

TAXES HERE AND TAXES THERE

By Woodrow Wilcox

A friend who moved from Griffith, Indiana to San Diego, California years ago visited me recently. He told me that he had bought his home in San Diego in the 1980's for less than \$300,000, but that it was now worth about \$1,000,000. His home has two-thirds of an acre and he can see the beach and Pacific Ocean from his back yard. I was surprised to learn that his property tax bill on the one million dollar home was just \$2,500 per year. That is less than what my mother pays in property taxes on her modest home in Griffith.

Then, I got a visit from friends who live in Tennessee. One of them told me that her mother has a five bedroom two bathroom home with a two car garage on two acres near Athens, Tennessee. The annual property tax for her mother on that property is just \$150. Another friend told me that his ex-wife bought a small business property in Marion County, Tennessee (just west of Chattanooga). She plans to make the property her business headquarters. My friend swore to me that the annual property tax bill on that business property is just one dollar per year.

Indiana and Lake County need to study and imitate the tax methods of other states and locations, or the county and the state will continue to lose businesses, retirees, opportunities, and jobs to other states and communities.

When businesses and senior citizens leave an area, they take their knowledge, their skills, their contacts, their bank accounts, their retirement checks, their social security checks, and a lot of opportunity for others with them.

Why are property taxes in Lake County—especially Calumet Township and North Township—so high compared to many other places? The quick but accurate answer is that Lake County, Indiana has some of the greediest politicians in the country. But, another part of the answer is that there are many people in Lake County, Indiana who vote for those greedy politicians because they believe that there is something in it for them.

One friend told me that being in business in Lake County—especially in Calumet Township or North Township—is like being invited to dinner by someone, having many other people join you for the dinner, and then the person who invited you leaves and you get stuck with the bill. When that happens, you avoid going to any other dinners with the inviter. In Lake County, the politicians who want to give away anything and everything to get votes for themselves regularly stick businesses and property owners with the bill that the politicians create.

Think about it. If you are a politician, and there is no limit to what you can spend and tax in the name of the public, then you will spend and tax whatever you believe is necessary to get re-elected. You will give away housing, food, furniture, medical care,

and great paying jobs for all your family and friends. There would be no limit to your generosity. The generosity of these politicians would attract more people who don't like to pay for things to become residents and voters who support these politicians. If there is no limit to what you can legally spend, then there will be no limit to what you want to spend. And all those things will cost money to the taxpayers. The taxpayers will have less money for things for their families and charities.

That is why I believe that Indiana should enact state law or amend the state constitution to prohibit property taxes from exceeding one percent of a property's market value. The market value should control. Imagined values created by inventive assessors are so harsh that it practically forces property owners to become the indentured servants of the politicians. Indentured servitude is a short step away from slavery.

A clear example of the unfair property tax assessments in Lake County is the case of Violet Sivak. Violet and her husband built a profitable business as Tupperware representatives in Lake County. They kept adding to their home to accommodate the needs of the business. Now, Violet is widowed and lives in a small apartment. But, she still owns the home in Merrillville. A local bank appraised the home's value at \$225,000. But, the assessment appraisal put the home's value at \$600,000. Violet has an annual property tax bill of \$25,000 on a property that a bank says is worth only \$225,000. Her daughter, who lives in California, is very frustrated by what she regards as local politicians' "stone-walling" her efforts to get the assessment appraisal on her mother's Merrillville home reduced to a realistic level so that property taxes will be realistic. The unrealistic assessment and property tax bill has frightened potential buyers. The home has been for sale for over a year. Violet Sivak is a victim of a Lake County "shakedown".

I hope that some property owners challenge Lake County's property tax system for violating due process and other requirements of the Indiana and federal constitutions. Perhaps Indiana's Attorney General or a U.S. Attorney will examine the possibility of violations and bring court actions to force a change to make the system both constitutional and fair.

Indiana needs a property tax system overhaul. Property taxes need to be limited to no more than one percent of a property's market value. And the system for appealing and adjusting property tax assessment appraisals needs to be streamlined and fair. It would be the best way to protect property owners from becoming the indentured servants of local politicians and it would put the politicians on a strict budget that leaves little or no room for their "give-aways" to get re-elected.

Note: This article was written a few years before the website was built.