

# 2009 BLACKFORD COUNTY PROPERTY TAX REPORT

## WITH COMPARISONS TO 2007 AND 2008

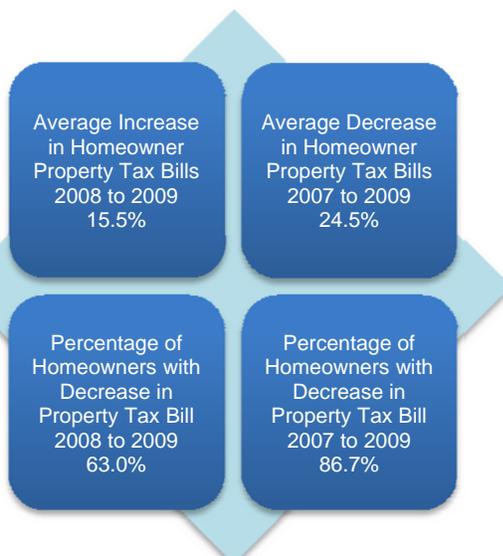


Legislative Services Agency

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 Blackford 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	848	19.3%	390	8.9%
10% to 19%	277	6.3%	36	0.8%
1% to 9%	414	9.4%	83	1.9%
0%	84	1.9%	73	1.7%
-1% to -9%	779	17.8%	175	4.0%
-10% to -19%	593	13.5%	289	6.6%
-20% to -29%	546	12.5%	475	10.8%
-30% to -39%	236	5.4%	739	16.9%
-40% to -49%	90	2.1%	881	20.1%
-50% to -59%	65	1.5%	516	11.8%
-60% to -69%	41	0.9%	210	4.8%
-70% to -79%	34	0.8%	86	2.0%
-80% to -89%	35	0.8%	55	1.3%
-90% to -99%	37	0.8%	58	1.3%
-100%	306	7.0%	319	7.3%
<b>Total</b>	<b>4,385</b>	<b>100.0%</b>	<b>4,385</b>	<b>100.0%</b>
Higher Tax Bill	1,539	35.1%	509	11.6%
No Change	84	1.9%	73	1.7%
Lower Tax Bill	2,762	63.0%	3,803	86.7%
<b>Average Change in Tax Bill</b>	<b>15.5%</b>		<b>-24.5%</b>	

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	Blackford County	State Average
Net Assessed Value, 2008 to 2009 (% change)	-13.7%	-14.3%
Gross Tax Levy, 2008 to 2009 (% change)	-25.7%	-30.6%
State PTRC Percentage, 2008	20.2%	20.1%
Total State Homestead Credit, 2008	44.8%	39.5%
Total State Homestead Credit, 2009	8.9%	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. Average homeowner tax bills in Blackford County increased by 15.5%. The eliminated levies were a small share of the total levy in Blackford County in 2008, so the tax levy did not decrease as much as the state average, and tax rates fell less. Blackford County taxpayers saw a high state homestead credit rate in 2008, which dropped to a rate closer to the state average in 2009. The loss of this added tax relief added to homestead tax bills.

## 2009 Property Tax Changes:

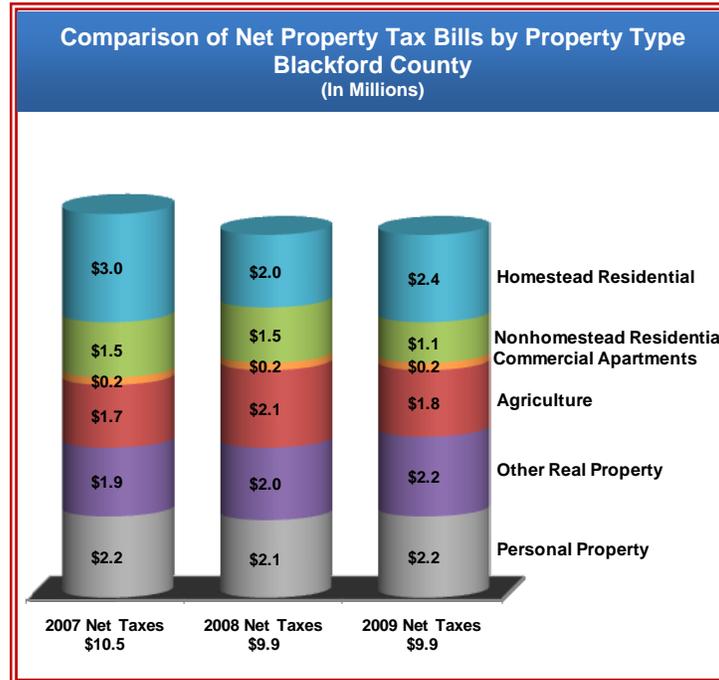
The state took over funding of school general funds, county welfare funds, and several smaller funds – Units where these funds were a large portion of the overall property tax received the greatest benefit.

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.

Blackford County did not adopt a local option income tax for property tax relief, and few Blackford County homeowners were eligible for the circuit breaker tax cap credits. Homeowner taxes were substantially lower in 2009 compared to 2007 in Blackford County, as they were in most Indiana counties.



In Blackford County from 2008 to 2009, nonhomestead residential properties (small rentals and second homes) saw a 26.7% decline in average property tax bills. Average tax bills on commercial apartments did not change significantly. Agricultural business real property (which includes farmland and farm buildings, but not homesteads) saw a 14.3% average tax decrease. Other commercial, industrial, and utility real property average tax bills increased 10.0%. Personal property, which is largely business equipment, saw a 4.8% 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 Blackford County \$454,011

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

1.5%  
Homestead qualifying property  
\$3,479 0.8%

2.5%  
Other qualified residential property  
\$417,572 92.0%

3.5%  
All other real and personal property  
\$21,040 4.6%

Elderly  
\$11,920 2.6%

### Blackford 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
<b>County Total</b>	<b>\$13,711,190</b>	<b>\$14,285,781</b>	<b>\$10,461,692</b>	<b>4.2%</b>	<b>-26.8%</b>	<b>-2.7%</b>
State Unit	10,090	10,694	0	6.0%	-100.0%	
Blackford County	2,943,779	3,478,256	3,067,341	18.2%	-11.8%	-6.3%
Harrison Township	50,569	55,659	58,351	10.1%	4.8%	4.8%
Jackson Township	27,504	61,078	53,646	122.1%	-12.2%	-12.2%
Licking Township	169,477	174,493	181,455	3.0%	4.0%	4.0%
Washington Township	23,589	36,932	29,630	56.6%	-19.8%	-19.8%
Hartford City Civil City	1,937,075	1,825,724	1,839,880	-5.7%	0.8%	5.0%
Dunkirk Civil City	20,093	19,488	14,414	-3.0%	-26.0%	-25.1%
Montpelier Civil City	402,169	419,076	421,724	4.2%	0.6%	1.5%
Shamrock Lakes Civil Town	27,738	28,698	22,928	3.5%	-20.1%	-20.1%
Blackford County School Corporation	7,750,560	7,795,708	4,415,438	0.6%	-43.4%	-3.3%
Jay County School Corporation	24,314	22,440	12,288	-7.7%	-45.2%	-1.6%
Hartford City Public Library	251,118	279,976	267,556	11.5%	-4.4%	-4.4%
Montpelier Public Library	70,596	75,177	75,128	6.5%	-0.1%	-0.1%
Dunkirk Public Library	2,519	2,382	1,913	-5.4%	-19.7%	-19.7%
Blackford County Solid Waste Management Dist.	0	0	0	0.0%	0.0%	0.0%

Notes: 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.

### Blackford 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 Rate-Real	State Homestead, Total		Total Local Income Tax Credits, Homesteads	
	2008	2009	% Change	2008	2009	% Change	2008	2009	2008	2008	2009	2008	2009
Harrison Township	47.1	41.7	-11.5%	1,265,809	900,145	-28.9%	2.6891	2.1599	21.09%	42.42%	8.87%	5.89%	10.48%
Montpelier City	53.5	45.4	-15.2%	1,839,105	1,387,555	-24.6%	3.4368	3.0561	19.73%	45.42%	8.87%	5.89%	10.48%
Jackson Township	57.2	52.6	-8.2%	1,512,983	1,095,034	-27.6%	2.6428	2.0830	20.73%	40.96%	8.87%	5.89%	10.48%
Dunkirk City (Shadyside)	1.5	1.0	-29.1%	55,114	36,747	-33.3%	3.7828	3.5591	20.97%	50.56%	8.87%	5.89%	10.48%
Licking Township	61.0	53.1	-13.0%	1,606,876	1,114,525	-30.6%	2.6339	2.0995	21.13%	41.88%	8.87%	5.89%	10.48%
Hartford City	173.2	144.5	-16.6%	6,617,214	5,116,726	-22.7%	3.8195	3.5418	19.46%	47.04%	8.87%	5.89%	10.48%
Shamrock Lakes Town	7.1	4.9	-31.5%	213,845	123,836	-42.1%	3.0060	2.5410	20.76%	44.75%	8.87%	5.89%	10.48%
Washington Township	45.4	41.7	-8.1%	1,189,895	856,382	-28.0%	2.6195	2.0523	20.99%	41.36%	8.87%	5.89%	10.48%
<b>County Totals/Averages</b>	<b>446.1</b>	<b>384.8</b>	<b>-13.7%</b>	<b>14,300,841</b>	<b>10,630,949</b>	<b>-25.7%</b>	<b>3.2061</b>	<b>2.7637</b>	<b>20.17%</b>	<b>44.80%</b>	<b>8.87%</b>	<b>5.89%</b>	<b>10.48%</b>

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.

## Blackford 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	
Blackford County	3,067,341	796	97,486	4,813	3,676	106,771
Harrison Township	58,351	0	803	0	47	851
Jackson Township	53,646	0	77	1	115	193
Licking Township	181,455	80	8,198	479	197	8,954
Washington Township	29,630	0	0	0	42	42
Hartford City Civil City	1,839,880	1,270	130,725	7,653	1,902	141,550
Dunkirk Civil City	14,414	0	2,228	28	0	2,257
Montpelier Civil City	421,724	0	16,435	0	82	16,517
Shamrock Lakes Civil Town	22,928	0	60	0	225	286
Blackford County School Corporation	4,415,438	1,149	138,827	6,925	5,307	152,207
Jay County School Corporation	12,288	0	1,899	24	0	1,923
Hartford City Public Library	267,556	185	19,008	1,113	277	20,582
Montpelier Public Library	75,128	0	1,529	0	49	1,578
Dunkirk Public Library	1,913	0	296	4	0	299
Mideast Indiana Solid Waste Management	0	0	0	0	0	0
Blackford County Solid Waste	0	0	0	0	0	0
Hartford City Redevelopment Commission	0	0	0	0	0	0
<b>Total - All Taxing Units</b>	<b>10,461,692</b>	<b>3,479</b>	<b>417,572</b>	<b>21,040</b>	<b>11,920</b>	<b>454,011</b>

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.

Numbers may not total due to rounding.