

PROPERTY TAXES IN LAGRANGE COUNTY, INDIANA, 2007-2008



Legislative Services Agency

August 2008

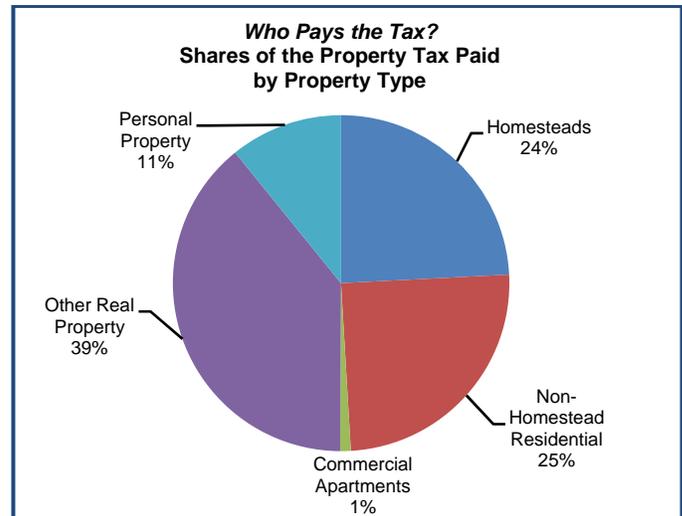
The Indiana General Assembly enacted major property tax reforms in 2008. These reforms are intended to provide substantial tax relief to homeowners. Starting in 2009, property taxes for the school general fund, county welfare funds, and several other funds will be eliminated, and their costs taken over 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. LaGrange County did not adopt a new local option income tax for 2008.

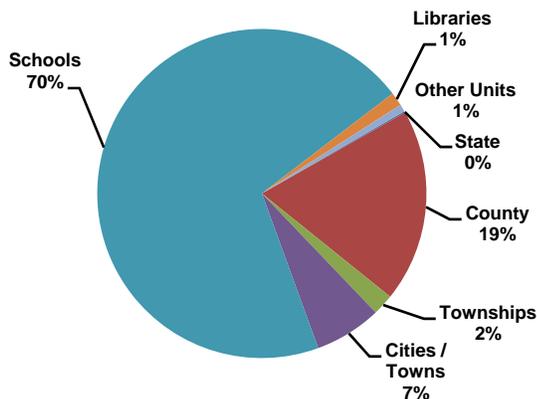
In LaGrange County, the average homeowner saw their tax bill decrease by 33.8% for 2008, with 94.5% of homeowners seeing decreases. Without the added homestead credit, the average tax bill would have increased by 3.7%, and 65.5% of homeowners would have seen tax bill increases.

In LaGrange County, 24% of property taxes are paid by homeowners (homesteads are primary residences, occupied by their owners); 25% are paid by owners of smaller rental housing units or owners of second homes (non-homestead residential); 1% are paid by owners of larger rental housing units (commercial apartments); and 50% 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 | 295 | 3.4% | 521 | 6.1% |
| 10% to 19% | 16 | 0.2% | 369 | 4.3% |
| 1% to 9% | 38 | 0.4% | 4,748 | 55.2% |
| 0% | 124 | 1.4% | 128 | 1.5% |
| -1% to -9% | 69 | 0.8% | 2,064 | 24.0% |
| -10% to -19% | 221 | 2.6% | 192 | 2.2% |
| -20% to -29% | 840 | 9.8% | 124 | 1.4% |
| -30% to -39% | 3,601 | 41.8% | 84 | 1.0% |
| -40% to -49% | 2,732 | 31.7% | 88 | 1.0% |
| -50% to -59% | 255 | 3.0% | 85 | 1.0% |
| -60% to -69% | 137 | 1.6% | 53 | 0.6% |
| -70% to -79% | 113 | 1.3% | 5 | 0.1% |
| -80% to -89% | 21 | 0.2% | 3 | 0.0% |
| -90% to -99% | 7 | 0.1% | 5 | 0.1% |
| -100% | 138 | 1.6% | 138 | 1.6% |
| Total | 8,607 | 100.0% | 8,607 | 100.0% |
| Higher Tax Bill | 349 | 4.1% | 5,638 | 65.5% |
| No Change | 124 | 1.4% | 128 | 1.5% |
| Lower Tax Bill | 8,134 | 94.5% | 2,841 | 33.0% |
| Average Change in Tax Bill | -33.8% | | 3.7% | |



Who Gets the Revenue?
Property Tax Levies by Government Type



On average, LaGrange County property tax levies increased 5.2% from 2007 to 2008. This is close to the expected statewide average increase of 5%. Tax levies that saw the largest increases were the county reassessment fund, the school corporation general funds, and the Westview School Corporation debt service and capital projects funds.

In LaGrange County, 70% of all property taxes are collected for the school corporations. The county and the towns receive most of the rest. Townships, the library district, the redevelopment districts, and the state receive 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 LaGrange County

| Taxing Unit | 2007 Levy | 2008 Levy | Change |
|---|---------------------|---------------------|-------------|
| County Total | \$35,217,758 | \$37,055,992 | 5.2% |
| State Unit | 49,719 | 52,592 | 5.8% |
| LaGrange County | 6,799,048 | 7,031,965 | 3.4% |
| Bloomfield Township | 93,443 | 98,141 | 5.0% |
| Clay Township | 77,195 | 81,251 | 5.3% |
| Clearspring Township | 53,714 | 57,140 | 6.4% |
| Eden Township | 44,925 | 65,375 | 45.5% |
| Greenfield Township | 24,800 | 26,976 | 8.8% |
| Johnson Township | 107,321 | 111,991 | 4.4% |
| Lima Township | 70,919 | 73,481 | 3.6% |
| Milford Township | 54,583 | 57,482 | 5.3% |
| Newbury Township | 128,066 | 129,689 | 1.3% |
| Springfield Township | 16,431 | 19,859 | 20.9% |
| Van Buren Township | 44,064 | 47,316 | 7.4% |
| LaGrange Civil Town | 923,480 | 958,209 | 3.8% |
| Shipshewana Civil Town | 682,269 | 690,318 | 1.2% |
| Topeka Civil Town | 634,287 | 672,291 | 6.0% |
| Wolcottville Civil Town | 117,892 | 117,961 | 0.1% |
| Prairie Heights Community School Corporation | 3,270,405 | 3,574,761 | 9.3% |
| Westview School Corporation | 11,823,421 | 12,749,850 | 7.8% |
| Lakeland School Corporation | 9,447,517 | 9,675,005 | 2.4% |
| LaGrange County Public Library | 472,329 | 495,240 | 4.9% |
| Northeast Indiana Solid Waste Management District | 167,801 | 177,497 | 5.8% |
| LaGrange Town Redevelopment Commission | 24,168 | 26,380 | 9.2% |
| Shipshewana Redevelopment Commission | 52,545 | 57,244 | 8.9% |
| LaGrange County Redevelopment Commission | 37,416 | 7,978 | -78.7% |