

## Points to Consider before Voting on the Public Question of Placing Tax Caps into the Constitution

It is time for Hoosiers to educate themselves, do research, and look deeper into the issue of permanently placing property tax caps into the state's constitution. Voters will be asked to respond to this issue on the Nov. 2 ballot. Here are some points to consider:

- **Popular Misconception:** While the word "caps," may entice property owners into thinking their taxes won't increase, that is not the case. It is a cap on the taxes paid relative to the assessed value of the home. The assessed value can still rise.
- **Truth:** While many property-tax initiatives are politically popular, they often mask a hidden truth: the revenue lost likely leads to increases in many other kinds of taxes and user fees.
- **Current:** Caps are already in effect—they are *in statute*—having been enacted by the General Assembly. Libraries, schools, cities and towns, counties and other local units are already operating under the 1%, 2% and 3% limits. It is unnecessary to vote them into the Constitution. The caps will not guarantee homeowners' property taxes to decrease.
- **Future:** Understand that if the amendment is approved by your vote on Nov. 2, it will take about five years to remove if, subsequently, it is judged to be too restrictive. We urge voters to appreciate the need for flexibility for all local government units.

Elected local officials, library directors, staff, educators and others involved in delivering necessary services at the local level have urged caution. The more prudent approach is to wait and see how significantly the statutory 1%, 2% and 3% caps impact the delivery of needed services.

- **Fact:** Everyone wishes for lower taxes but few want the consequent reductions in services. Citizens value good schools, good streets, quality libraries, emergency services, police protection and livable communities; property taxes are by far the most significant revenue stream which supports these services.
- **Consequence:** Placing tax caps into the constitution will result in some unintended consequences. You can expect user fees, fines, penalties and probably more regulatory fees to proliferate in your daily life due to loss of the revenue. The statutory caps have already resulted in local units experiencing decreases of millions of dollars for schools, libraries and other services.
- It is unnecessary to vote them into the Constitution because they are already law.

That is why it is important for YOU to do research and think about the result of your vote on Public Question #1 on the Nov. 2 ballot.

*This statement was developed by members of the Indiana Library Federation, the Indiana Urban Schools Association, the Indiana PTA, the Association of Indiana Counties, Sustainable Libraries Coalition, Central Indiana Jobs with Justice, the NAACP Indianapolis (Branch #3053) and several educators.*