

2009 NOBLE COUNTY PROPERTY TAX REPORT

WITH COMPARISONS TO 2007 AND 2008

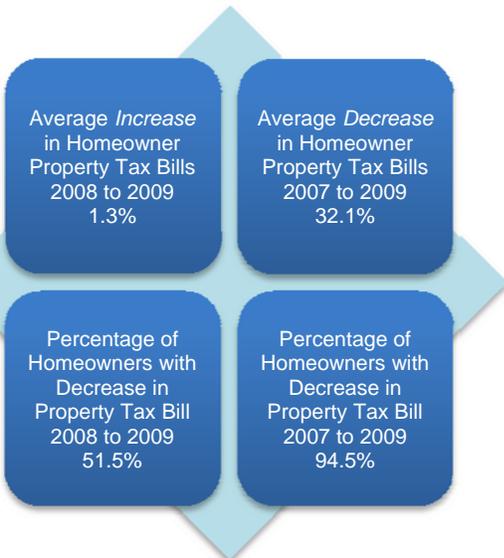


Legislative Services Agency

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 Noble 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	1,229	11.4%	219	2.0%
10% to 19%	1,689	15.7%	109	1.0%
1% to 9%	2,266	21.0%	210	1.9%
0%	43	0.4%	52	0.5%
-1% to -9%	2,587	24.0%	476	4.4%
-10% to -19%	1,401	13.0%	963	8.9%
-20% to -29%	582	5.4%	1,738	16.1%
-30% to -39%	267	2.5%	2,918	27.1%
-40% to -49%	141	1.3%	2,204	20.5%
-50% to -59%	134	1.2%	1,014	9.4%
-60% to -69%	122	1.1%	329	3.1%
-70% to -79%	71	0.7%	192	1.8%
-80% to -89%	45	0.4%	127	1.2%
-90% to -99%	25	0.2%	58	0.5%
-100%	174	1.6%	167	1.5%
Total	10,776	100.0%	10,776	100.0%
Higher Tax Bill	5,184	48.1%	538	5.0%
No Change	43	0.4%	52	0.5%
Lower Tax Bill	5,549	51.5%	10,186	94.5%
Average Change in Tax Bill	1.3%		-32.1%	

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	Noble County	State Average
Net Assessed Value, 2008 to 2009 (% change)	-14.4%	-14.3%
Gross Tax Levy, 2008 to 2009 (% change)	-28.6%	-30.6%
State PTRC Percentage, 2008	22.4%	20.1%
Total State Homestead Credit, 2008	41.8%	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 Noble County increased by 1.3%. The elimination of the property tax levies, and the added 35% supplemental homestead deduction, were offset by the elimination of the property tax replacement credits and the state homestead credits. Noble County did not adopt a local option income tax for property tax relief, and only a few elderly Noble County homeowners were eligible for the circuit breaker tax cap credits. Homeowner taxes were

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

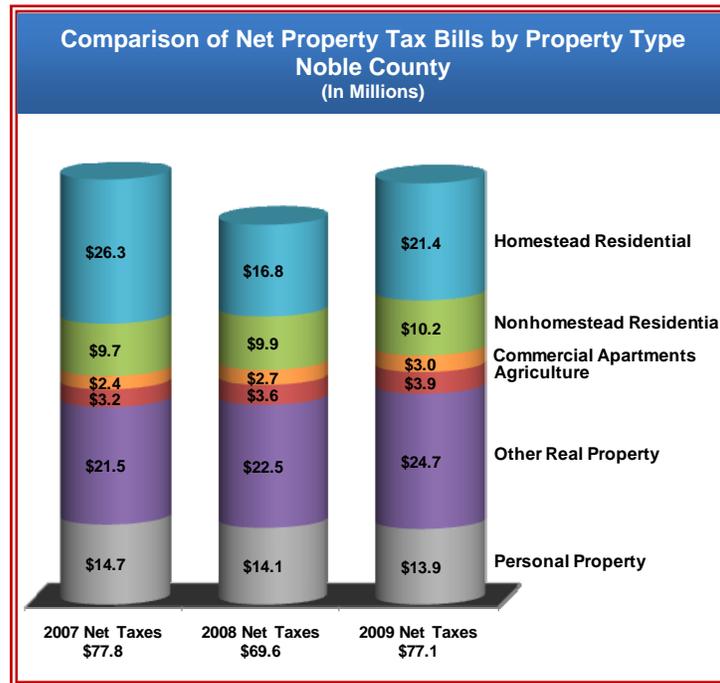
2009 Property Tax Changes:

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 Noble County from 2008 to 2009, nonhomestead residential properties (small rentals and second homes) saw a 3.0% increase in average property tax bills. Average tax bills on commercial apartments increased 11.1%. Agricultural business real property (which includes farmland and farm buildings, but not homesteads) saw an 8.3% average tax increase. Other commercial, industrial, and utility real property average tax bills increased 9.8%. Personal property, which is largely business equipment, saw a 1.4% decrease 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 Noble County \$126,463

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



Noble 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	\$50,839,166	\$53,600,868	\$37,212,567	5.4%	-30.6%	-0.8%
State Unit	51,552	54,492	0	5.7%	-100.0%	
Noble County	8,302,093	8,403,236	7,529,164	1.2%	-10.4%	8.4%
Albion Township	23,925	24,864	25,587	3.9%	2.9%	2.9%
Allen Township	89,724	92,629	91,565	3.2%	-1.1%	-1.1%
Elkhart Township	44,809	46,539	47,850	3.9%	2.8%	2.8%
Green Township	35,628	36,986	38,458	3.8%	4.0%	4.0%
Jefferson Township	51,600	53,737	55,206	4.1%	2.7%	2.7%
Noble Township	116,323	116,336	167,665	0.0%	44.1%	44.1%
Orange Township	178,251	167,021	180,874	-6.3%	8.3%	8.3%
Perry Township	140,194	142,684	143,707	1.8%	0.7%	0.7%
Sparta Township	165,144	115,442	149,891	-30.1%	29.8%	29.8%
Swan Township	31,752	33,125	34,562	4.3%	4.3%	4.3%
Washington Township	30,088	31,791	32,596	5.7%	2.5%	2.5%
Wayne Township	112,246	116,919	121,189	4.2%	3.7%	3.7%
York Township	47,424	49,231	50,517	3.8%	2.6%	2.6%
Kendallville Civil City	3,866,274	3,937,260	3,489,853	1.8%	-11.4%	-9.7%
Ligonier Civil City	1,232,028	1,278,630	1,509,890	3.8%	18.1%	19.0%
Albion Civil Town	771,615	769,555	839,973	-0.3%	9.2%	9.2%
Avilla Civil Town	564,438	575,896	585,985	2.0%	1.8%	1.8%
Cromwell Civil Town	134,162	138,943	141,829	3.6%	2.1%	2.1%
Rome City Civil Town	246,710	254,594	288,494	3.2%	13.3%	13.3%
Wolcottville Civil Town	78,749	83,620	81,761	6.2%	-2.2%	-2.2%
Lakeland School Corporation	103,227	105,622	50,414	2.3%	-52.3%	-3.0%
Central Noble Community School Corporation	5,465,016	5,874,510	2,861,280	7.5%	-51.3%	-7.4%
East Noble School Corporation	17,313,243	18,646,891	9,118,167	7.7%	-51.1%	-15.1%
West Noble School Corporation	7,800,229	8,659,793	6,331,357	11.0%	-26.9%	15.3%
Smith-Green Community School Corporation	1,191,007	1,173,529	567,986	-1.5%	-51.6%	-8.1%
Kendallville Public Library	1,197,120	1,227,447	1,209,071	2.5%	-1.5%	-1.5%
Ligonier Public Library	187,757	198,325	202,189	5.6%	1.9%	1.9%
Noble County Public Library	870,613	765,777	826,950	-12.0%	8.0%	8.0%
Northeast Indiana Solid Waste Mgt. District	206,210	215,700	220,663	4.6%	2.3%	2.3%
Ligonier City Redevelopment Commission	122,125	124,797	129,629	2.2%	3.9%	3.9%
Albion Town Redevelopment Commission	15,906	26,828	27,837	68.7%	3.8%	3.8%
Avilla Town Redevelopment Commission	51,984	58,119	60,408	11.8%	3.9%	3.9%
Kendallville 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.

Noble 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	Rate-Real	2008	2009	2008	2009
Albion Township	8.2	7.1	-14.0%	151,667	92,704	-38.9%	1.8502	1.3149	26.15%	42.91%	7.14%	12.36%	19.94%
Albion-Albion	77.9	66.5	-14.6%	2,075,791	1,583,320	-23.7%	2.6644	2.3798	22.95%	47.21%	7.14%	12.36%	19.94%
Allen Township	124.4	101.1	-18.8%	2,543,179	1,482,945	-41.7%	2.0442	1.4674	23.40%	39.23%	7.14%	12.36%	19.94%
Kendallville City-Allen Township	64.0	58.2	-9.0%	1,931,767	1,455,323	-24.7%	3.0194	2.4992	20.76%	44.54%	7.14%	12.36%	19.94%
Avilla Town	95.6	82.8	-13.3%	2,549,862	1,856,967	-27.2%	2.6677	2.2419	21.27%	42.63%	7.14%	12.36%	19.94%
Elkhart Township	107.5	92.2	-14.2%	2,262,478	1,771,188	-21.7%	2.1049	1.9211	21.31%	39.44%	7.14%	12.36%	19.94%
Green Township	97.4	78.6	-19.4%	1,777,318	1,053,615	-40.7%	1.8242	1.3412	26.60%	43.04%	7.14%	12.36%	19.94%
Jefferson Township	100.4	90.2	-10.2%	1,875,512	1,202,596	-35.9%	1.8680	1.3334	26.05%	43.03%	7.14%	12.36%	19.94%
Noble Township	146.3	122.1	-16.5%	2,775,240	1,724,312	-37.9%	1.8965	1.4120	25.75%	42.87%	7.14%	12.36%	19.94%
Orange Township	143.0	123.6	-13.6%	3,073,466	1,947,221	-36.6%	2.1499	1.5760	22.77%	39.46%	7.14%	12.36%	19.94%
Rome City Town	126.2	104.8	-17.0%	2,914,982	1,925,739	-33.9%	2.3090	1.8370	22.41%	41.02%	7.14%	12.36%	19.94%
Wolcottville Town	9.7	8.3	-14.2%	242,983	184,071	-24.2%	2.5037	2.2107	23.33%	50.28%	7.14%	12.36%	19.94%
Perry Township	97.3	86.7	-10.9%	2,025,309	1,629,872	-19.5%	2.0814	1.8796	21.31%	39.07%	7.14%	12.36%	19.94%
Ligonier City	172.1	160.0	-7.0%	5,064,309	4,882,176	-3.6%	2.9429	3.0516	20.15%	45.57%	7.14%	12.36%	19.94%
Sparta Township	90.7	75.7	-16.5%	1,979,779	1,559,801	-21.2%	2.1826	2.0598	20.80%	39.26%	7.14%	12.36%	19.94%
Cromwell Town	13.6	11.7	-14.4%	425,700	365,635	-14.1%	3.1207	3.1315	20.31%	47.16%	7.14%	12.36%	19.94%
Swan Township	126.9	105.7	-16.8%	2,566,881	1,525,328	-40.6%	2.0220	1.4434	23.61%	39.37%	7.14%	12.36%	19.94%
Washington Township	56.3	47.6	-15.5%	1,192,796	922,056	-22.7%	2.1183	1.9377	21.28%	39.56%	7.14%	12.36%	19.94%
Wayne Township	165.7	126.3	-23.7%	3,476,715	1,932,539	-44.4%	2.0985	1.5296	22.94%	39.01%	7.14%	12.36%	19.94%
Kendallville City-Wayne Township	362.6	319.5	-11.9%	10,944,433	7,984,482	-27.0%	3.0182	2.4989	20.72%	44.41%	7.14%	12.36%	19.94%
York Township	77.8	66.7	-14.2%	1,463,069	901,160	-38.4%	1.8802	1.3504	25.98%	43.12%	7.14%	12.36%	19.94%
Albion-Jefferson	13.2	14.1	6.5%	350,161	332,418	-5.1%	2.6503	2.3617	22.97%	47.13%	7.14%	12.36%	19.94%
County Totals/Averages	2,277.0	1,949.5	-14.4%	53,663,397	38,315,468	-28.6%	2.3607	1.9562	22.42%	41.80%	7.14%	12.36%	19.94%

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.

Noble County 2009 Circuit Breaker Cap Credits

Taxing Unit	Total Levy	Circuit Breaker Credits by Property Type				
		(1.5%) Homesteads	(2.5%) Other Residential/ Farmland	(3.5%) All Other Real/Personal	Elderly	Total
Noble County	7,529,164	0	15,356	0	1,380	16,736
Albion Township	25,587	0	0	0	21	21
Allen Township	91,565	0	0	0	8	8
Elkhart Township	47,850	0	0	0	6	6
Green Township	38,458	0	0	0	2	2
Jefferson Township	55,206	0	0	0	12	12
Noble Township	167,665	0	0	0	77	77
Orange Township	180,874	0	0	0	6	6
Perry Township	143,707	0	1,292	0	47	1,339
Sparta Township	149,891	0	324	0	7	331
Swan Township	34,562	0	0	0	0	0
Washington Township	32,596	0	0	0	4	4
Wayne Township	121,189	0	0	0	18	18
York Township	50,517	0	0	0	1	1
Kendallville Civil City	3,489,853	0	0	0	581	581
Ligonier Civil City	1,509,890	0	32,950	0	494	33,444
Albion Civil Town	839,973	0	0	0	633	633
Avilla Civil Town	585,985	0	0	0	214	214
Cromwell Civil Town	141,829	0	8,275	0	0	8,275
Rome City Civil Town	288,494	0	0	0	9	9
Wolcottville Civil Town	81,761	0	0	0	80	80
Lakeland School Corporation	50,414	0	0	0	50	50
Central Noble Community School Corporation	2,861,280	0	0	0	1,081	1,081
East Noble School Corporation	9,118,167	0	0	0	930	930
West Noble School Corporation	6,331,357	0	53,355	0	1,338	54,693
Smith-Green Community School Corporation	567,986	0	0	0	25	25
Kendallville Public Library	1,209,071	0	0	0	137	137
Ligonier Public Library	202,189	0	4,412	0	66	4,478
Noble County Public Library	826,950	0	592	0	166	759
Northeast Indiana Solid Waste Management	220,663	0	450	0	40	490
Ligonier City Redevelopment Commission	129,629	0	1,961	0	29	1,990
Albion Town Redevelopment Commission	27,837	0	0	0	17	17
Avilla Town Redevelopment Commission	60,408	0	0	0	16	16
Kendallville Redevelopment Commission	0	0	0	0	0	0
Total - All Taxing Units	37,212,567	0	118,966	0	7,497	126,463

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.