

**Subject:** property assessment

Jonathan Weaver and Glen Koob thought you might be able to assist us.

I work for the Dept of Taxation in Nevada. It appears from my search of Indiana that your state may *have been* on the same tax system, prior to a 1998 Supreme Court ruling, that we are currently using. It is my understanding that we are the last state not using a 100% market based system. We are on a replacement cost new (Marshall and Swift) less 1.5% depreciation per year for our improvements and market value for our land. We are hoping to find a state that may be able to provide us with information or a model on how abstraction and allocation was handled under a split system within their state that we may be able to adopt and/or take ideas from. For the most part, we have been able to value our land using vacant land sales but in recent years, those sales have dried up. Because our laws do not specifically address the process of using alternate methods, and a special interest group has tied one of our largest counties up in court for years over methodology, a judge has decided that our statutes must specifically say **how** to value land using methods other than the cost approach in order for those methods to be constitutional. Because our improvements are not valued based on market sales, it has been difficult to come up with a model that works to our satisfaction. Since IAAO and other reference sources are based on a 100% market system we have been told we can not rely on them to build our models. I am hoping you may be able to help us. Can you possibly provide us with *any* information for how you handled allocation and abstraction under your old system? And would you possibly know of any other states that used to be on a split system? Any assistance you can provide would be greatly appreciated!!! Thank you.

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