



C.L.E.A.R. from the T.O.P.

(Comprehensive Lawful Elimination And Remedy from the Taxation Of Property)

Preamble

As a matter of conscience, Arrow Associates of the State of Indiana do hereby declare to our servant government this treatise. In the Spirit of the Declaration of Independence; and by Law as prescribed in the United States Constitution and the Indiana State Constitution; and in the original doctrine as propounded by our Founding Fathers and predicated in the Bill of Rights; we charge this plan of action in the form of grievance and demand redress on the basis of principle, fact, and law, to totally and eternally eliminate all direct taxation, duty, or imposition upon all private property, both real and personal, in the State of Indiana.

A Requisite Change in Mentality Toward Property

Three Aspects

Henry David Thoreau:

“There are thousands hacking at the branches of evil to one who is striking at the root.”

No perceived solution to private property taxation will ever properly manifest without Hoosiers uniting to strike at the root of the problem. We are witnessing today how the General Assembly and the Courts are hacking at the branches with their quick-fix legislation, unsympathetic rulings, and blatant disregard for the simplicity of Law; instead, twisting, turning, and bending the law to fit whatever abstract concept that protects special interests and status quo powers. It solves nothing. On the contrary, it gets worse. In a phrase, they have no idea as a collective body how to get themselves out of this mess.

No, if this problem of private property taxation is to ever disappear, we must strike at the root. Arrow Associates asserts the problem is the tax itself. And the root of the problem is how we view the nature of property, or rather how government views the nature of property. To strike at the root, we must challenge, demand, then, eradicate the powers and policies which taxes private property.

So, as we thrust in our sickles at the first strikes of the root, let us do so by pondering three specific aspects which will destroy the root, hence, the whole thorny bush of property taxation.

1. Principle - The Founding Fathers understood the essential nature and the intrinsic connection between people, property, and power (independence). Indeed, happiness in pursuit of Life and Liberty is, to a large degree, contingent upon the acquisition and ownership of property. While not the only import in all facets to the proliferation of Liberty, the Founders considered the ownership of property primary to the security of other rights.

John Adams said, “*The moment the idea is admitted into society that property is not as sacred as the laws of God, and there is no force of law and public justice to protect it, anarchy and tyranny commence. Property must be secured or Liberty cannot exist.*”

Arrow Associates asserts that government has no jurisdiction over private property. The right is inalienable and endowed by our Creator, therefore, above and before any government power. To relinquish this right to the power of State is to risk the loss of all rights.

James Madison declared: “*A man is said to have a right to his property, he may be equally said to have a property in his rights. Where an excess of power prevails, property of no sort is duly respected. No man is safe in his opinions, his person, his faculties, or his possessions.*”

The Principle of property securing others rights is tantamount to distinguishing a free

society from one duped into slavery, economic or otherwise.

Justice George Sutherland of the U.S. Supreme Court in 1921 said, speaking of the pursuit of Life, Liberty, and Happiness, *“The three great rights are so bound together as to be essentially one right. To give a man his life, but deny him his liberty, is to take from him all that makes his life living. To give him liberty but take from him the property, which is the fruit and badge of his liberty, is to still leave him a slave.”*

With regard and in addition to these great principles, there are two respects to this examination:

A. Foreign and domestic factions. While pre-revolutionary threats to property, via taxation by Britain lead to the road to the Revolutionary War, post war independence revealed to the Founders that State Legislatures were just as susceptible to taxation as any foreign element. Usually, the root cause undermining individual rights is perpetrated through deliberate inflationary policy and imposts on property. Taxation of property is the first attack. As this relates to the State of Indiana, our own history reveals that taxation of property proved to be the first attack. We continue to witness today, through the judicial mandate placed upon the Legislature to change the system toward a market value basis and it’s subsequent pandering to voters through the implementation of quick fixes to an otherwise overbearing property tax policy. Because of this vulnerability to ownership, the Constitution afforded more extensive guarantees and protections than most other rights e.g.: restrictions on direct taxation; ban on export duties; ban on taxation of interstate commerce. The creation of the 5th Amendment and the Due Process Clause supplemented these guarantees; and later the 14th Amendment as it applied to the States.

B. As a primary offensive threat to individual Liberty may be through the ownership of property by the affluent and powerful, conversely, the first line of defense for Liberty by the less fortunate lay in the ownership of property as well. As the Founders understood that property rights were not only a right in itself, it served in the preservation of other rights. Indeed, it can be reasoned that economic freedom (free market & free enterprise) and political independence (free speech and assembly, right to petition for redress) hinges on the ownership of property. In addition, property ownership brought a strong sense of *personal* independence, which, Thomas Jefferson believed, was pertinent to the preservation of the Constitution. He asserts: *“It is the manners and spirit of a people which preserve a republic in vigor. A degeneracy in these is a canker which soon eats to the heart of its laws and constitution.”* In other words, *any degeneration in the ownership of property (the root of personal independence) generates a cancer which begins to consume our system of law and constitution.”*

Is not this self-evident today.

Taking into account the historical context for which property ownership brings to personal liberty and independence, and how proportionally related it is in the perpetuation and preservation of other guaranteed rights, this should give us an appreciation for the ability to discern in our day any usurpation of power by government attempts to confiscate it.

Furthermore, given over 150 years, our state officials have failed miserably to create a process that arrives at “just valuation” of property under a “uniform and equal rate of tax assessment.” Should they even try? Can it actually be done?

Notwithstanding, reason dictates as long as government holds any degree of power to confiscate property, especially when no just compensation has been rendered, it would behoove the people to strictly hold that power in check, if not eradicate it altogether. The power to tax property is the power to take property; and taking it will destroy the “manners and spirit” of a people-which are requisite for independence to flourish.

Arrow Associates believes the property tax violates the right to ownership of property, as well as other founding principles upon which this nation has been built. The principle of this matter, asserted, as it were, by Hoosiers all across our state, should be the only straw that break the backs of our General Assembly; forcing redress to the demands of those from whom representation has been entrusted. If failure of redress is compelling, then, in the same spirit of principle from which this treatise is derived, the same should be exercised in the removal of this body from their entrusted office and replaced by those who value this sacred right endowed by our Creator.

2. Legal - Arrow Associates charge that our General Assembly is violating the US & Indiana State Constitution predicated upon the following:

Article 1 Section 21: No person's particular services shall be demanded, without just compensation. No person's property shall be taken by law, without just compensation; nor, except in case of the State, without such compensation first assessed and tendered.

We purport that confiscatory powers are inherent in the property tax , e.g. the County Tax Sale, which serves to deprive the property owner of just compensation in the event tax liability is overbearing and/or unattainable. While the right to sell the property by the owner remains in tact, it will only serve the owner **if** he is able to get it sold before the County Tax Sale. Article 1 Section 21 suggests if compulsory action (“taken by law”) of the State is eminent, it is obligated to compensate the owner despite noncompliance of tax liability.

Article 1 Section 12 : All courts shall be open; and every person, for injury done to him in his person, property, or reputation, shall have remedy by due course of law. Justice shall be administered freely, and without purchase; completely, and without denial; speedily, and without delay.

Amendment 14 Section 1 USC : All persons born or naturalized in the United States, and subject to the jurisdiction thereof, are citizens of the United States and of the state wherein they reside. No state shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States; nor shall any state deprive any person of life, liberty, or property, without due process of law; nor deny to any person within its jurisdiction the equal protection of the laws.

The arbitrary remedies providing relief to certain classifications of property ownership at

the expense of other classifications by the General Assembly is in violation of procedural and substantive due process of law.

The state and local government cannot provide a tax abatement or certain types of tax exemptions (i.e. inventory taxes) if the process automatically passes burden to the homeowner. According to the recent Supreme Court ruling from the St. John's case, it mandates the State Board of Tax Commissioners to update the schedules to reflect a basis for property assessment on market value; a basis for which supposedly brings the property tax system into constitutional compliance. To pass any burden upon homeowners as a result of exemptions to corporations or other classifications, violates the market value basis. This would result in imposing a tax upon the homeowner outside the procedural process for which the Constitution mandates. Furthermore, the additional liability upon the homeowner without any constitutional legislative remedy exacerbates the procedural due process violation.

In addition, if increased liability effects the homeowners inability to pay, resulting in the loss of property, only to be sold to another private entity, would violate the owners substantive due process. Not only does the Indiana State and US Constitution protect property owners from this type of taking, case law that protects property owners from having their property taken from one private entity and sold to another private entity is paramount to any contemporary decisions by our courts as they reflect more fully the root principle from which the right is asserted. The Legislative Branch cannot assume authority to take from one private property owner to give to another private owner.

Lawful transfer of any private property from one private interest to another is called "operation of law." The operation of law and it's dispositions are solely under the jurisdiction of the Judicial Branch. Simply stated, the Legislative Branch has no jurisdiction to legislate "liability without fault." Moreover, any attempt from the Legislature to remedy any effects of the reassessment is also outside their jurisdiction.

With regard to recent action by the General Assembly, the whole reassessment process is a violation of procedural and substantive due process; therefore, compromising Article 10 Section 1 as a "wholesome law" not only in terms of implementation, but, also in terms of effect.

Article 1 Section 22: The privilege of the debtor to enjoy the necessary comforts of life, shall be recognized by wholesome laws, exempting a reasonable amount of property from seizure or sale, for the payment of any debt or liability hereafter contracted: and there shall be no imprisonment for debt, except in case of fraud.

We believe that Article 10 Section 1, which supposedly authorizes the taxation and assessment of "...all [private] property..," violates Article 1 Section 22 due to the following facts:

A. No "uniform and equal rate of tax assessment" has ever resulted in "just valuation" and, as such, creates an unbearable liability to certain classes of citizens resulting in either the sale of property by the State (Sheriff Sale) without just compensation or the sale of property by the owner through compulsory means. This process deprives the owner of "necessary comforts of

life” therefore, compromising the integrity of Article 10 Section 1 as it is interpreted as a “wholesome law” by virtue of it’s existence. We can reasonably assume that if Article 10 Section 1 meets with the true meaning of “wholesome law,” the property tax system would be able to show a system to be “uniform and equal” in it’s implementation (assessment) and in its effect (rate).

B. We can further stipulate that taxation of property becomes a “debt” to the State, forcing the property owner into a contract because of the confiscatory consequences if the “debtor” is unable or justly unwilling to pay the “debt” (violate the contract); i.e. the State’s use of the Tax Sale to confiscate the property without just compensation. This system deprives the owner of his right to the “comforts of life” as indeed, our homes (shelter) are a staple of survival (life) which protects us from the elements. If the basic need for shelter is eliminated, it weakens other staple sources for survival e.g. food and clothing.

C. If “ownership” of private property is defined as free from coercive interest and taking without just compensation and considering the eternal nature of the “debt”(tax), and the fact that it can never be paid to satisfy the owner of any threat of encumbrance from the government, we can reasonably conclude that any law of this nature is not “wholesome.”

Therefore, in terms of confiscation, the Sheriff Sale, being an extension of law (ex post facto) from Article 10 Section 1, resulting in the enforcement of confiscating the private property without just compensation, we can reasonably conclude that Article 10 Section 1 is abhorrent to “wholesome law” thus, making Article 10 Section 1 and all enforcement extensions of law (statute) repugnant to our State Constitution and the United States Constitution. *Marsbury v Madison*.

Article 8 Section 2 : The Common School fund shall consist of the Congressional Township fund, and the lands belonging thereto; The Surplus Revenue fund; The Saline fund and the lands belonging thereto; The Bank Tax fund, and the fund arising from the one hundred and fourteenth section of the charter of the State Bank of Indiana; The fund to be derived from the sale of County Seminaries, and the moneys and property heretofore held for such Seminaries; from the fines assessed for breaches of the penal laws of the State; and from all forfeitures which may accrue; All lands and other estate which shall escheat to the State, for want of heirs or kindred entitled to the inheritance; All lands that have been, or may hereafter be, granted to the State, where no special purpose is expressed in the grant, and the proceeds of the sales thereof; including the proceeds of the sales of the Swamp Lands, granted to the State of Indiana by the act of Congress of the twenty eighth of September, eighteen hundred and fifty, after deducting the expense of selecting and draining the same; Taxes on the property of corporations, that may be assessed by the General Assembly for common school purposes.

Clearly, any use of property tax revenue from homesteads to fund schools is in violation of Article 8 Section 2. There is nothing in this amendment even implying the use of such funds. However, most homestead tax bills show a percentage of the bill going to fund schools, even as much as 47% in most cases.

Regarding the time Article 10 Section 1 was enacted, the original intent was to hold

corporations liable to pay a share of the property tax burden. However, ironically, the recent reassessment-which system is a supposed result of compliance with Article 10 Section 1-passed that burden, to the tune of \$330 million from corporations to homeowners and farmers, by judicial mandate as a result of the unconstitutional ruling of the “True Tax” system.

Given the fact that Article 8 Section 2 requires the funding of schools be made by corporations, not only has the judiciary violated their oath to uphold the State Constitution, the General Assembly has violated their oath by forcing homeowners to share a tax burden that does not, by Law, require them to do so. In other words, the judiciary is violating Article 8 Section 2 in their judicial mandate ruling to comply with Article 10 Section 1; an amendment, by its’ very nature, violates other constitutional prescriptions. The judiciary is attempting to uphold an ambiguous amendment-which has been shown to be an unwholesome law-that violates other amendments-which are unambiguous and clear in its’ prescription. In addition, the General Assembly, through oversight in the delegation of powers, collects and appropriates homestead tax revenues toward the funding of schools.

This is blatant usurpation of power and places a dubious stigma upon the attempt to exercise any process resulting from Article 10 Section 1, compromising the integrity of Article 8 Section 2 and strengthening our position that Article 10 Section 1 cannot be achieved.

Article 10 Section 1 : (a) *The General Assembly shall provide, by law, for a uniform and equal rate of property assessment and taxation and shall prescribe regulations to secure a just valuation for taxation of all property, both real and personal. The General Assembly may exempt from property taxation any property in any of the following classes:*

(1) Property being used for municipal, educational, literary, scientific, religious or charitable purposes;

(2) Tangible personal property other than property being held for sale in the ordinary course of a trade or business, property being held, used or consumed in connection with the production of income, or property being held as an investment;

(3) Intangible personal property.

(b) The General Assembly may exempt any motor vehicles, mobile homes, airplanes, boats, trailers or similar property, provided that an excise tax in lieu of the property tax is substituted therefore.

With regard to the last 153 years since the enacting of Article 10 Section 1, our Legislature, and even the courts, have not been able to achieve, to the satisfaction of all classifications, an arrival at “just valuation” under a “uniform and equal rate of property assessment and taxation.” Common sense would dictate that if we cannot create a system to meet constitutional muster after 153 years in the making, perhaps it is impossible to obey that law. Any law, virtually impossible of obeying, may lead to violations of other established law.

Moreover, bad or unwholesome Law has a tendency to compromise the integrity of our judicial system by confusing the public in their rulings, leaving Hoosiers with no understanding of the law or the process from which it derives. Also, the results of bad law leave the people with an overwhelming sense of violation and unfairness. This has been quite evident in any attempt to

comply with this Article.

Also, closer examination should be given to the phrase “..just valuation..” The phrase is subjective as it ultimately leads us to question as to who should have the authority to determine a “just valuation.” With respect to the courts in their deliverance of justice, and the General Assembly in their attempt to determine a process for assessing, the people should reestablished their right to determine the value of their property and tear down the foundations that uphold taxing it. Through taxation of property is to yield stealing the owners right to determine its’ value. And to yield power to assess value of property by government ultimately ends with yielding the power to confiscate it.

It is self-evident this Article is repugnant to other well established constitutional prescriptions. Indeed, we believe it violates Article 8 Section 2, Article 1 Section 21 & 22, Article 1 Section 12 of the Indiana State Constitution and Amendment 14 Section 1 of the United States Constitution. Also, any Indiana Code related to the taxation of property which circumvents the state constitution, violating due process, can be defined as ex post facto, which violates Amendment 14 Section 1 of the United States Constitution .

Article 10 Section 1 is a disgrace to all that is good and decent with respect to our system of government and it’s laws. Instead of bringing justice, this is a law that is lawless unto itself. Anything arrived in the attempt to comply has brought injustice to all it effects. If we consider, given the observations of havoc this law has brought upon the citizens of Indiana and the apparent inability to create a “uniform and equal” rate of property tax assessment, our system of government and any related ex post facto (Indiana Code) infringements perpetrated upon businesses, farms, and homeowners, leaves but only one reasonable option for remedy: Elimination!

Furthermore, despite the legal challenges aforementioned, We The People of Indiana should be asking this question and asserting this answer: Does the government have any jurisdiction at all to tax our property? Absolutely not! Owning property is an inalienable right, protected and guaranteed by the Constitution of the United States. An inalienable right cannot be regulated by government. It can only protect those who have been violated from the exercise thereof. Nor does government have any jurisdiction to tax an inalienable right. The right to life, liberty, and property is above any manmade law; and any government which seeks to violate it is a usurpation of power.

We affirm that any law that is lawless unto itself is unlawful. With respect to upholding the foundations of our legal institutions and the rights of it’s people, we believe Article 10 Section 1 compromises the integrity of rule of law. Without just rule, the law is nothing more than a thief; robbing man of his free agency to secure his life with well established staples of survival, not to mention his search for happiness. And without free agency, there is no pursuit of life, liberty, and happiness. There is only death, captivity, and misery. Such **is** the execution of the property tax.

3. Financial - Arrow Associates of Indiana believe that our lawmakers are not forthright in reporting to the common wealth the true state of our financial affairs. In addition, because of a lack of vision, we believe disingenuous energies are spent which otherwise could alleviate a

precarious economic direction. Hundreds, even thousands of Hoosiers are losing their property. This is a strong indicator of the serious condition of our state's financial affairs and calls for the immediate use of energies from our elected officials-who, otherwise, spend them on unworthy goals-to place more substantive remedies to our state's financial crisis.

First and foremost, we believe energies spent trying to rectify the methodology in assessing property value is a waste of states resources.

Second, we affirm that property is as unique in it's qualities as it's owner is unique in his; and by virtue of these unique qualities are from which true value is derived; and as such cannot be calculated to determine a uniform and equal rate of tax assessment.

And lastly, we affirm that if Hoosiers allow the state the power to determine value of property, it infringes upon the owners right to determine their own value; thereby, effecting their right to contract, devaluating property, depriving the market to exercise freely, and effecting the profitability of real estate transactions and businesses in general.

It is for these reasons, among others, that the following Economic Proposal be considered and even implemented as we simultaneously eliminate the property tax and still remain solvent to pay for essential government services.

Economic Proposal for Property Tax Elimination

1. Streamlining government at all levels, including political subdivisions, without compromising the doctrine in separation of powers.

A. Creating a Citizens Commission, chaired by an Legislator, to go into each state agency and evaluate areas of duplication through time studies, technical efficiencies, etc., and determine where cuts can be made in employment, materials, and equipment. The Commission members should have backgrounds that are the private sector equivalent of those areas being evaluated.

B. Creating another Commission, comprised of citizens and subdivision officials, to determine duplicity in services and processes and recommend where cuts should be made and implemented.

C. Eliminate all perks to elected government officials through the use of excessive staff, consulting, training, equipment, take-home vehicles, and lavish trips. In other words, force elected officials to be more self-reliant with less dependence upon perks, lawyers, and contracted entities.

2. Zero-based budgeting system.

A. Government should be required to only use what they need and no more. There should not be surpluses of any kind in any fund. The balance sheet at the end of each fiscal year should be zero, or as close to zero as practical to hold open the account.

B. Money from the excesses of each state fund should be used, until depleted, to go toward paying for the elimination of property tax. The state financial condition as of the end of fiscal year 2003, based upon the Comprehensive Annual Financial Report (CAFR) is plus \$11.7 Billion. The excesses from all funds should be harnessed and used to pay for two years of property tax elimination while the state explores and evaluates results from other actions as a result of property tax elimination.

C. The excesses from funds (CAFR money) in political subdivisions (local units) could be used to hedge against shortages and market fluctuations within their respective units only until the economic impact can be determined.

D. Get the State out of the business of “investing.” We should do a cost analysis to determine how much the savings would be to Hoosiers if the State was not allowed to enter into any investment vehicles and disband the administrations that run them.

3. Economic impact upon the state.

A. Evaluate what Proposition 13 did for the State of California and determine a scientific proportional value (ratio) by how our state actions will effect the economic impact.

B. Use simple economic models to determine the economic impact from the return of every dollar to the citizen, farmer, and business through the elimination of the property tax.

C. The use complex economic models from the use of the results above to determine projected relocation of businesses into our state and their economic impact and the prospect of

increased income and sales tax base not only as a result from Indiana citizens but, citizens from other states moving into our state.

D. Evaluate the effects on farms and environment as a result of increased development (Could be a negative) and determine means to stifle over development if the effect is negative.

4. Determine tax increases to make up the difference.

A. If the final tally from the above results is a negative, in terms of paying for the elimination, then, a tax increase in the areas of sales only should be determined to make up the difference and only made temporary until a more long term effect of economic impact can be measured.

Potential & Probable Ramifications

Please note in the examination below, that each is in reference to corresponding nomenclature with the proposal above. After specific references are made, there will be a general expostulation.

Streamlining government at all levels, including political subdivisions.

1.A. Very few would disagree with the concept that government, by its' very nature, is inefficient. Given the servant nature of our government, the People, the government's master, should expect employees who are effected by the implementation of more efficient methods, or the retiring of services no longer reasonably or economically practical, will be required to reenter the private sector or obtain employment in other openings of public service. Also, there should be an expectation that government should operate services only on a level that generates public welfare as a whole and not for economic or social classifications. The People of Indiana will be required to demand our government to repent of its' elitist disposition in how it is so readily willing to give up our private sector jobs while simultaneously increasing its' own growth. To increase government growth at the expense of private sector development or quality of life, violates everything for which this country was founded.

Furthermore, it is generally accepted that very little government oversight to assure government efficiency can be expected to result in honest evaluation since the oversight by itself, in itself, is a conflict of interests. Any Commission to evaluate such inefficiencies should be formed of private counterparts, from unskilled to professional positions, perhaps co-chaired by the leadership of each party, or perhaps chaired by executive staff chosen by a third party candidate who is elected governor.

It is reasonable for Hoosiers to expect a leaner government given the essential move for corporations and businesses to do the same to remain competitive and solvent. Even family budgets are required to cut spending when times are tough. We should expect no less from state

and local government.

1.B. There are government services that should be left to the competitive environment of a free market. Those services that are established to serve a few at the expense of the many should be reevaluated, and if need be, eliminated altogether. This will move government back within its' scope of placing responsibility of peoples' pursuit of life, liberty, and happiness where it should be. This will foster a more independent environment within the state and force humanitarian aid back where the need can be more closely monitored. It stands to reason that the more money people have in their pockets, the more inclined they are to give to those in need. It has been proven that most giving is done to those closest to home. Government should actively look at itself as a preserver of moving and maintaining individual responsibilities within the framework of the family. The key for families to remain strong and vibrant, and determine their economic destinies is to allow them to keep the fruits of their labor. In essence, government must believe in its' people, and with their freedom, do what is best for those closest to them. Services legislated into existence should bear the strictest criteria as determined from the spirit and intent of our Declaration of Independence and the Constitution, from which guarantees the proliferation of this characteristic in our Republic. State government needs to acknowledge that its' purpose is to create a society that needs little governing.

1.C. It has been said that government is lazy. Nothing could be more reflected of this characterization than from the other services our legislators and elected officials are privy to by virtue of their position. Some of these services are very expensive as they cater lavish trips under the auspice of training. We should overcome from such stigma and expect that any elected government office can be filled by any elected common citizen. With respect to legislators, and all elected positions, lawmaking should not be a process that the average intelligence cannot, or should not be able to fill.

Generally speaking, any staff that may be required to assist the lawmaker should not be of such nature that it requires professional services. The requirement of professional services are usually an indicator that government action is moving outside its' limits as prescribed by the Constitution and the gathering of a good-old boys club.

All government action, even that of attorney services, should reflect a simple system whereby any citizen of average intelligence can understand the reason and nature of the service. Costs and dues given to services like State International Development Organizations, National Association of State Treasurers, State Council of Governments, County Council of Governments, Public Administration Services, Governors Conference, Conference of Chief Justices, National Legislative Conferences, National Attorney General Conferences, National Association of State Budget Auditors, National Association of Assessing Officers, Federation of Tax Administrators, etc. should be stopped immediately. Entities of government that require administrations to funnel money the state should not be taken in the first place should be eliminated.

The money savings from streamlining government and moving it back into more simpler spheres of governing could be enormous.

Zero-based budgeting system

2.A. In every fiscal budget, the state takes in more money than it actually needs. Virtually every year, the amount of revenue raised by the state increases between 1% and 5% despite inflation-or not. It is assumed by officials that the cost of services will increase and therefore, justify the needed increase. Little known to Hoosiers is there is virtually millions of dollars left over every year. This abuse of taking in more than what is needed eventually leads to practices within government where it redistributes wealth from hard working citizens and given to other individual entities or, more often than not, to corporate entities, subsidizing private investing and removing the effects of a free market system from those privileged entities. Much of taxpayers dollars are used by corporations as a hedge against market fluctuations. It is imperative that our state adopt a zero-based budgeting system that only allows enough money to remain in funds used for essential government services and perhaps a slight excess to keep the accounts open.

2.B. The 2003 Comprehensive Annual Financial Report has the State of Indiana in a position of financial strength with \$11.7 billion sitting in the various coffers. This amount is the accumulation of years of excesses left over in various state funds. The balance comes from the exercise of a budget system that always takes in more than it actually spends. Once the excess is determined, statute changes the definition of the money from “revenue” to “asset,” i.e. state asset. It literally becomes the property of the State under its’ corporate charter and sits in interest-bearing accounts. This money determines the states financial strength.

However, strength should not be a concern for state government if its’ budget system is based upon a zero-based system. Notwithstanding, as the system is set up, because of budgetary shortfalls, investment vehicles, and excess spending, the State is left in a position where it has to borrow money to pay the bills-despite the millions extra it takes in every year. So, in terms of risk to banks who loan the state money, the state has to show its’ financial strength before a bank will loan it money. The CAFR money is how the banks determine the state’ bond rating when the state needs to borrow money. Herein lies the problem with not operating under a zero-based budgeting system. The state feels it has to accumulate and maintain its’ bond rating in the event a particular fund within the budget has a shortfall and it has to borrow the money to make up the difference. If the state redefines essential services and eliminates duplication, and zero-base its’ budget, there would be no need to take in more than what is needed; thereby, reducing the rate of taxes needed and leaving the money where it belongs: In the pocket of citizen who earned it. This money policy is literally a fleecing of the public, especially during a time when citizens struggle just to pay essential bills not to mention the ever looming threat of losing their property.

A zero-based system would destroy the cozy relationships between the banking, insurance, real estate, teachers union, industrial and commercial special interests (financial/industrial cartel), and our elected officials. It would bring integrity back within government and more importantly, put the money back in the free market system forcing

businesses to earn their purpose to exist, giving opportunity for others to compete. The zero-based system would thwart attempts to monopolize any particular industry or service and revive competition, resulting in affordability which increases wealth to all citizens. It would place everyone on a more even playing field in terms of business upstarts, increasing the entrepreneurial spirit. It would keep everyone honest and take the politics out of business.

2.C. Every political subdivision has a CAFR. And every one of them have excesses in their accounts for the same reasons as the state: To maintain a bond rating. State statute should require these local units to maintain a certain temporal percentage over and above the required budget amount each year until a long term economic impact can be measured; not for the maintenance of a bond rating (that is automatic). But, for actual use for shortfalls until economic impact becomes more solvent. Excesses on a local level are more acceptable due to the ease of accountability to the taxpayer. The higher the level of government, the lesser amount of excesses. This is a great way to keep money close to home, restore confidence in government, and protect essential services during downturns in the economy.

2.D. Government should not be involved in investing at all. The very notion of state investing suggests that they can justify the raising and imposing of taxes, fees, licensing, and registration of property of all sorts. Government should not own any property above and beyond what is needed to deliver essential services. If government is given the power to invest, and to even incorporate, then, we have yielded our power to determine value and ownership of property. To give government the power to invest, we have given them the power to tax without apportionment. To tax without apportionment gives them the power to take property. Giving them the power to take property robs citizens of their rights to pursue life, liberty, and happiness.

Economic impact upon the state

3.A. Back in the late 70's, Proposition 13 in the State of California called for a 60% reduction in property taxes. In the course of the next decade, their income tax and sales tax base increased tremendously because of migration of people and businesses. The value of property increased to the point of leveling out any overdoing in development. It stands to reason that if the effect of a 60% reduction of the property tax can have the positive results that took place in California, perhaps we can assume the effect would be even greater, proportionally, if we eliminated the property entirely in the State of Indiana.

3.B. According to retired Air Force Colonel Gerald Klatt of CAFRman.com, he holds that a simple economic model suggests that for every dollar given back to the taxpayer, invested into the economy, amounts to two dollars in returns. Based upon this, we can reasonably surmise the positive effect of economic activity from all homeowners who all of sudden have from \$1000 to \$10,000 extra in their pockets every year to spend and invest. Also, we can assume if the property tax elimination were to expand to businesses and corporations, how that would spur

investment and competition. Instead of moneys being funneled into state agencies, whose return for every dollar given could not possibly compare to the return in economic activity created by the money return to taxpayers, wealth would be spread in accordance to those who work the hardest for it; therefore, rewarding the market for the activity instead of proliferating and expanding government force.

In addition, it would put Hoosiers in a position to help their neighbor. Charitable organizations could expand their scope in helping the poor and destitute. The capacity of providing better means to help the poor would result in the development of programs geared toward “helping the poor help themselves.” Churches and community-based organizations would be fortified to help determine the needs of those closest to them. Dissipating the reliance of government-sponsored programs would bring out the best in people and eliminate the threat of dependence. Wealth, being more evenly distributed based upon the exercise of a free market, would reduce crime and give people hope that happiness can be attained through acquisition and ownership of property.

3.C. Perhaps the single greatest economic impact that could alleviate the cost of eliminating the property tax lies with the prospect of people and businesses moving into the state. All 50 states have some form of property tax. Indiana would be first to eliminate it. The word of this would reverberate through the United States, and businesses, especially their headquarters, would locate here.

Considering state officials’ rhetoric of making our state tax-inviting to attract business to our state, there would be no better way than the elimination of the property tax. Businesses would never again spend time and money for their executive and legal staff to go before a government council asking for tax abatement or relief. The effect may diffuse citizens pitting against the businesses moving in, knowing the businesses relief is no longer at their cost. There would be no “passing the buck” from one classification of property to another. In addition, tax incentives could not be used to pit one community against another competing for the business to locate there. This keeps the noses of local government clean and restores more decorative approaches to attract business to a community instead of tax incentives at the expense of taxpayers.

Other incentives for businesses locating here as a result of the elimination of the property tax would be unemployment rolls would decrease saving even more taxpayers dollars. Production in industry and services would increase generating profits and paychecks. Not only would businesses compete to offer the best service at the least price, they would be competing for good workers. This would result in businesses offering higher wages, spreading their wealth to workers at large. With the offering of higher wage jobs as a result of low unemployment, this would foster the propensity to become educated and skilled. In addition, it would encourage our educated and skilled to remain in the state, getting the best of returns from the expense to educate them.

Another factor of great importance is the prospect of citizens from neighboring states moving into the state because there is no property tax. Citizens from Chicago, Toledo, Cincinnati, and Louisville would move here and commute to their jobs in those cities,

respectively.

All this would result in an increased income and sales tax base rendering and adding to a possible windfall of revenue for the state.

3.D. If the property value in our state increased as a result of increased economic activity and the elimination of the property tax, it may offset the negative effects upon farming and environment. Increased value in property would eventually level off the migration effect of businesses and people. In addition, the entrepreneurial spirit that will increase in Hoosiers as well should help offset and level off any negative effects from too much migration. This would keep our state from overdevelopment and perhaps ease the negative effects of massive infrastructure changes needed to support the increased economic activity.

Determine tax increase to make up the difference

4.A. It cannot even be imagined that an increase in taxes should still be needed given the above scenario. However, as a fail-safe, the difference should be made up by a sales tax increase and then only temporal until more long-term measures are realized from a presume positive economic impact . This, coupled with temporal excesses from the local units, should serve as a hedge against recession and inflationary times.

General Summary

It cannot be said enough of the negative effects the property tax has had upon our people, the economy, the state, and the nation at large.

- It has deprived people of true ownership of their land and structures.
- It has created a tax system that rewards certain entities at the expense of others, **that**, resulting in unnecessary and uncooperative feelings between communities and classes.
- It has fostered the potential and actual abuse of government power by the legislation of laws that violate basic, fundamental, and well established maxims of Law and rights of the people; putting the courts in a position of making rulings on abstract concepts instead of well defined principles of Law.
- It has caused hundreds and thousands of people to lose their property, and in some cases, property they spent their entire lives paying for. This alone stigmatizes the state by depraving its' people. This is a gross violation of all that is good and decent.
- It has slowed and in some cases reversed the actual value in property, robbing citizens to receive the return they deserved from the hard work they put into the property.
- It has stifled real estate investors and deprived their economic capacity to maintain inner city and older neighborhoods, thereby, leaving, in many cases, the burden upon state to rectify dilapidated property at the expense to taxpayers.
- It increases the rents upon those least able to withstand the burden of payment exacerbating dependency and depriving the renter of any hope of becoming a homeowner.
- It creates a nasty sense of dependence upon government from businesses and citizens, depriving citizens and businesses of the responsibility of being independent and self-governing.
- It stifles the capacity for business to expand and thrive.
- It arbitrarily redistributes wealth from all citizens to classes of others.
- It instills a **never-ending** fear within the less fortunate property owners of losing their homes.

Indeed, it can be said that virtually nothing good ever resulted from the taxation of people's property. The notion that taxing property is justified for the "general welfare" of the people, when history has shown how it represses wealth, economy, and ownership, is appalling. The only good reason a politician can give to justify its' existence: "It is a stable form of revenue." But, for who? Government?

Another politician justifies: "How many other states have a property tax?" Well, they all do, but, if all the states imposed a 75% income tax on their citizens, does that alone give good cause for our state to do the same? And if all the states jumped into a exploding volcano, does the Hoosier state jump in too? A majority action does not necessarily constitute it as just. Notwithstanding, it appears this is a prevailing mentality in our state government today.

Regardless, the fact that all states are taxing property, as it were, is not a justification for

our state to do it as well. On the contrary, it indicates the degree of control government wields over its citizens.

On the flip side of the coin, this treatise has identified the good that can come to Hoosiers; and even perhaps the nation at large if Indiana is courageous enough to take a bold step in setting a precedent, an example, to the rest of the nation. Who says California has to be the trend setter in all things?

The good and real general welfare that can come from the elimination of the property tax is self-evident. To abolish this tax would put all things into proper perspective. Government, banks, insurance, ownership, economics, and the relationships between all these entities would reduce the negative aspects of character such as greed, envy, thievery, ambition, coveting, and coercion.

Instead, it would foster selflessness, thoughtfulness, independence, self-governing, respect, tolerance, and sacrifice. It would reduce crime at the top and the bottom of the economic scales. And lastly, it would help fulfill and bring to pass a nation envisioned by our Founding Fathers as one the most powerful, not only in terms of its' wealth and military strength; but, in terms of its' character and virtue. A character that respects the laws and principles that proliferates, preserves, and protects the liberties endowed upon us by our Creator. It exalts the very best of human potential and reflects our divine heritage as children of God.

Who could or would ever imagine that obedience to a simple concept of freeing people to own property without any encumbrance by government could foster so much good. Our Founders did. Why should not We The People of Indiana?

The Timeline To T.A.P.

“If you fail to plan, you will certainly plan to fail”

Mission Statement

Arrow Associates will endeavor to execute the following three-year plan to force the General Assembly to abolish the property tax system in the State of Indiana

On behalf of Arrow Associates, we submit this timeline of actions, putting our General Assemble on notice of our demands to eliminate the property tax. Please be advised that this timeline should be understood as a guide for Arrow Associates and adjustments may be made to compensate for unanticipated ramifications from either actions successfully executed or actions unsuccessfully completed.

October 2004*

Protest in front of the Governors Mansion (arrows) - Objective: Has not been determined, but I am going to suggest the protest be centered around a demand to create a generic resolution to abolish the property tax with the forming of three citizens commissions, **or else**. Also, to announce how we should vote on the referendum question on the ballot (arrows) that would amend Article 10 Section 1 (remember, **show** of force).

* This protest is not written in stone, however, if it takes place, there will be a real life size Teepee (TeaPee) put in the center of an open lot across from the Governors Mansion. It has been discussed to have a barbecue the whole weekend for the event and we can all pitch tents and camp out. The message could be relative to homeowners losing their property and surrendering to living in tents. Please stay tuned for any development on this. If things look good here in the next week or so, this thing could be a lot of fun while we are still sending a succinct message to our statehouse. I hope to meet with Jeff Hohreiter, the Marion County Coordinator for We The People Congress and Property Tax Action Committee Chair for Meridian/Kessler Neighborhood Association this coming week.

November/December 2004

With what numbers we have, we will barrage our legislators with a letter writing campaign (arrows), and a phone calling campaign (arrows), demanding that we want a generic resolution to

abolish property tax with a forming of three citizens commissions for each point in the economic proposal. This will be our only demand for the 2005 Long Session. It is imperative we stay focused on this one thing in order for the rest of the plan to go smoothly. If we fail getting this through, we will be either set back a year or we will be cramming into a short session next year.

January - March 2005

General Assembly, long session. It will be necessary for us to make at least a couple of major appearances at key hearings (arrows). We need from this session a generic resolution from the General Assembly with language that reflects no "ifs;" but, a "when" and "how" we will eliminate the property tax; and the forming of three citizens commissions to begin, one, streamlining state and subdivisions and identifying the duplicity and waste, two, examine the various funds on the state level (61 of them) and identify moneys that can be tapped into and how to move the state to a zero-based budgeting system or something close, and three, to study and create a timeline on the economic impact on the state based upon feedback from businesses and industry after a national announcement**of the resolution and the empirical data from states who have enacted policies that have eliminated some or all property taxes and the economic effects they have had on their states, respectively. These commissions should work to eventually provide a report by October 2005 to make recommendations for policies at the 2006 Short Session. These would be good faith efforts toward the goal. If they do not, then, we know what our demands will be for the next session and be in a more justifiable position to initiate TAP (patience..it is coming).

** The generic resolution can be used to make a nationwide public announcement to begin the process of compiling the feedback data from business and industry outside of the state to assist the one commission who will study economic impact. This will help them create a projected timeline with the feedback data and other empirical data from other states. This feedback may serve as added pressure (or assurance) to the state to expedite elimination. In addition, the announcement will also serve to put citizens from outlying cities like Chicago, Louisville, Cincinnati, and perhaps Toledo on a wait-n-see mode as they anticipate this coming to pass (perhaps some advertised "feelers" could be used to collect data from these parties). In one years time, we should be able to receive sufficient data to determine a cycle of economic impact and use proportional economic models based upon data from Proposition 13 and other similar situations to determine SWAG projections of our increased income and sales tax base. Remember, we want to do this with **no** tax increases. However, the reality of that we will not know until we have all this data. The conclusion drawn from those facts should determine if any tax increase is warranted. After the process, if it looks like a tax increase is needed to get us over a hurdle, it first, should be nominal (no more than 2%); second, it should be **sales tax only**, and third, **temporary, with language that specifically states there will be no review at all when the period has ran out.** If you noticed how they do these temporal laws, they always keep it up for review as a way of keeping it around. **The language must be definitive that ends it, period. NO reviews!**

March 2005 - December 2005

We will evaluate the effect we had upon the General Assembly and plan out the rest of the year accordingly while we still maintain the statewide petition drive. This will be an off year in terms of state elections so we should spend an exerted effort to get signatures and have 300,000+ by the end of the year.

I will probably need to form a small temporary committee to help me identify friendlies in the statehouse and to arrange an agenda with them for the 2006 General Assembly.

I believe we should have a pig roast in the fall and celebrate all our hard work. All work and no play diminishes courage to fight another day. I will coordinate the pig roast as some of my best friends are Tongans and they are the best in the business. Besides, there are several faces on this list I have never seen. I would like to lure them over with food so I can finally put a face to their names. ;^)

OK. The "or else" (TAP initiative) part of the plan. First, the content of these actions will not be revealed in public in neither print, by podium, nor by pulpit until the end of 2005. This part of the plan actually has two parts: Threat (arrows) And Promise (arrows) (TAP)*. And there will be two TAPs we will make simultaneously. In other words, two threats and two promises. (Please be mindful that these actions are by no means violent, but, they are aggressive).**

***** There is an organization which has been talking to the Action Committee of the Miller Citizens Corp. (MCC) around my concept of TAP. I may consider to rely upon them to help us initiate this part of the plan while we give them the momentum they need to fulfill their mission as a tradeoff. For those on this list in Lake County who understand what I saying between the lines, please, please, keep it under raps until we have had the chance to meet and talk in person. Thank you.**

It is imperative that we approach the 2006 short session with specific actions and the substance to back it up. While I will not reveal the content of TAPs yet, the substance to back it up will be the statewide petition and all those who participate. This is why we **must be 300,000 strong** by the end of 2005. The two-threats part of TAP will be made to the General Assembly at the end of 2005. The threat will be initiated in the form of a letter writing campaign (arrows), followed by a phone calling campaign (arrows), then, a massive protest at the Statehouse (arrows). The statehouse protest will be the very first day of session in 2006.

January - February 2006

The protest will reflect demands we asserted in the previous end-of-year threats. The use of TAP for leverage (arrows) and the petition (arrows) will back the protest up as we go into the Short Session of 2006 with specific demands as to what we want accomplished toward abolition of the property tax by the end of this session. Naturally, by fall 2005, we will inform those

legislators on our side what specific resolutions and bills we want on their plate so they can use the legislative services department to have a place-setting by session time.

Once the short session is over, we will evaluate our effectiveness and determine if we will carry out the two "promises" part of the TAP plan. If we do, this will require the most courage of all those who are on board with us to the end. And if they are, the effect will be tremendous and set the stage for the 2007 Long Session.

February - December 2006

Assuming the short session yielded no satisfaction to our demands (it stands to reason that some concessions will have been made however), we will proceed with the "Promise" part of TAP starting in March. We will spend the rest of the year still gathering signatures for the statewide petition and making our case to the public to join with us in the TAP part of the plan. By doing so, the promise may begin to effect the state financial condition and the up and coming elections...hint hint. We will use the election to put the final nail in one of the "promises." Between the election and the start of the Long session 2007, another letter writing campaign (arrows), another phone calling campaign (arrows) followed by another protest on the first day of session.

January - March 2007

This session will be the session we seal the deal. This is the session where we will need a marked and impressive lobby. We should be able to completely out number the bank, insurance, teachers union, Indiana Bar Association, and any other lobbyist group down there. By then, we should dominate the media; especially by what we do in the 2006 election. It will be necessary to establish lobbying teams of 50 to 100 to attend targeted hearings and sessions. Personally, I would like to see our numbers for each targeted gathering out-number the total number of lobbyists on a busy day; which to my guesstimation would be around 100. This will call for some sacrifice for all who participate. It would be wise to save some personal days, vacation days, or even sick days from work, to work the statehouse during this Long Session. This gives us over two years to plan for this Long Session.

By the end of this General Assembly, we should have a full commitment to abolish the property tax (though not implemented), all the data from the various commissions to spring a plan into transition, and a formidable voting block to help the Legislature bring this to pass. From this point, I could not tell you what the transition time frame would be. We can only hope, based on data received from a national announcement and proven effects from other states, that the more positive the data, the less time in transition. If the moneys located in the various state level accounts can be legally harnessed, this would buy ourselves 1.5 years into funding the locals while the excesses at the local units can be used as a hedge for potential shortages. If the data brings a timing factor into play, especially if more time is needed, this may warrant a **temporary sales tax increase (2% = \$1.5 billion)** to buy the legislature time for more effect to come into play.

C.L.E.A.R. from the T.O.P.

(Comprehensive Lawful Elimination And Remedy from the Taxation Of Property)

Petition Instructions

1. The format and wording on the Signature Page **must not deviate from the master copy.**
2. All signatures must be of voting age (18 yrs.). However, it is not necessary that signatories be registered to vote. (Getting people registered to vote while executing any organized petition drive is encouraged)
3. All signatories must be of sound mind.
4. All information asked upon the Signature Page **must** be filled in-with exception of the phone number. However, please encourage signatories to enter their phone numbers in the event we may need to call for a verification as to avoid their signature being deleted.
5. All signatures must be independent of each other. Spouses cannot sign for each other and no signatory can sign for anyone.
6. Signatories do **not** have to be property owners. Renters and Students may sign as well as the property tax effects their rents. (Remember, **anyone** 18 yrs. or older may sign the the petition.
7. It is not necessary for signatories to read the petition, however, it should be encouraged. (Please note the Introduction Statement to be read with each prospective signatory at the bottom of this page-reading the Intro Statement is not required)
8. A copy of the petition must accompany a signature page.
9. The petition drive will cover a period of two years. However, the more signatures we receive as soon as possible will serve to better substantiate our resolve in each stage of **The Timeline To TAP** plan. Please send in all signature pages as soon as possible as to expedite substantiation and avoid possible loss. Please send all signature pages to: Jeffery J. Cole, 1004 Main Street, Elwood, Indiana 46036.
10. All signatory information is **strictly confidential.**
11. Please respect people's free agency and avoid any disputations. Do not attempt to knock on doors posted "No Solicitors." Please be professional.
12. Obey all laws and community ordinances.
13. Any children under the age of 18 yrs. who help on organized drives **must be accompanied by an adult.**

Introductory Statement

Hello, my name is _____ and I represent a petition drive on behalf of Arrow Associates in an endeavor to eliminate the property tax in the State of Indiana. We believe the property tax threatens home ownership and amounts to paying the government rent to live on our property. Would you be interested in supporting our cause by signing our petition?



A Petition Based from the Treatise

C.L.E.A.R. from the T.O.P.

(Comprehensive Lawful Elimination And Remedy from the Taxation Of Property)

Preamble

As a matter of conscience, Arrow Associates of the State of Indiana do hereby declare to our servant government this Petition. In the Spirit of Demand as self-evident in our Declaration of Independence; and by Law as prescribed in the United States Constitution and enumerated in the Bill of Rights; and by virtue of wholesome prescriptions in the Indiana State Constitution; we charge with this petition in the form of grievance the inherent evil of the property tax and demand redress on the basis of principle, fact, and Law, to totally and eternally eliminate all direct taxation, duty, or imposition upon all private property, both real and personal, in the State of Indiana.

Petition for Redress of Grievances

By virtue of the outlook expounded in the **C.L.E.A.R. from the T.O.P** treatise, this grievance comes as a matter of principle with respect to our nation's earliest founding document: The Declaration of Independence; and a matter of Law as prescribed by our Constitution. It is in the Spirit and Intent as evident by its' Authors that the following grievance and remedy will be built upon the premise from which this document asserts: That Rights are endowed by our Creator; and by virtue of this endowment, are Inalienable. By virtue of this endowment, the government has no jurisdiction to impose upon these Rights as enumerated in the Bill of Rights. As such, these Rights cannot be infringed upon in any way, especially, as it appertains to supplanting or enforcement of Law. Any law which infringes upon these Rights are repugnant, not only to our nations' Declaration of Independence, but, the very Constitution from which protection is guaranteed.

Whereas, in the State of Indiana, we have determined the property tax system is in direct violation of one of the staples guaranteed by the US Constitution: The right to own property.

Whereas, we have concluded that Article 10 Section 1 is unattainable in its' implementation and unsound in its' effect, as it violates or is in conflict with other "wholesome" laws in the Indiana State Constitution.

Whereas, the property tax system forces owners into a contract with the State which deprives citizens of true ownership of property because of the eternal nature of the tax. The nature of the property tax continually obligates the owner to be subject to the contract with virtually no recourse for relief or permanent remedy. Hence, obligation, with the hopes of ownership, are never achieved. This is a violation of both, procedural and substantive due process.

Whereas, the citizens of the State of Indiana are subject to a property tax system which is confiscatory in it's result. Even after an owner has fulfilled any purchasing agreement, the threat of losing his property ever looms because of taxation. When citizens are unable to withstand the burden of liability imposed upon them by the State with little or no recourse, we are compelled to force the state to redress the grievance. No law abiding citizen in this state should ever have to give up their property because of forced heavy taxation.

Whereas, the property tax system deprives the owner to determine the value of his property. Tax assessment virtually gives all control of value to the state resulting in the risk of devaluation of property due to reassessment. With state control over value, the property tax system limits the owner to contract private property in a free market.

Whereas, the property tax system infringes upon the right of citizens to acquire real property under the auspice of a free market value system, hindering the seller as a prospect of acquisition solely for the reason of taxation.

Whereas, the State and the property tax system treats home ownership as if all property belongs to the state and homeowners as shareholders under the state's corporate charter; and the acquisition and ownership of private property as a corporate transaction and the actual property as income-generating. Article 10 Section 1 was amended to the Indiana Constitution under the intent that corporations were not paying any share of the burden-as most burden at the time fell upon the farmer; which, in most cases (not all homesteading farms were income-generating), were income-generating property. As a matter of fact, in the delegation debates of 1851, were homesteads even mentioned with respect to anything relating to non-income generating property. Furthermore, there is no mention at all that private homestead property falls under the jurisdiction of "all property" in Article 10 Section 1 as none of the possibilities of exemption relates to non-income-generating property.

To wit: Article 10 Section 1 may have been created with no intent to tax homesteads or non-income-generating property. Moreover, it may stand to reason that the only way the state can create a "uniform and equal rate of property assessment and taxation" is on an income-generating basis. For over 130 years, our property tax system evolved into what is commonly called the "True Tax" system. The basis for methodology to determine liability was "use." Indeed, "value" was determined by "use." "Use" is synonymous with the income the property was capable of generating above and beyond the necessities of sustenance. This methodology compounds the assertion that original intent to amend Article 10 Section 1 to the Indiana Constitution was to tax income-generating farms, businesses, and corporations. Therefore, taxing any kind of property that does not generate income above and beyond sustenance is unconstitutional.

Whereas, Article 10 Section 1 calls for a “...uniform and equal rate of property assessment and taxation...” on real and personal property. We believe it is virtually impossible, in terms of using “market” value as a basis, to comply with such a system primarily due to the unique qualities of private property. As a matter of fact, it is self-evident that private property is as unique to other properties as its’ owner is to other people. Our states’ history has shown the variables in property that determine value are incalculable, hence, the present day debacle which obviously shows no more remedy of the situation as it did when the Supreme Court ruled the “True Tax” system unconstitutional. Therefore, if remedy cannot be found over a 130 year period, it stands to reason that value should truly be determined only by its’ owner and not by the state. The very nature in the uniqueness of property restricts the state from doing what it is required to achieve or comply under Article 10 Section 1. To create a “uniform and equal rate of property assessment and taxation,” the system would be required to classify private property; an action from which can only lead to disjointed and unequal methods of determining value by virtue of the variables that constitute its’ uniqueness. Once the State begins to determine value by classification, it cannot help but move away from the very condition (uniform and equal) that Article 10 Section 1 mandates. Methodology eventually becomes abstract and results arbitrary if the state alone is to determine what variables are used to classify the value of private property and what variables are left out. Unless all factors of value are used, it always leaves us to question if the basis for assessment is true or “just” value. To surmise: Not only is it impossible to implement a “uniform and equal rate of property assessment and taxation” without classifying property, it is impossible, in terms of “market” value (as opposed to “use”) to classify private property for the purpose of taxation because of the unique qualities in each property. Indeed, given the right of the owner to determine their own value, it is not even practical for the state to devise a tax system which finds itself incapable of complimenting all the unique qualities that comes with the right to own property.

Therefore, Arrow Associates, and all the undersigned, on behalf of the citizens in the State of Indiana, demands that we eliminate the property tax system in our state and reexamine the whole budgetary process and resolve to pay for the services by some other means. To that end, we have formulated a plan for which we can pay for services and still compliment our citizens’ right to truly own property without the encumbrance of government. We believe we can eliminate the property tax by simplifying government services at all levels, by a zero-based budgeting policy, and the positive economic impact by virtue of elimination.

