

PROPERTY TAXES IN DEARBORN COUNTY, INDIANA, 2007-2008



Legislative Services Agency

September 2008

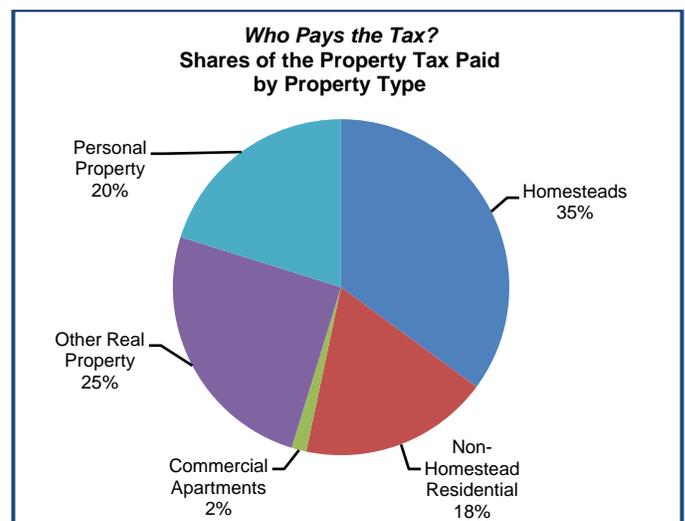
The Indiana General Assembly enacted major property tax reforms in 2008. These reforms are intended to provide substantial tax relief to homeowners. Starting in 2009, property taxes for the school general fund, county welfare funds, and several other funds will be eliminated, and their costs taken over by the state. Homeowners will also receive a substantial new deduction from their home assessments. And “circuit breakers” will limit homeowner tax bills to a fixed percentage of their assessments, 1.5% in 2009 and 1% beginning in 2010. The circuit breaker for homeowners is 2% in 2008.

In 2008, substantial tax relief is provided through an added homestead credit. The credit will be financed with payments from the new race track casinos and from the added sales tax. Statewide, this amounts to added property tax relief of \$870 million. Homeowner taxes should fall by about one-third. Each county is different, however. Homeowner tax bills depend on changes in the homestead’s assessment and the assessments of other property, on changes in local government tax collections, on new local income tax adoptions, as well as on added state credits. Dearborn County did not adopt a new local option income tax for 2008.

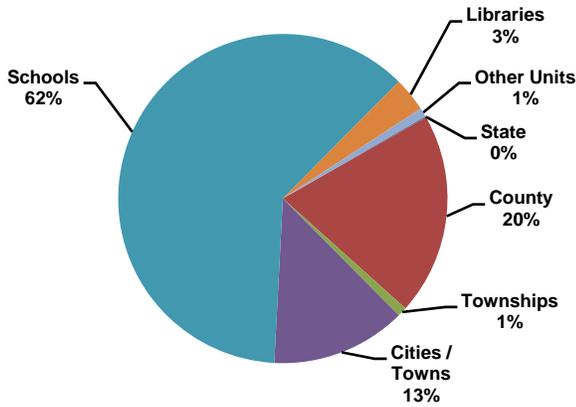
In Dearborn County, the average homeowner saw their tax bill decrease by 25.5% for 2008, with 83.5% of homeowners seeing decreases. Without the added homestead credit, the average tax bill would have increased by 1.3%, and 53.5% of homeowners would have seen tax bill increases.

In Dearborn County, 35% of property taxes are paid by homeowners (homesteads are primary residences, occupied by their owners); 18% are paid by owners of smaller rental housing units or owners of second homes (non-homestead residential); 2% are paid by owners of larger rental housing units (commercial apartments); and 45% are paid by other agricultural, commercial, industrial, or utility businesses on their real property (land and buildings) or on their personal property (equipment).

Change in Tax Bill	With Added 2008 Homestead Credit		Illustrated Without Added 2008 Homestead Credit	
	Number of Homesteads	% Share of Total	Number of Homesteads	% Share of Total
20% or more	720	5.8%	3,667	29.3%
10% to 19%	430	3.4%	1,339	10.7%
1% to 9%	907	7.2%	1,681	13.4%
0%	16	0.1%	16	0.1%
-1% to -9%	1,623	13.0%	3,235	25.9%
-10% to -19%	1,700	13.6%	1,857	14.8%
-20% to -29%	2,168	17.3%	532	4.3%
-30% to -39%	3,574	28.6%	130	1.0%
-40% to -49%	1,158	9.3%	31	0.2%
-50% to -59%	176	1.4%	14	0.1%
-60% to -69%	27	0.2%	3	0.0%
-70% to -79%	7	0.1%	2	0.0%
-80% to -89%	5	0.0%	5	0.0%
-90% to -99%	2	0.0%	1	0.0%
-100%	0	0.0%	0	0.0%
Total	12,513	100.0%	12,513	100.0%
Higher Tax Bill	2,057	16.4%	6,687	53.5%
No Change	16	0.1%	16	0.1%
Lower Tax Bill	10,440	83.5%	5,810	46.4%
Average Change in Tax Bill	-25.5%		1.3%	



**Who Gets the Revenue?
Property Tax Levies by Government Type**



On average, Dearborn County property tax levies increased 4.4% from 2007 to 2008. This is lower than the expected statewide average increase of 5%. The largest levy increases were in the county welfare levies, the Lawrenceburg general fund levy, and the South Dearborn School Corporation capital projects and debt service levies.

In Dearborn County, school corporations receive 62% of all property taxes. The county and the cities and towns receive most of the rest. Townships, library districts, special districts, and the state collect a small share of property taxes.

In 2009 the school and county shares of property tax revenue will decrease significantly when the state takes over the school general fund and county welfare levies.

**Changes in Property Tax Levies from 2007 to 2008
by Governmental Units in Dearborn County**

Taxing Unit	2007 Levy	2008 Levy	Change
<i>County Total</i>	<i>\$60,506,963</i>	<i>\$63,144,154</i>	<i>4.4%</i>
State Unit	66,697	70,794	6.1%
Dearborn County	10,288,026	12,542,445	21.9%
Caesar Creek Township	8,256	8,439	2.2%
Center Township	31,601	28,299	-10.4%
Clay Township	51,578	48,702	-5.6%
Harrison Township	57,066	53,458	-6.3%
Hogan Township	31,091	30,137	-3.1%
Jackson Township	17,244	17,544	1.7%
Kelso Township	14,123	13,009	-7.9%
Lawrenceburg Township	54,393	53,579	-1.5%
Logan Township	56,887	48,465	-14.8%
Manchester Township	104,444	96,148	-7.9%
Miller Township	119,702	106,331	-11.2%
Sparta Township	40,286	36,122	-10.3%
Washington Township	31,928	30,417	-4.7%
York Township	19,182	18,802	-2.0%
Lawrenceburg Civil City	4,460,324	5,352,985	20.0%
Aurora Civil City	1,045,962	974,389	-6.8%
Dillsboro Civil Town	149,196	140,518	-5.8%
Greendale Civil Town	1,959,627	1,809,405	-7.7%
Moore's Hill Civil Town	32,817	25,069	-23.6%
St. Leon Civil Town	664	625	-5.9%
West Harrison Civil Town	65,999	62,954	-4.6%
Sunman-Dearborn Community School Corporation	17,886,122	16,238,128	-9.2%
South Dearborn Community School Corporation	9,046,982	10,860,630	20.0%
Lawrenceburg Community School Corporation	12,290,189	11,807,260	-3.9%
Aurora Public Library	701,114	599,277	-14.5%
Lawrenceburg Public Library	1,344,882	1,523,418	13.3%
Dearborn County Solid Waste Management District	511,344	519,160	1.5%
Greendale Redevelopment Commission	19,237	27,645	43.7%