
HOUSE BILL No. 1305

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1-15; IC 6-1.1-17.

Synopsis: Notice of property tax appeals. Establishes a procedure with respect to a property tax appeal involving at least 1% of the assessed value of a taxing unit for notice of the appeal and of hearings on the appeal to be given to the taxing unit. Allows a county executive to appeal to the tax court upon the request of an affected taxing unit if a final determination of the state board of tax commissioners would result in a claim for a refund that exceeds the lesser of: (1) \$800,000; or (2) an amount equal to 10% of the aggregate tax levies of any taxing unit in the county for that year. Establishes a procedure for holding in reserve certain property taxes paid pending the outcome of an appeal, and for excluding the taxes from consideration in establishing tax rates and calculating state school support. Provides that refunds are first paid from the reserve account. Provides for the repayment of refunds in installments in certain circumstances. Requires a taxing unit to deposit money held in its appeal reserve fund in the unit's levy excess fund if the assessment or increase in assessment is upheld in the appeal.

Effective: January 1, 2002.

Crawford

January 9, 2001, read first time and referred to Committee on Ways and Means.

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First Regular Session 112th General Assembly (2001)

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 2000 General Assembly.

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HOUSE BILL No. 1305



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 6-1.1-15-1 IS AMENDED TO READ AS
- 2 FOLLOWS [EFFECTIVE JANUARY 1, 2002]: Sec. 1. (a) A taxpayer
- 3 may obtain a review by the county property tax assessment board of
- 4 appeals of a county or township official's action with respect to the
- 5 assessment of the taxpayer's tangible property if the official's action
- 6 requires the giving of notice to the taxpayer. At the time that notice is
- 7 given to the taxpayer, he shall also be informed in writing of:
- 8 (1) his opportunity for review under this section; and
- 9 (2) the procedures he must follow in order to obtain review under
- 10 this section.
- 11 (b) In order to appeal a current assessment and have a change in the
- 12 assessment effective for the most recent assessment date, the taxpayer
- 13 must file a petition with the assessor of the county in which the action
- 14 is taken:
- 15 (1) within forty-five (45) days after notice of a change in the
- 16 assessment is given to the taxpayer; or
- 17 (2) May 10 of that year;



1 whichever is later. The county assessor shall notify the county auditor
 2 that the assessment is under appeal. **In addition, the county assessor**
 3 **shall send a notice to each taxing unit in which the property under**
 4 **appeal is located if the appealed items constitute at least one**
 5 **percent (1%) of the taxing unit's total gross certified assessed value**
 6 **for the immediately preceding year. The notice must include the**
 7 **appellant's name and address, the assessed value for the**
 8 **assessment date the year before the appeal, and the assessed value**
 9 **on the most recent assessment date. The county assessor shall**
 10 **compile a list of all units that must be notified under this subsection**
 11 **and shall forward the list and the information included on the**
 12 **notice to the state board of tax commissioners with any petition for**
 13 **review filed under section 3 of this chapter.**

14 (c) A change in an assessment made as a result of an appeal filed:

15 (1) in the same year that notice of a change in the assessment is
 16 given to the taxpayer; and

17 (2) after the time prescribed in subsection (b);

18 becomes effective for the next assessment date.

19 (d) A taxpayer may appeal a current real estate assessment in a year
 20 even if the taxpayer has not received a notice of assessment in the year.
 21 If an appeal is filed on or before May 10 of a year in which the taxpayer
 22 has not received notice of assessment, a change in the assessment
 23 resulting from the appeal is effective for the most recent assessment
 24 date. If the appeal is filed after May 10, the change becomes effective
 25 for the next assessment date.

26 (e) The state board of tax commissioners shall prescribe the form of
 27 the petition for review of an assessment determination by a township
 28 assessor. The board shall issue instructions for completion of the form.
 29 The form and the instructions must be clear, simple, and
 30 understandable to the average individual. An appeal of such a
 31 determination must be made on the form prescribed by the board. The
 32 form must require the petitioner to specify the following:

33 (1) The physical characteristics of the property in issue that bear
 34 on the assessment determination.

35 (2) All other facts relevant to the assessment determination.

36 (3) The reasons why the petitioner believes that the assessment
 37 determination by the township assessor is erroneous.

38 (f) The state board of tax commissioners shall prescribe a form for
 39 a response by the township assessor to the petition for review of an
 40 assessment determination. The board shall issue instructions for
 41 completion of the form. The form must require the township assessor
 42 to indicate:

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1 (1) agreement or disagreement with each item indicated on the
 2 petition under subsection (e); and

3 (2) the reasons why the assessor believes that the assessment
 4 determination is correct.

5 (g) Immediately upon receipt of a timely filed petition on the form
 6 prescribed under subsection (e), the county assessor shall forward a
 7 copy of the petition to the township assessor who made the challenged
 8 assessment. The township assessor shall, within thirty (30) days after
 9 the receipt of the petition, attempt to hold a preliminary conference
 10 with the petitioner and resolve as many issues as possible. Within ten
 11 (10) days after the conference, the township assessor shall forward to
 12 the county auditor and county assessor a completed response to the
 13 petition on the form prescribed under subsection (f). The county
 14 assessor shall immediately forward a copy of the response form to the
 15 petitioner and the county property tax assessment board of appeals. ~~If~~
 16 ~~the county auditor determines that the appealed items on which there~~
 17 ~~is disagreement constitute at least one percent (1%) of the total gross~~
 18 ~~certified assessed value of the immediately preceding year for any~~
 19 ~~particular unit, the county auditor shall immediately notify the fiscal~~
 20 ~~officer of the unit.~~ If after the conference there are items listed in the
 21 petition on which there is disagreement, the property tax assessment
 22 board of appeals shall hold a hearing within ninety (90) days of the
 23 filing of the petition on those items of disagreement. The taxpayer may
 24 present the taxpayer's reasons for disagreement with the assessment.
 25 The township assessor or county assessor for the county must present
 26 the basis for the assessment decision on these items to the board of
 27 appeals at the hearing and the reasons the petitioner's appeal should be
 28 denied on those items. The board of appeals shall have a written record
 29 of the hearing and prepare a written statement of findings and a
 30 decision on each item within sixty (60) days of the hearing. If the
 31 township assessor does not attempt to hold a preliminary conference,
 32 the board shall accept the appeal of the petitioner at the hearing.

33 SECTION 2. IC 6-1.1-15-4 IS AMENDED TO READ AS
 34 FOLLOWS [EFFECTIVE JANUARY 1, 2002]: Sec. 4. (a) After
 35 receiving a petition for review which is filed under section 3 of this
 36 chapter, the division of appeals of the state board of tax commissioners
 37 shall conduct a hearing at its earliest opportunity. In addition, the
 38 division of appeals of the state board may assess the property in
 39 question, correcting any errors which may have been made. The
 40 division of appeals of the state board shall give notice ~~of the date fixed~~
 41 ~~for the hearing;~~ by mail: to

42 (1) of the date fixed for the hearing to:



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- 1 (A) the taxpayer; and to
 2 (B) the appropriate township assessor, county assessor, and
 3 county auditor; **and**
 4 **(2) including the date fixed for the hearing, the petition for**
 5 **review, and the information provided by the county assessor**
 6 **under section 1(b) of this chapter to each taxing unit identified**
 7 **on the list compiled by the county assessor under section 1(b)**
 8 **of this chapter.**

9 The division of appeals of the state board shall give these notices at
 10 least ten (10) days before the day fixed for the hearing.

11 (b) If a petition for review does not comply with the state board of
 12 tax commissioners' instructions for completing the form prescribed
 13 under section 3 of this chapter, the division of appeals of the state
 14 board of tax commissioners shall return the petition to the petitioner
 15 and include a notice describing the defect in the petition. The petitioner
 16 then has thirty (30) days from the date on the notice to cure the defect
 17 and file a corrected petition. The division of appeals of the state board
 18 of tax commissioners shall deny a corrected petition for review if it
 19 does not substantially comply with the state board of tax
 20 commissioners' instructions for completing the form prescribed under
 21 section 3 of this chapter.

22 (c) The state board of tax commissioners shall prescribe a form for
 23 use in processing petitions for review of actions by the county property
 24 tax assessment board of appeals. The state board shall issue
 25 instructions for completion of the form. The form must require the
 26 division of appeals of the state board to indicate agreement or
 27 disagreement with each item that is:

- 28 (1) indicated on the petition submitted under section 1(e) of this
 29 chapter;
 30 (2) included in the township assessor's response under section
 31 1(g) of this chapter; and
 32 (3) included in the county property tax assessment board of
 33 appeals' findings, record, and determination under section 2.1(d)
 34 of this chapter.

35 The form must also require the division of appeals of the state board to
 36 indicate the issues in dispute and its reasons in support of its resolution
 37 of those issues.

38 (d) After the hearing the division of appeals of the state board shall
 39 give the petitioner, the township assessor, the county assessor, **and** the
 40 county auditor, **and the taxing units required to be notified under**
 41 **subsection (a):**

- 42 (1) notice, by mail, of its final determination;

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- 1 (2) a copy of the form completed under subsection (c); and
 2 (3) notice of the procedures they must follow in order to obtain
 3 court review under section 5 of this chapter.

4 (e) The division of appeals of the state board of tax commissioners
 5 shall conduct a hearing within six (6) months after a petition in proper
 6 form is filed with the division, excluding any time due to a delay
 7 reasonably caused by the petitioner. The division of appeals shall make
 8 a determination within the later of forty-five (45) days after the hearing
 9 or the date set in an extension order issued by the chairman of the state
 10 board of tax commissioners. However, the state board of tax
 11 commissioners may not extend the final determination date by more
 12 than one hundred eighty (180) days. Except as provided in subsection
 13 ~~(g)~~ (f):

- 14 (1) the failure of the division of appeals to make a determination
 15 within the time allowed by this subsection shall be treated as a
 16 final determination of the state board of tax commissioners to
 17 deny the petition; and
 18 (2) a final decision of the division of appeals is a final
 19 determination of the state board of tax commissioners.

20 ~~(g)~~ (f) A final determination of the division of appeals is not a final
 21 determination of the state board of tax commissioners if the state board
 22 of tax commissioners:

- 23 (1) gives notice to the parties that the state board of tax
 24 commissioners will review the determination of the division of
 25 appeals within fifteen (15) days after the division of appeals gives
 26 notice of the determination to the parties or the maximum
 27 allowable time for the issuance of a determination under
 28 subsection ~~(f)~~ (e) expires; or
 29 (2) determines to rehear the determination under section 5 of this
 30 chapter.

31 The state board of tax commissioners shall conduct a review under
 32 subdivision (1) in the same manner as a rehearing under section 5 of
 33 this chapter.

34 SECTION 3. IC 6-1.1-15-5 IS AMENDED TO READ AS
 35 FOLLOWS [EFFECTIVE JANUARY 1, 2002]: Sec. 5. (a) Within
 36 fifteen (15) days after the division of appeals of the state board of tax
 37 commissioners gives notice of its final determination under section 4
 38 of this chapter to the party or the maximum allowable time for the
 39 issuance of a determination by the division of appeals under section 4
 40 of this chapter expires, a party to the proceeding may request a
 41 rehearing before the board. The board may conduct a rehearing and
 42 affirm or modify its final determination, giving the same notices after

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1 the rehearing as are required by section 4 of this chapter. The state
 2 board of tax commissioners has thirty (30) days after receiving a
 3 petition for a rehearing to determine whether to grant a rehearing.
 4 Failure to grant a rehearing within thirty (30) days after receiving the
 5 petition shall be treated as a final determination to deny the petition. A
 6 petition for a rehearing does not toll the time in which to file a petition
 7 for judicial review unless the petition for rehearing is granted. If the
 8 state board of tax commissioners determines to rehear a final
 9 determination of the division of appeals, the state board of tax
 10 commissioners:

- 11 (1) may conduct the additional hearings that the state board of tax
 12 commissioners determines necessary or review the written record
 13 of the division of appeals without additional hearings; and
- 14 (2) shall issue a final determination within ninety (90) days after
 15 notifying the parties that the state board of tax commissioners will
 16 rehear the determination.

17 Failure of the state board of tax commissioners to make a determination
 18 within the time allowed under subdivision (2) shall be treated as a final
 19 determination affirming the decision of the division of appeals.

20 (b) A person may appeal the final determination of the division of
 21 appeals or the state board of tax commissioners regarding the
 22 assessment of that person's tangible property. The appeal shall be taken
 23 to the tax court. Appeals may be consolidated at the request of the
 24 appellants if it can be done in the interest of justice.

25 (c) If a person desires to initiate an appeal of the state board of tax
 26 commissioners' final determination, the person shall:

- 27 (1) file a written notice with the state board of tax commissioners
 28 informing the board of his intention to appeal;
- 29 (2) file a complaint in the tax court; and
- 30 (3) serve the attorney general and the county assessor with a copy
 31 of the complaint.

32 (d) To initiate an appeal under this section, a person must take the
 33 action required by subsection (c) within:

- 34 (1) forty-five (45) days after the state board of tax commissioners
 35 gives the person notice of its final determination under
 36 IC 6-1.1-14-11 unless a rehearing is conducted under subsection
 37 (a);
- 38 (2) thirty (30) days after the board gives the person notice under
 39 subsection (a) of its final determination, if a rehearing is
 40 conducted under subsection (a) or the maximum time elapses for
 41 the state board of tax commissioners to make a determination
 42 under this section; or

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1 (3) forty-five (45) days after the division of appeals gives notice
 2 of a final determination under section 4 of this chapter or the
 3 division fails to make a determination within the maximum time
 4 allowed under section 4 of this chapter, if a rehearing is not
 5 granted under this section.

6 (e) The failure of the state board of tax commissioners to conduct a
 7 hearing within the time period prescribed in section 4(b) of this chapter
 8 does not constitute notice to the person of a board determination.

9 (f) In a case in which the final determination of the state board of
 10 tax commissioners would result in a claim by a taxpayer with respect
 11 to a particular year for a refund that exceeds:

12 (1) eight hundred thousand dollars (\$800,000); or

13 (2) an amount equal to ten percent (10%) of the aggregate tax
 14 levies of ~~all any~~ taxing units in the county for that year;

15 whichever is less, the county executive may take an appeal to the tax
 16 court in the manner prescribed in this section ~~but only~~ upon request by
 17 the county assessor **or a taxing unit in which the property under**
 18 **appeal is located. If the appeal is taken at the request of a taxing**
 19 **unit, the taxing unit shall pay the costs of the appeal.**

20 SECTION 4. IC 6-1.1-15-9 IS AMENDED TO READ AS
 21 FOLLOWS [EFFECTIVE JANUARY 1, 2002]: Sec. 9. (a) If tangible
 22 property is reassessed by the state board of tax commissioners under
 23 section 8 of this chapter, the owner of the property has a right to appeal
 24 the board's final determination of the reassessment. In a case meeting
 25 the requirements of section 5(f)(1) or 5(f)(2) of this chapter, the county
 26 executive ~~also has a right to~~ **may** appeal the board's final determination
 27 of the reassessment ~~but only~~ upon request by the county assessor **or a**
 28 **taxing unit in which the property under appeal is located. If the**
 29 **appeal is taken at the request of a taxing unit, the taxing unit shall**
 30 **pay the costs of the appeal.**

31 (b) An appeal under this section must be initiated in the manner
 32 prescribed in section 5 of this chapter.

33 SECTION 5. IC 6-1.1-15-10 IS AMENDED TO READ AS
 34 FOLLOWS [EFFECTIVE JANUARY 1, 2002]: Sec. 10. (a) **This**
 35 **section applies to a petition for review to a board or an appeal to**
 36 **the tax court involving less than:**

37 (1) **five hundred thousand dollars (\$500,000) in assessed value**
 38 **resulting from an original assessment; or**

39 (2) **an increase of five hundred thousand dollars (\$500,000) in**
 40 **assessed value from one (1) year to the next.**

41 (b) If a petition for review to any board or an appeal to the tax court
 42 regarding an assessment or increase in assessment is pending, the taxes

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1 resulting from the assessment or increase in assessment are,
 2 notwithstanding the provisions of IC 6-1.1-22-9, not due until after the
 3 petition for review, or the appeal, is finally adjudicated and the
 4 assessment or increase in assessment is finally determined. However,
 5 even though a petition for review or an appeal is pending, the taxpayer
 6 shall pay taxes on the tangible property when the property tax
 7 installments come due, unless the collection of the taxes is enjoined
 8 pending an original tax appeal under IC 33-3-5. The amount of taxes
 9 which the taxpayer is required to pay, pending the final determination
 10 of the assessment or increase in assessment, shall be based on:

11 (1) the assessed value reported by the taxpayer on his personal
 12 property return if a personal property assessment, or an increase
 13 in such an assessment, is involved; or

14 (2) an amount based on the immediately preceding year's
 15 assessment of real property if an assessment, or increase in
 16 assessment, of real property is involved.

17 ~~(b)~~ (c) If the petition for review or the appeal is not finally
 18 determined by the last installment date for the taxes, the taxpayer, upon
 19 showing of cause by a taxing official or at the tax court's discretion,
 20 may be required to post a bond or provide other security in an amount
 21 not to exceed the taxes resulting from the contested assessment or
 22 increase in assessment.

23 ~~(c)~~ (d) Each county auditor shall keep separate on the tax duplicate
 24 a record of that portion of the assessed value of property on which a
 25 taxpayer is not required to pay taxes under subsection ~~(a)~~: (b). When
 26 establishing rates and calculating state school support, the state board
 27 of tax commissioners shall recognize the fact that a taxpayer is not
 28 required to pay taxes under certain circumstances.

29 SECTION 6. IC 6-1.1-15-10.5 IS ADDED TO THE INDIANA
 30 CODE AS A NEW SECTION TO READ AS FOLLOWS
 31 [EFFECTIVE JANUARY 1, 2002]: **Sec. 10.5. (a) This section applies**
 32 **to a petition for review to a board or an appeal to the tax court**
 33 **involving at least:**

34 (1) **five hundred thousand dollars (\$500,000) in assessed value**
 35 **resulting from an original assessment; or**

36 (2) **an increase of five hundred thousand dollars (\$500,000) in**
 37 **assessed value from one (1) year to the next.**

38 (b) **If a petition for review to a board or an appeal to the tax**
 39 **court regarding an assessment or increase in assessment is**
 40 **pending, the taxpayer may pay the amount of taxes due under**
 41 **section 10 of this chapter or may pay the amount of taxes due**
 42 **based on the current year's assessed value. On each semiannual**

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1 due date for payment of property taxes, the county assessor shall
 2 provide the county treasurer a list by taxing district of the parcels
 3 eligible under subsection (a). The list must include:

- 4 (1) the parcel or tax number;
 5 (2) the appellant's name and address;
 6 (3) the assessed value for the assessment date of the year
 7 before the appeal;
 8 (4) the assessed value on the most recent assessment date; and
 9 (5) the difference between the assessed values specified in
 10 subdivisions (3) and (4).

11 Within sixty (60) days after receiving the list, the county treasurer
 12 shall provide the list to the county auditor.

13 (c) Within ninety (90) days after the semiannual due date of
 14 taxes, the county auditor shall certify the information received
 15 under subsection (b) to the various taxing units and the state board
 16 of tax commissioners. Each unit shall deposit the taxes attributable
 17 to the disputed assessment in an interest bearing reserve account
 18 until after the petition for review or the appeal is finally
 19 adjudicated and the assessment or increase in assessment is finally
 20 determined. A taxing unit may not expend property taxes held in
 21 reserve under this section.

22 (d) The county auditor shall keep separate on the tax duplicate
 23 a record of that part of the assessed value of property on which
 24 property taxes are held in reserve under subsection (c). When
 25 establishing rates and calculating state school support, the state
 26 board of tax commissioners shall recognize the fact that a taxing
 27 unit may not expend property taxes held in reserve under this
 28 section.

29 (e) The county auditor shall pay a refund to a prevailing
 30 taxpayer. The county auditor shall charge the refund to the various
 31 taxing units to which an overpayment has been paid. The taxing
 32 units are then entitled to withdraw the property taxes held in
 33 reserve under this section with respect to the prevailing taxpayer.

34 (f) If an assessment or increase in assessment is upheld in a final
 35 determination, the taxing unit shall deposit the property taxes and
 36 interest held in reserve under this section into the taxing unit's levy
 37 excess fund.

38 (g) The state board of tax commissioners shall adopt rules under
 39 IC 4-22-2 to implement this section.

40 SECTION 7. IC 6-1.1-15-11 IS AMENDED TO READ AS
 41 FOLLOWS [EFFECTIVE JANUARY 1, 2002]: Sec. 11. (a) If a review
 42 or appeal authorized under this chapter results in a reduction of the

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1 amount of an assessment or if the state board of tax commissioners on
 2 its own motion reduces an assessment, the taxpayer is entitled to a
 3 credit in the amount of any overpayment of tax on the next successive
 4 tax installment, if any, due in that year. If, after the credit is given, a
 5 further amount is due the taxpayer, he may file a claim for the amount
 6 due. If the claim is allowed by the board of county commissioners, the
 7 county auditor shall, without an appropriation being required, pay the
 8 amount due the taxpayer. **However, if:**

9 **(1) the amount due the taxpayer exceeds one hundred**
 10 **thousand dollars (\$100,000); and**

11 **(2) the amount due the taxpayer has not been deposited in an**
 12 **escrow account under section 10.5 of this chapter;**

13 **the county auditor and the taxpayer may agree to have the amount**
 14 **due paid to the taxpayer in not more than four (4) annual**
 15 **installments.**

16 **(b)** The county auditor shall charge the amount refunded to the
 17 taxpayer against the accounts of the various taxing units to which the
 18 overpayment has been paid.

19 **(c) Notwithstanding subsection (a), regardless of the amount due**
 20 **the taxpayer, the county auditor, the taxing units to which the**
 21 **overpayment has been paid, and the taxpayer may agree to a**
 22 **mutually satisfactory payment schedule of annual installments.**

23 **(d) If the county auditor pays the amount due the taxpayer in**
 24 **annual installments under subsection (a) or (c), the taxpayer is**
 25 **entitled to receive with each installment the interest accrued upon**
 26 **the total amount due the taxpayer at six percent (6%) per annum.**

27 SECTION 8. IC 6-1.1-17-1 IS AMENDED TO READ AS
 28 FOLLOWS [EFFECTIVE JANUARY 1, 2002]: Sec. 1. (a) On or
 29 before August 1 of each year, the county auditor shall send a certified
 30 statement, under the seal of the board of county commissioners, to the
 31 fiscal officer of each political subdivision of the county and the state
 32 board of tax commissioners. The statement shall contain:

33 (1) information concerning the assessed valuation in the political
 34 subdivision for the next calendar year;

35 (2) an estimate of the taxes to be distributed to the political
 36 subdivision during the last six (6) months of the current calendar
 37 year;

38 (3) the current assessed valuation as shown on the abstract of
 39 charges;

40 (4) **the appellant's name, address, and the assessed value for**
 41 **the assessment date the year before the appeal and the**
 42 **assessed value on the most recent assessment date for each**

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1 **petition for review filed with any board or an appeal to the**
 2 **tax court for petitions and appeals filed before July 15 of the**
 3 **year;**

4 **(5) the average growth in assessed valuation in the political**
 5 **subdivision over the preceding three (3) budget years, excluding**
 6 **years in which a general reassessment occurs, determined**
 7 **according to procedures established by the state board of tax**
 8 **commissioners; and**

9 ~~(5)~~ **(6) any other information at the disposal of the county auditor**
 10 **that might affect the assessed value used in the budget adoption**
 11 **process.**

12 (b) The estimate of taxes to be distributed shall be based on:

13 (1) the abstract of taxes levied and collectible for the current
 14 calendar year, less any taxes previously distributed for the
 15 calendar year; and

16 (2) any other information at the disposal of the county auditor
 17 which might affect the estimate.

18 (c) The fiscal officer of each political subdivision shall present the
 19 county auditor's statement to the proper officers of the political
 20 subdivision.

21 SECTION 9. IC 6-1.1-17-2.5 IS ADDED TO THE INDIANA
 22 CODE AS A NEW SECTION TO READ AS FOLLOWS
 23 [EFFECTIVE JANUARY 1, 2002]: **Sec. 2.5. (a) When certifying the**
 24 **assessed value of a political subdivision for budget making**
 25 **purposes, the county auditor:**

26 **(1) shall exclude appealed assessed value; and**

27 **(2) may exclude assessed value of property that is part of a**
 28 **bankruptcy estate if the county auditor determines that the**
 29 **property taxes will be uncollectible if assessed.**

30 **The county auditor shall determine the amount to be excluded**
 31 **under subdivision (1), which may not be greater than the difference**
 32 **between the assessed value for the assessment date the year before**
 33 **the assessment appeal and the assessed value on the most recent**
 34 **assessment date as certified by the county auditor under section 1**
 35 **of this chapter. If the appeal concerns the assessment of property**
 36 **not assessed for the year before the assessment appeal, the amount**
 37 **of assessed value to be excluded is only the amount subject to**
 38 **appeal as estimated by the county assessor.**

39 **(b) The proper officers of a political subdivision shall exclude**
 40 **appealed and bankruptcy assessed value excluded under subsection**
 41 **(a) when formulating the political subdivision's budget, tax rate,**
 42 **and tax levy for the ensuing budget year.**

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1 SECTION 10. [EFFECTIVE JANUARY 1, 2002] (a) IC 6-1.1-15-1,
2 IC 6-1.1-15-4, IC 6-1.1-15-5, IC 6-1.1-15-9, IC 6-1.1-15-10,
3 IC 6-1.1-15-11, and IC 6-1.1-17-1, all as amended by this act, and
4 IC 6-1.1-15-10.5 and IC 6-1.1-17-2.5, both as added by this act,
5 apply to property taxes first due and payable after December 31,
6 2001.
7 (b) This SECTION expires January 1, 2003.

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