

Jasper County, Indiana
2006 Pay 2007 Budget Order

An analysis of the data with the 2006 Pay 2007 Budget Order for Jasper County shows that the budgets, levies and tax rates to be approved are in compliance with Indiana statutes.

Jasper County has three cross-county units: West Central Schools, Tri-County Schools, and Northwest Indiana Solid Waste District. Northwest Indiana Solid Waste Management crosses county lines with Newton, Benton, Pulaski, White, and Carroll Counties. It historically doesn't have a tax rate in Jasper County and is, therefore, excluded from this analysis. Tri-County School Corporation crosses into Jasper and Benton Counties from White County, which is the major county for the School Corporation. West Central School Corporation crosses county lines with Pulaski County, which is the major county for the school corporation.

Jasper County includes one Conservancy District (Iroquois Conservancy District). A Conservancy District is a special taxing district created to provide flood control, irrigation, potable water or wastewater service within a specified area. The cost of providing these services are charged to landowners in the form of a special assessment based on the benefit provided. These special assessments are added to the property tax bill of each landowner and collected along with property taxes. Since the benefit derived may not relate to the assessed value of the property, these assessments are normally expressed in terms of dollars of assessment and not as a tax rate per \$100 of net assessed value. Therefore, the Conservancy District special assessment has not been included in this analysis.

According to DLGF staff, real property data are in compliance with departmental and statutory requirements, however, sales data are not in compliance. Auditor data will not be available until after certification. Jasper County has been released from reassessment for pay 2007.

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 2007 on a county-wide basis was approximately \$2,926,093, or 8.11%. Approximately 99% of this increase comes from the Jasper County taxing unit and the Kankakee Valley School Corporation net levy increases. Following are the levy changes that were greater than a 10% change over the previous year levy.

- The Jasper County taxing unit, including all funds, increased its levy by \$933,334 or 13.87% over the prior year. Funds with significant increases included the General Fund, which increased its levy by \$1,044,770 (26.42%), the Health Fund, which increased its levy by \$138,815 (1,819.33%), and the Welfare Family and Children Fund levy, which increased \$587,865 (88.81%). The County did have some offsetting decreases in levies including the Children Psychiatric Residential Treatment Fund, which decreased \$67,983 (82.88%), the Cumulative Jail Fund, which decreased \$451,639 or 90.37%, and the Emergency Ambulance/Med Services Fund - Fire, which decreased \$363,890 (88.32%).

- Barkley Township had a total levy increase of \$517 or 4.8%. The General Fund levy increased \$466 or 10.48% while the Township Assistance Fund levy decreased \$146 or 12.94%.
- Carpenter Township increased its General Fund levy by \$4,600 (17.35%). The total levy increase for the Township was \$5,253 or 6.92%.
- Kankakee Township increased its General Fund levy by \$7,052 or 18.98%. However, the Township Assistance Fund levy was eliminated, which caused a decrease of \$4,763. The total Township levy increased \$2,732 or 4.74%.
- Keener Township experienced a total levy increase of \$80,297 or 37.50%. This increase is mainly due to the establishment of a Fire Building Debt Fund levy in the amount of \$70,874. The Township increased the General Fund levy by \$16,024 (57.21%), but removed its Township Assistance Fund levy of \$13,813.
- Marion Township's General Fund levy increased \$3,560 or 15.31% while the total Township levy increased \$4,104 for a 4.61% rate.
- Wheatfield Township increased its General Fund levy by \$1,672 (10.86%). In total, the Township's levy increased \$2,375 or 3.71%.
- The levy on the Remington Redevelopment Commission, for Tax Increment Replacement, in the amount of \$12,596, was decreased to zero.
- The Remington Public Library has only a General Fund levy, which increased \$7,082 or 11.22%.
- The Jasper County Public Library saw a \$193,167 or 40.48% decrease in its Debt Service levy. While the Library Capital Projects levy increased by \$39,705 (23.16%), the total levy for the Library decreased in the amount of \$108,251 or 7.20%.
- Rensselaer Civil City had a total levy increase of \$59,932 or 5.38%. The General Fund levy was the cause of this increase by contributing \$77,857 (8.23%) to the total. This was partially offset by decreases in both the Motor Vehicle Highway levy of \$16,826 (16.07%) and the Redevelopment - General levy in the amount of \$881 or 44.74%.
- Remington Civil Town's total levy increased by \$57,299 or 23.39%. Three funds contributed to this increase - the General Fund with a levy increase of \$26,267 or 19.01%, the Fire Equipment Debt Fund, which saw a levy increase of \$2,769 or 15.74%, and finally the Park Fund, having increased \$33,201 or 71.93%. The only levy decrease belonged to the Motor Vehicle Highway Fund in the amount of \$4,066 and 14.62%.
- Kankakee Valley School Corporation increased its total levy by \$1,969,305 or 13.11%. Of this, the Debt Service Fund levy increased by \$747,431 (32.46%) and the Capital Projects Fund levy increased by \$540,866 (19.90%). The Transportation Fund received a P.L. 2-2006 excess levy appeal of \$39,187.

- The Rensselaer Central School Corporation saw a total levy decrease of \$29,007 or about a 0.43% decrease. While the Debt Service Fund levy did increase by \$231,954 or 24.36%, it was more than offset by the \$502,379 (33.02%) decrease in the School Capital Projects Fund levy. The Transportation Fund received a P.L. 2-2006 excess levy appeal of \$5,846.
- For those portions of Tri-County School Corporation within Jasper County, the total levy increased by \$140,394 or 6.02%. Individually, the Debt Service Fund levy increased by \$45,229 (12.15%), the Transportation Fund levy increased in the amount of \$19,735 or 11.81%, and the Bus Replacement Fund levy went up by \$9,510 or 44.02%.
- Also, for those portions of West Central School Corporation within Jasper County, the total levy increased by \$28,513 or 5.85%. Over half of this increase was due to the School Capital Projects Fund levy, which increased by \$15,818 or 31.87%.

No units in the County exceeded the working maximum levy. All units in the County levied approximately up to the working maximum levy.

Jasper County is a CAGIT county, and, in CAGIT counties, controlled levies grow at a rate higher than non-CAGIT counties. In addition, many of the taxing units had adjustments for prior year's levy excess which allowed controlled levies to grow at a rate higher than the normal statutory growth rate. Given CAGIT and levy excess adjustments, no units in the County had controlled levy growth higher than expected.

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	1.85%
Industrial	20.28%
Commercial	27.06%
Residential	15.59%
Utilities	0.49%

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>2006 Ratio</u>	<u>2007 Ratio</u>
Agriculture	23.35%	21.00%
Industrial	5.45%	5.79%
Commercial	9.56%	10.72%
Residential	58.58%	59.78%
Utilities	3.05%	2.71%

As can be seen from the analysis, a shift from Agriculture and Utilities to Industrial, Commercial, and Residential has occurred. This shift was approximately 2.70%, with 1.20% of the shift going toward Residential.

Change in Net Tax Rates

Changes in net tax rate by district were as follows. Due to the incomplete information available for Tri-County School Corporation and West Central School Corporation, Carpenter Township, Remington Corp (Carpenter) and Gillam Township taxing districts are not included in the analysis below. It is likely that the gross tax rates, and therefore net tax rates, are not accurately calculated for these districts because of the absence of the major county portions of the cross-county units' rate components.

<u>District</u>	<u>Change in NAV</u>	<u>Change in Gross Tax Rate</u>	<u>Change in Business Personal Property Net Tax Rate</u>	<u>Change in Real Estate and Other Personal Property Net Tax Rate</u>	<u>Change in Homestead Net Tax Rate</u>
Barkley Township	-1.28%	-1.38%	-0.53%	-0.15%	5.05%
Hanging Grove Township	-1.70%	-1.14%	-0.24%	0.15%	5.54%
Jordan Township	-2.28%	-1.26%	-0.40%	0.00%	5.38%
Kankakee Township	-0.21%	5.34%	9.06%	11.08%	18.83%
Keener Township	13.95%	6.00%	9.78%	11.95%	19.91%
DeMotte Corp (Keener)	1.26%	5.37%	7.96%	10.08%	19.08%
Marion Township	-3.62%	-1.16%	-0.28%	0.10%	5.33%
Rensselaer Corp (Marion)	10.53%	-2.23%	-1.80%	-0.85%	6.70%
Milroy Township	-1.37%	-1.45%	-0.61%	-0.25%	4.82%
Newton Township	3.39%	-1.34%	-0.49%	-0.09%	5.19%
Union Township North	12.68%	5.31%	9.02%	11.06%	18.84%
Union Township South	-1.85%	-1.44%	-0.61%	-0.23%	4.94%
Walker Township	22.44%	4.72%	8.16%	10.17%	17.84%
Wheatfield Township	8.11%	5.09%	8.64%	10.64%	18.28%
Wheatfield Corp(Wheatfield)	12.60%	2.44%	4.55%	6.93%	16.63%
Average	4.84%	1.52%	3.48%	4.71%	11.49%

Downward pressure on tax rates came from increases in Assessed Value due to trending.

Upward pressure on tax rates came from the increased Homestead Deduction and decreased Homestead Credit rate, as well as increases in tax levies and the elimination of the inventory tax.

While the table above shows a minimal average NAV increase, this average is likely skewed toward businesses due to the inventory deduction. NAV increases were likely for homestead or residential properties. A higher residential NAV reduces the impact of the increase in the homestead deduction, yielding an increase in net taxes due for homestead property owners.

Assessment Status

According to DLGF staff, real property data are in compliance with departmental and statutory requirements, however, sales data are not in compliance. Auditor data will not be available until after certification is complete. Until review is completed, it is not possible to say whether the data is compliant with departmental and statutory requirements.

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 - 30% Increase</u>	<u>30 - 100% Increase</u>	<u>More Than Doubled</u>
Commercial	15.6%	2.4%	61.6%	13.2%	7.1%
Industrial	14.3%	2.4%	69.5%	10.2%	3.7%
Residential	6.1%	7.1%	81.9%	3.9%	1.1%
Utility	33.9%	1.8%	64.2%	0.0%	0.0%
Agricultural	9.2%	63.6%	26.3%	0.6%	0.4%
Exempt	50.0%	0.0%	0.0%	50.0%	0.0%
Overall	7.4%	20.2%	67.6%	3.6%	1.2%

Per DLGF staff, Jasper County's assessments were released on September 7, 2007.