WHAT IS AN ASSESSOR?

A person who calculates or estimates the value of property, chiefly for taxation purposes.

WHO AM I?

- Judith A. Sharp, Monroe County Assessor
- Level 3 Certified Assessor/Appraiser
- County Assessor since 1991
- Bloomington Township Assessor from 1987 to 1990
- President of Indiana County Assessors Association 1999-2001, 2008-2020
- Assessor of the Year 2001
- Association of Indiana Counties Board of Directors 2019-Present
- Longtime resident and property owner of Monroe County

MY OFFICE?

- 100 W. Kirkwood Ave, Courthouse Rm 104
- 812-349-2502
- Chief Deputy plus 12 Deputy Assessors-6 with Level III Certification

EDUCATION REQUIREMENTS

Level I Assessor-Appraisers are required to earn **30 hours** of continuing education credits during a two-year cycle following initial certification and every two years thereafter.

Level II and Level III Assessor-Appraisers are required to earn **30 hours** of continuing education credits during a two-year cycle following initial certification and every two years thereafter. Once a two-year cycle is completed and certification requirements are met, a new cycle begins January 1. County Assessor must be Level III certified. All deputies must at least maintain a Level II certification. Deputies that are in a supervisory role, must be a Level III.

MONROE COUNTY STATISTICS

- Population: 150,832, including students
- Parcel Count: 55,531
- Gross Assessed Value: $12,948,840,000

ASSESSMENT CALENDAR

The Department usually publishes a memorandum/calendar in December for the following calendar year, listing key dates (either statutory or recommended). For example, see http://in.gov/dlgf/files/pdf/170105%20-%20Wood%20Memo%20-%202017%20Assessment%20Calendar.pdf

The goal of the Department is to ensure “on-time billing” in all 92 counties.

EXEMPTIONS/DEDUCTIONS

- Auditor’s Certificate of Net Assessed Values: real and personal property assessments, less deductions and exemptions for estimating taxes, tax levies, and tax rates to be charged.
  - Assessors roll Gross real and personal property AV’s to auditor (IC 6-1.1-3-17(b); IC 6-1.1-5-14)
  - Auditor applies all applicable deductions and exemptions to arrive at Net AV’s.
    - Net AV’s are the tax base for local units of government
    - Tax Levy = (Net Assessed Value/100) X Tax Rate

Definitions:

- **Deductions**: A reduction in the assessed value being taxed.
- **Exemptions**: Exemptions excludes property from assessment.
- **Credits**: Credits reduce the amount of the property tax bill.
- **Abatements**: Abatements are a cancelation of a tax liability.
- **Tax Increment Financing**: A process for capturing the taxes paid by property owners.

Deductions:

- A deduction reduces the assessed value being taxed.
- Deductions are specifically described and allowed in the Indiana Code.
- Most deductions have maximum amounts or percentage limits.
- Most deductions have eligibility requirements.
- Most deductions can be combined with other deductions.

- **<u>Homestead Standard Deduction</u>:**
  - Lesser of $45,000 or 60% of the gross AV of the property;
  - Applies to the dwelling (and those structures, such as decks and patios attached to the dwelling) and the surrounding acre (even if the acre straddles multiple parcels);
  - Applies to property that is the applicant's principal place of residence, meaning the individual's true, fixed, permanent home to which the individual has the intention of returning after an absence.
- **<u>Supplemental Homestead Deduction:</u>**
  - Applied to the net AV resulting after application of the standard homestead deduction;
  - Deduction equals 35% of the net AV (if the net is less than $600,000) or 25% of the net AV (if the net is greater than $600,000).

Energy Deductions:

- Solar Energy Heating or Cooling System (deduction equals the out-of-pocket expenditures for the components and labor);
- Solar Power Device, Wind Power Device, Hydroelectric Power Device, Geothermal Device (deduction equals the AV of the property with the device less the AV of the property without the device [for a solar power device assessed as distributable or personal property, the deduction equals the AV of the device]).
- Please note: hydroelectric and geothermal devices must be certified by the Indiana Department of Environmental Management (if certified, subsequent owner does NOT need to seek certification again).

Mortgage:

- Lesser of: $3,000, balance of mortgage or contract indebtedness on assessment date, or one-half of the total AV of property;
- A person may not have more than one mortgage deduction in his name. However, if a married couple owns two pieces of property and each property is mortgaged in the spouses' names, one spouse could have a mortgage deduction in his name on one property while the other spouse has a mortgage deduction in her name on the other property. Likewise, if a person owns a business (e.g., LLC), the person could have a mortgage deduction in his name and the business could have a mortgage deduction in its name.

Over 65 Deduction:

- Lesser of one-half of the gross AV of the property or $12,480;
- Applicant must have owned (or been buying) the property for at least one year before "claiming" the deduction;
- Applicant and any joint tenants or tenants in common must reside on the property;
- Combined, adjusted gross income of applicant and applicant's spouse or applicant and any joint tenants or tenants in common for preceding year did not exceed $40,000;
- AV of property cannot exceed $200,000;
- Applicant must be at least 65 by December 31 of the year preceding the year in which the deduction is claimed;
- The same person cannot have the over 65 deduction in conjunction with deductions other than the homestead, mortgage, and fertilizer storage deductions;
- The deduction cannot be denied on the basis that the recipient is away from the property while in a hospital or nursing home;
- If any joint tenants or tenants in common are not at least 65, the deduction is reduced by a fraction.

Over 65 Circuit Breaker:

Credit prevents recipient's homestead tax liability from increasing by more than 2% over previous year;

- Applicant must have been eligible for homestead deduction in preceding year as well as current year;
- If applicant filed individual income tax return for preceding year, income cannot have exceeded \$30,000 (or \$40,000 if filed jointly with spouse);
- Gross AV of homestead cannot exceed \$160,000;
- No restrictions on combining credit with other deductions;
- Applicant is or will be at least 65 on or before December 31 of the calendar year immediately preceding the current calendar year.

Blind/Disabled Person Deduction:

- Deduction is $12,480;
- Applicant must use property as principal place of residence;
- Applicant must own or be buying the property under recorded contract;
- Applicant must provide proof of blindness or disability;
- Applicant's individual income for preceding year did not exceed $17,000.

- Totally Disabled Veteran or Veteran at Least 62 with Disability of 10% or More:
  - Maximum deduction $12,480.
  - Applicant served at least 90 days in U.S. military and received honorable discharge.
  - Assessed value of all of applicant's tangible property does not exceed $200,000.
  - May be combined with all other deductions except over 65.

- Veteran with Service Connected Disability – Applicant received an honorable discharge after serving in U.S. military or naval forces during any of its wars; Applicant has a service connected disability of at least 10%.
  - Deduction limited to $24,960
  - Deduction may be combined with all other deductions except Over 65 and Surviving Spouse of WW1 Veteran Deduction.

- Indiana Code 6-1.1-12-40.5 provides that the total deductions applicable to a mobile/manufactured home, not assessed as real estate, may not exceed one-half of the assessed valuation of the mobile/manufactured home (this does not apply to the supplemental homestead deduction!).

- Legal Basis for **Exemptions**:
  - Article 10, Section 1 of the Indiana Constitution permits the Legislature to exempt certain classes of property from property taxation.
  - IC 6-1.1-10 contains most of the exemptions available, but exemptions may be found throughout the Code.
  - Exemption procedures are found in IC 6-1.1-11. The procedures include application requirements, deadlines, and other conditions.

- Legal Basis continued:
  - An exemption is a privilege, not a right.
  - An exemption is a privilege which may be waived by a person who owns tangible property that qualifies for the exemption. (IC 6-1.1-11-1)
  - Burden is on the applicant to show that the predominant part of the property claimed to be exempt is substantially related to the exercise or performance of the applicant's exempt purpose (IC 6-1.1-11-3(d)).

- Distinctions:
  - **Exemption** – property is not taxable
    - Such as churches and charitable organizations.
  - **Deduction** – Reduces the taxable AV of a property by a fixed dollar amount.
    - Homestead, Mortgage, Over 65, and Disabled Veteran are examples.
  - **Credit** – Reduces the net tax bill by a designated percentage or prevents a tax bill from exceeding a certain percentage.
    - Circuit Breakers, Over 65, and LOIT Homestead.

- **Exemptions:**
- Application is filed with the county assessor on or before May 15 of the assessment year.
  - May 15, 2015 for 2015 pay 2016 property taxes.
- Exemption application is not required if the exempt property is owned by the United States, the state, an agency of the state, or a political subdivision (as defined by IC 36-1-2-13). This exception applies only when the property is used, and in the case real property occupied, by the owner.

IC 6-1.1-11-4(d):

The application must be re-filed every even year unless:

(1) the exempt property is:

(A) tangible property **used for religious purposes** described in IC 6-1.1-10-21;

(B) tangible property **owned by a church or religious society used for educational purposes** described in IC 6-1.1-10-16;

(C) other **tangible property owned, occupied, and used by a person for educational, literary, scientific, religious, or charitable purposes described in IC 6-1.1-10-16**; or

(D) other tangible **property owned by a fraternity or sorority** (as defined in IC 6-1.1-10-24). (Emphasis added)

(2) the exemption application referred to in section 3 or 3.5 of this chapter was filed properly at least once for a religious use under IC 6-1.1-10-21, an educational, literary, scientific, religious, or charitable use under IC 6-1.1-10-16, or use by a fraternity or sorority under IC 6-1.1-10-24; and

(3) the property continues to meet the requirements for an exemption under IC 6-1.1-10-16, IC 6-1.1-10-21, or IC 6-1.1-10-24.

Abatements:

- Abatements are a suspension or forgiveness of future tax liabilities. Liability for taxes resumes at the expiration of the term of the abatement.
  - Abatements are used to induce economic development.
  - Commonly used to attract or stimulate new commercial or industrial development.

Tax Increment Financing (TIF):

- TIF is a tool used to capture increased taxes from future developments to help pay for the development.
  - Theory is that the taxes would not have been there if not for new development and the new development would not have been there if not for the TIF.
  - Typically, TIF is used to finance the infrastructure needed to support the development.
    - New road construction
    - Sewer construction
    - Extending water lines, etc.

- TIF revenues are normally used for debt service payments or lease payments.
  - Some units use TIF as a "pay as you go" redevelopment financing mechanism.
- Property owners in a TIF district are still protected by circuit breaker limits (to tax liability).
- Tax levies paid to a TIF district are included in the tax revenues reported by county auditors but are then subtracted so the "net" or "base" assessed value is not affected. (Since the revenue is not distributed to the civil taxing units, the taxable property value is not shown as tax base for the unit when determining the tax rates or tax levies).

WHEN DO I RECEIVE MY NEW ASSESSMENT?

- Our office will send out Form 11's (Notices of Assessments) to every property owner, on or before May 1st, every year.
- This notice should reflect the Market Value of your property.

HOW CAN I CHECK MY ASSESSMENT TO MAKE SURE EVERYTHING IS CORRECT?

- You can come into the office to go over your Property Record Card.
- You could call the office and my staff could e-mail a copy of your Property Record Card for you to look over.
- You can go onto our GIS Website to check your information.
  https://monroein.elevatemaps.io

WHAT IF I THINK MY ASSESSMENT IS TOO HIGH?

- If you feel that your assessment is higher than the Market Value of your property, you have 45 days from the date of the Form 11 to appeal your assessment. The deadline for the entire State is June 15th of each year.
- The appeal form (Form 130) is available on our website: http://www.co.monroe.in.us/tsd/Government/TaxProperty/Assessor.aspx
- You will have to provide valid evidence to show that a decrease in assessment is warranted.

Evidence:

- What type of evidence is required in the appeal process?
- There are a variety of things a taxpayer may use/request to be considered in the appeals process, including:
  - A USPAP compliant appraisal (NOTE: An appraisal is not required in the appeal process).
  - Actual construction costs (both Direct and Indirect).
  - The sale of the subject property (if an "arms-length" transaction).
  - Sales of comparable properties.
  - More info on evidence can be found at http://www.in.gov/ibtr/2420.htm.

Definitions:

- **Market Value-in-Use**: "The market value-in-use of a property for its current use, as reflected by the utility received by the owner or by a similar user, from the property."
- **Market Value**: "The most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress."

WHO CAN FILE AN APPEAL?

The owner of record on the assessment date. Additionally, the Indiana Board of Tax Review (IBTR) has previously ruled that others with an interest in the property may file an appeal (i.e., a person other than the owner on the assessment date may file an appeal if they are responsible for the property taxes due for that assessment date, even though they may not have owned the property on the assessment date).

WHAT HAPPENS AFTER I FILE AN APPEAL?

- My office tries to hold informal hearings with residential and commercial property owners to resolve any issues that you may have before sending you on to the Property Tax Assessment Board of Appeals (PTABOA), time permitting.
- The residential informal hearings are held by me and my staff.
- Commercial informal hearings are held by a commercial advisor to the Board.
- If we do not set you with an informal hearing, you will be sent directly to the PTABOA.

THE PROPERTY TAX ASSESSMENT BOARD OF APPEALS (PTABOA)

- The PTABOA is made up of 3 citizens of Monroe County and the County Assessor. The County Assessor serves as Secretary to the Board and is not a voting member.
- The PTABOA must be comprised of individuals "knowledgeable in the valuation of property."

- Three (3) Member PTABOA:
  - The fiscal body appoints 1 member who may be a certified Level II or III Assessor-Appraiser.
  - The Board of Commissioners appoints 2 freehold members so that not more than 2 of the members may be of the same political party and so that at least 2 are residents of the county. At least 1 of the Board's appointees must be a certified Level II or III Assessor-Appraiser. The Board, however, may wave that requirement.

- The PTABOA shall, by mail, give notice of the date, time, and place fixed for the hearing to the taxpayer and the county or township official with whom the taxpayer filed the notice for review. (Form 114)

- The PTABOA may not require a taxpayer to file documentary evidence or summaries of statements of testimonial evidence before the hearing.

- The Board has the power to:
  - Subpoena witnesses
  - Examine witnesses, under oath, on the assessment or valuation of property
  - Compel witnesses to answer its questions relevant to the assessment of valuation of property
  - Order the production of relevant papers

CAN AN ASSESSMENT INCREASE AS A RESULT OF AN APPEAL?

Yes, per Indiana Code 6-1.1-9-4 (a), undervalued or omitted property may be increased within three years after the assessment date for that prior year (as long as proper notice is given to the taxpayer). The assessing official should; however, be prepared to defend the increase in the assessed value and possibly explain why the assessment has been increased.

WHAT IF I DISAGREE WITH THE PTABOA'S DECISION?

If you still disagree with your assessment, you may appeal to the Indiana Board of Tax Review within 45 days of the PTABOA decision.