

HOUSE BILL No. 1139

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1.

Synopsis: Assessment of property. Provides that all tangible property that is subject to assessment shall be assessed on a just valuation basis and in a uniform and equal manner regardless of: (1) who owns the tangible property; or (2) who the person or entity is that is liable for property taxes due on the tangible property. Requires a county assessor to, as soon as possible, post an approved reassessment plan on the department of local government finance's (DLGF) website and any transparency portal developed by the state regarding public information. Provides that if an assessor changes the underlying parcel characteristics, including property classification or agricultural land type, of a property, based on verifiable evidence of a change in use, the assessor shall provide notice to the property owner that includes all verifiable evidence used to change assessment methods from agricultural land and document each change and the reason that each change was made for any class of property. Provides that land shall be assessed or reassessed as agricultural land only when it is devoted to agricultural use regardless of: (1) who owns the land; or (2) who the person or entity is that is liable for property taxes due on the land. Requires the DLGF to inform assessors and the presidents of county councils in writing if it finds that: (1) the reassessment of a group of parcels under a county's reassessment plan or other property assessment activities are not being properly conducted; (2) work required to be performed by local officials is not being properly conducted; or (3) property assessments are not being properly made. Provides that the failure of the DLGF to inform local officials shall be construed as an indication by the DLGF that assessment activities are

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Effective: January 1, 2025 (retroactive).

Ledbetter, O'Brien

January 5, 2026, read first time and referred to Committee on Ways and Means.



Digest Continued

being conducted properly. Requires the DLGF, if it determines that assessment activities are not being conducted properly, to order a state conducted assessment or reassessment.



Second Regular Session of the 124th General Assembly (2026)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2025 Regular Session of the General Assembly.

HOUSE BILL No. 1139

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 6-1.1-2-2, AS AMENDED BY P.L.111-2014,
2 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JANUARY 1, 2025 (RETROACTIVE)]: Sec. 2. (a) All tangible
4 property which is subject to assessment shall be assessed on a just
5 valuation basis and in a uniform and equal manner **regardless of:**
6 **(1) who owns the tangible property; or**
7 **(2) who the person or entity is that is liable for property taxes**
8 **due on the tangible property under section 4 of this chapter.**
9 (b) Personal property which is subject to assessment and taxation
10 shall be assessed annually in the manner prescribed in this article.
11 (c) Real property which is subject to assessment and taxation shall
12 be assessed in the manner and at the times prescribed in this article.
13 (d) This section applies to assessment dates described in section
14 1.5(a)(2) and 1.5(b)(2) of this chapter. The true tax value of tangible
15 property that is subject to assessment in a year shall be determined as



of the assessment date in that year. Except as otherwise expressly provided by law enacted after July 1, 2014, a change in use, value, character, or ownership of tangible property after an assessment date shall not be considered in determining the true tax value of the tangible property for that assessment date.

SECTION 2. IC 6-1.1-4-4.2, AS AMENDED BY P.L.236-2023, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)]: Sec. 4.2. (a) The county assessor of each county shall, before July 1, 2013, and before May 1 of every fourth year thereafter, prepare and submit to the department of local government finance a reassessment plan for the county. The following apply to a reassessment plan prepared and submitted under this section:

(1) The reassessment plan is subject to approval by the department of local government finance. The department of local government finance shall complete its review and approval of the reassessment plan before:

(A) March 1, 2015; and

(B) January 1 of each subsequent year that follows a year in which the reassessment plan is submitted by the county.

(2) The department of local government finance shall determine the classes of real property to be used for purposes of this section.

(3) Except as provided in subsection (b), the reassessment plan must divide all parcels of real property in the county into four (4) different groups of parcels. Each group of parcels must contain approximately twenty-five percent (25%) of the parcels within each class of real property in the county.

(4) Except as provided in subsection (b), all real property in each group of parcels shall be reassessed under the county's reassessment plan once during each four (4) year cycle.

(5) The reassessment of a group of parcels in a particular class of real property shall begin on May 1 of a year.

(6) The reassessment of parcels:

(A) must include a physical inspection of each parcel of real property in the group of parcels that is being reassessed; and

(B) shall be completed on or before January 1 of the year after the year in which the reassessment of the group of parcels begins.

(7) For real property included in a group of parcels that is reassessed, the reassessment is the basis for taxes payable in the year following the year in which the reassessment is to be completed.



(8) The reassessment plan must specify the dates by which the assessor must submit land values under section 13.6 of this chapter to the county property tax assessment board of appeals.

(9) The department may not approve the reassessment plan until the assessor provides verification that the land values determination under section 13.6 of this chapter has been completed.

(10) Subject to review and approval by the department of local government finance, the county assessor may modify the reassessment plan.

(11) Upon approval, the county assessor shall, as soon as possible, post the approved plan on the department's website and any transparency portal developed by the state regarding public information.

(b) A county may submit a reassessment plan that provides for reassessing more than twenty-five percent (25%) of all parcels of real property in the county in a particular year. A plan may provide that all parcels are to be reassessed in one (1) year. However, a plan must cover a four (4) year period. All real property in each group of parcels shall be reassessed under the county's reassessment plan once during each reassessment cycle.

(c) The reassessment of the first group of parcels under a county's reassessment plan shall begin on July 1, 2014, and shall be completed on or before January 1, 2015.

(d) The department of local government finance may adopt rules to govern the reassessment of property under county reassessment plans.

SECTION 3. IC 6-1.1-4-4.9, AS ADDED BY P.L.236-2023, SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)]: Sec. 4.9. (a) This section applies to an assessment:

(1) under section 4.2 or 4.5 of this chapter or another law; and

(2) occurring after December 31, 2023.

(b) If the township assessor, or the county assessor if there is no township assessor for the township, changes the underlying parcel characteristics, including age, grade, ~~or~~ condition, **property classification, or agricultural land type**, of a property from the previous year's assessment date **based on verifiable evidence of a change in use**, the township or county assessor shall **provide notice to the property owner that includes all verifiable evidence used to change assessment methods from agricultural land and** document:

(1) each change; and

(2) the reason that each change was made **for any class of**



property.

SECTION 4. IC 6-1.1-4-13, AS AMENDED BY THE TECHNICAL CORRECTIONS BILL OF THE 2026 GENERAL ASSEMBLY, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)]: Sec. 13. (a) In assessing or reassessing land, the land shall be assessed as agricultural land only when it is devoted to agricultural use **regardless of:**

(1) who owns the land; or

(2) who the person or entity is that is liable for property taxes due on the land under IC 6-1.1-2-4.

(b) For purposes of this section, and in addition to any other land considered devoted to agricultural use, any:

(1) land enrolled in:

(A) a farm program of the state or of the United States Department of Agriculture, including all acreage within an assigned farm number;

~~(A)~~ **(B)** a land conservation or reserve program administered by the United States Department of Agriculture;

~~(B)~~ **(C)** a land conservation program administered by the United States Department of Agriculture's Farm Service Agency; or

~~(C)~~ **(D)** a conservation reserve program or agricultural easement program administered by the United States Department of Agriculture's ~~National~~ **Natural** Resources Conservation Service;

(2) land enrolled in the department of natural resources' classified forest and wildlands program (or any similar or successor program);

(3) land classified in the category of other agriculture use, as provided in the department of local government finance's real property assessment guidelines; or

(4) land devoted to the harvesting of hardwood timber;

is considered to be devoted to agricultural use. Agricultural use for purposes of this section includes but is not limited to the uses included in the definition of "agricultural use" in IC 36-7-4-616(b), such as the production of livestock or livestock products, commercial aquaculture, equine or equine products, land designated as a conservation reserve plan, pastureland, poultry or poultry products, horticultural or nursery stock, fruit, vegetables, forage, grains, timber, trees, bees and apiary products, tobacco, other agricultural crops, general farming operation purposes, native timber lands, or land that lays fallow. Agricultural use may not be determined by the size of a parcel or size of a part of the



1 parcel. This subsection does not affect the assessment of any real
 2 property assessed under IC 6-1.1-6 (assessment of certain forest lands),
 3 IC 6-1.1-6.2 (assessment of certain windbreaks), or IC 6-1.1-6.7
 4 (assessment of filter strips).

5 (c) The department of local government finance shall give written
 6 notice to each county assessor of:

7 (1) the availability of the United States Department of
 8 Agriculture's soil survey data; and

9 (2) the appropriate soil productivity factor for each type or
 10 classification of soil shown on the United States Department of
 11 Agriculture's soil survey map.

12 All assessing officials and the property tax assessment board of appeals
 13 shall use the data in determining the true tax value of agricultural land.
 14 However, notwithstanding the availability of new soil productivity
 15 factors and the department of local government finance's notice of the
 16 appropriate soil productivity factor for each type or classification of
 17 soil shown on the United States Department of Agriculture's soil survey
 18 map for the March 1, 2012, assessment date, the soil productivity
 19 factors used for the March 1, 2011, assessment date shall be used for
 20 the January 1, 2016, assessment date and each assessment date
 21 thereafter.

22 (d) The department of local government finance shall by rule
 23 provide for the method for determining the true tax value of each parcel
 24 of agricultural land.

25 (e) This section does not apply to land purchased for industrial or
 26 commercial uses.

27 **(f) If an assessor changes the underlying parcel characteristics,**
 28 **including age, grade, condition, property classification, or land**
 29 **type previously assessed as agricultural land under this section, the**
 30 **assessor bears the burden of proving that the change in underlying**
 31 **characteristics is correct.**

32 SECTION 5. IC 6-1.1-4-31, AS AMENDED BY P.L.86-2018,
 33 SECTION 36, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 34 JANUARY 1, 2025 (RETROACTIVE)]: Sec. 31. (a) The department
 35 of local government finance shall periodically check the conduct of:

36 (1) a reassessment of a group of parcels under a county's
 37 reassessment plan prepared under section 4.2 of this chapter;

38 (2) work required to be performed by local officials under 50
 39 IAC 21; and

40 (3) other property assessment activities in the county, as
 41 determined by the department.

42 The department of local government finance ~~may~~ **shall** inform



township assessors (if any), county assessors, and the presidents of county councils in writing if its check reveals that the reassessment of a group of parcels under a county's reassessment plan prepared under section 4.2 of this chapter, or other property assessment activities are not being properly conducted, work required to be performed by local officials under 50 IAC 21 is not being properly conducted, or property assessments are not being properly made.

(b) The failure of the department of local government finance to inform local officials under subsection (a) shall ~~not~~ be construed as an indication by the department that:

(1) a reassessment of a group of parcels under a county's reassessment plan prepared under section 4.2 of this chapter or other property assessment activities are being properly conducted;

(2) work required to be performed by local officials under 50 IAC 21 is being properly conducted; or

(3) property assessments are being properly made.

(c) If the department of local government finance:

(1) determines under subsection (a) that a reassessment of a group of parcels under a county's reassessment plan prepared under section 4.2 of this chapter or other assessment activities are not being properly conducted; and

(2) informs:

(A) the township assessor (if any) of each affected township;

(B) the county assessor; and

(C) the president of the county council;

in writing under subsection (a);

the department ~~may~~ **shall** order a state conducted assessment or reassessment under section 31.5 of this chapter to begin not less than sixty (60) days after the date of the notice under subdivision (2).

(d) If the department of local government finance:

(1) determines under subsection (a) that work required to be performed by local officials under 50 IAC 21 is not being properly conducted; and

(2) informs:

(A) the township assessor of each affected township (if any);

(B) the county assessor; and

(C) the president of the county council;

in writing under subsection (a);

the department may conduct the work or contract to have the work conducted to begin not less than sixty (60) days after the date of the notice under subdivision (2). If the department determines during the period between the date of the notice under subdivision (2) and the



1 proposed date for beginning the work or having the work conducted
 2 that work required to be performed by local officials under 50 IAC 21
 3 is being properly conducted, the department may rescind the order.

4 (e) If the department of local government finance contracts to have
 5 work conducted under subsection (d), the department shall forward the
 6 bill for the services to the county and the county shall pay the bill under
 7 the same procedures that apply to county payments of bills for
 8 assessment or reassessment services under section 31.5 of this chapter.

9 (f) A county council president who is informed by the department
 10 of local government finance under subsection (a) shall provide the
 11 information to the board of county commissioners. A board of county
 12 commissioners that receives information under this subsection may
 13 adopt an ordinance to do either or both of the following:

14 (1) Determine that:

15 (A) the information indicates that the county assessor has
 16 failed to perform adequately the duties of county assessor; and

17 (B) by that failure the county assessor forfeits the office of
 18 county assessor and is subject to removal from office by an
 19 information filed under IC 34-17-2-1(b).

20 (2) Determine that:

21 (A) the information indicates that one (1) or more township
 22 assessors in the county have failed to perform adequately the
 23 duties of township assessor; and

24 (B) by that failure the township assessor or township assessors
 25 forfeit the office of township assessor and are subject to
 26 removal from office by an information filed under
 27 IC 34-17-2-1(b).

28 (g) A city-county council that is informed by the department of local
 29 government finance under subsection (a) may adopt an ordinance
 30 making the determination or determinations referred to in subsection
 31 (f).

32 **SECTION 6. An emergency is declared for this act.**

