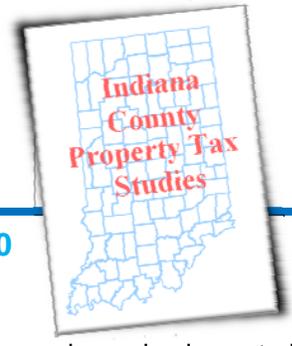


2010 Property Tax Report

DeKalb County

with comparisons between 2007 and 2010



Legislative Services Agency

July 2010

This report describes property tax changes in DeKalb 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 DeKalb 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 DeKalb 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	9,013	91.3%	126	1.3%
No Change	64	0.6%	7	0.1%
Lower Tax Bill	794	8.0%	9,738	98.7%
Average Change in Tax Bill	9.6%		-34.1%	
Detailed Change in Tax Bill				
20% or More	512	5.2%	56	0.6%
10% to 19%	4,985	50.5%	29	0.3%
1% to 9%	3,516	35.6%	41	0.4%
0%	64	0.6%	7	0.1%
-1% to -9%	546	5.5%	156	1.6%
-10% to -19%	108	1.1%	940	9.5%
-20% to -29%	43	0.4%	2,546	25.8%
-30% to -39%	28	0.3%	2,330	23.6%
-40% to -49%	26	0.3%	1,587	16.1%
-50% to -59%	7	0.1%	1,184	12.0%
-60% to -69%	6	0.1%	610	6.2%
-70% to -79%	2	0.0%	216	2.2%
-80% to -89%	4	0.0%	63	0.6%
-90% to -99%	4	0.0%	35	0.4%
-100%	20	0.2%	71	0.7%
Total	9,871	100.0%	9,871	100.0%

The average homeowner saw a 9.6% tax bill increase from 2009 to 2010.

Homestead taxes in 2010 were still 34.1% lower than they were in 2007, before the property tax reforms.

98.7% of homeowners saw lower tax bills in 2010 than in 2007.

86.1% of homeowners saw tax increases of between 1% and 19% from 2009 to 2010.

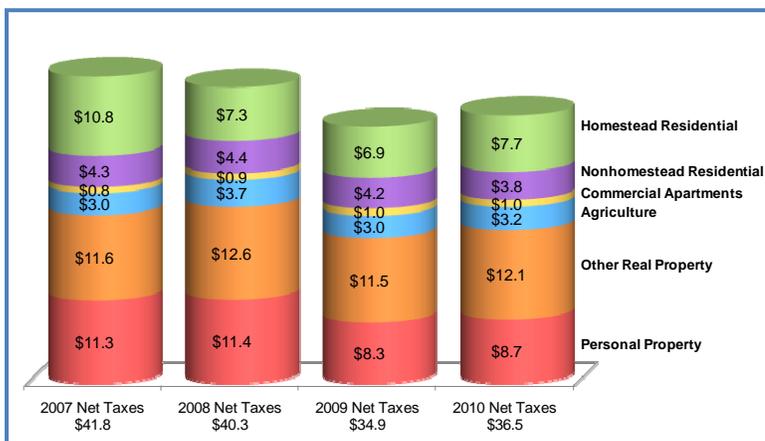
The largest percentage of homeowners have seen between a 20% and 39% decrease in their tax bills from 2007 to 2010.

Note: Percentages may not total due to rounding.

DeKalb County Overview

The larger-than-average increase in homeowner tax bills had a number of causes. Property tax levies increased 4.5% in DeKalb County in 2010, more than the statewide average increase of 2.4%. This was mainly due to increases in the county general fund levy, the Auburn City general fund levy, the DeKalb Eastern School Corporation debt service levy, and several levies of the DeKalb Central School Corporation. Local homestead property tax credit rates fell in DeKalb County in 2010 due to a decline in the local income tax revenues that fund these credits. DeKalb County tax rates were too low and local homestead credits were too high for any homeowners to be eligible for tax cap credits.

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



Net tax bills for all taxpayers increased 4.5% in DeKalb County from 2009 to 2010. This was higher than the statewide reduction of 1.4%. In 2010 apartment owners saw a 0.3% increase in tax bills. One apartment parcel had a 135% increase. All others combined had a 9.7% decrease. The 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 10.2% decrease in tax bills. Other real and personal property, mostly commercial and industrial land, buildings, and equipment, saw a 5.1% and 5.7% increase, respectively, in tax bills in 2010. This was mainly because of the increase in DeKalb County property tax levies. Commercial and industrial property did not benefit very much from the

tightened tax caps because DeKalb County's tax rates were not high enough for this type of property to qualify for tax cap credits. Agricultural business property saw a 5.2% increase in tax payments in 2010 because of the DeKalb 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.



Tax Cap Credits

Tax cap credits in DeKalb County in 2010 amounted to 1.6% of the total property tax levy. The statewide average was 6.3%. The smaller percentage loss in the county was partly due to DeKalb County having lower than average tax rates and 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 DeKalb County tax rate barely exceeded \$3. Neither DeKalb 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
DeKalb County Total \$609,930**

1%	2%	3%	Elderly
\$348	\$582,512	\$897	\$26,174
0.1%	95.5%	0.2%	4.3%

DeKalb County, Auburn City, and the DeKalb County Central United School Corporation saw the largest revenue losses from the tax caps in 2010. As a percentage of total levies, the Town of Corunna lost the most, at 14%. Losses were greatest for units that overlapped the municipalities because these tax districts had the highest tax rates.

The Effects of Recession

In DeKalb 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 5.3% in December 2007 to 13.8% in July 2009. Job losses and income declines contributed to a 6.5% drop in local income tax revenue. Because part of this revenue is used for property tax relief, local property tax credit rates declined in DeKalb County in 2010.

DeKalb County Gross Assessed Value by Property Type

Property Type	Gross AV 2009	Gross AV 2010	Gross AV Change
Homesteads	1,464,710,720	1,470,886,359	0.4%
Other Residential	197,369,000	204,542,675	3.6%
Ag Business/Land	237,855,400	247,294,756	4.0%
Business Real/Personal	1,330,419,395	1,346,172,895	1.2%
Total	\$3,230,354,515	\$3,268,896,685	1.2%

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 DeKalb County, the gross assessed value of business real and personal property increased 1.2% in 2010. Other assessment categories increased, and total gross assessed value in DeKalb County rose 1.2%. 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.

DeKalb County Levy Comparison by Taxing Unit

Taxing Unit	2007	2008	2009	2010	% Change		
					2007-2008	2008-2009	2009-2010
<i>County Total</i>	49,005,906	52,192,597	35,776,593	37,384,548	6.5%	-31.5%	4.5%
State Unit	48,062	49,998	0	0	4.0%	-100.0%	
DeKalb County	9,552,283	9,974,646	7,203,265	7,708,143	4.4%	-27.8%	7.0%
Butler Township	31,707	33,735	35,076	35,944	6.4%	4.0%	2.5%
Concord Township	31,526	23,722	24,290	24,615	-24.8%	2.4%	1.3%
Fairfield Township	85,740	75,294	71,328	34,538	-12.2%	-5.3%	-51.6%
Franklin Township	38,068	40,091	40,635	42,117	5.3%	1.4%	3.6%
Grant Township	70,301	72,156	73,137	74,197	2.6%	1.4%	1.4%
Jackson Township	70,998	75,655	72,506	74,510	6.6%	-4.2%	2.8%
Keyser Township	20,642	22,385	23,407	24,199	8.4%	4.6%	3.4%
Newville Township	13,132	13,730	14,199	14,746	4.6%	3.4%	3.9%
Richland Township	22,003	21,945	23,593	24,352	-0.3%	7.5%	3.2%
Smithfield Township	44,553	45,359	47,188	48,351	1.8%	4.0%	2.5%
Spencer Township	83,916	62,861	61,596	64,083	-25.1%	-2.0%	4.0%
Stafford Township	9,395	12,999	12,519	13,781	38.4%	-3.7%	10.1%
Troy Township	8,620	12,072	12,093	12,450	40.0%	0.2%	3.0%
Union Township	49,488	56,807	58,581	60,732	14.8%	3.1%	3.7%
Wilmington Township	95,642	96,995	80,084	102,638	1.4%	-17.4%	28.2%
Auburn Civil City	3,858,989	4,354,801	4,336,035	4,584,098	12.8%	-0.4%	5.7%
Garrett Civil City	1,426,896	1,413,051	1,460,256	1,504,755	-1.0%	3.3%	3.0%
Butler Civil City	1,015,966	920,658	1,078,218	951,754	-9.4%	17.1%	-11.7%
Altona Civil Town	19,560	21,778	22,075	19,097	11.3%	1.4%	-13.5%
Ashley Civil Town	366,042	374,744	402,516	393,509	2.4%	7.4%	-2.2%
Corunna Civil Town	62,692	65,938	67,831	70,723	5.2%	2.9%	4.3%
St. Joe Civil Town	35,109	73,453	73,836	77,607	109.2%	0.5%	5.1%
Waterloo Civil Town	638,183	650,191	779,625	705,995	1.9%	19.9%	-9.4%
Hamilton Civil Town	25,173	26,171	23,593	22,833	4.0%	-9.9%	-3.2%
DeKalb County Eastern Comm School Corp	7,030,130	7,856,931	4,567,651	5,212,692	11.8%	-41.9%	14.1%
Garrett-Keyser-Butler Comm School Corp	5,882,645	5,963,909	3,460,550	3,495,702	1.4%	-42.0%	1.0%
DeKalb County Central United School Corp	16,316,939	17,511,279	9,688,216	10,019,057	7.3%	-44.7%	3.4%
Hamilton Community School Corp	506,151	598,871	233,968	200,959	18.3%	-60.9%	-14.1%
Auburn-Eckhart Public Library	561,201	677,629	695,896	737,281	20.7%	2.7%	5.9%
Butler Carnegie Public Library	165,787	153,621	192,054	164,421	-7.3%	25.0%	-14.4%
Garrett Public Library	376,590	412,215	424,251	444,229	9.5%	2.9%	4.7%
Waterloo Public Library	171,037	178,950	201,407	192,195	4.6%	12.5%	-4.6%
Northeast Indiana Solid Waste Mgt Dist	196,252	206,243	215,118	228,245	5.1%	4.3%	6.1%
DeKalb County Redevelopment Comm	0	0	0	0			
Garrett City Redevelopment Comm	15,536	40,344	0	0	159.7%	-100.0%	
Auburn Redevelopment Comm	58,952	1,370	0	0	-97.7%	-100.0%	

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

Dist #	Taxing District	Tax Rate	LOIT PTRC	Credit Rates						Net Tax Rate, Homesteads
				State Homestead	COIT Homestead	CEDIT Homestead	CEDIT Residential	LOIT Homestead	LOIT Residential	
17001	Butler Township	1.5493	--	4.3236%	--	20.2460%	--	--	--	1.1686
17002	Concord Township	1.1284	--	4.3236%	--	20.2460%	--	--	--	0.8512
17003	St Joe Town	1.9546	--	4.3236%	--	20.2460%	--	--	--	1.4744
17004	Fairfield Township	1.3985	--	4.3236%	--	20.2460%	--	--	--	1.0549
17005	Franklin Township	0.7870	--	4.3236%	--	20.2460%	--	--	--	0.5936
17006	Hamilton Town	1.1231	--	4.3236%	--	20.2460%	--	--	--	0.8472
17007	Grant Township	1.6114	--	4.3236%	--	20.2460%	--	--	--	1.2155
17008	Waterloo Town-Grant Township	2.7368	--	4.3236%	--	20.2460%	--	--	--	2.0644
17009	Jackson Township	1.3906	--	4.3236%	--	20.2460%	--	--	--	1.0489
17010	Auburn City-Jackson Township	2.2815	--	4.3236%	--	20.2460%	--	--	--	1.7209
17011	Keyser Township	1.5281	--	4.3236%	--	20.2460%	--	--	--	1.1527
17012	Auburn City-Keyser Township	2.2937	--	4.3236%	--	20.2460%	--	--	--	1.7301
17013	Garrett City	2.3458	--	4.3236%	--	20.2460%	--	--	--	1.7694
17014	Altona Town	2.1375	--	4.3236%	--	20.2460%	--	--	--	1.6123
17015	Newville Township	1.1396	--	4.3236%	--	20.2460%	--	--	--	0.8596
17016	Richland Township	1.3867	--	4.3236%	--	20.2460%	--	--	--	1.0460
17017	Corunna Town	3.0528	--	4.3236%	--	20.2460%	--	--	--	2.3027
17018	Smithfield Township	1.4015	--	4.3236%	--	20.2460%	--	--	--	1.0572
17019	Ashley Town	2.5264	--	4.3236%	--	20.2460%	--	--	--	1.9057
17020	Waterloo Town-Smithfield Twp	2.7357	--	4.3236%	--	20.2460%	--	--	--	2.0635
17021	Spencer Township	1.1413	--	4.3236%	--	20.2460%	--	--	--	0.8609
17022	Stafford Township	1.1420	--	4.3236%	--	20.2460%	--	--	--	0.8614
17023	Troy Township	1.1470	--	4.3236%	--	20.2460%	--	--	--	0.8652
17024	Union Township	1.4813	--	4.3236%	--	20.2460%	--	--	--	1.1174
17025	Auburn City-Union Township	2.2757	--	4.3236%	--	20.2460%	--	--	--	1.7166
17026	Wilmington Township	1.0934	--	4.3236%	--	20.2460%	--	--	--	0.8248
17027	Butler City	2.2277	--	4.3236%	--	20.2460%	--	--	--	1.6804
17028	Auburn City - Grant Township	2.2975	--	4.3236%	--	20.2460%	--	--	--	1.7330

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.

DeKalb 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>	348	564,762	897	25,982		591,989	37,384,548	1.6%
<i>TIF Total</i>	0	17,750	0	191		17,941	1,837,179	1.0%
<i>County Total</i>	348	582,512	897	26,174		609,930	39,221,727	1.6%
DeKalb County	48	83,913	104	4,534		88,599	7,708,143	1.1%
Butler Township	0	0	0	23		23	35,944	0.1%
Concord Township	0	0	0	16		16	24,615	0.1%
Fairfield Township	0	0	0	10		10	34,538	0.0%
Franklin Township	0	0	0	1		1	42,117	0.0%
Grant Township	3	1,155	0	21		1,179	74,197	1.6%
Jackson Township	0	43	0	32		74	74,510	0.1%
Keyser Township	0	354	0	19		373	24,199	1.5%
Newville Township	0	0	0	0		0	14,746	0.0%
Richland Township	0	186	10	15		211	24,352	0.9%
Smithfield Township	0	316	0	8		323	48,351	0.7%
Spencer Township	0	0	0	37		37	64,083	0.1%
Stafford Township	0	0	0	8		8	13,781	0.1%
Troy Township	0	0	0	4		4	12,450	0.0%
Union Township	0	1,101	0	78		1,179	60,732	1.9%
Wilmington Township	0	136	0	7		142	102,638	0.1%
Auburn Civil City	34	84,522	0	4,970		89,526	4,584,098	2.0%
Garrett Civil City	0	49,777	0	1,642		51,420	1,504,755	3.4%
Butler Civil City	0	19,828	0	171		19,999	951,754	2.1%
Altona Civil Town	0	508	0	67		575	19,097	3.0%
Ashley Civil Town	0	11,367	0	67		11,434	393,509	2.9%
Corunna Civil Town	0	9,163	493	262		9,919	70,723	14.0%
St. Joe Civil Town	0	0	0	36		36	77,607	0.0%
Waterloo Civil Town	110	42,504	0	356		42,970	705,995	6.1%
Hamilton Civil Town	0	0	0	6		6	22,833	0.0%
DeKalb County Eastern Comm School Corp	0	14,296	0	1,010		15,307	5,212,692	0.3%
Garrett-Keyser-Butler Comm School Corp	0	60,906	0	2,867		63,773	3,495,702	1.8%
DeKalb County Central United School Corp	131	151,517	286	8,256		160,190	10,019,057	1.6%
Hamilton Community School Corp	0	0	0	6		6	200,959	0.0%
Auburn-Eckhart Public Library	5	12,665	0	812		13,482	737,281	1.8%
Butler Carnegie Public Library	0	3,425	0	30		3,455	164,421	2.1%
Garrett Public Library	0	8,561	0	407		8,968	444,229	2.0%
Waterloo Public Library	16	6,035	0	70		6,121	192,195	3.2%
Northeast Indiana Solid Waste Mgt Dist	1	2,485	3	134		2,623	228,245	1.1%
DeKalb County Redevelopment Comm	0	0	0	0		0	0	
Garrett City Redevelopment Comm	0	0	0	0		0	0	
Auburn Redevelopment Comm	0	0	0	0		0	0	
TIF - Ashley ERA No. 1	0	146	0	0		146	278,677	0.1%
TIF - Ashley ERA No. 2	0	0	0	0		0	94,477	0.0%
TIF - Ashley ERA No. 3	0	155	0	0		155	589	26.3%
TIF - Ashley ERA No. 4	0	232	0	0		232	880	26.3%
TIF - Ashley ERA No. 5	0	26	0	0		26	103	25.7%
TIF - Auburn NW ERA	0	2,474	0	70		2,544	109,875	2.3%
TIF - Auburn NW ERA Amended	0	9,175	0	0		9,175	70,441	13.0%
TIF - Aub-Keyser NW ERA	0	4,352	0	0		4,352	594,212	0.7%
TIF - Aub-Keyser NW ERA Amended	0	91	0	0		91	39,110	0.2%
TIF - Garrett ERA	0	418	0	0		418	203,071	0.2%
TIF - Garrett ERA Amended	0	268	0	0		268	272,848	0.1%
TIF - Keyers - American Heritage	0	0	0	121		121	53,132	0.2%
TIF - Waterloo ERA- US 6 & I69	0	14	0	0		14	62,984	0.0%
TIF - Waterloo ERA- Amended	0	399	0	0		399	56,780	0.7%

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.