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FISCAL IMPACT STATEMENT

LS 6473
BILL NUMBER: SB 185

NOTE PREPARED: Dec 15, 2003
BILL AMENDED:

SUBJECT: Rental Unit Assessment Appeals.

FIRST AUTHOR: Sen. Craycraft
FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: The bill allows an owner to appeal before May 1, 2004, the assessment of residential rental property determined for the 2002 general reassessment.

Effective Date: Upon passage.

Explanation of State Expenditures:

Explanation of State Revenues: The state levies a small tax rate for State Fair and State Forestry. Any reduction in the assessed value base will reduce the property tax revenue for these two funds.

Explanation of Local Expenditures:

Explanation of Local Revenues: Under current law, an assessment must be appealed within 45 days of the first notice of the new assessed value for the appeal to apply to the taxes due for that assessment date. Otherwise, the effective date of the appeal is delayed. This bill would extend the appeal deadline for residential property that is used as rental property (whether vacant or occupied) for the March 1, 2002, assessment date until May 1, 2004. The bill does not apply to single-family rental dwellings. It would apply to two-, three-, and four- family dwellings.

Successful appeals would result in a refund of overpaid taxes. The refunds would reduce property tax revenues in the year that the refunds are paid. Under SEA 1 (2004), taxing units may appeal for an excessive levy due to revenue shortfalls caused by appeal refunds. The appeal may be made in the year following the shortfall.

The number, value, and success rate of any additional appeals under this bill is undetermined.

State Agencies Affected: Indiana Board of Tax Review.

Local Agencies Affected: Local civil taxing units and school corporations.

Information Sources:

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