



November 19, 2007

Dear Editor:

Indiana REALTORS® applaud Governor Mitch Daniels for “getting real with Hoosiers” and proposing a plan that is a meaningful first step toward real property tax relief and real reform of local government.

Although we have said it many times, it bears repeating before Hoosiers take their red pen to the Governor’s plan: Indiana’s property tax system is broken and so is the antiquated local government it funds.

The stakes in this debate are high. Homeowners are hurting. Foreclosure rates remain unacceptably high and home prices remain stagnant or are falling. The largest source of most Hoosiers’ wealth, their home, is threatened. Our volatile property tax system is also causing uncertainty for businesses that are considering investments in Indiana. Meanwhile, any reform must preserve the vital services provided by local governments.

This is why the Governor’s plan represents a major step forward. It balances the many competing interests in a rational and coherent way. We must all understand that no one will get everything they want in a solution. But inaction is not an option, as homeownership and economic development will suffer until the uncertainty of the status quo is removed.

Governor Daniels’ plan echoes that message and thus, Indiana REALTORS® stand with the Governor in support of the following:

- Elimination of the township assessment system -  
At 1,008, Indiana has the third most townships among states of similar size - way too many. Eliminating township assessors and creating fewer and larger jurisdictions by way of a single county assessor will lead to more equitable, fair market value assessments. Further, the appointment of the county assessor will remove politics from an otherwise ministerial job.
- Cut property taxes -  
Moving court, school and welfare costs to the State will cut property taxes and allow taxpayers to more easily determine who is responsible for local spending.
- Cap property taxes -  
Property tax caps provide predictability for homeowners and businesses, a must when considering new investments.

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- Use of broad-based taxes -  
Indiana cannot risk major cuts in critical services like education or public safety and still maintain the high quality of life Hoosiers want and deserve. REALTORS® support the Governor's call to use the sales tax for property tax relief. We would also support the income tax to replace property tax dollars and fund local government.

REALTORS® do have concerns with the plan, namely the tiered circuit breaker system, which treats different classes of property differently. Let's be sure that helping homeowners does not come at the expense of our neighbors or business and jobs.

The bottom line is that the Governor's plan finally puts the state on the right track – one that leads to reasonable and predictable property taxes, simplified and more efficient government and a prosperous business environment.

The Indiana Association of REALTORS® looks forward to the upcoming legislative session and helping to craft the final property tax and local government reform package.

Sincerely,

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