

# 3 state lawmakers press Daniels to order Aboite tax reassessment

By Amanda Iacone

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Three northeast Indiana state legislators have asked for a reassessment of Aboite Township properties, alleging that property values there have decreased because of the high city taxes residents now must pay.

Sen. David Long, R-Fort Wayne, along with Rep. Jeff Espich, R-Uniondale, and Rep. Matt Bell, R-Avilla, sent a letter to Gov. Mitch Daniels on Wednesday asking for the reassessment. Aboite Township properties annexed into Fort Wayne percent compared with a countywide last year face an average tax increase of 57 percent. average of 12

Last week, the three legislators met with Aboite residents and asked the state to review property values there to determine whether a reassessment is needed. Now they are making a direct request, Espich said Thursday.

Espich called the situation in Aboite Township unique. Unlike in Marion and other counties where the state has mandated a reassessment, Allen County updated property values for industrial and commercial properties. Doing so prevented moving a greater share of the tax burden onto residential taxpayers, he said.

But because most of Aboite is now within Fort Wayne city limits, the higher city taxes are devaluing properties in Aboite substantially, Espich said.

Citing a Purdue University economist, Espich said every \$1,000 in new taxes lowers the value of a home \$12,000 to \$15,000. And properties in Aboite should be taxed based on those lower values so taxes better reflect reality, he said.

Although annual updates of property values based on sales-market data could address that change in value, Espich said it's his job to plead the case of his constituents and to quickly address such problems.

Allen County Assessor Stacey O'Day said the theory of high property taxes lowering property values is not a new idea.

But state law mandated assessors use sales data from 2004 and 2005 to come up with the property assessments used to determine this year's tax bills. The data used for a mandated reassessment would not change, O'Day said.

Any changes in the market caused by the higher city taxes now facing Aboite residents wouldn't be seen on tax bills until next year or more likely in 2009, she said.

O'Day remains confident that a mandated reassessment is not likely for Aboite Township or Allen County, in part because both met standards the state uses to determine the accuracy of assessments, she said.

It's unclear whether the Department of Local Government Finance would require a countywide reassessment for problems in one township, agency spokeswoman Michelle Brackemyre said.

The department, which reviews assessment data and sets tax rates, has received the legislators' request and is reviewing them. Officials might announce their decision early next week, Brackemyre said.

Also Thursday, Democratic mayoral nominee Tom Henry asked the legislature to go into special session to approve \$288 million of immediate property-tax relief.

The money would come from the state's rainy day fund to provide residential property-tax relief. Henry said the money is the same amount as what the state removed from property-tax relief in 2005.

"It is raining, and people are drowning in taxes," he said.

Henry said the immediate relief would give local governments time to diversify their tax bases. He supported the state giving local governments the option of using sales taxes, innkeeper's taxes, income taxes and food and beverage taxes to reduce the reliance on property taxes.

Two weeks ago, Republican nominee Matt Kelty asked the state legislature to implement a permanent cap on property taxes. He also pledged that his first budget – if elected – would have no increase in spending.

Henry said he would work as a fiscal conservative but said it would be nearly impossible to not increase spending because the city must give its employees raises and meet other obligations.

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Benjamin Lanka of The Journal Gazette contributed to this story.

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