who**".

Page 6, line 17, after "assessor." insert "**A county or township official required to provide a notice under this subsection may:**

(1) provide written notice; or

(2) provide the notice electronically."

and when so amended that said bill do pass.

(Reference is to HB 1603 as printed February 20, 2015.)

HERSHMAN, Chairperson

Committee Vote: Yeas 13, Nays 0.

