

2009 ADAMS COUNTY PROPERTY TAX REPORT

WITH COMPARISONS TO 2007 AND 2008

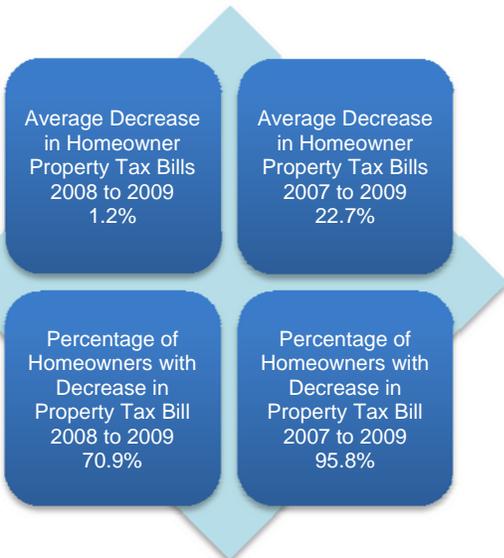


Legislative Services Agency

November 2009 (Updated)

In March 2008, the Indiana General Assembly enacted the most substantial property tax reforms in 35 years. Many of these reforms took effect for the first time in 2009. Property taxes for the school general fund, county welfare funds, and several smaller funds were eliminated and their costs taken over by the state. State property tax replacement credits and most state homestead credits were eliminated, with the money used to fund added state school and welfare costs. Homeowners received a new 35% deduction from their homestead assessments. Property tax caps limited tax bills to a fixed percentage of property assessments. These caps were 1.5% for homesteads, 2.5% for other housing and farmland, and 3.5% for all other property. Taxpayers with tax bills higher than these caps received added tax credits. Local governments did not collect the property tax amounts above the caps.

Details of Changes to Homeowner Property Tax Bills Adams County



Change in Tax Bill	Change from 2008 to 2009		Change from 2007 to 2009	
	Number of Homesteads	% Share of Total	Number of Homesteads	% Share of Total
20% or More	386	4.7%	195	2.4%
10% to 19%	731	8.9%	45	0.5%
1% to 9%	1,243	15.2%	95	1.2%
0%	29	0.4%	6	0.1%
-1% to -9%	2,757	33.6%	406	5.0%
-10% to -19%	1,581	19.3%	1,424	17.4%
-20% to -29%	899	11.0%	3,286	40.1%
-30% to -39%	293	3.6%	1,440	17.6%
-40% to -49%	86	1.0%	832	10.1%
-50% to -59%	52	0.6%	203	2.5%
-60% to -69%	37	0.5%	90	1.1%
-70% to -79%	24	0.3%	60	0.7%
-80% to -89%	12	0.1%	23	0.3%
-90% to -99%	9	0.1%	14	0.2%
-100%	61	0.7%	101	1.0%
Total	8,200	100.0%	8,200	100.0%
Higher Tax Bill	2,360	28.8%	335	4.1%
No Change	29	0.4%	6	0.1%
Lower Tax Bill	5,811	70.9%	7,859	95.8%
Average Change in Tax Bill	-1.2%		-22.7%	

Note: Percentages may not total due to rounding.

Policy Changes with Offsetting Effects on Tax Bills. The interaction of multiple policy changes, plus local changes in levies and assessments, determine how tax bills change in each county. Eliminating the school general fund and county welfare levies reduced levies by 30.6% statewide. The new 35% supplemental homestead deduction reduced tax bills for homeowners, but also reduced taxable assessed value in each jurisdiction. Taxable assessed value fell 14.3% in Indiana as a whole. As a result of the lower assessed value, tax rates were not reduced by the full amount of the levy reductions. The elimination of the property tax replacement and homestead credits partially offset the drop in tax rates. The average property tax replacement credit statewide was 20.1% in 2008. Total state homestead credits averaged 39.5% statewide in 2008, and this rate fell to 7.2% in 2009. The circuit breaker tax caps reduced tax bills in places with high tax rates. Counties that adopted new local option income taxes delivered additional property tax relief. (Statewide averages are now based on 85 counties reporting.)

Factors Affecting Homeowner Tax Bills	Adams County	State Average
Net Assessed Value, 2008 to 2009 (% change)	-13.6%	-14.3%
Gross Tax Levy, 2008 to 2009 (% change)	-29.9%	-30.6%
State PTRC Percentage, 2008	20.9%	20.1%
Total State Homestead Credit, 2008	39.5%	39.5%
Total State Homestead Credit, 2009	7.5%	7.2%
Did County Adopt a LOIT in 2008 or 2009?	No	

Note: State Average based on data for 85 counties available November 2009

Effects on County Tax Bills. Statewide, average homeowner tax bills fell by about 1% from 2008 to 2009. Homeowner tax bills in Adams County decreased by 1.2%. The elimination of the property tax levies, and the added 35% supplemental homestead deduction, were almost offset by the elimination of the property tax replacement credits and the state homestead credits. Adams County did not adopt a local option income tax for property tax relief, and few Adams County homeowners were eligible for the circuit breaker tax cap

credits. Homeowner taxes were substantially lower in 2009 compared to 2007 in Adams County, as they were in almost all Indiana counties.

2009 Property Tax Changes:

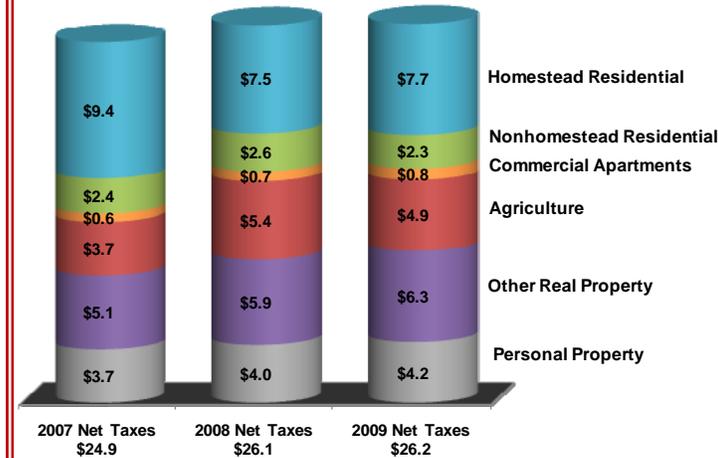
The state took over funding of school general funds, county welfare funds, and several smaller funds – Units where these funds were a large portion of the overall property tax received the greatest benefit.

State Property Tax Replacement Credits were eliminated, and State Homestead Credits were much reduced – Credits didn't apply to debt service levies, so they were lower in units with more debt service; such units lost less from the elimination of the credits, and so received relatively more net benefit from the new tax relief programs.

Counties could adopt new LOIT for property tax relief in 2008 and 2009 - Homeowners in 41 counties that adopted a LOIT saw larger property tax cuts or smaller tax increases; other taxpayers benefitted if counties distributed tax credits to nonhomestead property.

Circuit Breaker Tax Caps were enacted at 1.5% of gross assessed value for homes, 2.5% for rental housing and farmland, and 3.5% for other property- Rental housing and commercial/industrial property received the most tax cap credits; cities and towns and jurisdictions that overlap them lost the most revenue to the caps.

Comparison of Net Property Tax Bills by Property Type Adams County (In Millions)



In Adams County from 2008 to 2009, nonhomestead residential properties (small rentals and second homes) saw an 11.5% decline in average property tax bills. Average tax bills on commercial apartments increased 14.3%. Agricultural business real property (which includes farmland and farm buildings, but not homesteads) saw a 9.3% average tax decrease. Other commercial, industrial, and utility real property average tax bills increased 6.8%. Personal property, which is largely business equipment, saw a 5.0% increase in average tax bills.

Circuit Breaker Tax Caps. Property tax caps limit taxpayers' tax bills to a fixed percentage of their property's assessed value before deductions. Tax bills that exceed the caps are reduced by a tax credit. The cap rates were 1.5% for homesteads, 2.5% for other residential property and farmland, and 3.5% for other property. In 2010 and after, the cap rates will be 1%, 2%, and 3%, respectively.

Local Revenue Losses. Local governments do not collect the amount of these tax cap credits, and the revenue is not replaced. More taxpayers are likely to be eligible for circuit breaker tax cap credits in jurisdictions with higher tax rates. Tax districts in cities and towns tend to have higher tax rates because the municipal tax rate is added to tax bills. Cities and towns and jurisdictions that share taxpayers with cities and towns tend to lose the most revenue to tax cap credits.

Tax Bill Reductions. Generally, as a result of tax relief from homestead deductions most homeowners did not have tax bills high enough to qualify for tax cap credits. Rental housing has a lower tax cap than other businesses, and much of it is located in cities and towns, so many rental housing owners receive credits. Most farmland is outside cities and towns in jurisdictions with low tax rates. Few farmland owners receive credits. Commercial and industrial property tends to receive credits where tax rates are relatively high.

Total Circuit Breaker Tax Cap Credit Amount for Adams County \$232.217

Percentage share of circuit breaker tax cap credits by cap category...



Adams County Levy Comparison by Taxing Unit

Unit	2007 Levy	2008 Levy	2009 Levy	2007-2008 Levy Change	2008-2009 Levy Change	2008 - 2009 Comparable Levy Change
County Total	\$34,681,655	\$39,207,884	\$27,589,611	13.1%	-29.6%	1.7%
State Unit	33,828	34,994	0	3.4%	-100.0%	
Adams County	7,117,865	8,938,031	7,300,403	25.6%	-18.3%	3.2%
Blue Creek Township	18,036	18,657	19,361	3.4%	3.8%	3.8%
French Township	19,932	20,596	21,409	3.3%	3.9%	3.9%
Hartford Township	28,721	29,774	30,932	3.7%	3.9%	3.9%
Jefferson Township	19,636	20,198	21,042	2.9%	4.2%	4.2%
Kirkland Township	26,121	27,052	27,984	3.6%	3.4%	3.4%
Monroe Township	21,650	22,201	23,069	2.5%	3.9%	3.9%
Preble Township	35,400	36,784	38,007	3.9%	3.3%	3.3%
Root Township	55,845	57,924	59,980	3.7%	3.5%	3.5%
St. Marys Township	29,666	31,041	32,265	4.6%	3.9%	3.9%
Union Township	35,569	37,127	37,260	4.4%	0.4%	0.4%
Wabash Township	46,728	48,338	50,022	3.4%	3.5%	3.5%
Washington Township	180,183	186,705	194,056	3.6%	3.9%	3.9%
Decatur Civil City	3,127,178	3,235,012	3,180,147	3.4%	-1.7%	2.8%
Berne Civil City	916,962	959,019	991,899	4.6%	3.4%	4.4%
Geneva Civil Town	407,058	422,117	443,544	3.7%	5.1%	5.1%
Monroe Civil Town	154,192	159,850	162,637	3.7%	1.7%	1.7%
Adams Central Community School Corporation	4,232,392	4,870,774	2,454,179	15.1%	-49.6%	3.3%
North Adams Community School Corporation	11,744,941	12,121,526	8,052,962	3.2%	-33.6%	11.2%
South Adams School Corporation	5,149,691	6,606,738	3,067,116	28.3%	-53.6%	-22.5%
Berne Public Library	296,456	303,052	321,133	2.2%	6.0%	6.0%
Decatur Public Library	431,160	447,229	0	3.7%	-100.0%	-100.0%
Geneva Public Library	49,261	51,152	0	3.8%	-100.0%	-100.0%
Adams Public Library System	0	0	517,982	0.0%		
Adams County Solid Waste Mgt. District	503,184	521,993	542,222	3.7%	3.9%	3.9%

Note: 2008 – 2009 Comparable Levy Change reflects the percentage change in the remaining levies after levy reductions for state assumption of pre-1977 police and fire pension fund payments and elimination of these funds: state fair, state forestry, school general, preschool special education, family and children, children’s psychiatric residential treatment, medical assistance to wards, children with special health care needs, and hospital care for the indigent.

Adams County Assessed Values, Levies, Tax Rates, and Credit Rates by Taxing District

Taxing District	Net Assessed Value (In Millions \$)			Gross Levy (\$)			Tax Rate (%)		State PTRC	State Homestead, Total		Total Local Income Tax Credits, Homesteads	
	2008	2009	% Change	2008	2009	% Change	2008	2009	2008	2008	2009	2008	2009
	North Blue Creek Township	41.4	38.2	-7.7%	834,435	545,062	-34.7%	2.0141	1.4261	24.44%	39.54%	7.47%	5.78%
South Blue Creek Township	8.2	7.9	-3.8%	195,371	123,225	-36.9%	2.3819	1.5614	21.31%	37.50%	7.47%	5.78%	9.18%
North French Township	46.6	42.1	-9.7%	938,340	600,431	-36.0%	2.0133	1.4265	24.41%	39.46%	7.47%	5.78%	9.18%
South French Township	9.4	8.4	-10.9%	223,130	130,413	-41.6%	2.3811	1.5618	21.29%	37.44%	7.47%	5.78%	9.18%
Hartford Township	43.7	40.1	-8.3%	1,054,594	640,102	-39.3%	2.4125	1.5968	21.31%	37.94%	7.47%	5.78%	9.18%
Jefferson Township	40.9	38.1	-6.9%	978,098	599,158	-38.7%	2.3938	1.5746	21.36%	37.80%	7.47%	5.78%	9.18%
Kirkland Township	53.6	48.1	-10.3%	1,086,199	693,382	-36.2%	2.0270	1.4423	24.47%	39.89%	7.47%	5.78%	9.18%
North Monroe Township	77.2	68.8	-10.8%	1,537,273	964,784	-37.2%	1.9919	1.4019	24.62%	39.57%	7.47%	5.78%	9.18%
South Monroe Township	28.8	26.5	-8.0%	680,315	407,558	-40.1%	2.3597	1.5372	21.43%	37.51%	7.47%	5.78%	9.18%
Berne City-Monroe Township	65.8	58.6	-10.9%	2,145,369	1,571,929	-26.7%	3.2624	2.6837	19.33%	41.28%	7.47%	5.78%	9.18%
Monroe Town-Monroe Township	20.7	16.1	-22.2%	518,588	328,934	-36.6%	2.5113	2.0485	22.52%	42.38%	7.47%	5.78%	9.18%
Preble Township	59.0	49.4	-16.3%	1,443,380	1,006,649	-30.3%	2.4444	2.0368	20.85%	36.34%	7.47%	5.78%	9.18%
Root Township	136.9	111.9	-18.2%	3,294,271	2,232,151	-32.2%	2.4067	1.9939	20.86%	35.85%	7.47%	5.78%	9.18%
Decatur City-Root Township	167.1	141.9	-15.1%	5,458,983	4,193,991	-23.2%	3.2678	2.9563	19.38%	40.83%	7.47%	5.78%	9.18%
St. Marys Township	55.8	46.5	-16.6%	1,134,686	676,596	-40.4%	2.0321	1.4535	24.45%	39.94%	7.47%	5.78%	9.18%
Union Township	51.5	43.6	-15.3%	1,263,615	891,936	-29.4%	2.4542	2.0457	20.74%	36.19%	7.47%	5.78%	9.18%
Wabash Township	75.9	68.0	-10.4%	1,806,436	1,062,859	-41.2%	2.3803	1.5624	21.39%	37.68%	7.47%	5.78%	9.18%
Berne City-Wabash Township	73.9	55.5	-24.9%	2,418,354	1,497,107	-38.1%	3.2732	2.6976	19.32%	41.33%	7.47%	5.78%	9.18%
Geneva Town	45.5	40.6	-10.7%	1,550,618	1,137,640	-26.6%	3.4112	2.8015	19.64%	43.10%	7.47%	5.78%	9.18%
South Washington Township	62.7	53.4	-14.9%	1,278,941	778,904	-39.1%	2.0402	1.4594	24.42%	40.01%	7.47%	5.78%	9.18%
North Washington Township	30.6	24.7	-19.4%	748,124	502,044	-32.9%	2.4457	2.0353	20.85%	36.35%	7.47%	5.78%	9.18%
Decatur City-Washington Township	262.9	230.7	-12.2%	8,676,664	6,914,903	-20.3%	3.3006	2.9974	19.40%	41.11%	7.47%	5.78%	9.18%
Monroe Town-Washington Twp	9.8	8.7	-11.4%	251,072	182,852	-27.2%	2.5519	2.0970	22.42%	42.62%	7.47%	5.78%	9.18%
County Totals/Averages	1,467.7	1,267.7	-13.6%	39,516,856	27,682,610	-29.9%	2.6890	2.1829	20.90%	39.47%	7.47%	5.78%	9.18%

Notes: A *taxing district* is a geographic area of a county where taxing units overlap, so the sum of the taxing unit tax rates is the total district rate.

The *Net Assessed Value* is the total taxable assessed value of all property types, after deductions. It declined in 2009 because of the introduction of the new 35% supplemental deduction for homesteads.

The *Gross Levy* is the amount of property tax to be collected, before credits. It declined in 2009 because of the elimination of the levies for school general funds, county welfare funds, and several smaller funds.

The *Tax Rate* is the gross levy divided by net assessed value, in dollars per \$100 assessed value. Rates fell because the drop in the levies due to levy elimination was greater than the reduction in assessed value due to the new deduction.

State PTRC Rate - Real is the state property tax replacement credit for real property in 2008. This credit was eliminated in 2009.

The *State Homestead, Total* is the sum of the regular state homestead credit rate, which was eliminated in 2009, and the HEA1001-2008 special rate, which was reduced in 2009.

The *Total Local Income Tax Credits - Homesteads* is the sum of the COIT and CEDIT homestead credit rates and the LOIT credit rates for homesteads, residential property, and all property. These are credits funded by local income taxes, including the COIT, the CEDIT, and the CAGIT for property tax relief.

Adams County 2009 Circuit Breaker Cap Credits

Taxing Unit	Total Levy	Circuit Breaker Credits by Property Type				Total
		(1.5%) Homesteads	(2.5%) Other Residential/ Farmland	(3.5%) All Other Real/Personal	Elderly	
Adams County	7,300,403	0	44,655	0	1,123	45,778
Blue Creek Township	19,361	0	0	0	0	0
French Township	21,409	0	0	0	0	0
Hartford Township	30,932	0	0	0	0	0
Jefferson Township	21,042	0	0	0	0	0
Kirkland Township	27,984	0	0	0	0	0
Monroe Township	23,069	0	34	0	1	35
Preble Township	38,007	0	0	0	5	5
Root Township	59,980	0	328	0	13	341
St. Marys Township	32,265	0	0	0	1	1
Union Township	37,260	0	0	0	0	0
Wabash Township	50,022	0	252	0	6	258
Washington Township	194,056	0	2,290	0	40	2,329
Decatur Civil City	3,180,147	0	52,726	0	1,104	53,830
Berne Civil City	991,899	0	8,167	0	170	8,337
Geneva Civil Town	443,544	0	7,145	0	193	7,337
Monroe Civil Town	162,637	0	0	0	65	65
Adams Central Community School Corporation	2,454,179	0	0	0	87	87
North Adams Community School Corporation	8,052,962	0	82,611	0	1,962	84,572
South Adams School Corporation	3,067,116	0	14,065	0	328	14,393
Berne Public Library	321,133	0	2,644	0	55	2,699
Decatur Public Library	0	0	0	0	0	0
Geneva Public Library	0	0	0	0	0	0
Adams Public Library System	517,982	0	8,565	0	184	8,749
Adams County Solid Waste Management	542,222	0	3,317	0	83	3,400
Total - All Taxing Units	27,589,611	0	226,798	0	5,419	232,217

Notes: Circuit breaker tax cap credits are tax savings for taxpayers and revenue losses for local government units. Circuit breaker credits are highest in tax districts with the highest tax rates. These are usually districts that include cities or towns because the municipal tax rate is included in the district tax rate. This means that most circuit breaker credits are in cities and towns and in units that overlap cities and towns.

The *Total Levy by Unit* is gross property taxes levied, before all tax credits. It is included to allow comparison to the circuit breaker revenue losses.

Circuit Breaker Credits:

Homesteads are owner-occupied primary residences and include homestead land and buildings in the 1.5% tax cap category. Owner-occupied mobile homes and agricultural homesteads are included in this category. This category only includes credits on the portion of the property that qualifies as a homestead.

Other Residential/Farmland includes small rental housing units, larger commercial apartments, long-term care facilities, and farmland, in the 2.5% tax cap category.

All Other Real/Personal is commercial, industrial, and utility land and buildings, and business equipment, including agricultural equipment, in the 3.5% tax cap category. This category also includes credits on the portion of homeowner properties that do not qualify as a homestead.

Elderly includes credits for the 2% annual limit on homestead tax bill increases for low-income homeowners, age 65 and over.