

Taxpayers' Evidence

Over 200 individual taxpayers wrote to or communicated with the Department to voice concerns about the 2023 Land Order, almost exclusively expressing fear that property tax bills would increase at the same level as increases within the land order. Some cited percentage increases of 350% or higher. Many of these messages were written by residents of Miller Beach, who identified themselves from this area and often provided specific street addresses. Residents wrote personal stories that cited older age, fixed incomes, and difficult circumstances that they said would make payment of exponentially higher tax bills impossible. One taxpayer submitted tables with a list of sales that he believed should demonstrate that the land order values were too high. Assessment staff carefully analyzed these sales and found them within range. These will be discussed below. General categories of concerns communicated through emailed messages or testimony from the public hearing are discussed below. Written communications received by the Department are listed as Taxpayer exhibits.

Many taxpayers wrote and expressed that local services were lacking, such as crime control, local street repair, and other services supported by local tax dollars. They contended that land order values should not increase because services are not sufficient to warrant increased land values. The Department has no authority to weigh in, change, or dictate local services and decisions, including property tax increases or decreases, that would impact those services. This topic is outside of the Department's authority.

Individual Personal Circumstances:

Similarly, the Department has no authority to base its review or decision on the individual, personal circumstances described by many taxpayers. To the best of its ability, the Department attempted to respond and provide information and guidance about how property tax bills are calculated and about possible deductions individual taxpayers could seek or consider applying for if they qualify.

Air B & B's, Short-term Rentals & Investment Properties:

Many Miller Beach residents either wrote to the Department via email or testified at the October 10, 2023 hearing to express concern that purchases of property by investors, including short-term rental property investors, were driving property values up. They expressed concern that these investment properties may change the character of Miller Beach. Many residents stated they had lived there for decades and would be forced to sell with increased property values that might lead to higher property taxes. Some residents in Miller Beach expressed concern that there are no shops or cafes to help shoulder tax burdens and that therefore residential homeowners carried the weight of property taxes. The Department has no legal authority to make changes to the 2023 Land Order based upon these concerns and contentions as put forth by taxpayers.

Table of Sales Data:

Taxpayer George Rogge submitted three tables with labeled exhibit titles as noted below, and each contained sales data with specific addresses. He contended that the sales did not support the land order values in those areas. The Department analyzed the sales data carefully. The information and contentions Mr. Rogge provided constituted some of the most probative evidence of any provided to the Department for its statistical review. Department assessment staff made the following determinations about the tables.

Exhibit 1 – Neighborhood Code 2500 – Vacant Land – Sales 2021-2022

In analyzing the sales and conducting a random spot check of five of the parcels listed on this exhibit, the Department reviewed the sales information from Lake County. The County had marked four of the sales as “Not Valid”. Sales may be marked as invalid for trending if they lack arms-length negotiations, if there was a lack of exposure to the market, or for other similar reasons. The other sale was marked valid and was included in the county land order worksheet for neighborhood,2500. As a note, the 2023 ratio study review indicated that there were nine sales used in the Residential Improved class and three sales in the Residential Vacant class.

Exhibit 2 – Neighborhood Code 2513 – Vacant Land – Sales 2021-2022

After a review of six of the parcels listed on this exhibit and comparing them to the sales information from the Lake County website, the Department found that the County had marked five of the sales as “Not Valid”. Thus, they could not be used to determine land values.

Exhibit 3 – 3% Property Tax Cap (All Other Property) – Year-Over-Year Tax Increase - Vacant Land

This table focused on neighborhoods 2500 and 2513 in Miller Beach. In reviewing the land order, the County used 12 sales in the land development for neighborhood 2500. The County used 37 sales in the land base rate development for neighborhood 2513. In both cases, adequate numbers of sales were used to develop a land order. Additionally, in the 2023 ratio study, 32 sales were used in the Residential Improved class and seven sales in the Residential Vacant class. A spot check of three parcels revealed that each was vacant land.

In sum, Department assessment analysts found that the information in the tables did not prove that any aspect of the 2023 Land Order was invalid or incorrect.

Miller Beach.

The Department's assessment staff further analyzed the 2021 and 2022 sales in each neighborhood in this area of Calumet Township. The Department reviewed these sales, cross-checking and verifying them against property record cards from 2023. Department field assessment representatives also reviewed specific sale dates including month, day, and year.

The Department further analyzed all Miller Beach neighborhoods to ensure that the land order met standards consistent with market value-in-use. Ratio studies, submitted each year by all county assessors, ensures that property assessments are uniform and equal, for all property classes in a township. The Department reviews these each year for every township. It reviewed the ratio measures again for this review of the 2023 Land Order and applied a ratio study analysis at an even closer level, based on the neighborhoods in Miller Beach, which ultimately measures how close the assessed values are to market-value-in-use. The Department found that all the Miller Beach neighborhoods met the ratio study parameters as described below.

- Median Sales: Between 0.90 and 1.10
- Coefficient of Dispersion: Must be between 5.0% and 15% for Residential Improved Classes. The Lake County Land Order met this requirement. This must fall between 5.0% and 20% for other classes of property
- PRDs: (Price related differential) These must be between 0.98 and 1.03 for all classes of property. The Lake County Land Order met this measurement requirement.

Final Determination

The Department carefully reviewed and considered all written testimony submitted to the Department and testimony from the October 10, 2023 hearing as provided by taxpayers. The Department also analyzed all data the Lake County Assessor submitted to support the 2023 Land Order. The Department finds that the taxpayers submitted no probative evidence to support any of their claims that the Department should deny or change the 2023 Land Order. The Department finds that all aspects of the 2023 Land Order comply with legal requirements and assessment standards both in Indiana Code and in the Indiana Administrative Code. The Department orders no change to the 2023 Lake County Land Order.

STATE OF INDIANA
DEPARTMENT OF LOCAL GOVERNMENT FINANCE

Dated this 28th day February, 2025.



Jason Cockerill, Commissioner