

## HOW WAS MY PROPERTY ASSESSED?

*The assessor's office first reviews all the property to be assessed in your community and then values it. In reviewing your individual property, the assessor collects data about its characteristics, such as the amount of land you own, the location of your property, the number and size of (dwellings) improvements on your land, the physical characteristics of the improvements and so on. The information is used to estimate the market value of your property by comparing the sale prices of similar properties and estimating the cost to construct your property.*

## REAL PROPERTY ASSESSMENT TERMS

- **Annually Adjusting Property Values (Trending)** is part of Indiana's move to a market-based assessment system that began in 2002. Currently similar assessment systems are being used in 48 other states. Annual adjustments are calculated by comparing the prior year assessment with current sales data from a neighborhood. The difference positive or negative, will be used to create a factor that assessing officials will apply to the property has assessed value to bring it to current market value. Under the old system, real estate was generally reassessed every 10 years. That left taxpayers with a large change in their assessments every decade. Annual adjustments curb that large lump sum change in assessments by annually adjusting values based on sales.
- **Appraisal** A supportable estimate of the fair market value of a property arrived at through application of guidelines that consider a number of market conditions and economic factors.

- **Assessed Values** the total dollar value assigned to all real property and improvements plus personal property subject to taxation. Assessors determine property values with assessment guides prescribed by the Department of Local Government Finance DLGF.
- **Assessment Appeal** The formal process through which a property owner may dispute the assessed value of their property. The first Step is to talk with your local county assessor; an appointment will be made to discuss the property assessment. The taxpayer may formally appeal the assessment to the County Property Tax Assessment Board of Appeals by filing a Form 130. The appeal will be heard before the board that will make a decision based on the merit of the appeal.
- **Comparable Sales** Are sales of recently sold properties that are used to indicate the value of property that is being assessed. Comparable sales are normally similar in condition, style, size, location and utility to the property being evaluated.
- **Cost Approach** a method the assessor uses to value your property is based on how much money it would take at current material and labor costs, to replace your property with a similar one. If your property is not new, the assessor depreciates the cost of constructing new building to estimate the value of a building with your building's age.
- **Income Approach to Value** Uses capitalization to convert the anticipated benefits of the ownership of property into an estimate of present value. Operating expenses, typical vacancy, insurance, and maintenance costs are used to estimate how much net income your property could generate. This net income is compared with how much most people would expect to earn on other types of investments

- **Market Value In Use** The most probable price, estimated in terms of money, which a property would bring in sale between a willing buyer and seller under arms length conditions, in an open market with adequate market exposure and reasonable marketing time.
- **Mass Appraisal** The process of valuing a group of properties as of a given date using common data, standardized methods and statistical testing.
- **Ratio Study** The study of the relationship between appraised or assessed values and market values. Indicators of values may be either sales or independent appraisals.
- **Sales Comparison Approach** A method the assessor uses compares your property to others that have sold recently. These prices however, must be analyzed very carefully to obtain the true picture. One referred to as property may have sold for more than it was really worth because the buyer was in a hurry and would pay any price. Another property may have sold for less money than it was actually worth because the owner needed cash right away and the property was sold to the first person who made an offer. When using the sales comparison approach, the assessor must always consider the overpricing or under pricing and analyze many sales to arrive at a fair valuation for your property. Size, quality, condition, location and time of sale are also important factors to consider.
- Are sales of properties, which are used to indicate the value of property that is being assessed or appraised. Comparable sales are normally similar in condition, style, size, location and utility to the property being evaluated.
- **Sales Disclosure Forms** Documents prescribed by DLGF for use by local assessors to gather sales information. (Shows actual sales price)

## WHAT IS

# REASSESSMENT?

Reassessment is the re-evaluation of all properties in a given area for establishing a new tax base. Tax bills are the product of the assessed valuation of the property and the cost of municipal, county and school district services.

## WHY DO WE HAVE REASSESSMENT?

The Purpose is to produce accurate and uniform values throughout an assessment jurisdiction and across all classes of property to the person liable per Indiana Code 6-1.1-2-4 (C) Performed by a Physical Inspection of Real Property by the assessor. Periodic reassessments are required by law and are to insure that each property is valued fairly.

## WHAT SHOULD I EXPECT FROM REASSESSMENT?

A reassessment will result in a new value being established for your property. This new value will replace the trended value currently on your property and will be the basis used for taxing property. Please remember that an increase in property value does not automatically mean an increase in your property taxes. You will be sent a NOTICE OF ASSESSMENT OF LAND AND STRUCTURES FORM 11 with your new assessed value. Please do not ignore notices, letters, and visits to your property by assessors and their employees.