INDIANA BOARD OF TAX REVIEW
Small Claims
Final Determination
Findings and Conclusions

Petition No.: **33-016-18-1-5-01084-18**
Petitioner: **Beacon Enterprises, LLC**
Respondent: **Henry County Assessor**
Parcel: **33-12-15-210-154.000-016**
Assessment Year: **2018**

The Indiana Board of Tax Review (Board) issues this determination, finding and concluding as follows:

Procedural History

1. The Petitioner initiated its 2018 assessment appeal with the Henry County Assessor on April 11, 2018.

2. On September 7, 2018, the Henry County Property Tax Assessment Board of Appeals (PTABOA) issued its determination denying the Petitioner any relief.

3. The Petitioner timely filed a Petition for Review of Assessment (Form 131) with the Board, electing the Board's small claims procedures.

4. On June 20, 2019, Administrative Law Judge (ALJ) Dalene McMillen held the Board's administrative hearing. Neither the Board nor the ALJ inspected the property.

5. Certified tax representative John Johantges appeared for the Petitioner. Attorney Ayn Engle appeared for the Respondent. Beacon Enterprises, LLC, managing partner Nick Bondar was sworn as a witness for the Petitioner. Nexus Group employee Larry Perry was sworn as a witness for the Respondent.[1]

Facts

6. The property under appeal is a duplex style rental home located at 206 South 11th Street in New Castle.

7. The PTABOA determined the total assessment is $40,500 (land $4,400 and improvements $36,100).

[1] Appraiser Daniel Semler was sworn but did not testify. Henry County Assessor Jodie Brown was present but not sworn to testify.

8. The Petitioner requested a total assessment of $17,000 (land $1,000 and improvements $16,000).

Record

9. The official record for this matter is made up of the following:

a) A digital recording of the hearing.

b) Exhibits:

Petitioner Exhibit 1:	Beacon Enterprises, LLC, master list of properties,
Petitioner Exhibit 2:	Nexus Group "value per unit" recommendations and emails between Nick Bondar and Larry Perry dated June 15, 2018,
Petitioner Exhibit 3:	Nexus Group "value per unit" recommendations and emails between Nick Bondar and Larry Perry dated July 27, 2018,
Petitioner Exhibit 4:	Petitioner's proposed assessments for ten properties under appeal,
Petitioner Exhibit 5:	Petitioner's comparable sales analysis,[2]
Petitioner Exhibit 5A:	Department of Local Government Finance (DLGF) "Ratio Study" process,
Petitioner Exhibit 5B:	List of properties used in county's ratio study,
Petitioner Exhibit 6:	Spreadsheet entitled "Properties Listed and Sold Through Real Estate Brokers;" and multiple listing sheets for the following properties: ● 328 North 18th Street, New Castle, ● 1101 Church Street, New Castle, ● 302 South 12th Street, New Castle, ● 1903 Broad Street, New Castle, ● 223 South 12th Street, New Castle, ● 1200 Southern, New Castle, ● 504 North 12th Street, New Castle, ● 1218 South 18th Street, New Castle, ● 1602 D Avenue, New Castle,
Petitioner Exhibit 7:	Spreadsheet entitled "Properties Listed by Real Estate Brokers - Sold and Expired Listings,"
Petitioner Exhibit 8:	Beacon website comparison of duplex sales comparing sale prices to assessed values,
Petitioner Exhibit 9:	Beacon website comparison of triplex sales comparing sale prices to assessed values,

[2] Ms. Engle initially objected to the first three pages of Petitioner's Exhibit 5, the comparable sales analysis, stating these pages were different than what was exchanged prior to the hearing. In response, Mr. Bondar stated the first three pages of Petitioner's Exhibit 5 are not relevant to this appeal. According, Ms. Engle withdrew her initial objection, but requested the Board note the first three pages of Petitioner's Exhibit 5 are irrelevant to this appeal.

Petitioner Exhibit 10: Beacon website comparison of "4-6 family" sales comparing sale prices to assessed values,
Petitioner Exhibit 11: Beacon website comparison of "other residential structures" sales comparing sale prices to assessed values,
Petitioner Exhibit 12: 2018 subject property record card.

Respondent Exhibit A: 2018 subject property record card,
Respondent Exhibit B: Respondent's gross rent multiplier (GRM) and value per unit sale price analysis,[3]
Respondent Exhibit E: Henry County 2017 Income Valuation Worksheet for the subject property **(CONFIDENTIAL)**,
Respondent Exhibit F: Bestplaces.net for New Castle, Indiana housing market,

Respondent Rebuttal Exhibit G: Property record cards for the following properties:
- 1114 Church Street, New Castle,
- 922-924 Spring Street, New Castle,
- 421 South 12th Street, New Castle,
- 1404-1406 H Avenue, New Castle,
- 1200 Southern Avenue, New Castle,
- 1114 Church Street, New Castle,
- 922-924 Spring Street, New Castle,
- 421 South 12th Street, New Castle,
- 1404-1406 H Avenue, New Castle,
- 1200 Southern Avenue, New Castle.

c) The record also includes the following: (1) all pleadings and documents filed in this appeal; (2) all orders and notices issued by the Board or ALJ; and (3) these findings and conclusions.

Objections

10. Ms. Engle objected to Mr. Bondar's testimony regarding "a letter he received from Jeff Wuensch" regarding the Petitioner's taxes. Ms. Engle argued because the letter was not offered into evidence, and Mr. Wuensch was not present to testify, the testimony is hearsay. The ALJ deferred ruling on the objection.

11. "Hearsay" is a statement, other than one made while testifying, that is offered to prove the truth of the matter asserted. Such a statement can either be oral or written. (Ind. R. Evid. 801(c)). The Board's procedural rules specifically address hearsay evidence:

> Hearsay evidence, as defined by the Indiana Rules of Evidence (Rule 801), may be admitted. If not objected to, the hearsay evidence may form the basis for a determination. However, if the evidence is properly

[3] The Respondent's exhibit coversheet listed Respondent's Exhibits C and D, but the Respondent did not submit these exhibits into the record, and the Board will not consider them.

> objected to and does not fall within a recognized exception to the hearsay rule, the resulting determination may not be based solely upon the hearsay evidence.

52 IAC 3-1-5(b). The word "may" is discretionary, not mandatory. In other words, the Board can permit hearsay evidence to be entered in the record, but it is not required to allow it.

12. Mr. Bondar's testimony is hearsay. While it does nothing to either prove or disprove the subject property's market value-in-use, the testimony is admitted. However because the Respondent objected to the testimony, it cannot serve as the sole basis for the Board's decision.

13. Ms. Engle objected to the admission of Petitioner's Exhibits 2, 3, and 4, arguing these exhibits are "part of ongoing settlement negotiations." The ALJ deferred ruling on the objection.

14. We have repeatedly rejected attempts to use evidence of settlement negotiations to prove value. The Indiana Supreme Court has held that "the law encourages parties to engage in settlement negotiations in several ways. It prohibits the use of settlement terms or even settlement negotiations to prove liability for or invalidity of a claim or its amount." *Dep't of Local Gov*'t *Fin. v. Commonwealth Edison Co.,* 820 N.E.2d 1222, 1227 (Ind. 2005). Mr. Bondar testified that the exhibits were part of assessment negotiations with Mr. Perry. For this reason, the Board rejects the evidence of the settlement negotiations to prove value in this assessment appeal. Therefore the objection is sustained.

15. Ms. Engle objected to Petitioner's Exhibits 5B, 6, 7, 8, 9, 10, and 11 on the grounds the Petitioner failed to timely provide copies prior to the hearing even though the Respondent requested them. The ALJ took the objection under advisement.

16. The Board's small claims procedural rules provide that, if requested, "the parties shall provide to all other parties copies of any documentary evidence and the names and addresses of all witnesses intended to be presented at the hearing at least five (5) business days before the small claims hearing." 52 IAC 3-1-5(d). The rules further provide that failure to comply with that requirement "*may* serve as grounds to exclude evidence or testimony that has not been timely provided." 52 IAC 3-1-5(f) (emphasis added).

17. The purpose of this requirement is to allow parties to be informed, avoid surprises, and promote an organized, efficient, fair consideration of cases. Here, Ms. Engle identified seven specific exhibits she claimed were not exchanged. The Petitioner did not dispute the Respondent's claim that these exhibits had not been previously disclosed. Because the Petitioner failed to provide copies of these exhibits prior to the hearing, as the Respondent expressly requested, the Respondent's objections are sustained and Petitioner's Exhibits 5B, 6, 7, 8, 9, 10, and 11 are excluded.

Contentions

18. Summary of the Petitioner's case:

a) The subject property is over-assessed. The Petitioner purchased the property on December 19, 1986, for $9,000. The 2017 assessment was $21,300 and increased to $40,500 in 2018. *Bondar testimony; Pet'r Ex. 1, 12.*

b) In an attempt to prove the property was over-assessed, Mr. Bondar searched for comparable duplex properties that sold between February 17, 2016, and December 1, 2017. According to his research, comparable properties ranged from $1,200 to $18,000 and averaged $9,117. Based on this information, Mr. Bondar concluded the 2018 total assessment should be $17,000. *Bondar testimony; Pet'r Ex. 5.*

c) Regarding the sales ratio study for properties "dated" for 2016 and 2017 Mr. Bondar noted that "76% were ranch houses, 24% were single-family two-story houses, there was only one apartment complex in there, and there was one duplex." Mr. Bondar argued that the "ratio study is not being used on multiple units, they are just used on what this ratio study indicates." A ratio study with only one duplex is not representative of what multiple units would sell for. Accordingly, this creates a disparity that violates Indiana's requirement that properties be assessed uniformly. *Bondar testimony.*

d) Mr. Bondar referenced the DLGF for the premise that "accuracy is measured by the median or average level of assessment by property class." The median assessment to sales ratio should fall between 90% and 110% of the selling price. The accuracy of an assessment refers to how close the assessment is to the property's market value-in-use. Mr. Bondar argued that the Respondent failed to explain why the subject property is assessed "hundreds of a percent above." *Bondar argument; Pet'r Ex. 5A.*

e) To illustrate the disparity between selling prices and assessed values, Mr. Bondar presented six properties that sold between August 19, 2014, and December 1, 2017. The sale prices ranged from $1,200 to $33,500. The assessed values for these properties ranged from $16,800 to $97,800. The difference in percentage between the selling price and assessed value ranged from 210% to 3,400%. This falls well outside the DLGF sales ratio accuracy range of 90% to 110%. *Bondar testimony; Pet'r Ex. 7.*

f) Mr. Bondar also presented sales listings for several property classes including duplexes, triplexes, "4-6 family properties," and commercial buildings. According to Mr. Bondar this evidence further illustrates the Assessor is assessing properties at a "higher value than their sale prices." For example, a duplex located at 801-803 South 17th Street sold on November 15, 2017, for $6,711, while the current assessment is $91,400. *Bondar testimony.*

g) Mr. Bondar offered multiple listing sheets on nine multi-unit properties that sold between September 23, 2016, and June 22, 2018. Three of the properties were real

estate owned (REO) and the remaining six were non-REO. All of the properties were cash sales with an average difference in selling price of $183. According to Mr. Bondar, an investor is "better off" paying cash because an investor is unable to obtain a mortgage based on the condition of the property and the "low" selling price. *Bondar testimony.*

h) In response to questioning, Mr. Bondar testified he did not make any adjustments to account for differences between the properties he examined nor did he account for vacancies or develop a GRM. *Bondar testimony; Pet'r Ex. 5.*

19. Summary of the Respondent's case:

a) The subject property is correctly assessed. The property was valued at $40,500 in 2018 based on the income capitalization approach. *Engle argument; Perry testimony; Resp't Ex. A.*

b) In an effort to support the current assessment, Mr. Perry also calculated the value using the GRM and the sales per unit price approach. Mr. Perry pointed out that while the GRM is the "preferred" method for assessing small residential rental properties, it is not the "exclusive" method. *Perry testimony; Resp't Ex. B.*

c) Mr. Perry analyzed four comparable duplexes located within 1.3 miles to the subject property. The comparable properties sold between May 14, 2015, and March 13, 2018. He applied a "conservative" 2% per year time adjustment to the two properties that sold in 2015. The 2% appreciation time adjustment was calculated using "bestplaces.net." Next, he divided the adjusted sale price by the number of units to arrive at a price per unit. He also calculated the sale price per bedroom. The median rent per multi-unit of $425 was calculated using rental sheets collected in the Assessor's office.[4] Mr. Perry determined the GRM by dividing the sale price by the median rent for each property. *Perry testimony; Resp't Ex. B, C, D, E, F.*

d) Using the GRM, Mr. Perry determined the January 1, 2018, value to be $36,900. His sales approach per unit yielded a value of $32,400. The Respondent maintains the current assessment is still the best indication of value. *Perry testimony; Resp't Ex. B.*

e) The Petitioner's evidence is flawed. For example, Mr. Bondar compared the February 17, 2016, sale of the 421 South 12th Street property to the property's 2017 assessment to arrive at his percent of difference between sale price and assessed value. Mr. Bondar also included foreclosures, estate sales, and invalid sales in his presentation. *Engle argument; Perry testimony (referencing Pet'r Ex. 5, 6, 7, 8, 9, 10, 11); Resp't Ex. G.*

[4] The Respondent did not provide the rental sheets for the four comparable duplexes.

Burden of Proof

20. Generally, the taxpayer has the burden to prove that an assessment is incorrect and what the correct assessment should be. *See Meridian Towers East & West v. Washington Twp. Ass'r,* 805 N.E.2d 475, 478 (Ind. Tax Ct. 2003); *see also Clark v. State Bd. of Tax Comm'rs,* 694 N.E2d 1230 (Ind. Tax Ct. 1998). The burden-shifting statute as amended by P.L. 97-2014 creates two exception to that rule.

21. First, Ind. Code § 6-1.1-15-17.2 "applies to any review or appeal of an assessment under this chapter if the assessment that is the subject of the review or appeal is an increase of more than five percent (5%) over the assessment for the same property for the prior tax year." Ind. Code § 6-1.1-15-17.2(a). "Under this section, the county assessor or township assessor making the assessment has the burden of proving that the assessment is correct in any review or appeal under this chapter and in any appeal taken to the Indiana board of tax review or to the Indiana tax court." Ind. Code § 6-1.1-15-17.2(b).

22. Second, Ind. Code § 6-1.1-15-17.2(d) "applies to real property for which the gross assessed value of the real property was reduced by the assessing official or reviewing authority in an appeal conducted under IC 6-1.1-15." Under those circumstances, "if the gross assessed value of real property for an assessment date that follows the latest assessment date that was the subject for an appeal described in this subsection is increased above the gross assessed value of the real property for the latest assessment date covered by the appeal, regardless of the amount of the increase, the county assessor or township assessor (if any) making the assessment has the burden of proving that the assessment is correct." Ind. Code § 6-1.1-15-17.2(d). The assessor may also have the burden of proof if the assessment increased by any amount after a taxpayer successfully appealed the prior year's assessment, unless the assessor valued the property using the income capitalization approach. This change was effective March 25, 2014, and has application to all appeals pending before the Board.

23. Here, according to the Petitioner, the assessed value of the subject property increased by more than 5% from 2017 to 2018. In fact, the total assessment increased from $21,300 in 2017 to $40,500 in 2018. The Respondent argued the burden shifting provision does not apply because the subject property was valued using the income capitalization approach. Our ALJ preliminarily ruled the Petitioner bore the burden of proof. But the income capitalization exception the Respondent relied on only relieves an assessor of the burden of proof if the burden is shifting under subsection 17.2(d). Here, there is no evidence indicating that the Petitioner successfully appealed its 2017 assessment. And valuing the property using the income capitalization approach does not prevent the burden from shifting under subsections 17.2(a) and (b). Because the subject property's assessment increased by more than 5% between 2017 and 2018, the Respondent bears the burden of proof. To the extent the Petitioner requests an assessment below the 2017 level of $21,300 it has the burden to prove the lower value.

Analysis

24. The Respondent failed to make a prima facie case. To the extent the Petitioner sought a lower value, it likewise failed.

a) Indiana assesses real property based on its "true tax value," which is determined under the rules of the Department of Local Government Finance (DLGF). Ind. Code § 6-1.1-31-5(a); Ind. Code § 6-1.1-31-6(f). "True tax value" does not mean either "fair market value" or "the value of the property to the user." Ind. Code § 6-1.1-31-6(c) and (e). In accordance with these statutory directives, the DLGF defines "true tax value" as "market value-in-use," which it in turn defines as "[t]he market value-in-use of a property for its current use, as reflected by the utility received by the owner or by a similar user, from the property." 2011 REAL PROPERTY ASSESSMENT MANUAL at 2.

b) The cost, sales-comparison, and income approaches are three generally accepted ways to determine true tax value. MANUAL at 2. In an assessment appeal, parties may offer any evidence relevant to a property's true tax value, including appraisals prepared in accordance with generally accepted appraisal principles. *Id.* at 3; *Eckerling v. Wayne Twp. Ass'r,* 841 N.E.2d 674, 678 (Ind. Tax Ct. 2006) (reiterating that a market value-in-use appraisal that complies with USPAP is the most effective method for rebutting an assessment's presumed accuracy). Regardless of the method used, a party must explain how the evidence relates to the relevant valuation date. *O'Donnell v. Dep't of Local Gov't Fin.,* 854 N.E.2d 90, 95 (Ind. Tax Ct. 2006); *see also Long v. Wayne Twp. Ass'r,* 821 N.E.2d 466, 471 (In. Tax Ct. 2005). For 2018 assessments, the valuation date was January 1, 2018. *See* Ind. Code § 6-1.1-2-1.5.

c) The burden was on the Respondent to prove the 2018 assessment is correct. In an effort to support the current assessment, the Respondent claimed the property was valued based on the income capitalization approach. However, the Respondent failed to present any evidence of the rents used, vacancy rates, expenses deducted, or any reference to the capitalization rate utilized in developing the assessment. As part of making a prima facie case "it is the taxpayer's duty to walk the [Board] through every element of [its] analysis." *Long,* 821 N.E.2d at 471 (quoting *Clark v. Dep't of Local Gov't Fin.,* 779 N.E.2d 1277, 1282 n. 4 (Ind. Tax Ct. 2002)). This requirement applies equally to an assessor bearing the burden. In this case, the Respondent failed to adequately explain how it arrived at its opinion of value using the income capitalization approach it employed.

d) The GRM, as the Respondent pointed out, is the "preferred" method of valuing properties with between one and four residential rental units. Ind. Code § 6-1.1-4-39(b). Indiana has not defined the term GRM by statute or regulation, but it is a commonly used appraisal term. The GRM method develops an income multiplier by looking to market data for sales of comparable income-producing properties and calculates the ratio of the sale price to the gross income at the time of sale. An

opinion of value can then be calculated by multiplying the GRM by the annual income base for the subject property.

e) The GRM eliminates the complex value adjustments required by the sales-comparison approach by assuming differences between the properties are reflected in their respective rental rates. However, in order to derive and apply a reliable GRM for valuation purposes the properties analyzed must still be comparable to the subject property and to one another in terms of physical, locational, and investment characteristics. To establish that properties are comparable, a party must identify the characteristics of the subject property and explain how those characteristics compare to the characteristics of the purportedly comparable properties. *Long,* 821 N.E.2d at 471. Specific reasons must be provided as to why a proponent believes a property is comparable. Conclusory statements that a property is "similar" or "comparable" to another property do not constitute probative evidence of the comparability of two properties. *Id.* at 470.

f) The Respondent presented an income approach utilizing the GRM method. While the GRM method can produce reliable results, the income data used must be consistent. In this case, however, the Respondent failed to establish that the rental rates relied on to calculate the multiplier were reflective of the same type of income data.

g) Other than providing a basic description of the four purportedly comparable properties used to calculate the multiplier and median rent, the Respondent did little to identify the relevant characteristics or compare them to the subject property. Furthermore, while the properties may all be rentals, the Respondent failed to offer any meaningful testimony regarding their investment characteristics. In light of these considerations, the Respondent's GRM calculation lacks probative value.

h) The Respondent also presented a sale price per unit calculation relying on four purportedly comparable duplex properties. This calculation resulted in a value of $32,400. A sales comparison approach "estimates the total value of the property directly by comparing it to similar, or comparable, properties that have sold in the market." MANUAL at 3. In order to effectively use the sale-comparison approach as evidence in property assessment appeals, the proponent must establish the comparability of the properties being examined. Conclusory statements that a property is "similar" or "comparable" to another property do not constitute probative evidence of the comparability of the two properties. *Long,* 821 N.E.2d at 470. Instead, the proponent must identify the characteristics of the subject property and explain how those characteristics compare to the characteristics of the purportedly comparable properties. *Id.* at 471. Similarly, the proponent must explain how any differences between the properties affect their relative market values-in-use.

i) While Mr. Perry considered four duplex properties located in close proximity to the subject property, he failed to offer sufficient evidence relating their specific features and amenities to the subject property. More importantly, Mr. Perry made no attempt to make adjustments for any relevant differences between the subject property and the

comparable properties. Mr. Perry's evidentiary presentation therefore falls short of providing the level of analysis contemplated by *Long.*

j) For these reasons, the Respondent failed to make a prima facie case that the 2018 assessment is correct. The Petitioner is therefore entitled to have the 2018 assessment reduced to its 2017 level of $21,300. That does not end the Board's inquiry, however, because the Petitioner sought a lower value.

k) As explained above, the bulk of the Petitioner's evidence was excluded from the record because the Petitioner failed to comply with the Board's procedural rules. The remaining evidence was not enough to prove the subject property's market value-in-use as of January 1, 2018. For these reasons, the Petitioner failed to make a prima facie case that the 2018 assessment should be reduced below the 2017 level. However, for the following reasons, even if the Board considered the Petitioner's evidence in its entirety, it still failed to make a prima facie case.

l) The Petitioner's evidentiary presentation suffers from the same problems as the Respondent in that the Petitioner failed to walk us through the various analyses in sufficient detail. For example, the Petitioner offered sale prices and assessment information for six purportedly comparable rental duplex properties. Under the sales-comparison and assessment comparison approaches, such information can be used to prove market value-in-use. *See* Ind. Code § 6-1.1-15-18(c)(1). But the Petitioner needed to do more than just offer the sale prices and assessed values. Instead, the Petitioner needed to establish comparability of the properties being examined, and explain how any differences between the properties affect their relative market values-in-use. *Long,* 821 N.E.2d at 470, 471. Moreover, the Petitioner failed to use any of its analyses to justify the requested assessment of $17,000.

m) The Petitioner offered evidence that appears to indicate several properties sold for less than their assessed values. The Petitioner argued that assessed values are excessive when compared to the sale prices of multi-unit properties. The Petitioner's claim about the sale-to-assessment ratio relates to a claim for an equalization adjustment based on lack of uniformity and equality in assessments.

n) A lack of uniformity and equality in a mass-appraisal assessment for a class or stratum of properties may be inferred from analyzing the ratios of assessment-to-sale price for a subgroup of properties within that class or stratum. *See* MANUAL at 14 (explaining that a ratio study "statistically measures the accuracy and uniformity of the assessments produced by the mass appraisal method.") Where a ratio study shows that a given property is assessed above the common level of assessment, that property's owner may be entitled to an equalization adjustment. *See Dep't of Local Gov't Fin. v. Commonwealth Edison Co.* 820 N.E.2d 1222, 1227 (Ind. 2005) (holding that taxpayer was entitled to seek an adjustment on grounds that its property taxes were higher than they would have been had other property in Lake County been properly assessed). *See also Westfield Golf Practice Center, LLC v. Washington Twp. Ass'r,* 859 N.E.2d 396, 399 n.3 (Ind. Tax Ct. 2007) ("when a taxpayer challenges the

uniformity and equality of his or her assessment one approach that he or she may adopt involves the presentation of assessment ratio studies, which compare the assessed values of properties within an assessing jurisdiction with objectively verifiable data, such as sale prices or market value-in-use appraisals.")

o) Ratio studies involve relatively sophisticated statistical comparisons that meet professional accepted standards. *See Kemp v. State,* 726 N.E.2d 395, 404 (Ind. Tax Ct. 2000) ("[A] sales ratio study, prepared using professionally acceptable standards, would measure the uniformity of assessments under a market based assessment system."); *see also, IAAO Standard, passim* (describing the statistical analyses used in ratio studies). Such studies must be based on a statistically reliable sample of properties that actually sold. *See Bishop v. State Bd. of Tax Comm'rs,* 743 N.E.2d 810, 813 (Ind. Tax Ct. 2001) (*citing Southern Bell Tel. and Tel. Co. v. Markham,* 632 So.2d 272, 276 (Fla. Dist. Co. App. 1994)). The Petitioner failed to establish its evidence satisfied these requirements and therefore lacks probative value.

p) The Petitioner also pointed to the DLGF ratio study guidelines, arguing that because the median ratio was not met for the DLGF's standards for an acceptable mass appraisal, the subject property's assessment must be incorrect. The Petitioner, however, offered no support for the notion that a ratio study may be used to prove an individual property's assessment is incorrect. Indeed, the International Association of Assessing of Assessing Official's Standard on Ratio Studies, which 50 IAC 27-1-4 incorporates by reference, says otherwise:

> Assessors, appeal boards, taxpayers, and taxing authorities can use ratio studies ratio study to evaluate the fairness of funding distributions, the merits of class action claims, or the degree of discrimination. … **However, ratio study statistics cannot be used to judge the level of appraisal of an *individual* parcel.** Such statistics can be used to adjust assessed values on appealed properties to the common level.

INTERNATIONAL ASSOCIATION OF ASSESSING OFFICIALS STANDARD ON RATIO STUDIES VERSION 17.03 Part 2.3 (Approved by IAAO Executive Board 07/21/2007) (bold added italics in original).

q) Thus, the Petitioner needed to offer probative evidence addressing the subject property's market value-in-use. The Petitioner failed to do that, choosing instead to rely on the statistics designed to evaluate mass appraisal. Consequently, even if the Board had considered all of the Petitioner's exhibits, the Petitioner failed to make a case for reducing the assessment below the 2017 level.

Conclusion

25. The Respondent had the burden of proving the 2018 assessment was correct. The Respondent failed to make a prima facie case and the assessment must be reduced to the

previous year's level of $21,300. The Petitioner sought a lower value, but failed to make a case for any further reduction in the assessment.

Final Determination

In accordance with the above findings and conclusions, the 2018 assessment must be reduced to $21,300.

ISSUED: September 17, 2019

_____
Chairman, Indiana Board of Tax Review

_____
Commissioner, Indiana Board of Tax Review

_____
Commissioner, Indiana Board of Tax Review

- APPEAL RIGHTS -

You may petition for judicial review of this final determination under the provisions of Indiana Code § 6-1.1-15-5 and the Indiana Tax Court's rules. To initiate a proceeding for judicial review you must take the action required not later than forty-five (45) days after the date of this notice. The Indiana Code is available on the Internet at <http://www.in.gov/legislative/ic/code>. The Indiana Tax Court's rules are available at <http://www.in.gov/judiciary/rules/tax/index.html>.