
STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



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TO: Assessing Officials, Property Tax Boards of Appeal, County Auditors, & County Recorders

FROM: Daniel Shackle, Commissioner

RE: Legislation Affecting Assessment Matters

DATE: June 18, 2024

The Department of Local Government Finance (“Department”) issues this memorandum to inform the public of legislative changes concerning assessment matters. Please note that this memorandum is for informational purposes only, and it is not a substitute for reading the law. Except as otherwise stated, all provisions are effective July 1, 2024.

I. Assessment of Wetlands Classified as Wildlands

On March 11, 2024, Governor Eric J. Holcomb signed into law Senate Enrolled Act 246-2024 (“SEA 246”). Section 3 of SEA 246 provides that a parcel of land may be classified as wildlands for purposes of property tax assessment if the following requirements are met:

- (1) the parcel is at least one-half (1/2) of an acre in size;
- (2) the parcel contains wetlands, as delineated by a person certified in wetland delineation; and
- (3) the parcel otherwise meets the requirements for classification as wildlands under Ind. Code § 6-1.1-6.

Additionally, Section 4 of SEA 246 specifies that the owner of a parcel of land that is less than one (1) acre in size and contains wetlands, and is classified as wildlands must post two (2) signs on different sides of the parcel. The Department of Natural Resources is responsible for furnishing signs to property owners. Additional information can be found on the Department of Natural Resources [website](#).

II. Sales Disclosure Forms

Currently, Ind. Code § 6-1.1-5.5-2 specifies that all conveyances of real property for valuable consideration must be accompanied by the submission of a Sales Disclosure Form (State Form 46021); however, the following conveyances do not require a Sales Disclosure Form:

- (1) Security interest documents such as mortgages and trust deeds.

- (2) Leases that are for a term of less than ninety (90) years.
- (3) Agreements and other documents for mergers, consolidations, and incorporations involving solely nonlisted stock.
- (4) Quitclaim deeds not serving as a source of title.
- (5) Public utility or governmental easements or rights-of-way.

With the exception of the property conveyances listed above, the county recorder is prohibited from recording a property conveyance document without evidence that the parties to the conveyance have filed with the county auditor a Sales Disclosure Form approved by the county assessor as eligible for filing under Ind. Code § 6-1.1-5.5-3(b)(2).

On March 11, 2024, Governor Eric J. Holcomb signed into law House Enrolled Act 1090-2024 (“HEA 1090”). Section 1 of HEA 1090 adds conveyances to the state to the list of real property transfers that are excluded from the Sales Disclosure Form requirement.

IC 6-1.1-5.5-2

“Conveyance document” defined

Sec. 2. (a) As used in this chapter, “conveyance document” means any of the following:

- (1) Any of the following that purports to transfer a real property interest for valuable consideration:
 - (A) A document.
 - (B) A deed.
 - (C) A contract of sale.
 - (D) An agreement.
 - (E) A judgment.
 - (F) A lease that includes the fee simple estate and is for a period in excess of ninety (90) years.
 - (G) A quitclaim deed serving as a source of title.
 - (H) Another document presented for recording.
 - (2) Documents for compulsory transactions as a result of foreclosure or express threat of foreclosure, divorce, court order, condemnation, or probate.
 - (3) Documents involving the partition of land between tenants in common, joint tenants, or tenants by the entirety.
- (b) The term does not include the following:
- (1) Security interest documents such as mortgages and trust deeds.
 - (2) Leases that are for a term of less than ninety (90) years.
 - (3) Agreements and other documents for mergers, consolidations, and incorporations involving solely nonlisted stock.
 - (4) Quitclaim deeds not serving as a source of title.
 - (5) Public utility or governmental easements or rights-of-way.
 - (6) Conveyance to the state.**

With the revisions to Ind. Code § 6-1.1-5.5-2 under HEA 1090, real property conveyances to the state and state agencies (i.e., Indiana Department of Transportation, Indiana Department of

Natural Resources, etc.) will no longer require the submission of a Sales Disclosure Form before filing the property conveyance document with the county recorder.

The Department would note that property conveyances *from* the state or a state agency to an individual or entity will still be subject to the Sales Disclosure Form submission requirements under Ind. Code § 6-1.1-5.5.

III. Apartment Assessments

As adopted during the 2023 Legislative Session under House Enrolled Act 1454 (“HEA 1454”), Ind. Code § 6-1.1-4-39 was amended to specify that for purposes of assessing apartment property¹, assessors were required to use the cost schedules issued by the Department without modifiers, adjustments, or other trending factors. Additionally, HEA 1454 specified that the assessing official has the burden of proof to establish that the assessment is correct and that the assessed value is the lowest of the three (3) appraisal approaches.

On March 13, 2024, Governor Eric J. Holcomb signed into law House Enrolled Act 1328-2024 (“HEA 1328”). Section 6 of HEA 1328 further amends Ind. Code § 6-1.1-4-39 to specify that the assessors are required to use the cost schedules issued by the Department without *additional* modifiers, adjustments, or other trending factors beyond the location cost multiplier adjustments developed by the Department. For the assessment of apartment properties, assessors are also prohibited from using locally developed cost schedules, location cost multipliers, and market or trending adjustments.

IC 6-1.1-4-39

Assessment of rental property and mobile homes; low income rental housing exclusion

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(f) Notwithstanding IC 6-1.1-4-4.5, for assessment dates beginning after December 31, 2023, the county assessor or township assessor making the assessment shall perform an assessment of property qualifying under subsection (a) annually, and for each assessment year, perform a valuation of the property qualifying under subsection (a) using each of the appraisal approaches in subsection (a)(1) through (a)(3) and annually report to the taxpayer each of the values under those approaches as determined by the assessor on a form as prescribed under subsection (i). The assessor shall use the department cost schedules without **additional** modifiers, adjustments, or other trending factors **beyond the location cost multiplier adjustments developed by the department for the cost schedules used under this section. The use of locally developed cost schedules, location cost multipliers, and market or trending adjustments is prohibited.**

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¹ For purposes of this memo, “apartment property” refers to real property regularly used to rent or otherwise furnish residential accommodations for periods of thirty (30) days or more that have more than four (4) rental units.

Additionally, Section 6 of HEA 1328 removes the burden for the assessor to establish that the assessment “is correct”, and clarifies that the assessing official only has the burden of proof to establish that the assessed value is the lowest value of the three (3) appraisal approaches.

IC 6-1.1-4-39

Assessment of rental property and mobile homes; low income rental housing exclusion

...

(g) The county assessor or township assessor making the assessment of property qualifying under subsection (a) has the burden of proof to establish that ~~the assessment is correct and that~~ the assessed value is the lowest value of those determined using the three (3) appraisal approaches performed by the county assessor or township assessor regardless of the percentage change in the assessed value.

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Section 6 of HEA 1328 is retroactively effective on January 1, 2024.

IV. PTABOA Member Terms

Under current law, Ind. Code § 6-1.1-28-1(h) specifies that the term of a member of the county property tax assessment board of appeals is one (1) year and begins on January 1.

Section 18 of HEA 1328 amends Ind. Code § 6-1.1-28-1(h) to provide that the term of a member of the county property tax assessment board of appeals must be staggered to ensure that the appointment of a majority of the board does not expire in any single year. A board member’s term will still begin on January 1, and the requirement for term staggering applies to three (3) member boards, as well as five (5) member boards.

V. Business Personal Property Penalties

Prior to the 2024 Legislative Session, Ind. Code § 6-1.1-37-7 specified that the county auditor must add a penalty of twenty-five dollars (\$25) to the next property tax installment for individuals that fail to file a required personal property tax return, and the county auditor is required to add an additional penalty totaling twenty percent (20%) of the taxes due if the individual fails to file the personal property return within thirty (30) days of the of the filing deadline.

Section 22 of HEA 1328 modifies the structure for personal property tax return late filing penalties. Beginning May 1, 2024, the penalty amount for a late personal property tax return that is filed more than thirty (30) days after the due date is:

- (1) The lesser of 10% of the taxes due or \$10,000, if the return is filed on or before November 15 of a year; or
- (2) The lesser of 20% of the taxes due or \$50,000, if the return is filed after November 15 of a year.

Although the changes to Ind. Code § 6-1.1-37-7 under Section 22 of HEA 1328 are retroactively effective May 1, 2024, Section 39 of HEA 1328 specifies that the new graduated penalty structure for late personal property tax return filings would also apply to any taxpayer that was subject to a late filing penalty for taxes first due and payable in 2023.

Additionally, Section 23 of HEA 1328 repeals Ind. Code § 6-1.1-37-7.5, which provides that a person who fails to provide, within forty-five (45) days of the personal property tax return deadline, evidence of the filing of a return with the appropriate assessing official is required to pay the county an additional penalty equal to ten percent (10%) of the tax liability.

Sections 22, 23, and 39 of HEA 1328 are all retroactively effective on January 1, 2024.

VI. Tentative Utility Assessments

Section 7 of HEA 1328 requires the Department to notify the county assessor of the tentative assessment for state distributable property, or information related to tentative valuation changes, for each utility company's distributable property located in the county by June 1. The additional reporting requirements related to tentative valuation shifts will first apply to state distributable property assessments issued in 2025.

VII. County Option Mobile Home Tax Exemption

On March 11, 2024, Governor Eric J. Holcomb signed into law Senate Enrolled Act 183-2024 ("SEA 183"). Section 4 of SEA 183 specifies that a county fiscal body may adopt an ordinance to exempt mobile homes² and manufactured homes³ located in the county from property taxation; however, any ordinance adopted may not include mobile homes or manufactured homes that are assessed as inventory or real property. Before adopting the exemption ordinance, the county fiscal body must conduct a public hearing on the proposed ordinance and publish notice of the hearing in accordance with Ind. Code § 5-3-1.

Any ordinance adopted must exempt all mobile homes and manufactured homes in the county from taxation, and a taxpayer is not required to file an application to qualify for the exemption. The county fiscal body is required to provide a certified copy of an adopted exemption ordinance to your [Department Assessment Field Representative](#) and the county assessor. Upon receipt of the adopted exemption ordinance, the county assessor must automatically apply the exemption to all mobile-home and manufactured-home properties in the county. For an annual assessment date in which an exemption ordinance is adopted under Ind. Code § 6-1.1-10.5 is in effect, the county assessor shall no longer assess mobile homes and manufactured homes. Since property tax exemptions apply to properties as they exist on the January 1 assessment date, any exemption ordinance adopted after January 1 will first apply to the following assessment year.

Indiana Code § 6-1.1-10.5-8 also specifies that the county fiscal body may repeal or amend an exemption ordinance. Given the option for a county fiscal body to repeal an exemption

² For purposes of SEA 183, "mobile home" has the meaning set forth in Ind. Code § 6-1.1-7-1(b).

³ For purposes of SEA 183, "manufactured home" has the meaning set forth in Ind. Code § 9-13-2-96.

ordinance, the Department would encourage assessors in any county that adopts an exemption ordinance to maintain the parcel and assessment data for mobile homes and manufactured homes. As of June 2024, the record retention schedule (Record Series AS 12-12) issued by the Indiana Archives and Records Administration for Assessing Officials specifies that property record cards and any supporting documents may only be destroyed after ten (10) years and after receipt of the State Board of Accounts Audit Report and satisfaction of unsettled charges.

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| 12 | AS 12-12 | <p>PROPERTY RECORD CARDS</p> <p>Records may include, but are not limited to, SF 50055, SF 50056, SF 50057 or their substitutes, and any supporting documents.</p> | <p>DESTROY after ten (10) years and after receipt of STATE BOARD OF ACCOUNTS Audit Report and satisfaction of unsettled charges.</p> |
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(Assessing Officials Retention Schedule – Indiana Archives & Records Administration, Pg. 2)

Contact Information

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