

1) If this is not an additional tax, why could my CSCD assessment increase?

Answer) Currently, the costs associated with maintaining the District and funding the District's budget are collected by the Brown County Treasurer based upon the assessed value of a specific parcel. A parcel that was assessed at a higher value than another parcel would pay more of the cost of maintaining the District. The proposed change would spread the cost of maintaining the District's works of improvement equally among each of the freeholds located within the District.

2) What does the covenant say in regard to how this assessment can be collected?

Answer) The covenants are silent in regard to how the assessment is collected. In reading paragraph Nine (9) of the covenants a conclusion can be made that the assessments were to be made uniformly. The authority for the collection and determination of assessment within Indiana Conservancy Districts is granted by Indiana Code Title 14 Article 33, not under the authority of the covenants. A list of Frequently Asked Questions concerning Indiana Conservancy Districts can be found at <http://www.state.in.us/dnr/water/files/wa-IndianaConservancyDistrictsFAQ.pdf>

3) What is Ad Valorem versus Equal Assessment?

Answer) The phrase Ad Valorem comes from the Latin "according to value" which means a number (the budget) is divided among parcels as a ratio of the value of one parcel versus the value of the total of all parcels. Equal Assessment is a number divided equally by the total parcels in the particular population.

4) How was the \$972 assessment calculated?

Answer) The \$972 is an estimate that cannot be increased but can be decreased. The number was calculated using the costs that were associated with maintaining and operating the District's works of improvement, which are the roads, security, lakes and nature and recreation areas. This number was divided by the number of freeholds within the District to determine the amount of assessment imposed against each freehold.

CSCD Staff has since determined that the number provided to the Board was the number of lots that were mailed the \$24 road assessment. This may not be the correct number of freeholds; CSCD Staff are working on the correct number of freeholds.

5) What is a freehold?

Answer) A freehold is a parcel of real estate located within the District which can only be conveyed as an entire parcel. Most of the real estate within the District is composed of lots that were platted by the developer. The recorded plat shows the location and dimension of the lots. The plat contains a restriction that the lots may not be further subdivided. As such, each lot constitutes one freehold.

6) If I own two lots, which are adjacent to each other, am I considered to own two freeholds?

Answer) Yes; unless the lots have been “married”.

7) What does it mean to marry lots?

Answer) Each platted lot is considered one freehold for assessment purposes; however, multiple lots that are contiguous (next to each other) may be married and, if married, will be considered one freehold. Marrying lots to create one freehold for assessment purposes is not the same as “administratively combining” lots for Brown County tax purposes. Marrying multiple lots to create one freehold requires, in most cases, restrictions being placed upon the deeds to the lots. If a freeholder is considering marrying lots, the freeholder should consult with an attorney. Freeholders are strongly discouraged from attempting to marry lots without the advice of counsel.

8) If the taxes have been collected by Ad Valorem for so long, why change now?

Answer) The proposed change of funding the costs of maintaining and operating the District’s works of improvement is long overdue. Currently, the variation of assessed value of freeholds within the District ranges from an approximate low of \$3,500 to an approximate high of \$1,012,100, which then results in one freeholder paying a \$14.10 annual assessment while another is paying a \$4,076.74 annual assessment to pay for the cost of maintenance and operation of the works of improvement of the District. The District cannot present any reasonable justification for this disparity.

9) If adopted, when will the change be implemented?

Answer) If adopted, the change will be implemented for the approved levy for the 2021 budget which will be assessed to each freehold as of 1-1-21 and paid in May and November of 2021. This should allow freeholders time to “marry” their multiple lots, if they desire, before January 1, 2021.

10) If I have an unbuildable, offshore lot, why should I be required to pay the same for maintenance and operation of the District's works of improvement as someone with a million-dollar home on the water?

Answer) The assessment is used to fund the costs of maintenance and operation of the District's works of improvement. All freeholders within the Conservancy District possess an equal right to the use and enjoyment of the District's works of improvement. Ability and convenience to enjoy the various works of improvement is an entirely subjective matter which cannot be quantified. For example, a freeholder may have little interest in utilizing the lakes but has a great deal of interest in hiking and observing nature. Should that freeholder be assessed more if the freehold is located next to a trailhead or near one of the Conservancy District's nature preserves? A freeholder may not particularly care to utilize the lake but enjoys going to the beach frequently. Should that freeholder be assessed more if their freehold is located adjacent to the beach area? A freeholder may live on the outskirts of the Conservancy District and seldom utilize the District roads. Should that freeholder be assessed less than a freeholder that lives in the center of the District and utilizes the District's roads frequently? A freeholder may own an unbuildable offshore lot for the sole purpose of utilizing the lakes and, in fact, does utilize the lakes much more frequently than other freeholders. Should that freeholder be required to pay more? To base assessments upon a subjective determination of a freeholder's ability to utilize and enjoy the District's various works of improvement based upon the location of the freehold or the freeholder's perceived frequency of use of the works of improvement would be arbitrary and inconsistent with the fact that all freeholders possess an equal right to use and enjoy the District's works of improvement even though arguments could be made that some freeholders might possess a greater opportunity to exercise their rights based upon the location of their freehold and their recreational interests or transportation requirements.