

PROPERTY ASSESSMENT IN INDIANA
ANNUAL TRENDING

By

Larry R. Scott
Hendricks County Assessor

This is the second in a series of articles to help explain the why and how real property (real estate) is assessed in Indiana and Hendricks County. Each year all ninety-two counties in Indiana are required by the State Legislature to review and update all real estate assessed values.

The annual process is known as trending. During the previous year (12 months) all real estate sales are collected and analyzed for validity. The assessed value(AV) at the time of sale (for all sales in Hendricks County) is compared with the sale price(SP) of the transaction. The AV divided by the SP yields what is known as the "Sales Ratio." When all the sales ratios for the year have been calculated and combined by neighborhoods and market areas the result is termed: The Annual Sales Ratio Study.

The sales ratio AV/SP indicates whether the assessed value is equal to, above or below the actual sale price for each transaction. The analysis of sales within a market area or neighborhood will indicate the current trend of market values. Since the State requires that market value in-use is to be the assessed value for tax purposes; the Sales Ratio Study is a good indicator of current value. The Sales Ratio Study along with other real estate market data services are used in mass appraisal to estimate market values in-use for January 1 of each year.

Our goal each year as directed by the Indiana State Department of Local Government Finance (DLGF) is to estimate the taxable market value-in use within five percent (5%), plus or minus; of the amount an owner could reasonably expect to receive if selling on the date of assessment.

The assessment date for all real estate and business personal property is January 1 of each year. Recently Notices of Assessment of Land and Structures (Form 11) were mailed to all real estate property owners showing the estimated market value-in use for each parcel located in Hendricks County as of January 1, 2018.

Property owners have the right to appeal the January 1, 2018 assessed value through June 15, 2018. It is in the best interest of owners to review the new assessment and compare with the value they could reasonably expect to receive if they were to sell. If they find a significant difference, I encourage them to file an appeal which will start a review process to protect the property owner's rights under the law.

FORM 130 is to be used for filing an appeal, it can be found at the county website under the Assessor's Department and clicking on Forms. For further information refer to the Assessor's Page on the County website at www.co.hendricks.in.us.