

Vermillion County, Indiana
2006 Pay 2007 Budget Order

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

According to DLGF staff, the County is currently data compliant.

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 \$2,465,800 or 12.9%. Almost all of this increase can be attributed to the total levy increase of the two School Corporation units, which was \$2,414,000 or 22.7%.

1. Vermillion County unit's Cumulative Bridge Fund levy increased \$33,914 (13.4%), and the Jail Lease Rental Fund levy decreased \$234,734 (-61.5%).
2. Clinton Township unit's General Fund levy decreased \$24,546 (-36.2%), the Township Assistance Fund levy increased \$29,347 (50.0%), the Fire Equipment Debt Fund levy decreased \$9,660 to \$0, and the Emergency Fire Loan fund levy decreased \$11,827 (-24.3%).
3. Eugene Township unit's Township Assistance Fund levy increased \$1,701 (10.6%), and the Cumulative Fire (Township) Fund levy increased \$2,760 (22.5%).
4. Helt Township unit's General Fund levy decreased \$13,688 (-16.8%), the Township Assistance Fund levy increased \$27,894 (107.8%), and the Cumulative Fire (Township) Fund levy increased \$12,021 (13.4%).
5. Clinton City unit's Police Pension Fund levy decreased \$29,033 (-46.1%), the Park Fund levy increased \$27,662 (270.1%) and the Cemetery Fund levy increased \$9,505 (51.0%).
6. Cayuga Town unit's Motor Vehicle Highway Fund levy decreased \$10,093 to \$0.
7. Dana Towns unit's General Fund levy increased \$11,286 (18.3%), the Motor Vehicle Highway Fund levy decreased \$5,599 to \$0, and the Park Fund levy decreased \$797 to \$0.
8. Fairview Park Town unit's Cumulative Fire Special Fund levy increased \$678 (13.4%), and the Cumulative Capital Development Fund levy increased \$817 (13.4%).
9. Perrysville Town unit's Cumulative Fire Special Fund levy increased \$243 (22.9%).
10. North Vermillion Community School Corporation's Pre-School Special Education Fund levy increased \$2,716 (57.1%), the Debt Service Fund levy increased \$953,202 (178.7%), the Capital Projects Fund levy increased \$232,439 (47.9%), and the Bus Replacement Fund levy decreased \$50,859 to \$0. The School Corporation received a \$974 transportation excess levy appeal per P.L. 2-2006.
11. South Vermillion County Community School Corporation's Pre-School Special Education Fund levy increased \$3,204 (25.8%), the Debt Service Fund levy decreased \$794,173 (-33.5%), the Capital Projects Fund levy increased \$1,571,431 (213.9%), and the Bus Replacement Fund levy increased \$333,132 (293.2%). The School Corporation received an \$11,272 excess levy appeal per P.L. 2-2006.

No units in the County exceeded the working maximum levy. All units in the County levied up to the working maximum levy except for Cayuga Civil Town, Clinton Civil City, Fairview Park Civil Town, Newport Civil Town, Perrysville Civil Town, South Vermillion School Corporation (Transportation), Vermillion County Welfare (Medical Assistance to Wards and Children with Health Needs), and Vermillion County.

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

Changes in Real Property Gross Assessed Values

Real Property Gross Assessed Values increases by property class are as follows. Data was not available for the Utilities property class.

<u>Class</u>	<u>% Increase</u>
Agriculture	7.30%
Mineral Rights	0.75%
Industrial	-10.83%
Commercial	25.64%
Residential	12.11%

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	25.21%	24.62%
Mineral Rights	0.20%	0.19%
Industrial	10.11%	8.21%
Commercial	9.61%	10.99%
Residential	54.86%	55.99%

As can be seen from the analysis, a shift from Agriculture, Mineral Rights and Industrial to Commercial and Residential property has occurred. This shift was approximately 2.5% of the total, with 1.38% shifting to Commercial and 1.13 shifting to Residential.

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 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>
Clinton Township	2.03%	6.48%	8.28%	9.77%	16.60%
Clinton Civil City	7.12%	4.27%	5.35%	7.21%	15.56%
Fairview Park Civil Town	13.38%	6.21%	7.88%	9.60%	17.05%
Universal Civil Town	1.33%	7.22%	9.14%	10.91%	18.59%
Eugene Township	2.50%	5.37%	11.94%	16.40%	28.68%
Cayuga Civil Town	-0.82%	15.31%	9.88%	13.74%	26.71%
Helt Township	-7.02%	10.00%	12.73%	14.71%	22.73%
Dana Civil Town	2.38%	8.73%	10.64%	12.76%	22.15%
Highland Township	26.08%	4.86%	11.21%	15.62%	27.85%
Perrysville Civil Town	22.88%	1.98%	6.64%	10.90%	23.59%
Vermillion Township	15.79%	5.02%	11.43%	15.95%	28.51%
Newport Civil Town	3.73%	4.87%	10.22%	14.38%	27.02%
Average	9.12%	5.86%	9.61%	12.66%	22.92%

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 an average NAV increase of approximately 9%, this average is likely skewed toward businesses due to the inventory deduction. NAV increases were likely higher than 9% 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, the County is data compliant.

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:

Percent of Parcels with Identified Assessed Valuation Change

Property Class	<u>Decrease</u>	<u>No Change</u>	<u>0 - 30% Increase</u>	<u>30 - 100% Increase</u>	<u>More Than Doubled</u>
Commercial	4.6%	89.5%	3.8%	1.1%	0.5%
Industrial	5.4%	70.6%	17.2%	3.6%	3.2%
Residential	3.2%	68.8%	18.8%	7.5%	1.7%
Agriculture Mineral Rights	14.4%	66.5%	12.4%	6.2%	0.5%
Overall	2.1%	97.9%	-	-	-
	15.7%	39.2%	39.0%	5.5%	0.6%