

2010 Property Tax Report

LaGrange County

with comparisons between 2007 and 2010



Legislative Services Agency

July 2010

This report describes property tax changes in LaGrange 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 LaGrange 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 LaGrange 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	5,621	77.9%	484	6.7%
No Change	57	0.8%	8	0.1%
Lower Tax Bill	1,538	21.3%	6,724	93.2%
Average Change in Tax Bill	3.9%		-28.1%	
Detailed Change in Tax Bill				
20% or More	186	2.6%	336	4.7%
10% to 19%	327	4.5%	63	0.9%
1% to 9%	5,108	70.8%	85	1.2%
0%	57	0.8%	8	0.1%
-1% to -9%	1,204	16.7%	212	2.9%
-10% to -19%	215	3.0%	460	6.4%
-20% to -29%	49	0.7%	1,395	19.3%
-30% to -39%	28	0.4%	2,530	35.1%
-40% to -49%	7	0.1%	1,339	18.6%
-50% to -59%	13	0.2%	490	6.8%
-60% to -69%	6	0.1%	109	1.5%
-70% to -79%	4	0.1%	65	0.9%
-80% to -89%	5	0.1%	37	0.5%
-90% to -99%	1	0.0%	35	0.5%
-100%	6	0.1%	52	0.7%
Total	7,216	100.0%	7,216	100.0%

Note: Percentages may not total due to rounding.

The average homeowner saw a 3.9% tax bill increase from 2009 to 2010.

Homestead taxes in 2010 were still 28.1% lower than they were in 2007, before the property tax reforms.

93.2% of homeowners saw lower tax bills in 2010 than in 2007.

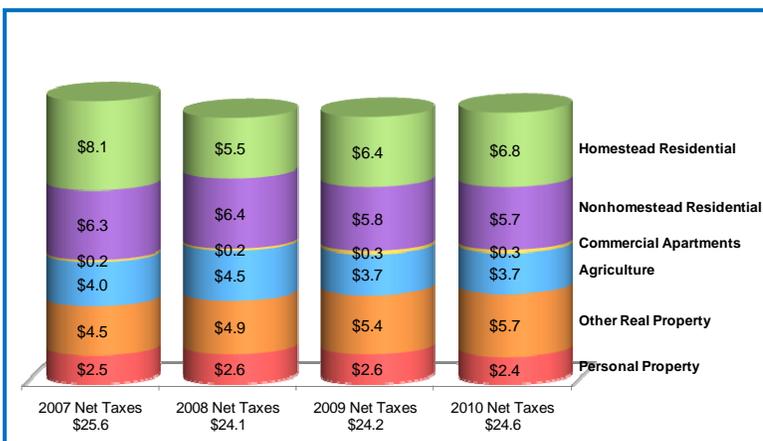
88.3% of homeowners saw tax changes ranging between +9% and -9% from 2009 to 2010.

The largest percentage of homeowners have seen between a 20% and 49% decrease in their tax bills from 2007 to 2010.

LaGrange County Overview

The larger-than-average increase in homeowner tax bills had several causes. The county saw a decrease in local homestead property tax credit rates because of a decrease in the local income tax revenues which fund these credits. LaGrange County homeowners benefitted less from the one percent property tax cap than did homeowners in the average county, primarily because LaGrange County tax rates tend to be lower than the state average. On the other hand, property tax levies were nearly unchanged, increasing only 0.2% in LaGrange County in 2010. This was less than the state average increase of 2.4%. An increase in the county library's debt service levy was offset by decreases in the county's jail bond fund, the Westview and Prairie Heights School Corporation debt service funds, and in several Lakeland School Corporation funds.

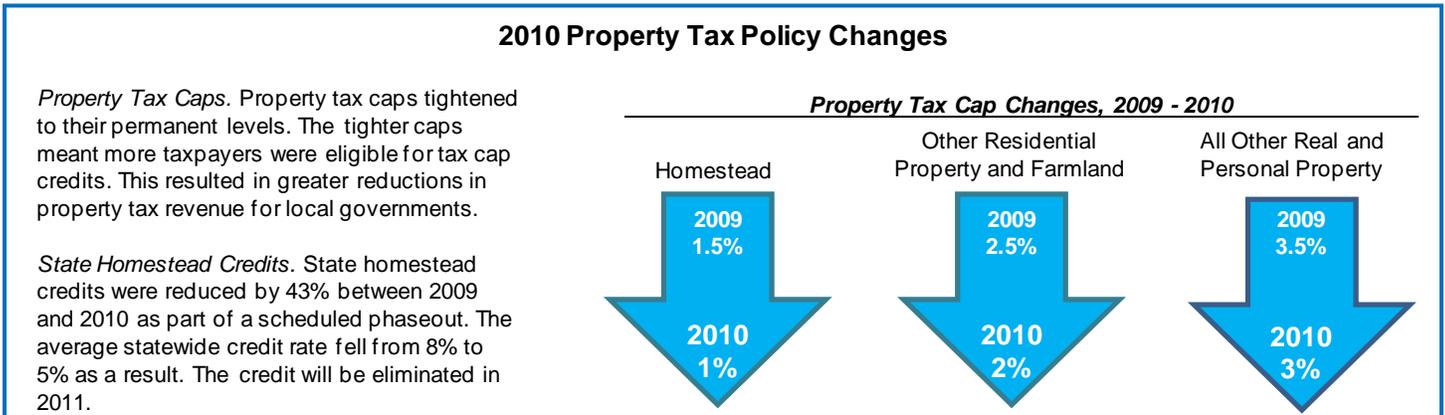
**Comparison of Net Property Tax by Property Type
(In Millions)**



Net tax bills for all taxpayers increased 1.6% in LaGrange County from 2009 to 2010. This was higher than the statewide reduction of 1.4%. In 2010 apartment owners saw a 6.6% decrease in tax bills. This 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 0.9% decrease in tax bills. Other real property, mostly commercial and industrial land and buildings, saw a 4.3% increase, while personal property, mostly equipment, saw a 9% decrease in tax bills in 2010. These changes in tax bills were mainly

due to changes in assessed value. Business real property assessments increased slightly by 0.9%, while business personal property assessments declined by 9.9%. Commercial and industrial property did not benefit from the tightened tax caps because LaGrange County's tax rates were not high enough for this type of property to qualify for tax cap credits.

Despite the 4% increase in the base rate of farmland, from \$1,200 to \$1,250 per acre, agricultural business property saw only a 0.3% increase in tax payments in 2010.



Tax Cap Credits

Tax cap credits in LaGrange County in 2010 amounted to 0.5% of the total property tax levy. The statewide average was 6.3%. The smaller percentage loss in the county was mainly due to the much lower-than-average tax rates in LaGrange County. No commercial or industrial properties in the 3% tax cap category qualified for credits because all LaGrange County tax rates were under \$3. Tax rates weren't high enough for a large share of homesteads to qualify for credits in the 1% category.

**2010 Circuit Breaker Credits by Cap Category
LaGrange County Total \$139,935**

1%	2%	3%	Elderly
\$4,231	\$130,461	\$0	\$5,243
3.0%	93.2%	0.0%	3.8%

The towns of LaGrange and Topeka and the Westview School Corporation had the largest revenue losses from the tax caps in 2010. As a percentage of total levies, the Town of Topeka lost the most, at 4.4%. Losses were greatest for units that overlapped the Town of Topeka because its tax districts had the highest tax rates.

The Effects of Recession

In LaGrange 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 15.3% in July 2009. Job losses and income declines contributed to a 9.9% drop in local income tax revenue. Because part of this revenue is used for property tax relief, local property tax credit rates declined in LaGrange County in 2010.

LaGrange County Gross Assessed Value by Property Type

Property Type	Gross AV 2009	Gross AV 2010	Gross AV Change
Homesteads	1,494,236,780	1,490,015,560	-0.3%
Other Residential	455,961,400	466,640,800	2.3%
Ag Business/Land	309,877,700	320,659,040	3.5%
Business Real/Personal	574,525,150	559,752,812	-2.6%
Total	\$2,834,601,030	\$2,837,068,212	0.1%

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 LaGrange County, the gross assessed value of business real and personal property fell 2.6% in 2010. Other assessment categories increased, with the exception of homesteads, which decreased 0.3%. Total gross assessed value in LaGrange County rose 0.1%. This was lower 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.

LaGrange County Levy Comparison by Taxing Unit

Taxing Unit	2007	2008	2009	2010	% Change		
					2007-2008	2008-2009	2009-2010
<i>County Total</i>	35,217,758	37,055,992	23,103,330	23,138,574	5.2%	-37.7%	0.2%
State Unit	49,719	52,592	0	0	5.8%	-100.0%	
LaGrange County	6,799,048	7,031,965	5,123,430	5,010,886	3.4%	-27.1%	-2.2%
Bloomfield Township	93,443	98,141	94,549	97,750	5.0%	-3.7%	3.4%
Clay Township	77,195	81,251	77,148	79,015	5.3%	-5.0%	2.4%
Clearspring Township	53,714	57,140	53,363	54,008	6.4%	-6.6%	1.2%
Eden Township	44,925	65,375	60,308	61,930	45.5%	-7.8%	2.7%
Greenfield Township	24,800	26,976	27,848	28,802	8.8%	3.2%	3.4%
Johnson Township	107,321	111,991	112,695	115,125	4.4%	0.6%	2.2%
Lima Township	70,919	73,481	73,952	73,150	3.6%	0.6%	-1.1%
Milford Township	54,583	57,482	59,257	61,322	5.3%	3.1%	3.5%
Newbury Township	128,066	129,689	127,051	126,658	1.3%	-2.0%	-0.3%
Springfield Township	16,431	19,859	20,717	21,425	20.9%	4.3%	3.4%
Van Buren Township	44,064	47,316	44,515	45,733	7.4%	-5.9%	2.7%
LaGrange Civil Town	923,480	958,209	988,172	1,026,828	3.8%	3.1%	3.9%
Shipshewana Civil Town	682,269	690,318	705,285	732,884	1.2%	2.2%	3.9%
Topeka Civil Town	634,287	672,291	751,411	744,983	6.0%	11.8%	-0.9%
Wolcottville Civil Town	117,892	117,961	127,225	133,486	0.1%	7.9%	4.9%
Prairie Heights Community School Corp	3,270,405	3,574,761	1,833,057	1,738,027	9.3%	-48.7%	-5.2%
Westview School Corp	11,823,421	12,749,850	7,250,174	6,888,774	7.8%	-43.1%	-5.0%
Lakeland School Corp	9,447,517	9,675,005	4,807,885	4,673,143	2.4%	-50.3%	-2.8%
LaGrange County Public Library	472,329	495,240	518,828	1,225,725	4.9%	4.8%	136.2%
Northeast Indiana Solid Waste Mgt Dist	167,801	177,497	186,931	198,920	5.8%	5.3%	6.4%
LaGrange Town Redevelopment Comm	24,168	26,380	0	0	9.2%	-100.0%	
Shipshewana Redevelopment Comm	52,545	57,244	59,529	0	8.9%	4.0%	-100.0%
LaGrange County Redevelopment Comm	37,416	7,978	0	0	-78.7%	-100.0%	
Topeka Redevelopment Comm	0	0	0	0			

LaGrange 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	CREDIT Residential	LOIT Homestead		LOIT Residential
44001	Bloomfield Township	1.0031	--	3.8406%	--	11.7409%	--	--	--	0.8468
44002	LaGrange Town	2.1630	--	3.8406%	--	11.7409%	--	--	--	1.8260
44003	Clay Township-West	1.2191	--	3.8406%	--	11.7409%	--	--	--	1.0291
44004	Clay Township-East	1.0064	--	3.8406%	--	11.7409%	--	--	--	0.8496
44005	Clearspring Township	1.1897	--	3.8406%	--	11.7409%	--	--	--	1.0043
44006	Topeka Town-Clearspring Twp	2.7980	--	3.8406%	--	11.7409%	--	--	--	2.3620
44007	Eden Township	1.1927	--	3.8406%	--	11.7409%	--	--	--	1.0069
44008	Topeka Town-Eden Township	2.7929	--	3.8406%	--	11.7409%	--	--	--	2.3577
44009	Greenfield Township	0.9825	--	3.8406%	--	11.7409%	--	--	--	0.8294
44010	Johnson Township	0.9790	--	3.8406%	--	11.7409%	--	--	--	0.8265
44011	Wolcottville Town	1.9896	--	3.8406%	--	11.7409%	--	--	--	1.6796
44012	Lima Township	0.9986	--	3.8406%	--	11.7409%	--	--	--	0.8430
44013	Milford Township	1.0015	--	3.8406%	--	11.7409%	--	--	--	0.8455
44014	Newbury Township	1.2094	--	3.8406%	--	11.7409%	--	--	--	1.0210
44015	Shipshewana Town	2.1909	--	3.8406%	--	11.7409%	--	--	--	1.8495
44016	Springfield Township	1.0258	--	3.8406%	--	11.7409%	--	--	--	0.8660
44017	Van Buren Township	1.1890	--	3.8406%	--	11.7409%	--	--	--	1.0037
44018	LaGrange-Clay	2.1520	--	3.8406%	--	11.7409%	--	--	--	1.8167
44019	Twp Topeka-Eden Farm	1.1609	--	3.8406%	--	11.7409%	--	--	--	0.9800

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.

LaGrange 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>	4,113	109,362	0	5,243	118,718	23,138,574	0.5%
<i>TIF Total</i>	118	21,100	0	0	21,218	2,465,682	0.9%
<i>County Total</i>	4,231	130,461	0	5,243	139,935	25,604,256	0.5%
LaGrange County	395	11,923	0	943	13,262	5,010,886	0.3%
Bloomfield Township	0	660	0	58	718	97,750	0.7%
Clay Township	0	8	0	9	17	79,015	0.0%
Clearspring Township	13	143	0	3	159	54,008	0.3%
Eden Township	2	34	0	1	36	61,930	0.1%
Greenfield Township	0	0	0	3	3	28,802	0.0%
Johnson Township	0	0	0	30	30	115,125	0.0%
Lima Township	0	0	0	15	15	73,150	0.0%
Milford Township	0	0	0	11	11	61,322	0.0%
Newbury Township	1	68	0	7	76	126,658	0.1%
Springfield Township	0	0	0	0	0	21,425	0.0%
Van Buren Township	0	0	0	3	3	45,733	0.0%
LaGrange Civil Town	0	21,538	0	1,223	22,762	1,026,828	2.2%
Shipshewana Civil Town	85	8,778	0	78	8,941	732,884	1.2%
Topeka Civil Town	2,287	29,945	0	305	32,537	744,983	4.4%
Wolcottville Civil Town	0	0	0	16	16	133,486	0.0%
Prairie Heights Community School Corp	0	0	0	259	259	1,738,027	0.0%
Westview School Corp	1,217	21,915	0	417	23,550	6,888,774	0.3%
Lakeland School Corp	0	10,958	0	1,595	12,554	4,673,143	0.3%
LaGrange County Public Library	97	2,917	0	231	3,244	1,225,725	0.3%
Northeast Indiana Solid Waste Mgt Dist	16	473	0	37	526	198,920	0.3%
LaGrange Town Redevelopment Comm	0	0	0	0	0	0	
Shipshewana Redevelopment Comm	0	0	0	0	0	0	
LaGrange County Redevelopment Comm	0	0	0	0	0	0	
Topeka Redevelopment Comm	0	0	0	0	0	0	
TIF - Bloomfield Township	0	0	0	0	0	33,687	0.0%
TIF - Lagrange Town	0	47	0	0	47	294,588	0.0%
TIF - Clay-East Township	0	0	0	0	0	3,119	0.0%
TIF - Eden Township	0	0	0	0	0	0	
TIF - Topeka Eden Town	118	18,933	0	0	19,051	1,136,926	1.7%
TIF - Lima Township	0	0	0	0	0	220,642	0.0%
TIF - Newbury Township	0	0	0	0	0	86,518	0.0%
TIF - Shipshewana Town	0	2,120	0	0	2,120	690,202	0.3%
TIF - Topeka Eden Farm	0	0	0	0	0	0	0.0%

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.