

# Let's bring government into this century

In the early 1970s, employees at Xerox Corp. developed a breakthrough version of the desktop personal computer called the Xerox Alto. The innovation was quickly shelved by the company—everyone knew there was no market for a personal computer! It was later licensed to Steve Jobs along with a few other “orphan technologies” for \$1 million in stock in his young company, Apple.

The rest, as they say, is history. Xerox is still a solid company, valued at \$17 billion. Of course, Apple has grown into a global leader worth more than \$110 billion.

In the business world, getting stuck in old ways of thinking means missed opportunities. And while government can never truly be run like a business, Indiana faces a similar crossroads as we debate local government reform: Will we keep plodding along with a system of government designed more than 150 years ago, or will we embrace change? Will we be Xerox or Apple?

Indiana's system of local government was created in 1851. The state's population hovered just under 1 million, most travel was by horseback, and the completion of the first transcontinental railroad was still nearly 20 years away. Townships brought government close to the people.

Times have changed, but the system hasn't. Today, Hoosier taxpayers support



## VIEWPOINT

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more than 3,000 units of local government and 10,000 elected officials. We rank 10th among states in number of local governments—an unenviable top 10 ranking. But the status quo was deeply entrenched—and then came last year's property tax crisis, which opened everyone's eyes to a few simple facts:

Property taxes are pushed higher by local government spending. And in Indiana, local government has seen explosive growth. From 1984 to 2005, local spending has risen at twice the rate of inflation; township spending has more than tripled during that time. On June 2, *IBJ's* Norm Heikens reported that local government employment continues to grow despite the sluggish economy, as it “keep(s) adding workers as if nothing has changed.”

While township government is close to the people, by and large proximity has not equaled performance. In township assessors' offices, lack of uniform assessments added to the property tax mess, forcing the governor to order wholesale reassessment here and in counties across the state, and leading the Marion County assessor to take over Center Township assessment altogether. The Center Township Trustee's Office has held a budget surplus of more than \$7 million and a portfolio of underdeveloped properties worth another \$10 million, helping keep property taxes high.

Clearly, it's time to fix local government, to reform a 19th-century system to meet 21st-century demands. Last summer, the governor empowered a blue-ribbon committee of Hoosiers led by former Gov. Joe Kernan and Indiana Supreme Court

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Chief Justice Randall Shepard to study ways to streamline local government. This Local Government Efficiency Commission called for eliminating township government, merging its duties into county government for more professional and equitable service. It also recommended streamlining many county offices, with a single county executive, and moving school board and municipal elections to the even year to cut costs and improve accountability.

This fall, most voters in Marion County will have the opportunity to vote to merge the duties of their township assessors into the county assessor's office. In 2009, the General Assembly can take up the rest of the Kernan-Shepard Commission's recommendations. Let's seize both opportunities.

Resistance to change is usually fatal to innovation and progress. To control spending and ensure a competitive tax climate for the long term, local government reform is a must. Embracing the status quo means embracing a future of higher taxes and inconsistent service—the time for change is now. •

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