

Parke County Non-Partisan  
Committee on Political Education  
June 30, 2008

Subject: Meeting Minutes – June 28, 2008

The June 28th Meeting was held at Parke County Fairground Extension C.R. in Rockville. The topic of this meeting was Property Taxes, the impact of the new State Legislation, and the Assessment Process. Mark Spelbring discussed the new State Legislation and its impact on our tax bills. Katie Potter discussed Assessed Values, and how the System operates.

The meeting was called to order promptly at 9:00am. Following some housekeeping issues to make sure everyone receives our minutes and newsletters, Mark Spelbring began a discussion the New State Legislation on Property Taxes.

The new Legislation was brought into Law via HEA 1001-2008. The highlights of this action are as follows:

- The State will take over property tax levies for the school general fund, county welfare funds, and a few smaller funds all to be phased in by 2010.
- Sales tax increase from 6% to 7% as of April 1, 2008.
- Eliminates existing property tax replacement credit and homestead credit payments to local governments.
- Channels property tax relief to homeowners by increasing homestead standard deduction.
- Partially offsets sales tax increases for low income renters.
- Tax bill increases for lower income homeowners age 65 and over are limited to 2% a year.
- Circuit breaker credits will fully phase in by 2010
- Bigger school and other capital projects will be subject to voter referenda.
- Eliminates most township assessors and township trustee assessing duties.

Further points on each of these items can be found on our website at [www.parkecountycop.com](http://www.parkecountycop.com).

Mark then presented information on the impact of the “Circuit Breakers” which will limit homeowner’s tax bills to 1% of Gross Assessed Value by 2010. These limits are phased in as 2% for 2008, 1.5% for 2009, and finally 1% in 2010.

Examples of the impact of “Circuit Breakers” on the Homeowner and the Local Government were presented.

Some of the Consequences of “Circuit Breakers” on Local Government are:

- Interdependent budgets: Local governments must work together to budget. No one can budget until everyone budgets.

- Annexation: When a city/town annexes territory, it adds an extra layer of tax rates to additional taxpayers.
- Bond Issues: Debt service tax rates on smaller bond issues are covered by the circuit breaker limits.
- Changes in Assessed Values: Changes in assessed values affect tax rates.
- Assessment Practice: If assessments are too low, and tax rates are higher, circuit breaker limits will be tighter and more taxpayers will be eligible for circuit breaker credits.

Please see our web site for further information.

Next Katie Potter from the County Assessor's Office discussed the Property Assessment Process.

- The assessed value of a home is determined through measurement of the "foot print" of the home, and then adding value for types of construction, and features included in the home. There is a very detailed book provided by the State listing the assigned values for these features. The public is welcome to come to the Assessor's Office and review their Assessment as compared to these values.
- A document from the DLGF stating that a proposal to scrap the nebulous "market value in-use" concept currently applicable with assessments and make a more pure market value standard applicable in 2011 will not be adopted. Meaning the State will continue on with the current process which has been questioned as to whether it represents true "market value". Please see the website for more details.
- The individual Properties are recorded on a "Property Record Card" by the Assessor's Office. It is suggested that if you have questions about the Assessed Value of a Property that you review this document with the Assessor's Office to be certain that the items listed are correct. These cards describe the size of the property as well as all the features that add up to the Assessed Value.
- The Appeal's Process is available to challenge the Assessment on a property. It is suggested, but not required that an Appeal include a Real Estate Appraisal. An Appraisal must be completed by an Appraiser who is certified by the County to be acceptable. A list of Appraisers certified is available from the Assessor's Office.
- An Appeal must be filed within 45 days of the **mailing date** on the tax bill. Please be careful with this date. It is **not** 45 days after receipt of the bill. Appeals are made by using Form 130 available from the Assessor's Office.
- The Appeals Board is made up of 2 members from the Assessor's Office, and a peer group of 3 Citizens.
- Keep in mind that even though you have a pending Appeal you must pay your tax bill or face penalties.

- Trending is a process that adjusts the Assessed Values of property dependent upon the “fair market value” and the changes in the market over time.
- Trending used the sales disclosure form that must be completed by the seller of a property at the time of sales. Two examples of sales disclosure forms were presented that showed the sale price of the property to be many time greater than the assessed valued. It was pointed out that sales of these types are what drives the trending values up, and results in increased assessed values.
- There is a new sales disclosure form becoming affective July 1<sup>st</sup>. This form will ask for more information concerning the sale price of properties. It is believed that this form will give a better description of what is involved in the sale other than just the price. Please see the Assessor’s Office if you have questions.
- Finally, Katie made it very clear that the Assessor’s Office is more than willing to help a property owner understand the assessment of a property. They will also help prepare an appeal if the homeowner desires.

Documents handed out during the meeting will be available on the COPE Website for review. [www.parkecountycoppe.com](http://www.parkecountycoppe.com).

The meeting was adjourned at 11:00am.

The next meeting is tentatively scheduled for July 26<sup>th</sup>. A meeting notice will follow.

John T. Anderson  
Chairman – Parke County COPE