

2010 Property Tax Report

Adams County

with comparisons between 2007 and 2010



Legislative Services Agency

July 2010

This report describes property tax changes in Adams County between 2009 and 2010, with comparison to changes between 2007 and 2010. The report also shows the overall changes to property tax levies and property assessments since the recent property tax reforms have been implemented. Explanatory information is provided to highlight changes that are unique to Adams County and those that have occurred throughout the state. Statewide averages are based on data from all counties except Lake and LaPorte.

Comparable Homestead Property Tax Changes in Adams County

	2009 to 2010		2007 to 2010	
	Number of Homesteads	% Share of Total	Number of Homesteads	% Share of Total
Summary Change in Tax Bill				
Higher Tax Bill	7,143	88.2%	783	9.7%
No Change	89	1.1%	6	0.1%
Lower Tax Bill	865	10.7%	7,308	90.3%
Average Change in Tax Bill	5.2%		-18.7%	
Detailed Change in Tax Bill				
20% or More	906	11.2%	298	3.7%
10% to 19%	2,121	26.2%	116	1.4%
1% to 9%	4,116	50.8%	369	4.6%
0%	89	1.1%	6	0.1%
-1% to -9%	475	5.9%	1,058	13.1%
-10% to -19%	233	2.9%	2,057	25.4%
-20% to -29%	86	1.1%	2,049	25.3%
-30% to -39%	21	0.3%	1,151	14.2%
-40% to -49%	30	0.4%	555	6.9%
-50% to -59%	6	0.1%	155	1.9%
-60% to -69%	5	0.1%	116	1.4%
-70% to -79%	2	0.0%	53	0.7%
-80% to -89%	2	0.0%	20	0.2%
-90% to -99%	1	0.0%	17	0.2%
-100%	4	0.0%	77	1.0%
Total	8,097	100.0%	8,097	100.0%

The average homeowner saw a 5.2% tax bill increase from 2009 to 2010.

Homestead taxes in 2010 were still 18.7% lower than they were in 2007, before the property tax reforms.

90.3% of homeowners saw lower tax bills in 2010 than in 2007.

77.0% of homeowners saw tax increases of between 1% and 19% from 2009 to 2010.

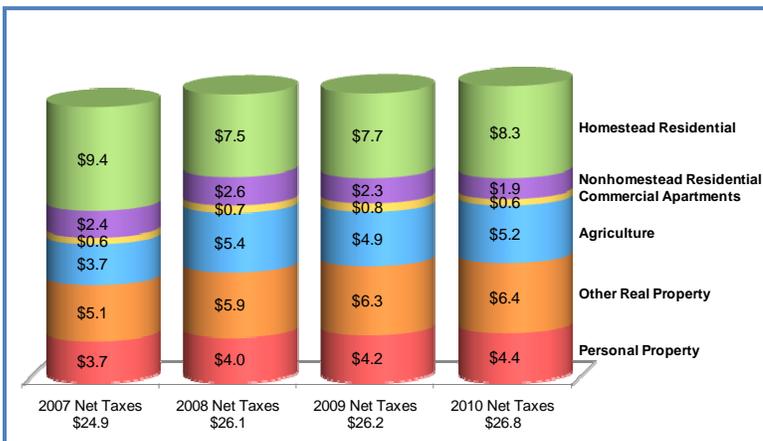
The largest percentage of homeowners have seen between a 10% and 29% decrease in their tax bills from 2007 to 2010.

Note: Percentages may not total due to rounding.

Adams County Overview

The larger-than-average increase in homeowner tax bills had a number of causes. Property tax levies increased 4.6% in Adams County in 2010, more than the state average increase of 2.4%. This was mainly due to a large increase in the debt service levy in the South Adams School Corporation. Local homestead property tax credit rates fell in Adams County in 2010, due to a decline in the local income tax revenues that fund these credits. Adams County homeowners benefitted less from the one percent property tax cap than did homeowners in the average county, primarily because Adams County property tax rates and home values were not high enough for homeowners to qualify for tax cap credits.

Comparison of Net Property Tax by Property Type (In Millions)



Net tax bills for all taxpayers increased 2.6% in Adams County from 2009 to 2010. This was higher than the statewide reduction of 1.4%. In 2010 apartment owners saw a 24.6% decrease in tax bills. This large decrease was due mainly to the tightening of the tax caps from 2.5% to 2% for rental housing. The tightening of the tax caps also affected nonhomestead residential property (mostly small rental residences), which saw a 14.5% decrease in tax bills. Other real and personal property, mostly commercial and industrial land, buildings, and equipment, saw a 1.3% and 5.5% increase, respectively, in tax bills in 2010. This was mainly because of the increase in Adams County property tax levies. Commercial and industrial property did not benefit very much from the tightened tax caps because Adams County's tax rates were generally not high

enough for this type of property to qualify for tax cap credits. Agricultural business property saw a 5.9% increase in tax payments in 2010 because of the Adams County tax levy increases and the 4% increase in the base rate of farmland, from \$1,200 to \$1,250 per acre.

2010 Property Tax Policy Changes

Property Tax Caps. Property tax caps tightened to their permanent levels. The tighter caps meant more taxpayers were eligible for tax cap credits. This resulted in greater reductions in property tax revenue for local governments.

State Homestead Credits. State homestead credits were reduced by 43% between 2009 and 2010 as part of a scheduled phaseout. The average statewide credit rate fell from 8% to 5% as a result. The credit will be eliminated in 2011.

Property Tax Cap Changes, 2009 - 2010

Homestead	Other Residential Property and Farmland	All Other Real and Personal Property
<div style="border: 2px solid blue; padding: 10px; width: 80px; margin: 0 auto;"> <p style="color: white; font-weight: bold; margin: 0;">2009 1.5%</p> <p style="color: white; font-weight: bold; margin: 0;">2010 1%</p> </div>	<div style="border: 2px solid blue; padding: 10px; width: 80px; margin: 0 auto;"> <p style="color: white; font-weight: bold; margin: 0;">2009 2.5%</p> <p style="color: white; font-weight: bold; margin: 0;">2010 2%</p> </div>	<div style="border: 2px solid blue; padding: 10px; width: 80px; margin: 0 auto;"> <p style="color: white; font-weight: bold; margin: 0;">2009 3.5%</p> <p style="color: white; font-weight: bold; margin: 0;">2010 3%</p> </div>

Tax Cap Credits

Tax cap credits in Adams County in 2010 amounted to 3.8% of the total property tax levy. The statewide average was 6.3%. The smaller percentage loss in the county was partly due to Adams County having a smaller share of its net assessed value in the 2% cap category. This category includes rental housing, which tends to be in cities and towns where tax rates usually are above \$2 per \$100 assessed value. If the rate exceeds the tax cap, rental housing would be eligible for tax cap credits. Few commercial or industrial properties in the 3% tax cap category qualified for credits because the highest Adams County tax rate barely exceeded \$3. Neither Adams County tax rates nor home values were high enough for a large share of homesteads to qualify for credits in the 1% category.

**2010 Circuit Breaker Credits by Cap Category
Adams County Total \$1,110,145**

	1%	2%	3%	Elderly
	\$334,515	\$746,784	\$4,376	\$24,470
	30.1%	67.3%	0.4%	2.2%

Adams County, Decatur City, and the North and South Adams School Corporations saw the largest revenue losses from the tax caps in 2010. As a percentage of their total levies, Berne and Geneva municipalities and the Berne library district lost the most, at 9% each. Losses were greatest for units that overlapped the municipalities of Berne, Geneva, and Decatur because these tax districts had the highest tax rates.

The Effects of Recession

In Adams County the recession has had a large effect on the economy. The recession created upward pressure on property tax bills in several ways. The unemployment rate rose from 4.2% in December 2007 to 14.8% in July 2009. Job losses and income declines contributed to a 6.1% drop in local income tax revenue. Because part of this revenue is used for property tax relief, local property tax credit rates declined in Adams County in 2010.

Adams County Gross Assessed Value by Property Type

Property Type	Gross AV 2009	Gross AV 2010	Gross AV Change
Homesteads	1,122,760,240	1,147,380,850	2.2%
Other Residential	107,278,200	110,471,300	3.0%
Ag Business/Land	296,743,230	306,688,590	3.4%
Business Real/Personal	520,202,560	517,968,580	-0.4%
Total	\$2,046,984,230	\$2,082,509,320	1.7%

In addition, the recession reduced new construction, so less new property was added to assessment roles. The recession also reduced some property values, which affected assessed values through annual trending. Lower assessed values may result in higher tax rates for local taxpayers. In those instances where taxpayers' bills are limited by the caps, the higher rates may result in higher circuit breaker credits, causing increased revenue losses for local governments.

In Adams County, the gross assessed value of business real and personal property fell 0.4% in 2010. Other assessment categories increased, and total gross assessed value in Adams County rose 1.7%. This was higher than the state average increase of 0.6%.

The tables on the following pages illustrate 2007 – 2010 levy comparisons, 2010 tax rates and credit rates, and 2010 circuit breaker losses by taxing unit.

Adams County Levy Comparison by Taxing Unit

Taxing Unit	2007	2008	2009	2010	% Change		
					2007-2008	2008-2009	2009-2010
<i>County Total</i>	34,681,655	39,207,884	27,589,611	28,854,887	13.1%	-29.6%	4.6%
State Unit	33,828	34,994	0	0	3.4%	-100.0%	
Adams County	7,117,865	8,938,031	7,300,403	7,556,030	25.6%	-18.3%	3.5%
Blue Creek Township	18,036	18,657	19,361	20,101	3.4%	3.8%	3.8%
French Township	19,932	20,596	21,409	22,185	3.3%	3.9%	3.6%
Hartford Township	28,721	29,774	30,932	32,109	3.7%	3.9%	3.8%
Jefferson Township	19,636	20,198	21,042	21,812	2.9%	4.2%	3.7%
Kirkland Township	26,121	27,052	27,984	45,494	3.6%	3.4%	62.6%
Monroe Township	21,650	22,201	23,069	23,871	2.5%	3.9%	3.5%
Preble Township	35,400	36,784	38,007	39,019	3.9%	3.3%	2.7%
Root Township	55,845	57,924	59,980	62,381	3.7%	3.5%	4.0%
St. Marys Township	29,666	31,041	32,265	33,446	4.6%	3.9%	3.7%
Union Township	35,569	37,127	37,260	38,655	4.4%	0.4%	3.7%
Wabash Township	46,728	48,338	50,022	51,983	3.4%	3.5%	3.9%
Washington Township	180,183	186,705	194,056	200,674	3.6%	3.9%	3.4%
Decatur Civil City	3,127,178	3,235,012	3,180,147	3,295,157	3.4%	-1.7%	3.6%
Berne Civil City	916,962	959,019	991,899	1,040,805	4.6%	3.4%	4.9%
Geneva Civil Town	407,058	422,117	443,544	462,675	3.7%	5.1%	4.3%
Monroe Civil Town	154,192	159,850	162,637	169,083	3.7%	1.7%	4.0%
Adams Central Community School Corp	4,232,392	4,870,774	2,454,179	2,593,601	15.1%	-49.6%	5.7%
North Adams Community School Corp	11,744,941	12,121,526	8,052,962	7,836,150	3.2%	-33.6%	-2.7%
South Adams School Corp	5,149,691	6,606,738	3,067,116	3,884,922	28.3%	-53.6%	26.7%
Berne Public Library	296,456	303,052	321,133	325,095	2.2%	6.0%	1.2%
Decatur Public Library	431,160	447,229	0	0	3.7%	-100.0%	
Geneva Public Library	49,261	51,152	0	0	3.8%	-100.0%	
Adams Public Library System	0	0	517,982	536,804			3.6%
Adams County Solid Waste Mgt Dist	503,184	521,993	542,222	562,835	3.7%	3.9%	3.8%

Adams County Tax Rates, Credit Rates, and Net Tax Rates for Homesteads by Taxing District

Dist #	Taxing District	Tax Rate	Credit Rates						Net Tax Rate, Homesteads	
			LOIT PTRC	State Homestead	COIT Homestead	CEDIT Homestead	CEDIT Residential	LOIT Homestead		LOIT Residential
01001	North Blue Creek Township	1.4445	--	3.7379%	--	7.8697%	--	--	--	1.2768
01002	South Blue Creek Township	1.7742	--	3.7379%	--	7.8697%	--	--	--	1.5683
01003	North French Township	1.4454	--	3.7379%	--	7.8697%	--	--	--	1.2776
01004	South French Township	1.7751	--	3.7379%	--	7.8697%	--	--	--	1.5691
01005	Hartford Township	1.8098	--	3.7379%	--	7.8697%	--	--	--	1.5997
01006	Jefferson Township	1.7862	--	3.7379%	--	7.8697%	--	--	--	1.5789
01007	Kirkland Township	1.4925	--	3.7379%	--	7.8697%	--	--	--	1.3193
01008	North Monroe Township	1.4201	--	3.7379%	--	7.8697%	--	--	--	1.2553
01009	South Monroe Township	1.7498	--	3.7379%	--	7.8697%	--	--	--	1.5467
01010	Berne City-Monroe Township	2.9409	--	3.7379%	--	7.8697%	--	--	--	2.5995
01011	Monroe Town-Monroe Township	2.0612	--	3.7379%	--	7.8697%	--	--	--	1.8219
01012	Preble Township	1.9724	--	3.7379%	--	7.8697%	--	--	--	1.7435
01013	Root Township	1.9307	--	3.7379%	--	7.8697%	--	--	--	1.7066
01014	Decatur City-Root Township	2.9173	--	3.7379%	--	7.8697%	--	--	--	2.5787
01015	St Marys Township	1.4723	--	3.7379%	--	7.8697%	--	--	--	1.3014
01016	Union Township	1.9831	--	3.7379%	--	7.8697%	--	--	--	1.7529
01017	Wabash Township	1.7751	--	3.7379%	--	7.8697%	--	--	--	1.5691
01018	Berne City-Wabash Township	2.9563	--	3.7379%	--	7.8697%	--	--	--	2.6131
01019	Geneva Town	3.0419	--	3.7379%	--	7.8697%	--	--	--	2.6888
01020	South Washington Township	1.4795	--	3.7379%	--	7.8697%	--	--	--	1.3078
01021	North Washington Township	1.9746	--	3.7379%	--	7.8697%	--	--	--	1.7454
01022	Decatur City-Washington Township	2.9582	--	3.7379%	--	7.8697%	--	--	--	2.6148
01023	Monroe Town-Washington Township	2.1106	--	3.7379%	--	7.8697%	--	--	--	1.8656

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 *Tax Rate* is the gross levy divided by net assessed value, in dollars per \$100 assessed value.

The *State Homestead Credit* is the HEA1001-2008 special rate, which will be eliminated after 2010.

The *LOIT, COIT, and CEDIT* credits are funded by local income taxes.

The *Net Tax Rate for Homesteads* is calculated by reducing the tax rate by the various credit percentages.

Adams County 2010 Circuit Breaker Cap Credits

Taxing Unit Name	Circuit Breaker Credits by Property Type				Total	Levy	Circuit Breaker as % of Levy
	(1%) Homesteads	(2%) Other Residential and Farmland	(3%) All Other Real/Personal	Elderly			
<i>Non-TIF Total</i>	334,515	746,784	4,376	24,470	1,110,145	28,854,887	3.8%
<i>TIF Total</i>	0	0	0	0	0	168,674	0.0%
<i>County Total</i>	334,515	746,784	4,376	24,470	1,110,145	29,023,561	3.8%
Adams County	65,974	147,048	836	5,861	219,720	7,556,030	2.9%
Blue Creek Township	0	0	0	9	9	20,101	0.0%
French Township	0	0	0	2	2	22,185	0.0%
Hartford Township	0	0	0	16	16	32,109	0.1%
Jefferson Township	0	0	0	9	9	21,812	0.0%
Kirkland Township	0	0	0	9	9	45,494	0.0%
Monroe Township	18	172	0	17	207	23,871	0.9%
Preble Township	0	0	0	15	15	39,019	0.0%
Root Township	598	1,002	0	37	1,637	62,381	2.6%
St. Marys Township	0	0	0	31	31	33,446	0.1%
Union Township	0	0	0	15	15	38,655	0.0%
Wabash Township	1,125	1,469	34	52	2,679	51,983	5.2%
Washington Township	1,571	6,195	0	209	7,975	200,674	4.0%
Decatur Civil City	54,867	147,249	0	2,516	204,633	3,295,157	6.2%
Berne Civil City	37,564	54,396	0	1,667	93,628	1,040,805	9.0%
Geneva Civil Town	10,732	28,231	1,665	922	41,550	462,675	9.0%
Monroe Civil Town	0	486	0	354	840	169,083	0.5%
Adams Central Community School Corp	0	581	0	1,511	2,092	2,593,601	0.1%
North Adams Community School Corp	80,409	214,332	0	5,951	300,693	7,836,150	3.8%
South Adams School Corp	55,735	92,849	1,593	3,836	154,013	3,884,922	4.0%
Berne Public Library	11,733	16,991	0	521	29,245	325,095	9.0%
Adams Public Library System	9,275	24,829	185	473	34,762	536,804	6.5%
Adams County Solid Waste Mgt Dist	4,914	10,953	62	437	16,367	562,835	2.9%
TIF - Berne Monroe	0	0	0	0	0	168,674	0.0%

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.

Circuit Breaker Credit Types:

Homesteads are owner-occupied primary residences and include homestead land and buildings in the 1% 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, second homes, long-term care facilities, and farmland, in the 2% tax cap category.

All Other Real/Personal is commercial, industrial, and utility land and buildings, and business equipment, including agricultural equipment, in the 3% 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.

The *Total Levy by Unit* is gross property taxes levied, before all tax credits. For TIF districts, this amount represents the TIF proceeds before circuit breaker credits. This information is included to allow comparison to the circuit breaker revenue losses.

Numbers may not total due to rounding.