



# Department of Local Government Finance

## Disasters

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# Disasters

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# Disasters: IC 6-1.1-4-11

Destroyed property; order of reassessment by county assessor

Sec. 11. (a) If a substantial amount of real and personal property in a township has been physically destroyed, in whole or in part, as a result of a disaster, the county assessor shall:

- (1) cause a survey to be made of the area or areas in which the property has been destroyed; and



# Disasters: IC 6-1.1-4-11

(2) order a reassessment of the destroyed property; if a person petitions the county assessor to take that action. The county assessor shall specify in the assessor's order the time within which the reassessment must be completed and the date on which the reassessment will become effective.



# Disasters: IC 6-1.1-4-11

- However, the reassessed value and the corresponding adjustment of tax due, past due, or already paid is effective as of the date the disaster occurred, without penalty.
- (b) The petition for reassessment of destroyed property, the reassessment order, and the tax adjustment order may not be made after December 31 of the year in which the taxes which would first be affected by the reassessment are payable.
- (Formerly: Acts 1975, P.L.47, SEC.1.)
- As amended by P.L.2-1995, SEC.22; P.L.90-2002, SEC.34; P.L.219-2007, SEC.12. SEC.12; P.L.38-2021, SEC.6.



# Disasters: IC 6-1.1-4-11.5

Reassessment of parcels affected by flooding; petition; applicable dates; refund; publication of notice

Sec. 11.5. (a) This section applies to one (1) or more parcels of real property in a county that:

- (1) are permanently flooded or to which access over land is permanently prevented by flooding; and



# Disasters: IC 6-1.1-4-11.5

(2) are not being used for agricultural purposes.

(b) The owner of one (1) or more parcels referred to in subsection (a) may petition the county assessor for a reassessment of the parcel or parcels. Upon receipt of the petition, the county assessor shall:

(1) cause a survey to be made of the parcel or parcels; and



# Disasters: IC 6-1.1-4-11.5

(2) if the parcel or parcels meet the description of subsection (a), order a reassessment of the parcel or parcels.

(c) If the flooding referred to in subsection (a) occurs before May 11 of a calendar year (the "current year") and after the immediately preceding November 10 and a petition under subsection (b) is filed not later than December 31 of the current year:





# Disasters: IC 6-1.1-4-11.5

- (1) the reassessment ordered under subsection (b):
  - (A) takes effect for:
    - (i) the assessment date in the current year; and
    - (ii) the assessment date in the calendar year that immediately precedes the current year; and



# Disasters: IC 6-1.1-4-11.5

(B) treats the parcel or parcels for those assessment dates as:

- (i) being permanently flooded; or
- (ii) having overland access permanently prevented by flooding;

(2) the property taxes first due and payable in the current year with respect to the parcel or parcels are determined based on the reassessment; and



# Disasters: IC 6-1.1-4-11.5

(3) the property taxes first due and payable in the calendar year that immediately succeeds the current year with respect to the parcel or parcels are determined based on the reassessment.

(d) If the flooding referred to in subsection (a) occurs after May 10 of the current year and before November 11 of the current year and the petition under subsection (b) is filed not later than December 31 of the current year:



# Disasters: IC 6-1.1-4-11.5

- (1) subsection (c)(1) and (c)(3) apply; and
- (2) only:
  - (A) the second installment of property taxes under IC 6-1.1-22-9(a) first due and payable in the current year with respect to the parcel or parcels; or
  - (B) if property taxes are payable by a method other than two (2) annual installments, one-half (1/2) of the property tax liability for property taxes first due and payable in the current year with respect to the parcel or parcels; is determined based on the reassessment.



# Disasters: IC 6-1.1-4-11.5

- (e) This subsection applies only if:
- (1) the county assessor orders a reassessment under subsection (b); and
  - (2) the property owner pays property taxes in the current year with respect to the parcel or parcels based on the assessment that applied before the ordered reassessment.



# Disasters: IC 6-1.1-4-11.5

The property owner is entitled to a refund of property taxes based on the difference in the amount of property taxes paid and the amount of property taxes determined based on the ordered reassessment. A property owner is not required to apply for a refund due under this section. The county auditor shall, without an appropriation being required, issue a warrant to the property owner payable from the county general fund for the amount of the refund, if any, due the property owner.



# Disasters: IC 6-1.1-4-11.5

(f) If:

- (1) the county assessor orders a reassessment under subsection(b); and
- (2) when the reassessment is completed the property owner has not paid property taxes in the current year with respect to the parcel or parcels based on the assessment that applied before the ordered reassessment; the county treasurer shall issue to the property owner tax statements that reflect property taxes determined based on the reassessment.



# Disasters: IC 6-1.1-4-11.5

- (g) The county assessor shall specify in an order under subsection (b) the time within which the reassessment must be completed and the date on which the reassessment takes effect.
- (h) A reassessment under this section for an assessment date continues to apply for subsequent assessment dates until the assessor:





# Disasters: IC 6-1.1-4-11.5

- (1) determines that circumstances have changed sufficiently to warrant another reassessment of the property; and
- (2) reassesses the property based on the determination under subdivision (1).
  - (i) The county auditor and county treasurer shall publish notice of the availability of a reassessment under this section in accordance with IC 5-3-1.

*As added by P.L.90-2009, SEC.1.*



# Disasters: Disaster Petitions

Affidavit of Destroyed or Removed Property (Form 135)  
(<https://forms.in.gov/Download.aspx?id=6050>)



# Disasters: Disaster Petitions

- Petition for Survey and Reassessment Real Property That Is Permanently Flooded Or Access Is Permanently Prevented By Flooding (Form 137PF)  
(<https://forms.in.gov/Download.aspx?id=6978>)
- Note: Form 137PF cannot be used for real property being used for agricultural purposes.
- It can be filed if one or more parcels of real property in a county are permanently flooded or to which access over land is permanently prevented by flooding.



# Disasters: Disaster Petitions

- Petition for Survey and Reassessment Real And Personal Property Partially Or Permanently Destroyed Disaster (Form 137R)
- (<https://forms.in.gov/Download.aspx?id=4773>)
- It is recommended that taxpayers file this petition within twelve (12) months of the disaster; however, it can be accepted at any time as long as compliance with IC 6-1.1-4-11 (b) can be achieved.



# Disasters: Case Law

Before case law, the State Tax Board of Commissioners (STB)/DLGF determined that a substantial amount of property within a township was 1% of the total assessed value of all property within the township.

- The STB/DLGF determined that the “disaster” had to affect more than one property.



# Disasters: Case Law

- There were two cases that substantially changed the STB/DLGF criteria for ordering a reassessment:
  - Beta Steel Corp. v DLGF, 780 N.E.2d 439 (Ind. Tax Ct. 2002)
  - Scheid v. State Bd. of Tax Commissioners, 560 N.E.2d 1283 (Ind. Tax Ct. 1990)



# Disasters: Case Law

## *Beta Steel Corp. v. DLGF:*

- The DLGF denied the reassessment order because the assessed value of the destroyed property was not 1% of the total assessed value of all property within the township.



# Disasters: Case Law

- On December 20, 2002, the Indiana Tax Court published its determination that a “substantial amount” of destroyed property cannot be made in relation to the total assessed value in a township; and that the 15% of their real property and the 20% of their personal property that was destroyed did constitute a “substantial amount,” and thus ordered the reassessment of the property.





# Disasters: Case Law

- Because of this case law, the DLGF no longer used 1% of the total assessed value within a township to determine whether or not the destruction was a “substantial amount.”



# Disasters: Case Law

## *Scheid v. STB:*

- In this case, a fire destroyed a building and real estate assessed at \$187,950.
- The STB contended that a fire was not a disaster.
- The Indiana Tax Court ruled that a fire was a disaster even though it was to a single-family residence.



# Disasters: Case Law

- Because of this ruling, the theory that there has to be multiple properties involved in order to have a disaster is invalid.
- For purposes of this statute, the destruction of a single residence can constitute a “disaster” and a “disaster” does not have to be widespread.



# Disasters: Case Law

- Note: Indiana Code 10-14-3-1 (see below) did not exist when those court cases were decided.

## **IC 10-14-3-1 "Disaster"**

- Sec. 1. (a) As used in this chapter, "disaster" means an occurrence or imminent threat of widespread or severe damage, injury, or loss of life or property resulting from any natural phenomenon or human act.



# Disasters: Case Law

(b) The term includes any of the following:

1. Fire.
2. Flood.
3. Earthquake.
4. Windstorm.
5. Snowstorm.
6. Ice storm.
7. Tornado.
8. Wave action.
9. Oil spill.



# Disasters: Case Law

10. Other water contamination requiring emergency action to avert danger or damage.
11. Air contamination.
12. Drought.
13. Explosion.
14. Technological emergency.
15. Utility failure.
16. Critical shortages of essential fuels or energy.
17. Major transportation accident.



# Disasters: Case Law

18. Hazardous material or chemical incident.
19. Radiological incident.
20. Nuclear incident.
21. Biological incident.
22. Epidemic.
23. Public health emergency.
24. Animal disease event requiring emergency action.
25. Blight.



# Disasters: Case Law

26. Infestation.

27. Riot.

28. Hostile military or paramilitary action.

29. Act of terrorism.

30. Any other public calamity requiring emergency action.

[Pre-2003 Recodification Citation: 10-4-1-3(3).]

*As added by P.L.2-2003, SEC.5. Amended by P.L.22-2005, SEC.7.*





# Disasters: Effective Date of Reassessment

- The effective date of the reassessment is the assessment date that is prior to the occurrence of the disaster.
- For annually assessed mobile/manufactured homes, it is the January 1 before the date of the disaster.
- For all other real and personal property, it is the January 1 before the date of the disaster.



# Disasters: Effective Date of Reassessment

- For example, if the disaster occurred today (December 2022) the taxes effected would be the 2022 pay 2023 taxes for real and personal property or the 2022 pay 2022 taxes for annually assessed mobile/manufactured homes.



# Disasters: Filing Deadline for the Petition

The petition for reassessment of destroyed property, the reassessment order, and the tax adjustment order may not be made after December 31 of the year in which the taxes that would first be affected by the reassessment are payable.



# Disasters: Filing Deadline for the Petition

- If the disaster occurred today (December 2022), the petition would be for taxes payable in 2023. The petition filing, reassessment, and tax adjustment order must be made by December 31, 2023. (If for an annually assessed mobile/manufactured home, it must be made by December 31, 2022).



# Disasters: Reassessing Damaged Property

Physical inspection of property is required.

- Evidence such as photos, videos, repair bills, insurance claims, news articles, and appraisals should be reviewed.
- Documentation from local, state, and federal agencies may be helpful.



# Disasters: Reassessing Damaged Property

- The final step is to determine the new assessed value of the property and notify the taxpayer of the change on the notice that is attached to the 137R petition.
- If the taxpayer disagree's he can appeal pursuant to IC 6-1.1-15.
- If the county assessor contracts with a vendor to perform reassessments, the contract must be submitted to the DLGF for review, as with any contract for assessment functions.



# Frequently Asked Questions

- *Question: Could the decision to reassess or not be based solely on whether the President declared the area a disaster area and the homeowners qualified for federal disaster aid?*
- Answer: NO! The decision to reassess should never be made solely on the basis of a disaster declared by a Governor or President. Each petition stands on its own and must be reviewed independently.



# Frequently Asked Questions

- *Question: If a house burns down because of faulty wiring or if lightning hits a tree that falls onto the house, would a reassessment be ordered?*
- Answer: It is likely that these examples would qualify for reassessment. (The Scheid case addresses this point specifically.)





# Frequently Asked Questions

- *Question: When a house has a fire do they fill out a 137R or would they just file an appeal?*
- Answer: I would recommend that the taxpayer fill out a Form 137R instead of filing an appeal.



# Frequently Asked Questions

- *Question: We have a shop owner whose pizza shop was completely gutted by fire in September of 2021 leaving the walls and roof in-tact, but the interior destroyed. It was the only property impacted by the fire. Can that property be revalued retroactively to January 1, 2021, using the 137R or should it be revalued for the following valuation date of 1-1-2022?*
- **Answer:** Based on the information presented, the pizza shop can be reassessed back to the January 1, 2021, assessment date (assuming the Form 137R is filed by December 31, 2022).



# Frequently Asked Questions

- *Question: If a disaster occurs in July of 2022 what assessment is affected if a reassessment is ordered?*
- **Answer:** The effective date would be the assessment date prior to the disaster. If it was an annually assessed mobile/manufactured home the effective date would be 1/1/22 for taxes payable in 2022. If it was any other real or personal property, the assessment date affected would be 1/1/22 for taxes payable in 2023.



# Frequently Asked Questions

- *Question: Can a homeowner file a 137 if the disaster was caused by something illegal? For example, arson or a meth lab?*
- **Answer:** Who set the fire? Was it the property owner or someone else? Each disaster petition should be reviewed on a case-by-case basis. If you decide to deny the petition, the taxpayer would have the right to appeal.



# Frequently Asked Questions

- *Question: Could a home be reduced to zero if it is completely destroyed?*
- Answer: Yes. The true tax value for the home (improvement value) would be reduced to \$0 and the true tax value of the land would remain the same.



# Frequently Asked Questions

- *Question: Do we treat the damage by flooding the same way as we do if it is by a tornado?*
- **Answer:** The procedure is the same no matter what causes the disaster. It makes no difference whether the loss in value is caused by wind, flooding, or any other reason. Each case stands on its own.



# Frequently Asked Questions

- *Question: There has been a severe amount of flooding in our area. Should a taxpayer file Form 137R or Form 137PF?*
- **Answer:** The decision depends on the individual circumstances. However, Form 137PF should be used if one or more parcels of real property within a county are permanently flooded or to which access over land is permanently prevented because of flooding.



# Frequently Asked Questions

- *Question: Does everyone who files a disaster petition get reassessed?*
- Answer: No. Again, each case stands on its own. There could be some minor damage without any decline in value to the property. If this is the case, no reassessment would be ordered. However; if there is damage that is severe enough to cause a loss in value to the property, a reassessment should be done.





# Frequently Asked Questions

- *Question: Do assessors have to physically inspect the damage done to improvements on every petition filed?*
- Answer: Physical inspections are mandatory and the only way to determine the true amount of damage. However; if the repairs have been made prior to the physical inspection other evidence must be considered as well.



# Frequently Asked Questions

- *Question: What role does the taxpayer play in this process?*
- Answer: The taxpayer must initiate the petition and then provide any information that is helpful in determining whether or not a reassessment should be ordered. i.e., photographs, news articles, etc.



# Frequently Asked Questions

- *Question: What if the taxpayer files a petition but gives no supporting evidence?*
- **Answer:** The assessor must physically inspect the property and make the determination based on the best information available. Each case stands on its own.



# Frequently Asked Questions

- *Question: Should the assessor refuse to accept a Form 137R if the assessor does not think the property qualifies for reassessment?*
- Answer: No. A taxpayer should always be allowed to file a petition. The assessor then determines whether or not to reassess. If the decision is to not reassess, the taxpayer can appeal per IC 6-1.1-15.



# Frequently Asked Questions

- *Question: So, does this process apply only to real property?*
- Answer: No. If personal property has been assessed on a Form 102 or 103, a reassessment could be ordered.



# Frequently Asked Questions

- *Question: Can the assessor file the petition for the taxpayer?*
- **Answer: No. The taxpayer must file the petition and sign it.**



# Frequently Asked Questions

- *Question: Can a taxpayer file multiple parcels on one petition?*
- **Answer:** Although a separate petition for each parcel is preferred, a taxpayer could file one petition for all of the parcels (a comprehensive list of each parcel number, property address, and legal description should be included). However, a physical inspection is mandatory for each parcel, and it is possible that some parcels may be reassessed and some are not reassessed.



# Frequently Asked Questions

- *Question: Is the petition good for one year only, or does the taxpayer need to file a petition each year?*
- **Answer:** This question would have to be answered on a case-by-case basis since each assessment date stands alone. However, since a disaster presumably does not occur repeatedly, the petition would be for the current event. There could be a situation where due to the extent of the damage, repairs could take more than one year, in which case a petition should be filed each year.





# Frequently Asked Questions

- *Question: How is the taxpayer notified that their petition has been approved or denied?*
- Answer: At the bottom of both Form 137R and Form 137PF, the county assessor checks whether a reassessment was ordered. A copy should be sent to the taxpayer (the assessor keeps the original). If a reassessment is ordered, a Notice of Assessment indicating the revised assessed value should be sent to the taxpayer. Under I.C. 6-1.1-15, the taxpayer would have the right to appeal the change in assessed value.



# Frequently Asked Questions

- *Question: Are there any other helpful hints that could be offered?*
- Answer: When a taxpayer comes into your office and files this petition, review the form and make certain there is current contact information included. If a person is forced to relocate because of the disaster and the form lists a mailing address and phone number for the destroyed or damaged home, it will be difficult to contact the taxpayer for more information.



# Disasters: GIS

- The State of Indiana has a Geographic Information Office (<https://www.in.gov/gis/>). Their website contains information on:
  - The [IndianaMap](#) portal and geospatial data viewer.
  - A statewide refresh of high resolution [orthoimagery](#).
  - For the first time ever, statewide [LiDAR](#).
  - Improvement of Indiana's [National Hydrography Dataset](#) based on local resolution data.
  - An unprecedented model of [data sharing](#) between state government and 92 of our 92 (100%) counties.

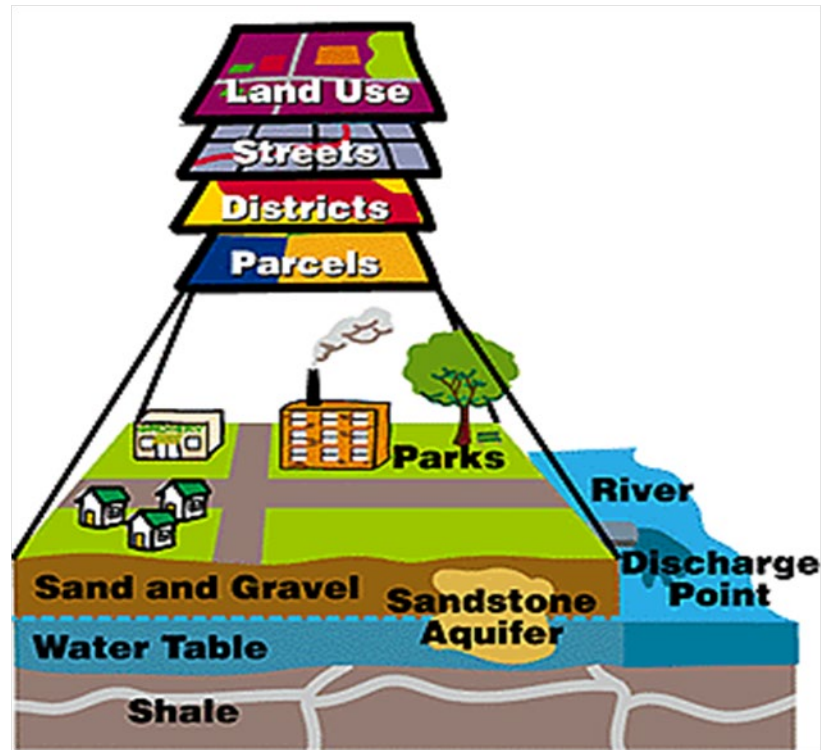


# Disasters: GIS

- The following information is from the State's GIS website:
  - What is GIS?
    - A Geographic Information System is a collection of tools to build, maintain, and use electronic maps and associated databases.
  - What does GIS do?



# Disasters: GIS



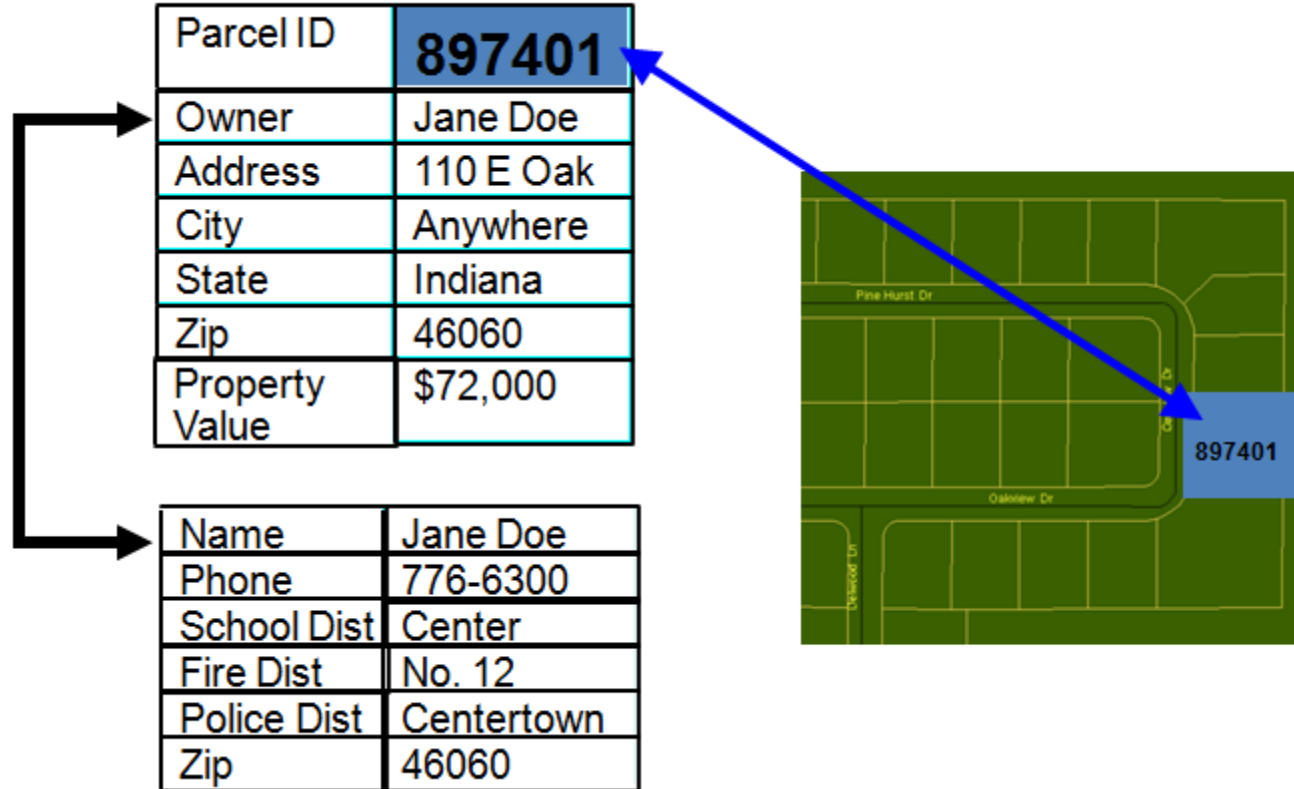


# Disasters: GIS

- It locates:
  - Assets (water and sewer pipes).
  - Areas (land use).
  - Incidents (crime statistics).
  - Characteristics (disease mortality rates).
  - GIS allows questions to be asked from the map side or from the database side.



# Disasters: GIS





# Disasters: GIS

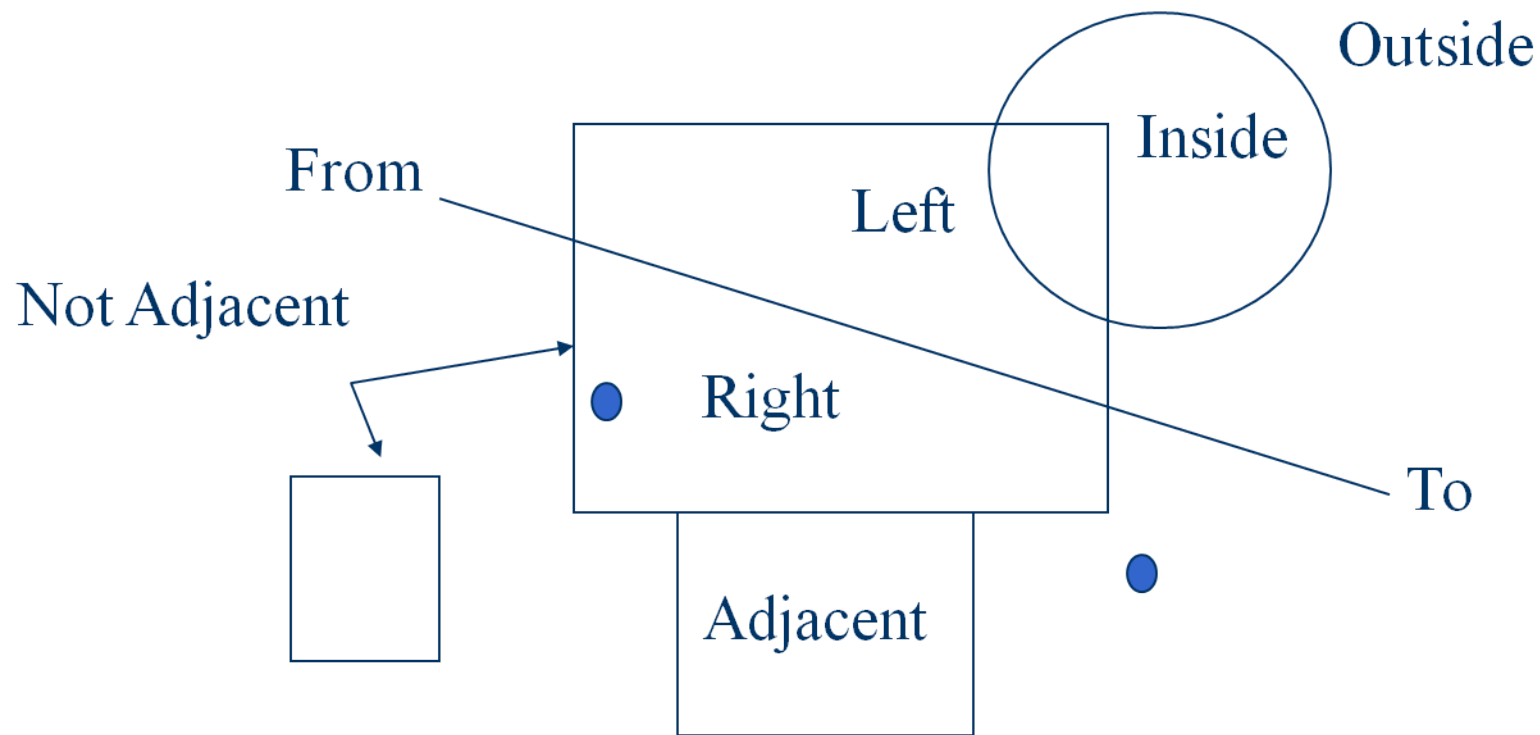
- Questions can be asked by either side because the map graphics and database records are linked via a unique number.
  - For example, a parcel of land can be a map feature which carries a unique parcel number that is also carried within the database record. The GIS keeps track of this relationship allowing a user to click on the map to get the data or click on the record to find the parcel on the map.





# Disasters: GIS

- It allows questions to be framed geographically.



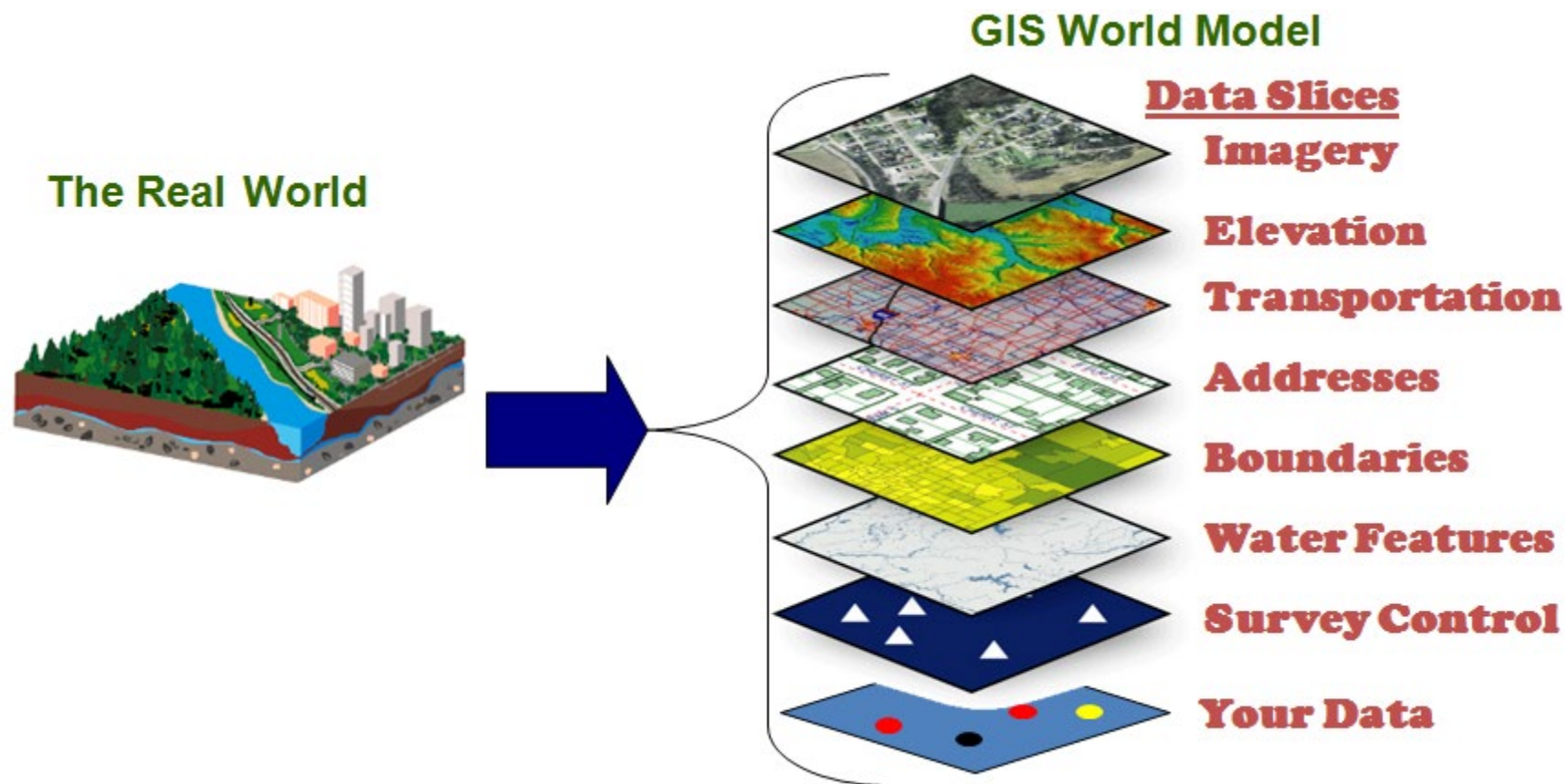


# Disasters: GIS

- GIS is a way of organizing database records by tying them to geographically synchronized slices of the world so that “where” questions can be asked and answered.



# Disasters: GIS





# Disasters: GIS

- GIS is used at the state to (among other things):
  - Study flooding.
  - Prepare for and respond to emergencies.



# Disasters: GIS

- IndianaMap (<http://www.indianamap.org/>)
  - The IndianaMap is many things. It is a diverse and flexible system that provides access to geographic information about Indiana. It is a modern map viewer for a large community of users. The IndianaMap is a trustworthy source of geospatial data and services that provides users with both documented and authoritative information. It is an investment in Indiana.



# Disasters: GIS

- The IndianaMap is also the largest publicly available collection of Indiana geographic information system (GIS) map data. It is made possible by an alliance of partners, including the Indiana Geographic Information Office, and others from federal, state, local organizations and agencies, and universities.



# Disasters: GIS

- The Indiana Geographic Office joined with other GIS partners to develop and publish four new statewide geographic data layers using existing county data: land parcels, address points that connect a street address with a geographic coordinate, street centerlines with street name and address ranges, and local administrative boundaries such as school and election districts.



# Disasters: GIS

- The true value of the statewide data sharing initiative was revealed back in March 2012 when Clark County needed to respond quickly to tornados that devastated parts of southern Indiana. “We wanted to be able to quickly produce field maps and other geospatial data products to help our community, the Indiana Department of Homeland Security, and FEMA understand and best respond to the rapidly changing situation in our county,” said Vicky Kent Haire, Clark County Assessor.





# Disasters: GIS

- “Having accurate land parcels, road centerlines, and other data already integrated in statewide data layers before the event saved a lot of time in a situation in which every minute was critical.”



# Disasters: GIS

- Service to Citizens - Response to large natural disasters, like recent Indiana flooding, often takes coordinated response from local officials, responders, volunteers, Indiana National Guard, local and State Police, Federal agencies, the Red Cross, Animal Rescue, and many more - and that takes coordinated data. In a time when every second counts, the [IndianaMap](#) can help assure those who need it are reading from the same playbook - they'll have consistent, quality, timely information for decision-making.



# Disasters: GIS

- The IndianaMap helps coordinate information for response to help save lives and property of those communities that participate.



# Disasters: GIS

- "GIS, in this response, on this disaster and other disasters, is extremely valuable, as you know. We will certainly use this data, because we like to use the best available data and that's the data that's most always State and Local. Because a lot of the [emergency response] people that come into a disaster are from other states, they're just simply not familiar enough to know that Brown County is south [of Indianapolis] and Hamilton is north. They just don't know that sort of thing. So we answer an awful lot of questions.



# Disasters: GIS

- We also look analytically at where people are who have been impacted by disasters, and that's what we've done here."
- Sean Donovan, Joint Field Operations, FEMA, speaking about the value of State and Local GIS data.



# Disasters: GIS

- So how can GIS be used with disasters?
  - It can create maps for workers unfamiliar with the affected areas.
  - It can generate forms and maps for field crews to document the extent and value of property damage.
  - It can help local emergency management, public safety, public transit, public works, field inspectors, SEMA, and FEMA coordinate their efforts more effectively.



# Questions



# Contact Us

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    - “Contact Us” <http://www.in.gov/dlgf/2338.htm>