

# 2011 Property Tax Report

## Noble County

### with Comparisons to Prior Years



Legislative Services Agency

September 2011

This report describes property tax changes in Noble County between 2010 and 2011, with comparison to changes since 2007. In 2011, the changes from the big tax reform of 2008 were fully phased in with the elimination of the last of the state homestead credits. The 2009 recession affected assessments and local tax credits in many counties. Changes in local levies and assessments also were important in many counties.

#### Comparable Homestead Property Tax Changes in Noble County

The average homeowner saw a 19.9% tax bill increase from 2010 to 2011.

Homestead taxes in 2011 were still 22.6% lower than they were in 2007, before the property tax reforms.

88.3% of homeowners saw lower tax bills in 2011 than in 2007.

55.1% of homeowners saw tax increases of 20% or more from 2010 to 2011.

The largest percentage of homeowners have seen between a 10% and 39% decrease in their tax bills from 2007 to 2011.

	2010 to 2011		2007 to 2011	
	Number of Homesteads	% Share of Total	Number of Homesteads	% Share of Total
<b>Summary Change in Tax Bill</b>				
Higher Tax Bill	8,659	86.1%	1,127	11.2%
No Change	213	2.1%	46	0.5%
Lower Tax Bill	1,188	11.8%	8,887	88.3%
<b>Average Change in Tax Bill</b>	<b>19.9%</b>		<b>-22.6%</b>	
<b>Detailed Change in Tax Bill</b>				
20% or More	5,539	55.1%	432	4.3%
10% to 19%	1,610	16.0%	232	2.3%
1% to 9%	1,510	15.0%	463	4.6%
0%	213	2.1%	46	0.5%
-1% to -9%	773	7.7%	849	8.4%
-10% to -19%	217	2.2%	1,897	18.9%
-20% to -29%	48	0.5%	2,113	21.0%
-30% to -39%	41	0.4%	1,742	17.3%
-40% to -49%	28	0.3%	1,080	10.7%
-50% to -59%	18	0.2%	437	4.3%
-60% to -69%	16	0.2%	216	2.1%
-70% to -79%	9	0.1%	173	1.7%
-80% to -89%	9	0.1%	125	1.2%
-90% to -99%	6	0.1%	78	0.8%
-100%	23	0.2%	177	1.8%
<b>Total</b>	<b>10,060</b>	<b>100.0%</b>	<b>10,060</b>	<b>100.0%</b>

Note: Percentages may not total due to rounding.

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*HIGHER TAX RATES, THE LOSS OF THE STATE HOMESTEAD CREDIT, AND LOWER LOCAL HOMESTEAD CREDITS COMBINED TO INCREASE HOMESTEAD TAXES*

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#### Homestead Property Taxes

Homestead property taxes increased 19.9% on average in Noble County in 2011. This was more than the state average of 4.4%. Noble County homestead taxes were still 22.6% lower in 2011 than they were in 2007, before the big tax reform. The larger-than-average homestead tax increase in 2011 was mostly due to higher tax rates in Noble County. In addition, taxes increased because of the phaseout of the state homestead credit in 2011. The state homestead credit was 4.6% in Noble County in 2010. Noble County's local homestead credit also declined in 2011, due to a drop in the local income tax revenues that fund it.

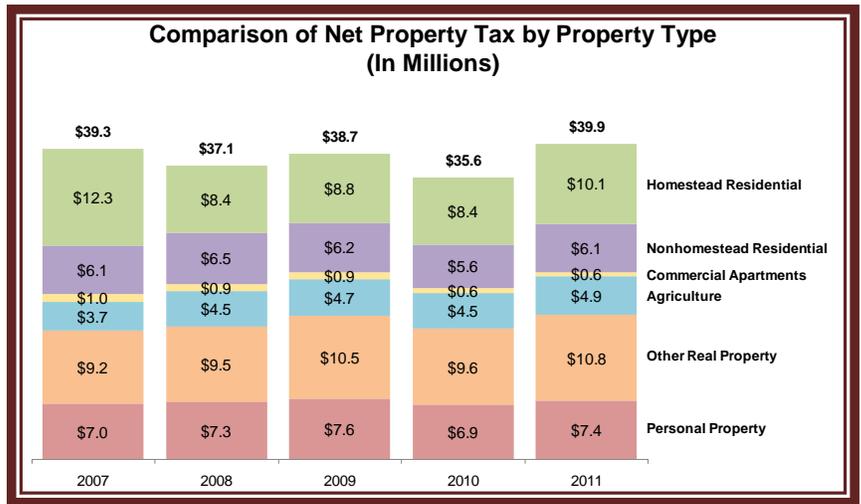
#### Tax Rates

Property tax rates increased in almost all Noble County tax districts. The average tax rate increased by 14.6% because of an increase in the levy coupled with a decline in net assessed value. Levies in Noble County increased by 6.7%. The biggest levy increases were in the East Noble Schools capital projects and debt service funds and in the Ligonier debt service fund. Noble County's total net assessed value declined by 2.2% in 2011. (The certified net AV used to compute tax rates declined by 6.9%.) Homestead net assessments decreased by 3.6%, and agricultural net assessments grew by 0.1%. Other residential and business assessments both declined by 1.8%.

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**PROPERTY TAX INCREASES FOR ALL  
NONHOMESTEAD PROPERTY TYPES, DUE  
TO HIGHER TAX RATES**

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**Net Tax Bill Changes - All Property Types**

Net tax bills for all taxpayers rose 12.6% in Noble County in 2011, much higher than the statewide increase of 2.8%. Other residential property, which includes smaller rentals and second homes, saw net tax bills increase by 8.1%. Tax bills for commercial apartments rose 0.4%. Business tax bills - which include commercial, industrial and utility buildings, land and equipment - were up by 10.9%. These bill increases reflect the tax rate increases in Noble County in 2011. Agricultural tax bills rose 11%. This was mainly due to tax rate increases, but also to the 3.2% increase in the base rate assessment of farm land, from \$1,250 to \$1,290 per acre for taxes in 2011.

**Tax Cap Credits**

Property taxes are capped at 1% of gross assessed value for homesteads, 2% for other residential property (including rental housing and second homes) and farmland, and 3% for business land, buildings, and equipment. Taxpayers receive credits when their tax bills exceed the caps. Credits are revenue lost to local governments.

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**TAX CAP CREDITS  
INCREASED IN 2011**

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Total tax cap credit losses in Noble County were \$1.5 million, or 3.7% of the levy. This was less than the state average loss rate of 9.2%, but near the median value of 3.8% among all counties. Tax rates are the main determinant of tax cap credits, and Noble County's tax rates were less than the state median. Higher tax rates in a few taxing districts account for much of Noble County's tax cap credits.

More than half of the total tax cap credits were in the 2% nonhomestead/farmland category. The largest percentage losses were in Ligonier City and Library District and in the town of Cromwell. The largest dollar losses were in the East and West Noble School Corporations, the cities of Ligonier and Kendallville, and the county unit.

Noble County Tax Cap Credits	1%	2%	3%	Elderly	Total	% of Levy
2010 Tax Cap Credits	\$1,715	\$498,865	\$0	\$6,793	\$507,372	1.3%
2011 Tax Cap Credits	61,406	1,042,204	350,436	55,708	1,509,753	3.7%
<b>Change</b>	<b>\$59,691</b>	<b>\$543,340</b>	<b>\$350,436</b>	<b>\$48,915</b>	<b>\$1,002,381</b>	<b>2.4%</b>

Tax cap credits increased in Noble County in 2011 by \$1.0 million, or 198%. The additional credits

represent an added loss of 2.4% of the total tax levy. The increase in tax rates accounted for most of the tax cap credit rise. Most of the increase in tax cap credits was in the 2% tax cap category, but a large share was in the 3% category. Noble County had no tax cap credits in the 3% category in 2010, but tax rates in two Noble County districts moved above \$3 per \$100 assessed value in 2011. This made business property eligible for tax cap credits. The elimination of the state homestead credit and the drop in local income tax revenue that funds local homestead credits added to the 1% tax cap credit increase.

**The Effect of Recession**

The 2009 recession had an effect on Noble County assessments for pay-2011. Property values and construction activity appear to have fallen in Noble County in 2009. Lower incomes in 2009 resulted in lower local income tax distributions in 2011, which reduced the local homestead credit. The lower assessments added to the increase in Noble County tax rates. Higher tax rates and lower homestead credits contributed to the increase in tax cap credit revenue losses, though levy increases were the primary reason for the credit increase.

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**2009 RECESSION REDUCED  
ASSESSMENTS AND LOCAL  
HOMESTEAD CREDITS IN 2011**

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Property Type	Gross AV 2010	Gross AV 2011	Gross AV Change	Net AV 2010	Net AV 2011	Net AV Change
Homesteads	\$1,673,223,572	\$1,638,412,577	-2.1%	\$752,744,953	\$725,861,072	-3.6%
Other Residential	279,645,245	274,201,215	-1.9%	275,941,590	270,917,683	-1.8%
Ag Business/Land	296,384,525	296,607,955	0.1%	295,797,755	296,034,060	0.1%
Business Real/Personal	975,847,716	941,933,831	-3.5%	757,134,119	743,513,618	-1.8%
<b>Total</b>	<b>\$3,225,101,058</b>	<b>\$3,151,155,578</b>	<b>-2.3%</b>	<b>\$2,081,618,417</b>	<b>\$2,036,326,433</b>	<b>-2.2%</b>

Net AV equals Gross AV less deductions and exemptions · Tax rates are calculated on Net AV · Circuit breaker tax caps are calculated on Gross AV

**Noble County Levy Comparison by Taxing Unit**

Taxing Unit	2007	2008	2009	2010	2011	% Change			
						2007 - 2008	2008 - 2009	2009 - 2010	2010 - 2011
<i>County Total</i>	50,839,166	53,600,868	37,212,567	35,232,896	37,604,121	5.4%	-30.6%	-5.3%	6.7%
State Unit	51,552	54,492	0	0	0	5.7%	-100.0%		
Noble County	8,302,093	8,403,236	7,529,164	7,265,418	7,259,476	1.2%	-10.4%	-3.5%	-0.1%
Albion Township	23,925	24,864	25,587	26,738	27,038	3.9%	2.9%	4.5%	1.1%
Allen Township	89,724	92,629	91,565	94,193	92,962	3.2%	-1.1%	2.9%	-1.3%
Elkhart Township	44,809	46,539	47,850	45,475	47,928	3.9%	2.8%	-5.0%	5.4%
Green Township	35,628	36,986	38,458	37,393	37,377	3.8%	4.0%	-2.8%	0.0%
Jefferson Township	51,600	53,737	55,206	57,074	58,260	4.1%	2.7%	3.4%	2.1%
Noble Township	116,323	116,336	167,665	153,153	136,485	0.0%	44.1%	-8.7%	-10.9%
Orange Township	178,251	167,021	180,874	311,640	328,841	-6.3%	8.3%	72.3%	5.5%
Perry Township	140,194	142,684	143,707	148,545	148,167	1.8%	0.7%	3.4%	-0.3%
Sparta Township	165,144	115,442	149,891	143,268	150,925	-30.1%	29.8%	-4.4%	5.3%
Swan Township	31,752	33,125	34,562	35,668	35,974	4.3%	4.3%	3.2%	0.9%
Washington Township	30,088	31,791	32,596	33,897	34,260	5.7%	2.5%	4.0%	1.1%
Wayne Township	112,246	116,919	121,189	126,743	127,731	4.2%	3.7%	4.6%	0.8%
York Township	47,424	49,231	50,517	52,273	53,302	3.8%	2.6%	3.5%	2.0%
Kendallville Civil City	3,866,274	3,937,260	3,489,853	3,891,429	3,817,772	1.8%	-11.4%	11.5%	-1.9%
Ligonier Civil City	1,232,028	1,278,630	1,509,890	1,368,902	1,628,660	3.8%	18.1%	-9.3%	19.0%
Albion Civil Town	771,615	769,555	839,973	833,447	858,189	-0.3%	9.2%	-0.8%	3.0%
Avilla Civil Town	564,438	575,896	585,985	618,733	631,663	2.0%	1.8%	5.6%	2.1%
Cromwell Civil Town	134,162	138,943	141,829	134,470	138,794	3.6%	2.1%	-5.2%	3.2%
Rome City Civil Town	246,710	254,594	288,494	297,733	302,457	3.2%	13.3%	3.2%	1.6%
Wolcottville Civil Town	78,749	83,620	81,761	84,710	83,761	6.2%	-2.2%	3.6%	-1.1%
Lakeland School Corp	103,227	105,622	50,414	49,297	47,607	2.3%	-52.3%	-2.2%	-3.4%
Central Noble Community School Corp	5,465,016	5,874,510	2,861,280	2,945,868	3,065,246	7.5%	-51.3%	3.0%	4.1%
East Noble School Corp	17,313,243	18,646,891	9,118,167	7,249,090	9,568,147	7.7%	-51.1%	-20.5%	32.0%
West Noble School Corp	7,800,229	8,659,793	6,331,357	5,868,434	5,656,803	11.0%	-26.9%	-7.3%	-3.6%
Smith-Green Community School Corp	1,191,007	1,173,529	567,986	817,706	729,974	-1.5%	-51.6%	44.0%	-10.7%
Kendallville Public Library	1,197,120	1,227,447	1,209,071	1,256,132	1,266,813	2.5%	-1.5%	3.9%	0.9%
Ligonier Public Library	187,757	198,325	202,189	211,986	217,464	5.6%	1.9%	4.8%	2.6%
Noble County Public Library	870,613	765,777	826,950	840,753	844,423	-12.0%	8.0%	1.7%	0.4%
Northeast Indiana Solid Waste Mgt Dist	206,210	215,700	220,663	232,728	207,622	4.6%	2.3%	5.5%	-10.8%
Ligonier City Redevelopment Comm	122,125	124,797	129,629	0	0	2.2%	3.9%	-100.0%	
Albion Town Redevelopment Comm	15,906	26,828	27,837	0	0	68.7%	3.8%	-100.0%	
Avilla Town Redevelopment Comm	51,984	58,119	60,408	0	0	11.8%	3.9%	-100.0%	
Kendallville Redevelopment Comm	0	0	0	0	0				

**Noble County 2011 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	COIT Homestead	CEDIT Homestead	CEDIT Residential	LOIT Homestead	LOIT Residential	
57001	Albion Township	1.4176	--	--	15.2753%	--	--	--	1.2011
57002	Albion-Albion	2.5083	--	--	15.2753%	--	--	--	2.1251
57003	Allen Township	1.5562	--	--	15.2753%	--	--	--	1.3185
57004	Kendallville City-Allen Township	2.7456	--	--	15.2753%	--	--	--	2.3262
57005	Avilla Town	2.3156	--	--	15.2753%	--	--	--	1.9619
57006	Elkhart Township	1.8888	--	--	15.2753%	--	--	--	1.6003
57007	Green Township	1.5193	--	--	15.2753%	--	--	--	1.2872
57008	Jefferson Township	1.4364	--	--	15.2753%	--	--	--	1.2170
57009	Noble Township	1.4919	--	--	15.2753%	--	--	--	1.2640
57010	Orange Township	1.7427	--	--	15.2753%	--	--	--	1.4765
57011	Rome City Town	2.0243	--	--	15.2753%	--	--	--	1.7151
57012	Wolcottville Town	2.4147	--	--	15.2753%	--	--	--	2.0458
57013	Perry Township	1.8503	--	--	15.2753%	--	--	--	1.5677
57014	Ligonier City	3.2651	--	--	15.2753%	--	--	--	2.7663
57015	Sparta Township	2.0279	--	--	15.2753%	--	--	--	1.7181
57016	Cromwell Town	3.2048	--	--	15.2753%	--	--	--	2.7153
57017	Swan Township	1.5287	--	--	15.2753%	--	--	--	1.2952
57018	Washington Township	1.9050	--	--	15.2753%	--	--	--	1.6140
57019	Wayne Township	1.6299	--	--	15.2753%	--	--	--	1.3809
57020	Kendallville City-Wayne Township	2.7454	--	--	15.2753%	--	--	--	2.3260
57021	York Township	1.4567	--	--	15.2753%	--	--	--	1.2342
57022	Albion-Jefferson	2.4888	--	--	15.2753%	--	--	--	2.1086

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 *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.

### Noble County 2011 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	(3%) Elderly				
<i>Non-TIF Total</i>	61,379	1,031,277	215,486	55,708	1,363,850	37,604,121	3.6%	
<i>TIF Total</i>	26	10,928	134,950	0	145,904	3,375,309	4.3%	
<i>County Total</i>	61,406	1,042,204	350,436	55,708	1,509,753	40,979,430	3.7%	
Noble County	8,182	143,856	26,331	10,863	189,232	7,259,476	2.6%	
Albion Township	28	907	0	59	995	27,038	3.7%	
Allen Township	10	1,372	0	260	1,641	92,962	1.8%	
Elkhart Township	0	0	0	29	29	47,928	0.1%	
Green Township	0	0	0	20	20	37,377	0.1%	
Jefferson Township	0	1	0	72	73	58,260	0.1%	
Noble Township	0	0	0	110	110	136,485	0.1%	
Orange Township	93	1,216	0	245	1,554	328,841	0.5%	
Perry Township	536	5,295	3,041	108	8,981	148,167	6.1%	
Sparta Township	3	1,538	166	162	1,869	150,925	1.2%	
Swan Township	0	0	0	82	82	35,974	0.2%	
Washington Township	0	0	0	18	18	34,260	0.1%	
Wayne Township	205	3,894	0	322	4,421	127,731	3.5%	
York Township	0	0	0	50	50	53,302	0.1%	
Kendallville Civil City	8,782	200,374	0	6,802	215,958	3,817,772	5.7%	
Ligonier Civil City	14,385	142,037	81,566	1,479	239,467	1,628,660	14.7%	
Albion Civil Town	844	27,215	0	1,754	29,814	858,189	3.5%	
Avilla Civil Town	167	14,315	0	1,352	15,834	631,663	2.5%	
Cromwell Civil Town	75	19,931	4,442	42	24,490	138,794	17.6%	
Rome City Civil Town	196	1,943	0	205	2,343	302,457	0.8%	
Wolcottville Civil Town	0	6,605	0	108	6,713	83,761	8.0%	
Lakeland School Corp	0	3,754	0	61	3,816	47,607	8.0%	
Central Noble Community School Corp	670	21,606	0	3,725	26,001	3,065,246	0.8%	
East Noble School Corp	8,596	200,803	0	19,107	228,506	9,568,147	2.4%	
West Noble School Corp	14,804	170,921	87,990	4,338	278,054	5,656,803	4.9%	
Smith-Green Community School Corp	0	0	0	400	400	729,974	0.1%	
Kendallville Public Library	1,554	34,973	0	2,160	38,688	1,266,813	3.1%	
Ligonier Public Library	1,921	18,965	10,891	198	31,974	217,464	14.7%	
Noble County Public Library	94	5,638	306	1,265	7,303	844,423	0.9%	
Northeast Indiana Solid Waste Mgt Dist	234	4,114	753	311	5,412	207,622	2.6%	
Ligonier City Redevelopment Comm	0	0	0	0	0	0		
Albion Town Redevelopment Comm	0	0	0	0	0	0		
Avilla Town Redevelopment Comm	0	0	0	0	0	0		
Kendallville Redevelopment Comm	0	0	0	0	0	0		
TIF - Albion- Dexter	0	0	0	0	0	5,785	0.0%	
TIF - Albion Town	0	1,819	0	0	1,819	165,591	1.1%	
TIF - Avilla	0	22	0	0	22	505,966	0.0%	
TIF - Ligonier Warren	26	3,685	52,868	0	56,579	717,593	7.9%	
TIF - Ligonier Guardian	0	4	82,081	0	82,085	1,010,965	8.1%	
TIF - Kendallville Walmart	0	4,953	0	0	4,953	536,686	0.9%	
TIF - Kendallville Wayne	0	445	0	0	445	80,118	0.6%	
TIF - Albion- Jefferson	0	0	0	0	0	352,605	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.