Interim Update

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In May, the Department of Local Government Finance (ULGF) proposed to scrap the nebulous "market value in-use" concept currently applicable with assessments and make a more pure market value standard applicable for the coming 2011 genera! reassessment. The proposed changes, however, were not viewed favorable by assessors, many other local officials or certain state officials. All were concerned about the effect and timing of the proposed amendment to the assessment rules. The general complaint was that given the recent reforms to the property tax system and assessing community, now is just not a good time to further alter the way assessing officials do things. Essentially, they were saying "let's let the dust settle a little."

Additionally, there was reservation caused by fears that the changes would result in burden shifts between taxpayers - an event that is to some extent inevitable whenever the rules are changed. The initially proposed rule prompted much debate about the actual meaning of the existing market value in-use standard and how the standard is in fact being applied. The DLGF indicated the proposed changes were needed to simply make the rule standards more closely comport to the current practices of assessors and their contractors. Others maintained that it was a more substantive change with significant impacts. As is usually the case, the truth probably lies somewhere in the middle.

The DLGF is to be commended for trying to improve the system and bring Indiana in line with the assessment standards and practices applied in nearly every other state. But the pragmatic concerns ultimately trumped the effort at progress. Just prior to the June 9 public hearing on the revised rules, the DLGF conceded that the "timing might not be right" for the proposed changes. The DLGF ended up withdrawing the proposal, and besides a few updates, readopted the existing rule leaving the market value in-use standard in place for the 201 1 reassessment.