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Helpful Hints

About the Author



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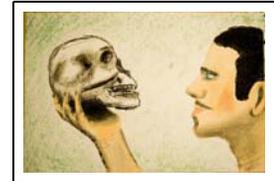
Shelley is an appraiser in training at Good Valuation, Inc. She has conducted interviews with several experts in the marketplace regarding tips to pursue a property tax appeal.

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“To Appeal or Not to Appeal? That is the question!”

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In December of 1998, the state Supreme Court ruled that the method of assessing property in Indiana was unconstitutional. The old method, based on the cost to duplicate the property was changed to a “market value in use” approach where the age of the property is not as important as the condition and location. Assessment is now performed based on a “mass appraisal” system, where typical neighborhood rates are established and applied to individual properties allowing for possible variances in assessed and market values. Because of these occasional variances, the state has set up an appeals process for those who wish to dispute a property’s assessed value. The appeals process is intended to ensure fair taxation.

There are many questions to ask yourself when considering appealing your property tax bill. Do I have a good case? Is the potential return more than the investment? Am I willing to be patient? This study will explore the desire, ability, avenues and procedure to property tax appeals.

Do I have a good case?

According to the DeKalb County assessor, the most common reason for appeal is that the taxpayer feels the property was over assessed. But, just because the assessment value has increased, doesn’t mean the taxes have increased proportionately. If the assessed value doubles, but the value of all other properties in the jurisdiction triples, it is possible to actually see a tax decrease.

The Form 11 (or tax bill) that you receive yearly by mail lists the parcel number, square footage of land, square footage of site

Check your tax bill or tax card for inaccuracies in acreage and square footage of site improvements. Evaluate the total assessed value to determine if it is close to the market value of your property.

In 2006, Indiana lenders foreclosed on 2.98% of mortgages which is more than double the national average.

improvements, and assessed value of the land and the site improvements. If you do not have the bill, a tax card may be obtained from your county assessor's office that will include the physical qualities of the property. When studying this document, answer the following questions:

- Is the land acreage (or square footage) correct?
- Is the site improvement square footage correct?
- Is the total assessed value close to the market value of your property?

If you believe there is an error on the assessment and wish to contest up to 3 years of assessments, a Form 133 (Petition for Correction of Error) must be submitted to the county assessor. This form is used to appeal objective issues such as a math error or an error or omission of an exemption or deduction as permitted by law on the tax statement. It is also used to dispute that the taxes are illegal as a matter of law.

If you feel that the assessed value is questionable, below are a few avenues to research the assessed values of comparable properties in the marketplace.

- Visit www.in.gov/dlgf . Click on assessed value to compare your assessed value to those of properties in your neighborhood.
- Check www.realtor.com and other real estate web sites to compare the list price of similar properties.
- Visit www.goodvaluation.com or call 260-920-3000. Good Valuation will professionally check the validity of the assessment on any property and consult with you during the appellate process.

If many properties in your area have been foreclosed on, it could affect the market value of your home. Of course, a buyer would prefer to purchase a home for less cost from a bank, than an individual selling an equally, desirable property at a higher price. If these types of sales have become the norm in your area or for your particular type of property, the result could warrant an adjustment in the assessed values.

Or, maybe your land value was over assessed and your site improvements are under assessed. If you choose to appeal, the assessor will look at both the land and the site improvements so, your taxes could actually increase. The bottom line assessed value on the tax bill is the land and site improvement values combined and that is the number you should evaluate.

If after evaluating the market value, you feel you have a strong case, the next step is to determine if it would be worthwhile to appeal.

$$\begin{aligned} & (\text{Tax Rate} - \text{Credits}) \\ & \times \text{Assessed Value} \\ & = \text{Property Tax} \end{aligned}$$

Possible length of time to resolve an appeal:

- 45 *Maximum days from date of tax bill to provide a written notice for review with the county Assessor. If not resolved...*
- 180 *Maximum number of days until PTABOA is required to hold a hearing*
- 120 *Days until written decision is required to be mailed from PTABOA. If not resolved...*
- 45 *Maximum days after the date of the notice from PTABOA to file a petition for review to IBTR*
- 365 *Maximum days IBTR has to schedule a hearing*
- 270 *Maximum number of days IBTR has to issue a determination*

+

TOTAL: **1,025** Days -or- almost 3 years

Many disputes can be resolved simply through discussions with local assessing officials.

Is the potential return more than the investment?

Appealing taxes is conflictive, time consuming, and risky considering the possibility that your property could be found to be under assessed causing your taxes to actually increase in the future. There could also be professional fees involved in gathering the proper evidence especially if the property is used commercially which adds to the complexity of assessment.

To determine whether or not the actual tax amount will change drastically enough to warrant a dispute, multiply your township tax rate by estimated market value. This is the proposed tax amount. Even though your assessment may have drastically changed, the actual amount taxed might change very little. For instance, if you believe your property is over assessed by \$2,000 and the local tax rate is 2%, you stand to gain \$40 per year. Property tax rates are calculated by how much the government needs to spend in order to operate properly. The tax rates for your county by township can be found at www.in.gov/dlgf/pdfs or contact your county auditor. If you feel you were just slightly over assessed, the incorrect assessment could be corrected next year since Indiana joined 44 other states in adopting “trending” which requires assessment every year as opposed to the former method of assessing every decade.

Am I willing to be patient?

An appeal could be resolved in as little as 30 days or as long as 3 years. It is vital that the correct forms are filed within the allotted time frame. Send all correspondence registered mail and mark your calendar with the due date of response. It is possible that you could win your appeal simply because the county assessor, PTABOA, or IBTR missed a deadline. Be prepared for a lengthy process. Be polite, diligent, and patient.

How do I appeal my property tax assessment?

Many disputes may be resolved simply in a meeting with the county assessor although this is no longer a required first step in the appeals process as of July 1, 2007. Remember, that county and state officials are taxpayers also, so they understand the difficulties and the burden of disputing property tax. The first step is to set up a personal meeting with the county assessor or send a written notice for review to the county assessor’s office including the following:

- Name of the taxpayer
- Address and parcel / key number of the property (on the tax statement)
- Address and telephone number of the taxpayer
- The pertinent facts of why the assessed value is being disputed. Provide documentation.

The property tax bill still has to be paid on time to avoid penalties even though the appeals process is in motion.

Throughout the appealing process, the cases are prima facie meaning at first glance, self evident, and obvious. Therefore, it is important to provide clear and concise evidence.

*For other articles and helpful hints visit our website at:
www.goodvaluation.com*

- **OR** - A form 130 may be obtained from the assessor's office which will include all of the above information

If you believe there is an error on the assessment, a Form 133 (Petition for Correction of Error) must be submitted to the county assessor. This form is used to appeal objective issues such as a math error on the assessment or an error or omission of an exemption or deduction as permitted by law on the tax statement.

These written requests must be submitted within 45 days of receipt of the tax bill (Form 11). Folks, they aren't kidding about these due dates. If your forms are submitted one day late, your case will be exceptionally difficult to win.

The county official is required to forward that written notice to the county property tax assessment board of appeals ("PTABOA") which will hear the taxpayer's appeal and issue a written determination.

PTABOA is required to hold a hearing within 180 days after the date the notice of appeal was filed. The hearing will be set up like court. The taxpayer presents reasons for disagreement with the assessment, and the assessor presents the basis for the assessment decision and the reasons the taxpayer's appeal should be denied. It is fully up to the taxpayer to provide all of the evidence to prove his or her case and to be able to explain why this information is applicable to the case.

Examples of valuable evidence are:

- Sales of similar properties proving the market value to be lower than the assessed value.
- Assessments of comparable properties.
- An appraisal either done for the appeal or for some other purpose, trended to the appropriate valuation date.

PTABOA will listen to both parties and prepare a written decision within 120 days after the hearing date.

If at first you don't succeed, try, try, again! If the decision of the board is not satisfactory, the taxpayer may appeal to the Indiana Board of Tax Review or IBTR within 45 days after the date of the notice from the county PTABOA. This is to be filed directly with the IBTR on a Form 131 and must include the PTABOA denial. The IBTR is to schedule a hearing after which they will mail the taxpayer and assessor an *amicus curiae* brief (which is a nonparty who files a brief in support of a certain position). If the result is still unsatisfactory, the last avenue for appeal is to file a

When evaluating the tax bill, check for inaccuracies. Determine if the assessed value is drastically higher than the market value and if it makes financial sense to appeal. Provide quality evidence and explain how the evidence applies to the property's market value-in-use. Follow the proper protocol and be patient.

For more information on property tax appeals visit www.in.gov/dglf.com or www.in.gov/ibtr.com

petition for Judicial Review to the Indiana Tax Court which must be done within 15 days after the IBTR gives notice of final determination.

In summary, when evaluating the tax bill, check for inaccuracies. Determine if the assessed value is comparable to the market value and if it makes financial sense to appeal. Provide quality evidence and explain how the evidence applies to the property's market value-in-use. Follow the proper protocol and be patient. While it is desirable to have your assessed property value decreased, possibly lowering your property taxes, there are no guarantees. Do your homework to ensure that you have a good case before appealing property tax assessments.

Contact Information:

Allen County Assessor : Stacey O'Day 449-7123

Dekalb County Assessor : Sheila Stonebraker 925-1824

Dekalb County Appeals Officer: John Good, MAI 920-3000

Noble County Assessor : Kim Gephart 636-2297

Steuben County Assessor : Larry May 668-1000

Indiana Board of Tax Review

100 North Senate Avenue N1058A
Indiana Government Center North
Indianapolis, IN 46204

The information analyzed within this article was obtained from research conducted by the author. Information was also obtained from web sties such as <http://www.in.gov/dlgf.com>, <http://www.boselaw.com>, <http://www.dekalb.in.us> , and . Opinions expressed are based on observations and analyses conducted by the author.