

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7233

BILL NUMBER: SB 507

DATE PREPARED: Jan 11, 2000

BILL AMENDED:

SUBJECT: Creates state agency to hear property tax appeals.

FISCAL ANALYST: Bob Sigalow

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FUNDS AFFECTED:

**GENERAL
DEDICATED
FEDERAL**

IMPACT: Pending

Summary of Legislation: This bill establishes the Indiana Board of Tax Review. It provides that the Indiana Board of Tax Review hears: (1) appeals from determinations of county property tax assessment boards of appeals; and (2) appeals from determinations of the State Board of Tax Commissioners. The bill provides that determinations of the Indiana Board of Tax Review are appealable to the Indiana Tax Court. The bill also establishes the organization of the Indiana Board of Tax Review, including the requirements for a Division of Appeals and a Division of Data Analysis.

This bill specifies the duties and procedures of the Indiana Board of Tax Review. It directs the Indiana Board of Tax Review to compute school assessment ratios and authorizes the Indiana Board of Tax Review to order special reassessments. The bill also provides for annual withholding by the state of distributions of property tax replacement credit and homestead credit revenue for a county's Reassessment Fund until submission by the county of data relating to tax assessments, exemptions, deductions, and credits if the data is not submitted in a timely manner.

The bill requires the State Board of Tax Commissioners to establish a Personal Property Audit Division, a Budget Division, and an Assessment Division and specifies the responsibilities of those divisions. It eliminates the Division of Appeals and the Division of Tax Review of the State Board of Tax Commissioners. The bill requires the State Board of Tax Commissioners to conduct annual personal property assessment audits. It also provides that payment of an appraisal contractor by a county is conditioned on the contractor providing real property assessment and property characteristic data to the state.

Additionally, this bill provides that rules of the State Board of Tax Commissioners and the Indiana Board of Tax Review May not: (1) restrict ability to practice before the agency to attorneys; or (2) restrict admissibility of evidence to the agency based on the manner in which the taxpayer's representative or other witness is compensated.

Effective Date: July 1, 2001.

Explanation of State Expenditures: *As of the above date, the fiscal analysis of this bill has not been completed. Please contact the Office of Fiscal and Management Analysis for an update of this fiscal impact statement.*

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected:

Information Sources: