

Town of Griffith
Secession from Calumet Township – Frequently Asked Questions
October 26th, 2018

The people have spoken. Griffith residents have voted 3301 to 70 in favor of seceding from Calumet Township. With the secession comes a lot of questions. The purpose of this letter is to address some of those frequent questions within the framework of Indiana Statute:

Now That We Have Seceded, What Happens Next?

- Indiana Code *IC 36-1-1.5; (13) HEA 1585* provides the Statutory process by which the Town may petition North and/or St. John Township to accept the transfer, as follows:
 1. Griffith has exactly one year from the date of the special election to petition North and/or St. John Townships.
 2. Any petitioned Township has exactly one year from reception of the petition to adopt a resolution to accept the transfer.
 3. If Griffith sends a petition to both Townships, then whichever adopts a resolution to accept the transfer first will be considered the legally adopting Township.
 4. If neither Township adopts a resolution to accept the transfer, Griffith will be considered ineligible and will have to remain within Calumet Township, indefinitely based on Statute wording.
 5. Township transfers that would be effective in a year preceding a Federal Census Year, will not be considered effective until January 2nd of the census year.
 - The Township specifies the effective transfer date in the adoption resolution.
 - The transfer will be effective on the date specified in the adopting township's resolution if one of the townships decides to adopt by December 31st, 2018. Otherwise, the effective date of the transfer will be January 2nd, 2020.

What if Budgets Have Already Been Adopted For 2019?

- Pursuant to Indiana Code *IC 36-1-1.5-13*, the Department of Local Government Finance will adjust the maximum ad valorem property tax levies as it deems necessary to reflect the transfer of the territory. We would expect these adjustments for 2019 if the transfer occurs prior to December 31, 2018.
 - Again, if the accepting township specifies a date after December 31, 2018 on their resolution, the effective transfer date would be January 2, 2020 due to 2020 being a Federal Decennial Census Year.

How Will The Secession Affect How My Property is Assessed?

- Indiana Code *IC 36-6-8-10(a)* states: “The county fiscal body shall, in the manner prescribed by *IC 36-2-5* or *IC 36-2-6* fix and appropriate money to pay the per diem and the salaries and per diems of the county's township assessors and any deputies that assist the elected township assessor.”

- Therefore, Lake County appropriates for and pays the costs associated with Township Assessors.
- No matter which Township decides to accept Griffith, Lake County will continue to budget for the assessment costs.
 - The Town will continue to pay for a percentage of this service based on the tax rate levied by the County.

Will The Way My Assessed Value is Calculated Change?

- The Department of Local Government Finance (“DLGF”) provides great information regarding property tax assessment:
 - Indiana properties are valued using “mass appraisal” techniques.
 - “Mass appraisal” means your property is compared to other properties in your area, taking into consideration; age, grade, and condition.
 - Property values are adjusted annually using uniform rules based on trends.
 - Indiana Code *IC 6-1.1-4* provides statutory guidelines which “promote uniform and equal assessment of real property within and across classifications.”

In short, you should not see a drastic difference in the way your property is assessed.

Link to DLGF Information: <https://www.in.gov/dlgf/2516.htm>

Link to Indiana Code: <http://iga.in.gov/legislative/laws/2017/ic/titles/006> - go to IC 6-1.1 and click on Ch 4. (should be blue link).

What Affect Will This Have On My Tax Bill?

- Indiana has what is known as “property tax caps.” Tax bills, after exemptions and deductions, are capped depending on how the property is classified as follows:
 1. 1% - Homestead properties
 - a. Primary home + 1st acre
 - i. Excludes outbuildings and other improvements (pools, unattached garages, sheds, etc)
 2. 2% - Agricultural, long-term care facilities, and other non-homestead residential properties (i.e. apartment complexes)
 3. 3% - Nonresidential (i.e. commercial property, outbuilding on property, etc.) and personal property

With the property tax caps in mind, the following are the projected impacts to tax bills, based on 2018 taxing district rates:

- **1% Properties**
 - Homestead owners with assessed values up to approximately \$150,000 should see an approximate 8.3% or 10.4% reduction in their tax bills for North Township or St. John Township respectively.
 - Homeowners with homes assessed above \$150,000 are already paying the maximum permissible tax..

- **2% Properties**

- All property owners should see an approximate 3.1% or 5.3% reduction in their tax bills, regardless of assessed value, for North Township or St. John Township respectively.

- **3% Properties**

- All property owners should see an approximate 8.3% or 10.4% reduction in their tax bills, regardless of assessed value, for North Township or St. John Township respectively.

In addition to the above impacts, Griffith residents should be delighted to know that more of their tax dollars will remain within the Town of Griffith after the secession. This is due to the way “taxing districts” work. A taxing district, as defined by Indiana Code *IC 6-1.1-1-20*, is “a geographic area within which property is taxed by the same taxing units and at the same total rate.” In other words, your taxing district rate is the total tax rate that is levied upon your property. Each political subdivision (County, Township, Town, etc.) within a taxing district has a separate rate that contributes to the total rate. Due to the way our current taxing district is structured, Calumet Township levies a substantial tax rate on Town residents. In other words, a large portion of total property taxes collected are allocated to Calumet Township in order to fund the Township’s services. Ultimately, this means that whichever Township accepts Griffith, a greater percentage of the total property taxes collected will remain within the Town due to the lower township tax rates. The bottom-line is that dollar for dollar, Griffith residents will see a closer match to taxes paid for services provided.

Please let us know if you have any questions.

Reedy Financial Group, PC