

SENATE BILL No. 194

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1-4-47.

Synopsis: Assessment of certain commercial property. Establishes certain assessment requirements for commercial property with a structure that is not more than 100,000 square feet in area and that is: (1) used for retail purposes; (2) a maintenance or service shop; and (3) detached or offsite storage property or facilities used in relation to those uses. Requires the assessor to annually determine the assessed value of those properties using each of the following approaches: (1) Cost approach. (2) Sales comparison approach. (3) Income capitalization approach. Requires the assessor to use the department of local government finance cost schedules without additional modifiers, adjustments, or other trending factors beyond the location cost multiplier adjustments developed by the department. Prohibits the use of locally developed cost schedules, location cost multipliers, and market or trending adjustments. Requires the assessor to report to the taxpayer each of the values under the three approaches. Provides that the assessor has the burden of proof to establish that the assessed value of the property is the lowest value under the three approaches. Requires the assessor making the assessment to personally provide an explanation to the taxpayer concerning how the assessed value of the property was calculated if requested.

Effective: July 1, 2025.

Niemeyer

January 8, 2025, read first time and referred to Committee on Tax and Fiscal Policy.



First Regular Session of the 124th General Assembly (2025)

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 2024 Regular Session of the General Assembly.

SENATE BILL No. 194



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 6-1.1-4-47 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2025]: **Sec. 47. (a) This section applies to a commercial property**
4 **with a structure that is not more than one hundred thousand**
5 **(100,000) square feet in area and that is:**
6 **(1) used for retail purposes;**
7 **(2) a maintenance and service shop; or**
8 **(3) detached or offsite storage property or facilities used in**
9 **relation to subdivision (1) or (2).**
10 **(b) Notwithstanding section 4.5 of this chapter, the county**
11 **assessor or township assessor shall annually perform an**
12 **assessment of the property subject to this section and shall**
13 **annually determine a valuation of the property using each of the**
14 **following approaches:**
15 **(1) Cost approach that includes an estimated reproduction or**
16 **replacement cost of buildings and land improvements as of**
17 **the date of valuation together with estimates of the losses in**



1 value that have taken place due to wear and tear, design and
2 plan, or neighborhood influences.

3 (2) Sales comparison approach, using data for generally
4 comparable property.

5 (3) Income capitalization approach, using an applicable
6 capitalization method and appropriate capitalization rates
7 that are developed and used in computations that lead to an
8 indication of value commensurate with the risks for the
9 subject property use.

10 The county assessor or township assessor shall annually report to
11 the taxpayer each of the values under those approaches as
12 determined by the assessor on a form as prescribed under
13 subsection (e). The assessor shall use the department cost schedules
14 without additional modifiers, adjustments, or other trending
15 factors beyond the location cost multiplier adjustments developed
16 by the department for the cost schedules used under this section.
17 The use of locally developed cost schedules, location cost
18 multipliers, and market or trending adjustments is prohibited.

19 (c) The county assessor or township assessor making the
20 assessment of property subject to this section has the burden of
21 proof to establish that the assessed value is the lowest value of
22 those determined using the three (3) appraisal approaches
23 performed by the county assessor or township assessor regardless
24 of the percentage change in the assessed value.

25 (d) Upon request of the taxpayer, the county assessor or
26 township assessor making the assessment shall provide an
27 explanation to the taxpayer concerning how the assessed value of
28 the property was calculated.

29 (e) The department shall prescribe a specific form for property
30 subject to this section.

