

REASSESSMENT TAXPAYER GUIDE

What should I know?
What should I do next?

Why was the reassessment needed?

Real estate taxes are calculated for each property, based on the *Fair Market Value* at a given point in time referred to as the base year. This base-year value is used for assessments until a new base year is established by a countywide reassessment. Ideally, a county should periodically reassess all properties. The current base year for Indiana County assessments is 1968. That is when the last countywide reassessment was completed.

A countywide reassessment is needed because over time property values become inconsistent, unfair, and too old to reflect current trends and changes in the value of real estate. It is the legal responsibility of the Indiana County Board of Assessment to establish the *Fair Market Value* of all real property. To achieve a fair and equitable tax base, two primary objectives must be accomplished:

1. Assessed values in the year of a reassessment must be 100% of true market value.
2. Properties of similar type, characteristics, and neighborhood must have uniform values.

When this is achieved, each property owner will be paying his or her fair share of the tax burden. Since Indiana County's last countywide reassessment in 1968, property values throughout the county have appreciated at different rates. This market change has created a lack of uniformity, resulting in owners paying more or less than their proportionate share of the tax burden.

How was the reassessment conducted?

- A. Properties were visited to obtain descriptions of property characteristics and photographs of structures. The collected data was entered into computer-assisted mass appraisal software.
- B. Real estate market studies were conducted to develop formulas for calculating the *Fair Market Value* of each property, as of January 1, 2015.
- C. New *Fair Market* values were determined after consideration of all appropriate approaches to valuation.

What happens next?

Property owners will receive notification of their new *Fair Market Value* and have the opportunity to ask questions, review their property records and, if needed, appeal the market value.

What should I do when I receive my notice?

1. Review data related to your property online at www.countyofindiana.org/reassessment using the "My Property" link to CounthouseOnline. You may access your individual record on the website by entering the control number and password printed on your change of assessment notice.
2. Carefully review applicable deadlines, your legal rights, and the informal processes available to you.
3. Read and study your change of assessment notice carefully. Most questions can be answered by understanding the notice. Pay attention to the impact statement to see how the new value may affect your taxes.
4. Contact the call center to ask general questions or schedule an informal administrative review using the toll-free number on your notice. Please be patient. Call volume may be heavy at times.
5. Meet with a representative at your scheduled informal administrative review to ask questions and review your property's description.
6. If you believe the owner of record, mailing address, or acreage is incorrect on your notice, contact the Assessment Office. The Assessment Office will research acreage questions and make adjustments if necessary.
7. Study property assessments and arm's length sales of similar homes in your neighborhood. Being familiar with this information will help you evaluate your new assessment. You can search and review reassessment data and sales information online. After you log into "My Property" through the county's website, select "Search Properties" from the menu on the left-hand side of the page. If you do not have Internet access or need assistance navigating the site, visit the Reassessment Center to use the public computer stations.
8. If needed, file an appeal with the Board of Assessment. Do not miss the deadline. You can withdraw later.
9. If needed, file an appeal to the Court of Common Pleas.

What important dates should I remember?

Change of Assessment Notices: Change of assessment notices will be mailed by July 1, 2015. The notices will also project *Clean and Green* values for non-commercial properties 10 or more acres in size.

Informal Administrative Reviews: You have 40 days from the mailing date of your notice to call and schedule an appointment for an informal administrative review of your property description.

Formal Hearings - Board of Assessment: You have 40 days from the date on your notice to file a formal appeal to the Board of Assessment. All formal appeals must be heard by October 31, 2015.

Clean and Green Applications: The deadline for filing a *Clean and Green* application, which will be in effect for 2016, is October 15, 2015.

New Tax Base: New values will be certified on or before November 15, 2015. These new values will go into effect on January 1, 2016.

How do I prepare for my informal appointment?

Bring your change of assessment notice and photographs and/or paperwork that documents facts or features about your property. You should bring evidence of factors that may affect value, influence a buyer, and support your opinion of market value.

Commercial and industrial owners should also bring a copy of their income and expense statement, rent rolls, and leases.

SCHEDULING AN INFORMAL APPOINTMENT DOES NOT EXTEND THE DEADLINE TO REQUEST A FORMAL APPEAL.

What happens at an informal administrative review?

- Check in and wait for your name to be called.
- Meet with a reassessment representative one-on-one.
- An appraiser will evaluate new information.
- In most cases, you will learn the result before you leave.
- You may accept the result, which withdraws any prior formal appeal request, or reject the result and await notification of your hearing date (if a formal appeal form was filed by the deadline).

How do I prepare for my formal hearing before the Board of Assessment?

Property owners have the right to appeal their assessments if the owner believes that the assessment does not represent the property's *Fair Market Value*. The property owner may appeal the assessment as long as statutory deadlines have been met and processes as defined in the appeal regulations have been followed. You may obtain a copy of the appeal forms and approved regulations from the Assessment Office, Reassessment Center, or on the county's website.

The issue in any appeal is the *Fair Market Value* of the subject property. The law presumes the assessor's value to be correct until proven otherwise by the property owner. The property owner has the burden of presenting evidence to the Board of Assessment to substantiate his or her opinion of market value.

An appeal opens the property assessment for re-evaluation. As a result of an appeal, the assessment may, by law, be lowered, raised, or remain the same.

In the case of an assessment that includes land and building values, testimony will only be accepted concerning the total property value. The Board of Assessment will not consider the appeal of either land or buildings as separated from the total property value.

If your appeal is based on a comparison with other properties, you must be prepared to submit a list of similar properties that were recently sold. If you allege that the market value is excessive, you must be prepared to substantiate your opinion by providing relevant evidence. If you allege that the value in your area is being adversely affected by a certain nuisance or other factor, you must be prepared to document the impact of this problem through use of market sales. A professionally prepared appraisal typically provides this information.

What happens at a formal appeal?

- Check in and wait for your name to be called.
- The appellant will appear before a board appointed by the Commissioners of Indiana County.
- The county value is read into evidence.
- The appellant presents his or her opinion of value and evidence to support it.
- The Board's decision is sent to the appellant by mail.

You will receive notification in the mail, at least 20 days in advance, indicating the date, time, and place of your formal appeal hearing.

How do I appeal my assessment to the Court of Common Pleas?

If you are not satisfied with the decision of the Board of Assessment, you have the right to appeal your assessment to the Court of Common Pleas. Additional information will be included on your decision notice from the Board of Assessment.

How did you determine my property value?

State-licensed Certified Pennsylvania Evaluators (CPEs) utilized data collected to classify structures and assign each property to a neighborhood that contains similar structures and market conditions. Valid sales for all property types were studied and valuation formulas were developed in accordance with the *Uniform Standards of Professional Appraisal Practice* for mass appraisal. These formulas were applied to produce preliminary values.

Then, CPEs reviewed preliminary values and made any necessary adjustments to land and building values to produce uniform assessments.

When determining the value of each property the following state-mandated criteria was applied:

1. In arriving at actual value, the price at which any property may actually have been sold, shall be considered but shall not be controlling.
2. Three approaches to value (i.e., cost approach, comparable sales approach, and income approach) will be considered in conjunction with one another.

Fair Market Value is determined in the marketplace, where a willing seller sells to a willing buyer in an arm's length transaction. The process of determining market values involves the analysis of recent sales within the county. Valid sales reflect transactions on the open market where there is no undue pressure to buy or sell.

Validated sales are then used, as a group, to predict the probable selling price or current market value of each and every property as of January 1, 2015.

How do I determine if my property value is fair?

You are encouraged to participate in the reassessment process and review the accuracy of your records and information presented on the notice.

Use the following important guidelines to evaluate the fairness of your new opinion of value:

- Study the data on record and question any information that seems inaccurate. Some data is critical to the valuation process, while other data is non-critical and does not directly affect value. Be aware that assessment measurement methods may be different than you expect. The key is that the standards are consistent. Schedule an informal review to verify your property records.
- Ask yourself what is the most likely selling price for your property if it were marketed as of January 1, 2015. If you believe that the market value on the notice is too high, you need to develop evidence supporting your opinion of value. The best evidence is often an independent appraisal; however, you can study valid sales within your neighborhood to present at an appeal.
- Be cautious when comparing properties by square foot or per acre. Some people mistakenly assume that all buildings should be the same rate per foot, or that all land is at the same rate per acre, regardless of size. The appraisal models that were developed are very complex and replicate the dynamics of the true marketplace for real estate.
- It is important to understand that the actual selling price of your property may or may not be a realistic indicator of *Fair Market Value*. Sales used to determine the *Fair Market Value* of all properties in Indiana County were

determined to be either valid or invalid for the purpose of market analysis. People sometimes pay more or less for a variety of reasons. Appraisers are interested in the pattern of the typical market within a neighborhood for each property type, age, and style. This means that the *Fair Market Value* on your property may be higher or lower than the purchase price.

- You can determine if your new assessed value is a fair representation of the marketplace by studying the information provided, avoiding quick conclusions, consulting experts, and following the process that has been provided for you as part of the reassessment.
- It is possible that your property may be atypical having factors that would affect the marketability of the parcel such as septic problems, contaminated water, limited access, landlocked access, soil that will not perk, right-of-way problems, floodwaters, junkyard nearby, etc. These limiting factors to the marketability of the property may or may not have already been taken into account for the initial appraisal. That is why it is important for the property owner to take advantage of the informal administrative review process.

What is the *Clean and Green* program and eligibility requirements?

Clean and Green - Pennsylvania Farmland and Forest Land Assessment Act, Act 319 (as amended) is a state law, authorized by the Pennsylvania Constitution, that allows qualifying land that is devoted to agricultural and forest land use, to receive a preferential assessment.

Property owners with land 10 acres or more in size may qualify for the *Clean and Green* program. Land tracts less than 10 acres in size and actively producing an agricultural commodity may also be eligible. The *Clean and Green* program provides a tax reduction by permitting a "use value" to be assessed to qualifying land instead of "market value."

Property owners may learn more about this program by visiting the county's website. *Clean and Green* information and applications may also be obtained by contacting the Assessment Office at (724) 465-3812.

What is the *Homestead/Farmstead Exclusion* program and eligibility requirements?

The *Homestead Exclusion* is a way to provide real estate property tax relief to homeowners whose primary residence is in the participating taxing jurisdiction. A homestead is a dwelling used by a property owner as his or her permanent residence. In this program, no one can have more than one "permanent home" at any time. The *Farmstead Exclusion* applies to outbuildings and structures used exclusively for agricultural purposes and located on a homestead property 10 acres or more in size.

The *Homestead/Farmstead Exclusion* laws allow taxing authorities to shift the tax burden from the real property tax to other revenue sources. These laws are intended to ensure that real estate property tax reductions benefit homeowners first.

Common Myths and Misunderstandings

Myth: A countywide reassessment means that my taxes are going to increase.

NOT NECESSARILY: Based on typical reassessment patterns, about one-third of the tax base will see a decrease in their tax bills, one-third will stay the same, and one-third will pay more. A change to an individual's property taxes depends on whether the increase in the 1968 value to a January 1, 2015 market value is more or less than the average value increase, relative to other properties within the taxing district.

Many people mistakenly think that if their *Fair Market Value* increases, then their tax bill will increase by the same proportion. This will not happen because all taxing districts are required, by state law, to lower their tax millage by the same ratio that the tax base increased. Example: If the county's tax base were to double, then the county's millage rate would be reduced by one-half.

Myth: The countywide reassessment will provide new revenue for taxing bodies.

NOT TRUE: Pennsylvania state law requires taxing authorities to establish an initial tax rate in the year following the reassessment that produces the same total revenue as the levy for the proceeding year. After the equalized millage is set, a taxing body may adopt a higher final tax rate; however, this increase is limited in the year following the reassessment. The statutory limit for counties, townships, and boroughs is 10%. The statutory limit for school districts is set by the Pennsylvania Department of Education every year and is limited to an index, which is generally about 2%.

Additional Information

Call Center: If you have general questions, call the toll-free number printed on your notice. Call center representatives will schedule informal administrative reviews where you can ask questions about your property. Operators will not be able to discuss individual property data or values; however, they can assist you with information related to your notice and the overall review and appeal processes.

Reassessment Center: The address for the Reassessment Center will be printed on your notice. Questions regarding your new assessed values can only be answered at the Reassessment Center by appointment.

Informal administrative reviews and formal appeal hearings will be held at this location. Assessment-related information and forms will be available at the center. Property owners do not need an appointment to use the public computer stations at the Reassessment Center.

Assessment Office: If you have questions regarding your property's acreage, as indicated on your change of assessment notice, it must be corrected at the Assessment Office. Representatives at the informal administrative reviews or formal appeal hearings will direct you to the Assessment Office to address acreage related questions. (*Note:* Small lot acreage is rounded.)

Informal Administrative Reviews: You should request an appointment if any of the following situations apply:

1. You feel that your property description is inaccurate or incomplete.
2. You would like to review data related to your property on a one-on-one basis.

Reviews will be conducted by representatives who can review property descriptions, make data corrections, and if applicable, make value revisions. Informal administrative reviews are intended to focus on correcting property data and descriptions. **All value changes are subject to the approval of the Board of Assessment.**

Internet Resources: If you would like to learn more about the reassessment or download and print forms, please visit www.countyofindiana.org/reassessment. You can search county records and comment on your property description by following the "My Property" link to CourthouseOnline from the county's website. You do not need to create a MyCOL member login or purchase a subscription, but you will need the control number and password from your change of assessment notice to login.

A reassessment representative will review notes and supporting documents submitted through CourthouseOnline. Owners are still encouraged to participate in informal administrative reviews. The informal reviews are an interactive meeting best-suited to review your property's description.

Commissioners' Office: The Commissioners' Office will not be able to answer questions about your individual property value. This office will redirect you to the Reassessment Center and recommend that you follow the process that has been established to assist you.

Your cooperation and patience throughout this process is appreciated. Our goal is to assist property owners with helpful information and provide fair and equitable assessments.