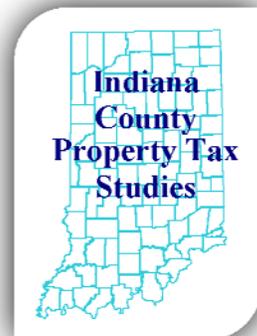


2009 ELKHART COUNTY PROPERTY TAX REPORT

WITH COMPARISONS TO 2007 AND 2008

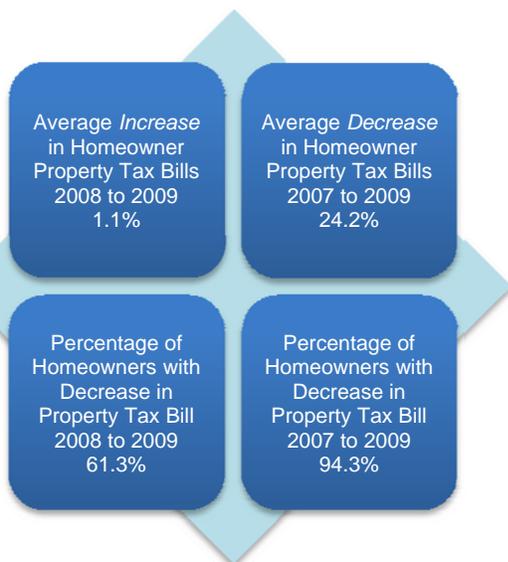


Legislative Services Agency

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 Elkhart 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	4,065	9.7%	913	2.2%
10% to 19%	3,483	8.3%	398	0.9%
1% to 9%	8,575	20.5%	973	2.3%
0%	107	0.3%	94	0.2%
-1% to -9%	14,998	35.8%	2,829	6.7%
-10% to -19%	5,871	14.0%	7,865	18.8%
-20% to -29%	2,312	5.5%	11,562	27.6%
-30% to -39%	903	2.2%	10,036	23.9%
-40% to -49%	292	0.7%	4,303	10.3%
-50% to -59%	292	0.7%	1,338	3.2%
-60% to -69%	205	0.5%	455	1.1%
-70% to -79%	196	0.5%	336	0.8%
-80% to -89%	139	0.3%	257	0.6%
-90% to -99%	95	0.2%	167	0.4%
-100%	386	0.9%	393	0.9%
Total	41,919	100.0%	41,919	100.0%
Higher Tax Bill	16,123	38.5%	2,284	5.4%
No Change	107	0.3%	94	0.2%
Lower Tax Bill	25,689	61.3%	39,541	94.3%
Average Change in Tax Bill	1.1%		-24.2%	

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	Elkhart County	State Average
Net Assessed Value, 2008 to 2009 (% change)	-12.9%	-14.3%
Gross Tax Levy, 2008 to 2009 (% change)	-26.6%	-30.6%
State PTRC Percentage, 2008	19.6%	20.1%
Total State Homestead Credit, 2008	39.3%	39.5%
Total State Homestead Credit, 2009	7.1%	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 Elkhart County increased by 1.1%. The elimination of the property tax levies, and the added 35% deduction, were offset by the elimination of the property tax replacement credits and the state homestead credits. Elkhart County did not adopt a local option income tax for property tax relief, and few Elkhart County homeowners were eligible for the circuit breaker tax cap credits. Homeowner taxes were substantially

lower in 2009 compared to 2007 in Elkhart County, as they were in almost all Indiana counties.

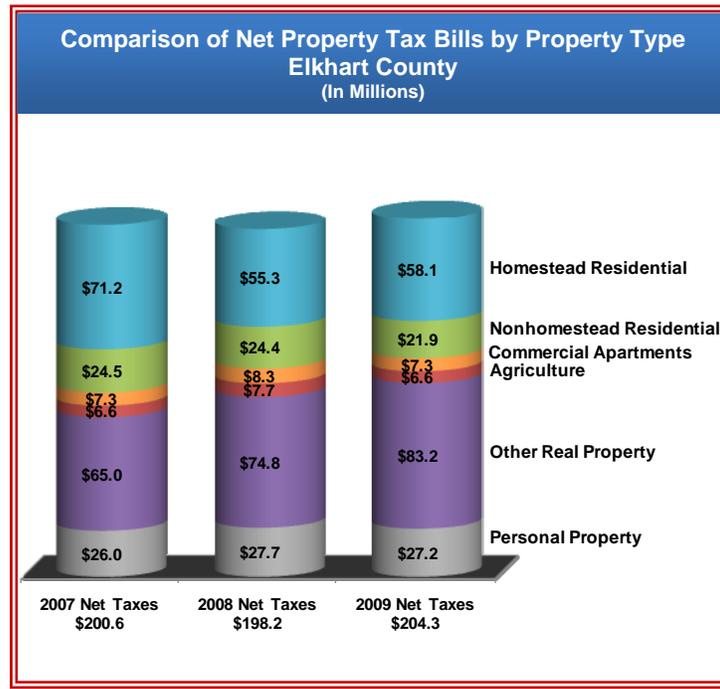
2009 Property Tax Changes:

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.



In Elkhart County from 2008 to 2009, nonhomestead residential properties (small rentals and second homes) saw a 10.2% decline in average property tax bills. Average tax bills on commercial apartments decreased 12.0%. 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 11.2%. Personal property, which is largely business equipment, saw a 1.8% 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 Elkhart County \$3,235,258

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



Elkhart 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	\$256,549,945	\$268,934,793	\$197,890,643	4.8%	-26.4%	1.3%
State Unit	225,219	233,312	0	3.6%	-100.0%	
Elkhart County	41,357,505	41,293,574	31,179,051	-0.2%	-24.5%	3.6%
Baugo Township	357,150	378,638	723,998	6.0%	91.2%	91.2%
Benton Township	128,600	135,225	135,821	5.2%	0.4%	0.4%
Cleveland Township	521,432	621,482	557,197	19.2%	-10.3%	-10.3%
Clinton Township	104,286	109,216	107,735	4.7%	-1.4%	-1.4%
Concord Township	1,884,588	1,744,166	2,288,804	-7.5%	31.2%	31.2%
Elkhart Township	409,031	425,238	397,352	4.0%	-6.6%	-6.6%
Harrison Township	144,883	150,444	156,589	3.8%	4.1%	4.1%
Jackson Township	292,005	307,404	310,333	5.3%	1.0%	1.0%
Jefferson Township	363,757	386,550	377,753	6.3%	-2.3%	-2.3%
Locke Township	66,368	69,709	71,849	5.0%	3.1%	3.1%
Middlebury Township	1,468,496	1,486,369	1,527,178	1.2%	2.7%	2.7%
Olive Township	65,366	68,079	70,247	4.2%	3.2%	3.2%
Osolo Township	881,880	922,535	896,878	4.6%	-2.8%	-2.8%
Union Township	144,244	148,904	148,497	3.2%	-0.3%	-0.3%
Washington Township	221,806	158,550	258,716	-28.5%	63.2%	63.2%
York Township	151,098	160,186	165,075	6.0%	3.1%	3.1%
Elkhart Civil City	31,458,585	32,384,722	32,250,774	2.9%	-0.4%	6.2%
Goshen Civil City	12,299,841	12,849,725	13,049,848	4.5%	1.6%	5.1%
Nappanee Civil City	2,990,296	3,134,194	3,172,899	4.8%	1.2%	2.8%
Bristol Civil Town	959,264	987,643	1,015,894	3.0%	2.9%	2.9%
Middlebury Civil Town	1,548,475	1,608,317	1,653,655	3.9%	2.8%	2.8%
Millersburg Civil Town	255,216	265,945	271,998	4.2%	2.3%	2.3%
Wakarusa Civil Town	1,102,033	1,129,060	1,154,395	2.5%	2.2%	2.2%
Fairfield Community School Corporation	9,477,273	10,210,920	6,472,938	7.7%	-36.6%	4.3%
Baugo Community School Corporation	9,031,129	9,108,127	5,537,444	0.9%	-39.2%	-3.3%
Concord Community School Corporation	21,458,777	23,816,578	15,179,919	11.0%	-36.3%	-2.7%
Middlebury Community School Corporation	16,488,632	20,744,150	13,138,147	25.8%	-36.7%	3.2%
Wa-Nee Community School Corporation	14,955,685	15,639,372	9,315,827	4.6%	-40.4%	-3.8%
Elkhart Community School Corporation	52,704,667	54,079,660	32,824,909	2.6%	-39.3%	-1.7%
Goshen Community School Corporation	25,321,225	26,132,322	15,733,324	3.2%	-39.8%	-6.0%
Bristol Public Library	167,646	173,362	181,226	3.4%	4.5%	4.5%
Elkhart Public Library	4,170,812	4,173,180	3,931,613	0.1%	-5.8%	-5.8%
Goshen Public Library	1,464,890	1,541,946	1,589,341	5.3%	3.1%	3.1%
Nappanee Public Library	903,040	979,974	976,820	8.5%	-0.3%	-0.3%
Wakarusa-Olive Twp-Harrison Twp Library	360,511	368,438	382,853	2.2%	3.9%	3.9%
Middlebury Public Library	644,234	660,066	683,746	2.5%	3.6%	3.6%
Elkhart Cnty Solid Management District	0	0	0	0.0%	0.0%	0.0%
Goshen Redevelopment Commission	0	0	0	0.0%	0.0%	0.0%
Elkhart City Redevelopment Commission	0	147,511	0		-100.0%	-100.0%
Nappanee Redevelopment Commission	0	0	0	0.0%	0.0%	0.0%
Elkhart County Redevelopment Commission	0	0	0	0.0%	0.0%	0.0%

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.

Elkhart 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
Baugo Township	487.0	423.6	-13.0%	11,568,927	7,794,915	-32.6%	2.3757	1.8401	19.17%	34.91%	7.13%	0.00%	0.00%
Elkhart City-Baugo Township	5.4	6.2	15.8%	205,196	200,097	-2.5%	3.8031	3.2038	18.38%	43.72%	7.13%	0.00%	0.00%
Benton Township	138.2	117.8	-14.7%	2,955,426	1,950,106	-34.0%	2.1388	1.6553	20.33%	36.24%	7.13%	0.00%	0.00%
Millersburg Town-Benton Township	6.5	5.2	-19.7%	183,164	126,312	-31.0%	2.8350	2.4359	19.72%	42.23%	7.13%	0.00%	0.00%
Cleveland Township	378.1	298.6	-21.0%	8,416,236	5,097,458	-39.4%	2.2259	1.7073	21.27%	38.69%	7.13%	0.00%	0.00%
Elkhart City-Cleveland Township	152.6	159.2	4.3%	5,341,047	4,769,951	-10.7%	3.5007	2.9963	20.02%	46.69%	7.13%	0.00%	0.00%
Clinton Township	205.2	179.8	-12.4%	4,295,465	2,874,503	-33.1%	2.0929	1.5985	20.46%	35.90%	7.13%	0.00%	0.00%
Millersburg Town-Clinton Twp.	28.1	25.8	-8.3%	795,889	626,152	-21.3%	2.8281	2.4271	19.73%	42.21%	7.13%	0.00%	0.00%
Concord Township	757.5	575.8	-24.0%	18,997,156	12,118,712	-36.2%	2.5079	2.1045	18.34%	35.14%	7.13%	0.00%	0.00%
Elkhart City-Concord Twp-Concord Sch	491.1	484.7	-1.3%	18,263,822	15,588,598	-14.6%	3.7191	3.2164	18.30%	43.63%	7.13%	0.00%	0.00%
Elkhart City-Concord Twp-Elkhart Sch	944.6	825.6	-12.6%	32,860,338	24,604,130	-25.1%	3.4788	2.9803	20.02%	46.58%	7.13%	0.00%	0.00%
Goshen City-Concord Township	105.2	106.3	1.0%	3,486,575	3,071,376	-11.9%	3.3139	2.8900	17.85%	40.33%	7.13%	0.00%	0.00%
Elkhart Township	315.7	213.4	-32.4%	7,411,928	3,840,013	-48.2%	2.3481	1.7998	19.12%	35.42%	7.13%	0.00%	0.00%
Goshen City-Elkhart Township	1206.9	1111.1	-7.9%	39,121,683	30,624,316	-21.7%	3.2414	2.7562	18.11%	40.64%	7.13%	0.00%	0.00%
Harrison Township	178.4	151.9	-14.9%	4,039,910	2,687,678	-33.5%	2.2643	1.7696	21.60%	37.87%	7.13%	0.00%	0.00%
Wakarusa Town-Harrison Township	31.0	31.6	2.1%	904,705	786,707	-13.0%	2.9227	2.4890	20.16%	41.53%	7.13%	0.00%	0.00%
Jackson Township	259.9	229.5	-11.7%	5,613,646	3,847,952	-31.5%	2.1602	1.6764	20.33%	36.56%	7.13%	0.00%	0.00%
Jefferson Township	478.0	380.8	-20.3%	10,347,694	6,547,615	-36.7%	2.1647	1.7196	20.62%	36.28%	7.13%	0.00%	0.00%
Locke Township	76.1	66.9	-12.1%	1,627,081	1,068,881	-34.3%	2.1376	1.5973	21.98%	36.89%	7.13%	0.00%	0.00%
Nappanee City-Locke Township	108.8	100.6	-7.5%	3,643,741	2,923,705	-19.8%	3.3492	2.9055	19.43%	42.83%	7.13%	0.00%	0.00%
Olive Township	89.6	73.5	-17.9%	2,011,279	1,272,774	-36.7%	2.2452	1.7314	21.60%	37.59%	7.13%	0.00%	0.00%
Wakarusa Town-Olive Township	122.2	116.6	-4.6%	3,573,062	2,908,957	-18.6%	2.9231	2.4944	20.13%	41.45%	7.13%	0.00%	0.00%
Osolo Township	818.5	579.8	-29.2%	17,875,709	9,802,099	-45.2%	2.1840	1.6906	21.66%	39.09%	7.13%	0.00%	0.00%
Elkhart City-Osolo Township	755.3	798.9	5.8%	26,177,707	23,642,670	-9.7%	3.4657	2.9593	20.00%	46.44%	7.13%	0.00%	0.00%
Union Township	144.3	126.9	-12.0%	3,460,432	2,407,232	-30.4%	2.3982	1.8963	20.42%	36.68%	7.13%	0.00%	0.00%
Nappanee City-Union Township	197.7	175.1	-11.5%	6,581,145	5,047,407	-23.3%	3.3283	2.8834	19.45%	42.73%	7.13%	0.00%	0.00%
Washington Township	324.4	273.7	-15.6%	6,690,811	4,319,902	-35.4%	2.0624	1.5781	22.32%	38.92%	7.13%	0.00%	0.00%
Bristol Town	159.7	156.7	-1.9%	4,224,749	3,349,381	-20.7%	2.6450	2.1371	20.83%	42.47%	7.13%	0.00%	0.00%
York Township	256.8	226.4	-11.8%	5,512,274	3,834,343	-30.4%	2.1465	1.6933	20.81%	36.49%	7.13%	0.00%	0.00%
Middlebury Township	276.3	230.4	-16.6%	6,480,623	4,426,272	-31.7%	2.3458	1.9209	19.01%	34.69%	7.13%	0.00%	0.00%
Middlebury Town	296.6	277.8	-6.3%	8,566,966	6,961,030	-18.7%	2.8887	2.5061	17.92%	37.35%	7.13%	0.00%	0.00%
Goshen City-Harrison Township	0.4	0.4	3.0%	11,354	10,067	-11.3%	3.1727	2.7307	19.62%	42.13%	7.13%	0.00%	0.00%
Goshen City-Jefferson	0.3	0.3	3.0%	7,910	7,179	-9.2%	3.1204	2.7486	18.96%	41.67%	7.13%	0.00%	0.00%
County Totals/Averages	9,796.3	8,531.0	-12.9%	271,253,647	199,138,491	-26.6%	2.7664	2.3352	19.65%	39.28%	7.13%	0.00%	0.00%

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.

Elkhart 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	
Elkhart County	31,179,051	13,849	351,874	0	3,581	369,304
Baugo Township	723,998	0	0	0	14	14
Benton Township	135,821	0	0	0	0	0
Cleveland Township	557,197	175	1,028	0	42	1,246
Clinton Township	107,735	0	0	0	1	1
Concord Township	2,288,804	368	17,216	0	306	17,890
Elkhart Township	397,352	1	2,500	0	41	2,542
Harrison Township	156,589	0	2	0	0	2
Jackson Township	310,333	0	0	0	6	6
Jefferson Township	377,753	0	4	0	0	4
Locke Township	71,849	0	842	0	25	867
Middlebury Township	1,527,178	0	273	0	19	292
Olive Township	70,247	0	0	0	2	2
Osolo Township	896,878	324	2,872	0	93	3,289
Union Township	148,497	5	539	0	14	558
Washington Township	258,716	0	0	0	1	1
York Township	165,075	0	0	0	11	11
Elkhart Civil City	32,250,774	57,256	1,072,698	0	5,268	1,135,222
Goshen Civil City	13,049,848	43	216,350	0	2,803	219,196
Nappanee Civil City	3,172,899	342	62,992	0	1,730	65,064
Bristol Civil Town	1,015,894	0	0	0	96	96
Middlebury Civil Town	1,653,655	0	540	0	37	578
Millersburg Civil Town	271,998	0	0	0	34	34
Wakarusa Civil Town	1,154,395	0	0	0	0	0
Fairfield Community School Corporation	6,472,938	0	0	0	99	99
Baugo Community School Corporation	5,537,444	0	0	0	107	107
Concord Community School Corporation	15,179,919	8,827	183,445	0	1,377	193,649
Middlebury Community School Corporation	13,138,147	0	1,337	0	245	1,582
Wa-Nee Community School Corporation	9,315,827	357	65,933	0	1,841	68,131
Elkhart Community School Corporation	32,824,909	35,389	657,669	0	4,741	697,799
Goshen Community School Corporation	15,733,324	47	228,877	0	3,000	231,925
Bristol Public Library	181,226	0	0	0	6	6
Elkhart Public Library	3,931,613	4,230	79,255	0	549	84,034
Goshen Public Library	1,589,341	4	22,417	0	299	22,721
Nappanee Public Library	976,820	75	13,837	0	381	14,293
Wakarusa-Olive Township-Harrison Township	382,853	0	0	0	3	3
Middlebury Public Library	683,746	0	56	0	13	68
Elkhart County Solid Waste Management District	0	0	0	0	0	0
Goshen Redevelopment Commission	0	0	0	0	0	0
Elkhart City Redevelopment Commission	0	0	0	0	0	0
TIF Districts	11,304,495	0	104,623	0	0	104,623
Total - All Taxing Units & TIF	209,195,138	121,292	3,087,179	0	26,787	3,235,258

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.