

2010 Property Tax Report

Jay County

with comparisons between 2007 and 2010



Legislative Services Agency

July 2010

This report describes property tax changes in Jay 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 Jay 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 Jay 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 | 4,909 | 88.9% | 73 | 1.3% |
| No Change | 436 | 7.9% | 78 | 1.4% |
| Lower Tax Bill | 179 | 3.2% | 5,373 | 97.3% |
| Average Change in Tax Bill | 36.2% | | -58.3% | |
| Detailed Change in Tax Bill | | | | |
| 20% or More | 4,041 | 73.2% | 44 | 0.8% |
| 10% to 19% | 383 | 6.9% | 8 | 0.1% |
| 1% to 9% | 485 | 8.8% | 21 | 0.4% |
| 0% | 436 | 7.9% | 78 | 1.4% |
| -1% to -9% | 66 | 1.2% | 26 | 0.5% |
| -10% to -19% | 11 | 0.2% | 53 | 1.0% |
| -20% to -29% | 13 | 0.2% | 113 | 2.0% |
| -30% to -39% | 11 | 0.2% | 233 | 4.2% |
| -40% to -49% | 12 | 0.2% | 515 | 9.3% |
| -50% to -59% | 10 | 0.2% | 1,064 | 19.3% |
| -60% to -69% | 15 | 0.3% | 1,712 | 31.0% |
| -70% to -79% | 4 | 0.1% | 862 | 15.6% |
| -80% to -89% | 5 | 0.1% | 223 | 4.0% |
| -90% to -99% | 2 | 0.0% | 201 | 3.6% |
| -100% | 30 | 0.5% | 371 | 6.7% |
| Total | 5,524 | 100.0% | 5,524 | 100.0% |

The average homeowner saw a 36.2% tax bill increase from 2009 to 2010.

Homestead taxes in 2010 were still 58.3% lower than they were in 2007, before the property tax reforms.

97.3% of homeowners saw lower tax bills in 2010 than in 2007.

73.2% of homeowners saw tax increases of 20% or more from 2009 to 2010.

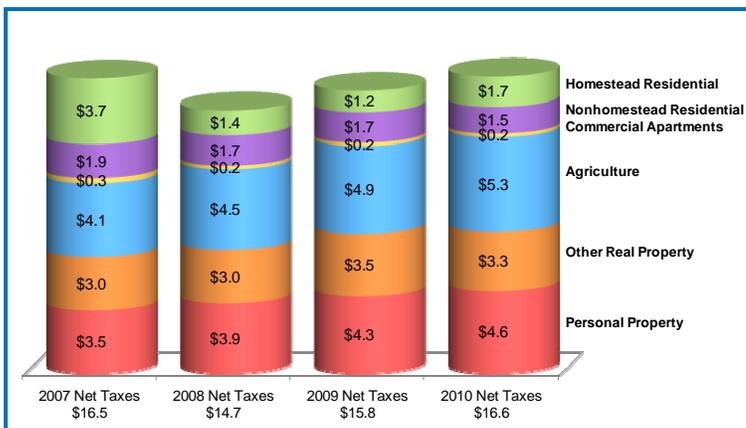
The largest percentage of homeowners have seen between a 50% and 69% decrease in their tax bills from 2007 to 2010.

Note: Percentages may not total due to rounding.

Jay County Overview

The much larger-than-average increase in homeowner tax bills had several causes. Jay County saw a decrease in its local homestead property tax credit rate and a larger-than-average decrease in the state homestead credit rate. Property tax levies increased 4.2% in Jay County in 2010, more than the state average increase of 2.4%. Levies increased for the county emergency medical and cumulative capital development funds and for the Jay County School Corporation's debt service and bus replacement funds. Jay County homeowners benefitted less from the one percent property tax cap than did homeowners in the average county, primarily because the county offers a substantial local homestead credit funded by local income tax revenues.

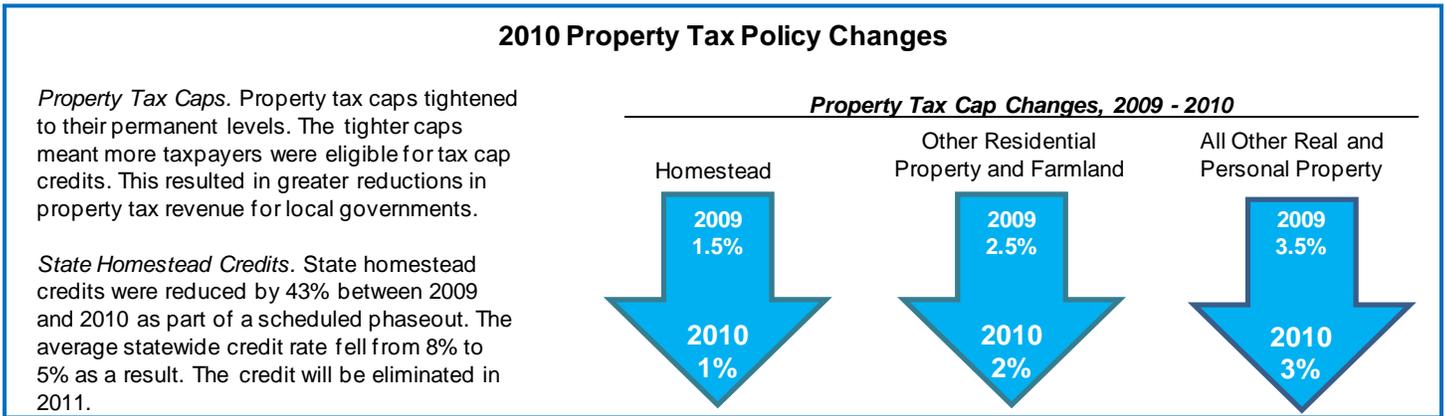
Comparison of Net Property Tax by Property Type (In Millions)



Net tax bills for all taxpayers increased 4.3% in Jay County from 2009 to 2010. This was higher than the statewide reduction of 1.4%. In 2010 apartment owners saw a 33.3% 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 12.7% decrease in tax bills. Other real, mostly commercial and industrial land and buildings, saw a 5.5% decrease, while personal property, mostly equipment, saw a 6.4% increase in tax bills in 2010. These changes were mainly due to the increase in Jay County property tax levies and changes in assessed value. Business real

property assessments were reduced by 4.5% while business personal property assessments grew by 5.0%. The tightening of the tax caps from 3.5% to 3% also contributed to the tax changes for commercial and industrial property.

Agricultural business property saw an 8.4% increase in tax payments in 2010 because of the Jay County tax levy increases and the 4% increase in the base rate of farmland, from \$1,200 to \$1,250 per acre.



Tax Cap Credits

Tax cap credits in Jay County in 2010 amounted to 2.5% of the total property tax levy. The statewide average was 6.3%. The smaller percentage loss in the county was partly due to Jay 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. Commercial and industrial properties in the 3% tax cap category qualified for credits in 3 of 18 taxing districts where the tax rate exceeded \$3. Neither Jay 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
Jay County Total \$480,956

| 1% | 2% | 3% | Elderly | |
|-------|-----------|-----------|----------|--|
| \$718 | \$199,157 | \$261,239 | \$19,843 | |
| 0.2% | 41.4% | 54.3% | 4.1% | |

Jay County, Portland City, and the Jay County School Corporation saw the largest revenue losses from the tax caps in 2010. As a percentage of total levies, the Town of Redkey lost the most, at 7.5%. Losses were greatest for units that overlapped the municipalities of Dunkirk, Redkey, and Portland because these tax districts had the highest tax rates.

The Effects of Recession

In Jay County the recession has had an effect on the economy. The recession created upward pressure on property tax bills in several ways. The unemployment rate rose from 4.3% in December 2007 to 11.8% in July 2009. Despite job losses, local income tax revenue grew by 2.8%.

Jay County Gross Assessed Value by Property Type

| Property Type | 2009 | 2010 | Change |
|------------------------|-----------------|-----------------|--------|
| Homesteads | 497,285,100 | 511,042,300 | 2.8% |
| Other Residential | 71,277,700 | 71,929,000 | 0.9% |
| Ag Business/Land | 262,346,900 | 274,239,700 | 4.5% |
| Business Real/Personal | 354,569,455 | 357,195,945 | 0.7% |
| Total | \$1,185,479,155 | \$1,214,406,945 | 2.4% |

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 Jay County, the gross assessed value of business real and personal property rose 0.7% in 2010. Other assessment categories increased, and total gross assessed value in Jay County rose 2.4%. 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.

Jay County Levy Comparison by Taxing Unit

| Taxing Unit | 2007 | 2008 | 2009 | 2010 | % Change | | |
|------------------------------|------------|------------|------------|------------|-----------|-----------|-----------|
| | | | | | 2007-2008 | 2008-2009 | 2009-2010 |
| <i>County Total</i> | 22,518,943 | 23,128,397 | 17,643,913 | 18,386,564 | 2.7% | -23.7% | 4.2% |
| State Unit | 18,135 | 19,824 | 0 | 0 | 9.3% | -100.0% | |
| Jay County | 5,472,298 | 5,405,353 | 4,136,614 | 4,450,112 | -1.2% | -23.5% | 7.6% |
| Bearcreek Township | 33,419 | 33,462 | 33,619 | 33,486 | 0.1% | 0.5% | -0.4% |
| Greene Township | 19,781 | 18,843 | 16,733 | 14,082 | -4.7% | -11.2% | -15.8% |
| Jackson Township | 21,487 | 17,764 | 19,462 | 19,307 | -17.3% | 9.6% | -0.8% |
| Jefferson Township | 13,430 | 13,490 | 13,535 | 13,514 | 0.4% | 0.3% | -0.2% |
| Knox Township | 10,144 | 10,082 | 7,220 | 8,655 | -0.6% | -28.4% | 19.9% |
| Madison Township | 15,696 | 16,086 | 15,898 | 16,041 | 2.5% | -1.2% | 0.9% |
| Noble Township | 17,766 | 17,555 | 17,623 | 17,342 | -1.2% | 0.4% | -1.6% |
| Penn Township | 34,735 | 34,927 | 35,054 | 34,879 | 0.6% | 0.4% | -0.5% |
| Pike Township | 16,159 | 16,289 | 22,334 | 22,007 | 0.8% | 37.1% | -1.5% |
| Richland Township | 73,843 | 73,182 | 0 | 43,327 | -0.9% | -100.0% | |
| Wabash Township | 16,100 | 15,971 | 16,077 | 15,960 | -0.8% | 0.7% | -0.7% |
| Wayne Township | 101,232 | 100,049 | 100,492 | 98,607 | -1.2% | 0.4% | -1.9% |
| Portland Civil City | 2,575,511 | 2,570,552 | 2,497,277 | 2,511,212 | -0.2% | -2.9% | 0.6% |
| Dunkirk Civil City | 783,451 | 795,776 | 788,488 | 783,873 | 1.6% | -0.9% | -0.6% |
| Bryant Civil Town | 17,797 | 17,987 | 18,018 | 17,874 | 1.1% | 0.2% | -0.8% |
| Pennville Civil Town | 69,557 | 70,570 | 45,250 | 59,076 | 1.5% | -35.9% | 30.6% |
| Redkey Civil Town | 172,632 | 180,254 | 177,882 | 176,514 | 4.4% | -1.3% | -0.8% |
| Salamonia Civil Town | 4,590 | 4,589 | 4,410 | 4,478 | 0.0% | -3.9% | 1.5% |
| Jay County School Corp | 12,289,625 | 12,951,701 | 8,919,766 | 9,299,458 | 5.4% | -31.1% | 4.3% |
| Dunkirk Public Library | 98,179 | 97,284 | 98,617 | 97,088 | -0.9% | 1.4% | -1.6% |
| Penn Township Public Library | 13,555 | 13,586 | 13,586 | 13,487 | 0.2% | 0.0% | -0.7% |
| Jay County Public Library | 629,821 | 633,221 | 645,958 | 636,185 | 0.5% | 2.0% | -1.5% |
| Jay County Solid Waste Dist | 0 | 0 | 0 | 0 | | | |

Jay 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 |
| 38010 | Penn Township | 1.9506 | -- | 10.2695% | -- | 24.6567% | -- | -- | 27.2009% | 0.7387 |
| 38011 | Pennville Town | 2.8170 | -- | 10.2695% | -- | 24.6567% | -- | -- | 27.2009% | 1.0669 |
| 38014 | Dunkirk City | 3.4604 | -- | 10.2695% | -- | 24.6567% | -- | -- | 27.2009% | 1.3106 |
| 38020 | Bearcreek Township | 1.9764 | -- | 10.2695% | -- | 24.6567% | -- | -- | 27.2009% | 0.7485 |
| 38021 | Bryant Town | 2.4811 | -- | 10.2695% | -- | 24.6567% | -- | -- | 27.2009% | 0.9397 |
| 38022 | Greene Township | 1.9272 | -- | 10.2695% | -- | 24.6567% | -- | -- | 27.2009% | 0.7299 |
| 38023 | Jackson Township | 1.9558 | -- | 10.2695% | -- | 24.6567% | -- | -- | 27.2009% | 0.7407 |
| 38024 | Jefferson Township | 1.9378 | -- | 10.2695% | -- | 24.6567% | -- | -- | 27.2009% | 0.7339 |
| 38025 | Knox Township | 1.9326 | -- | 10.2695% | -- | 24.6567% | -- | -- | 27.2009% | 0.7319 |
| 38026 | Madison Township | 1.9527 | -- | 10.2695% | -- | 24.6567% | -- | -- | 27.2009% | 0.7395 |
| 38027 | Salamonia Town | 2.1074 | -- | 10.2695% | -- | 24.6567% | -- | -- | 27.2009% | 0.7981 |
| 38028 | Noble Township | 1.9415 | -- | 10.2695% | -- | 24.6567% | -- | -- | 27.2009% | 0.7353 |
| 38029 | Pike Township | 1.9671 | -- | 10.2695% | -- | 24.6567% | -- | -- | 27.2009% | 0.7450 |
| 38030 | Richland Township | 1.9577 | -- | 10.2695% | -- | 24.6567% | -- | -- | 27.2009% | 0.7414 |
| 38031 | Redkey Town | 3.3087 | -- | 10.2695% | -- | 24.6567% | -- | -- | 27.2009% | 1.2531 |
| 38032 | Wabash Township | 1.9629 | -- | 10.2695% | -- | 24.6567% | -- | -- | 27.2009% | 0.7434 |
| 38033 | Wayne Township | 1.9843 | -- | 10.2695% | -- | 24.6567% | -- | -- | 27.2009% | 0.7515 |
| 38034 | Portland City | 3.1890 | -- | 10.2695% | -- | 24.6567% | -- | -- | 27.2009% | 1.2078 |

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.

Jay 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> | 718 | 198,451 | 246,007 | 19,843 | 465,018 | 18,386,564 | 2.5% |
| <i>TIF Total</i> | 0 | 706 | 15,232 | 0 | 15,938 | 968,815 | 1.6% |
| <i>County Total</i> | 718 | 199,157 | 261,239 | 19,843 | 480,956 | 19,355,379 | 2.5% |
| Jay County | 127 | 35,661 | 43,983 | 4,605 | 84,376 | 4,450,112 | 1.9% |
| Bearcreek Township | 0 | 4 | 0 | 16 | 20 | 33,486 | 0.1% |
| Greene Township | 0 | 0 | 0 | 11 | 11 | 14,082 | 0.1% |
| Jackson Township | 0 | 0 | 0 | 21 | 21 | 19,307 | 0.1% |
| Jefferson Township | 0 | 0 | 0 | 3 | 3 | 13,514 | 0.0% |
| Knox Township | 0 | 0 | 0 | 10 | 10 | 8,655 | 0.1% |
| Madison Township | 0 | 3 | 0 | 5 | 8 | 16,041 | 0.1% |
| Noble Township | 0 | 0 | 0 | 7 | 7 | 17,342 | 0.0% |
| Penn Township | 0 | 47 | 0 | 36 | 83 | 34,879 | 0.2% |
| Pike Township | 0 | 0 | 0 | 10 | 10 | 22,007 | 0.0% |
| Richland Township | 3 | 615 | 787 | 44 | 1,450 | 43,327 | 3.3% |
| Wabash Township | 0 | 0 | 0 | 3 | 3 | 15,960 | 0.0% |
| Wayne Township | 2 | 846 | 1,047 | 198 | 2,093 | 98,607 | 2.1% |
| Portland Civil City | 139 | 50,729 | 62,754 | 3,404 | 117,026 | 2,511,212 | 4.7% |
| Dunkirk Civil City | 152 | 20,987 | 31,061 | 612 | 52,812 | 783,873 | 6.7% |
| Bryant Civil Town | 0 | 46 | 0 | 15 | 61 | 17,874 | 0.3% |
| Pennville Civil Town | 1 | 521 | 0 | 204 | 726 | 59,076 | 1.2% |
| Redkey Civil Town | 0 | 7,471 | 5,531 | 255 | 13,258 | 176,514 | 7.5% |
| Salamonia Civil Town | 0 | 34 | 0 | 0 | 34 | 4,478 | 0.8% |
| Jay County School Corp | 264 | 74,521 | 91,912 | 9,624 | 176,322 | 9,299,458 | 1.9% |
| Dunkirk Public Library | 19 | 2,599 | 3,847 | 76 | 6,541 | 97,088 | 6.7% |
| Penn Township Public Library | 0 | 23 | 0 | 15 | 38 | 13,487 | 0.3% |
| Jay County Public Library | 10 | 4,342 | 5,084 | 668 | 10,105 | 636,185 | 1.6% |
| Jay County Solid Waste Dist | 0 | 0 | 0 | 0 | 0 | 0 | |
| TIF - Premier Ethanol | 0 | 0 | 0 | 0 | 0 | 701,705 | 0.0% |
| TIF - Portland TIF - 1 | 0 | 706 | 15,232 | 0 | 15,938 | 267,110 | 6.0% |

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.