

**Dearborn County, Indiana**  
**2007 Pay 2008 Budget Order**

An analysis of the data with the 2007 Pay 2008 Budget Order for Dearborn County shows that the budgets, levies and tax rates to be approved are in compliance with Indiana statutes.

Dearborn County has one cross-county unit, Sunman-Dearborn School Corporation, which crosses into Ripley County. Dearborn is the major county for Sunman-Dearborn Schools.

Dearborn County has no conservancy districts.

**Changes in Local Tax Levies**

Tax levy increases are made up of routine increases in controlled levies, increases in tax rate controlled levies and debt service levies. Controlled levies increase based on an annual growth factor or excess levy appeals. Tax rate controlled levies increase based on increases in assessed value applied to a specific tax rate (tax rates are adjusted downward to eliminate the effect of reassessment or trending).

The total net increase in tax levy for Pay 2008 on a county-wide basis was approximately \$2.6 million or 4.36%. Following are the levy changes that were greater than \$1 million or a 10% change over the previous year levy. The largest total dollar increase in levy was due to the South Dearborn Community School Corporation (\$1,813,648) and the County unit (\$2,254,419).

Dearborn County

<u>Fund</u>	<u>Pay 2007 Certified Levy</u>	<u>Pay 2008 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
General	\$4,454,810	\$4,415,814	-\$38,996	-0.88%
Health	603,053	474,914	-128,139	-21.25%
Children's Psychiatric Res Treatment	-0-	572,256	572,256	-%

Dearborn County Welfare

<u>Fund</u>	<u>Pay 2007 Certified Levy</u>	<u>Pay 2008 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
Welfare - Family and Children	\$1,625,742	\$3,280,150	\$1,654,408	101.76%

Total County levy increased by \$2,254,419 or 21.91%. Existing cash balances used in Welfare and Children's Psych Treatment for 2007, but the levies were increased for 2008.

Lawrenceburg Civil City

<u>Fund</u>	<u>Pay 2007 Certified Levy</u>	<u>Pay 2008 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
General	\$3,241,952	\$3,906,216	\$664,264	20.49%
Police Pension	101,914	132,195	30,281	29.71%
Motor Vehicle Highway	550,884	715,084	164,200	29.81%

Total City levy increased \$892,661 or 20.01%.

Sunman-Dearborn Community School Corporation

<u>Fund</u>	<u>Pay 2007 Certified Levy</u>	<u>Pay 2008 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
School Pension Debt	\$934,836	\$829,508	-\$105,328	-11.27%
Capital Projects	2,523,453	1,723,573	-799,880	-31.70%
Bus Replacement	401,678	649,233	247,555	61.63%

Total School levy decrease of \$1,647,994 or 9.21%.

South Dearborn Community School Corporation

<u>Fund</u>	<u>Pay 2007 Certified Levy</u>	<u>Pay 2008 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
General	\$4,806,928	\$3,933,944	-\$152,984	-3.74%
Debt Service	2,806,633	3,743,662	937,029	33.39%
Capital Projects	335,315	1,471,219	1,135,904	338.76%
Bus Replacement	175,641	-0-	-175,641	-100.00%

Total School levy increase of \$1,813,648 or 20.05%. In 2007, CPF cash balance was spent down, so in 2008, CPF levy increased to cover CPF planned expenses. Levy increase for debt service mainly due to increase in operating balance to protect against late tax distributions in 2009.

Lawrenceburg Public Library

<u>Fund</u>	<u>Pay 2007 Certified Levy</u>	<u>Pay 2008 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
General	\$796,663	\$852,759	\$56,096	7.04%
Payment and Interest	349,053	519,650	170,597	48.87%
Capital Projects	199,166	151,009	-48,157	-24.18%

Total Library levy increase of \$178,536 or 13.28%.

No units in the County exceeded the working maximum levy. All units in the County levied up to or near their working maximum levy.

No units in the County exceeded the normal statutory growth rate for controlled fund levies.

**Changes in Real Property Gross Assessed Values**

Real Property Gross Assessed Values increases by property class are as follows.

<u>Class</u>	<u>% Increase</u>
Agriculture	6.50%
Industrial	-2.36%
Commercial	-5.57%
Residential	3.59%
Exempt	11.92%
Utility	-5.78%

Changes in the proportion of Gross Assessed Value by Class can create a burden shift from one class to another. The proportion (mix) of values of real property by class (this can represent the relative tax burden by class, except that it does not include the impact of deductions or credits).

<u>Class</u>	<u>2007 Ratio</u>	<u>2008 Ratio</u>
Agriculture	14.95%	15.49%
Industrial	2.60%	2.47%
Commercial	13.57%	12.47%
Residential	66.37%	66.91%
Exempt	2.04%	2.23%
Utility	0.47%	0.43%

As can be seen from the analysis, a shift from industrial, utility, and commercial property to agricultural, residential, and exempt property occurred. This shift was approximately 1.28%.

### Change in Net Tax Rates

Changes in net tax rate by district were as follows.

<u>District</u>	<u>Change in NAV</u>	<u>Change in Levy</u>	<u>Change in Gross Tax Rate</u>	<u>Change in Business Personal Property Net Tax Rate</u>	<u>Change in Estate and Other Personal Property Net Tax Rate</u>	<u>Change in Homestead Net Tax Rate</u>
CAESAR CREEK TOWNSHIP	8.54%	25.41%	15.54%	21.74%	24.78%	17.02%
CENTER TOWNSHIP	-0.69%	15.15%	15.95%	22.40%	25.39%	17.84%
AURORA CITY-CENTER TOWNSHIP	-5.17%	5.71%	11.47%	15.36%	18.71%	8.52%
CLAY TOWNSHIP	4.54%	20.63%	15.39%	21.56%	24.57%	16.92%
DILLSBORO TOWN HARRISON TOWNSHIP	3.95%	16.11%	11.70%	16.15%	19.54%	10.61%
WEST HARRISON TOWN	-1.67%	-6.36%	-4.76%	-2.74%	-2.86%	-11.78%
HOGAN TOWNSHIP	-1.86%	-6.12%	-4.34%	-2.75%	-2.26%	-13.65%
JACKSON TOWNSHIP	7.67%	24.23%	15.38%	21.55%	24.61%	16.88%
KELSO TOWNSHIP	1.20%	-3.57%	-4.71%	-2.67%	-2.79%	-11.66%
ST. LEON TOWN LAWRENCEBURG TOWNSHIP	-3.71%	-8.29%	-4.76%	-2.72%	-2.86%	-11.72%
LAWRENCEBURG CITY-A	-5.84%	-10.31%	-4.75%	-2.70%	-2.86%	-11.69%
AURORA CITY-LAWRENCEBURG TOWNS	2.97%	-8.75%	-11.39%	-10.45%	-11.17%	-24.10%
GREENDALE TOWN-A	52.44%	35.66%	-11.01%	-10.37%	-9.90%	-25.21%
LOAGAN TOWNSHIP	-1.85%	-10.78%	-9.10%	-7.87%	-7.87%	-22.87%
	-1.59%	-11.33%	-9.90%	-8.93%	-8.74%	-23.80%
	3.61%	-1.56%	-4.98%	-3.00%	-3.09%	-11.95%

MANCHESTER TOWNSHIP	-1.69%	13.48%	15.43%	21.58%	24.45%	17.08%
MILLER TOWNSHIP	1.31%	-3.60%	-4.85%	-2.82%	-2.95%	-11.81%
SPARTA TOWNSHIP	1.81%	17.71%	15.62%	21.92%	24.84%	17.43%
MOORES HILL TOWN	-1.67%	9.97%	11.84%	16.71%	20.12%	12.16%
WASHINGTON TOWNSHIP	4.36%	20.75%	15.71%	22.03%	25.01%	17.43%
YORK TOWNSHIP	11.46%	6.00%	-4.90%	-2.91%	-3.00%	-11.95%
GREENDALE TOWN-B	7.06%	-3.54%	-9.90%	-8.93%	-8.74%	-23.80%
LAWRENCEBURG CITY-B	-2.31%	-13.06%	-11.01%	-10.37%	-9.90%	-25.21%
Average	6.14%	4.36%	0.63%	3.63%	4.91%	-5.39%

Downward pressure on tax rates came from increases in Assessed Value due to trending and the increased Homestead Credit rate.

Upward pressure on tax rates came from increases in tax levies especially from debt, which doesn't benefit from PTRC and HSC.

The estimated reduction in net homestead tax bills for Dearborn County is 25.74%.

### Assessment Status

The DLGF has prepared an analysis of assessed valuation change by property class based on a review of parcel data. The results of this analysis are summarized in the table below:

Property Class	Percent of Parcels with Identified Assessed Valuation Change					
	<u>Decrease</u>	<u>No Change</u>	<u>0 - 10% Increase</u>	<u>10 - 30% Increase</u>	<u>30 - 100% Increase</u>	<u>More Than Doubled</u>
Commercial	13.8%	71.2%	5.2%	5.2%	3.6%	1.0%
Industrial	13.8%	62.1%	3.4%	13.8%	3.4%	3.4%
Residential	34.8%	18.5%	22.6%	19.3%	3.7%	1.1%
Overall	30.9%	17.8%	20.0%	23.1%	7.2%	1.0%

### TIF Neutralization Worksheets

The County has several Tax Increment Areas. A Tax Increment Financing (TIF) Neutralization Worksheet must be completed for each TIF District in order to calculate tax increment generated by real property growth rather than increases in assessed valuation due to reassessment or trending. The TIF Neutralization Worksheets were reviewed for both numerical accuracy and for logical analysis and completeness.