

2010 Property Tax Report

Orange County

with comparisons between 2007 and 2010



Legislative Services Agency

July 2010

This report describes property tax changes in Orange 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 Orange 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 Orange 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	3,786	78.5%	450	9.3%
No Change	326	6.8%	75	1.6%
Lower Tax Bill	714	14.8%	4,301	89.1%
Average Change in Tax Bill	14.6%		-25.7%	
Detailed Change in Tax Bill				
20% or More	1,469	30.4%	215	4.5%
10% to 19%	1,622	33.6%	86	1.8%
1% to 9%	695	14.4%	149	3.1%
0%	326	6.8%	75	1.6%
-1% to -9%	600	12.4%	296	6.1%
-10% to -19%	31	0.6%	619	12.8%
-20% to -29%	20	0.4%	795	16.5%
-30% to -39%	5	0.1%	986	20.4%
-40% to -49%	11	0.2%	612	12.7%
-50% to -59%	7	0.1%	311	6.4%
-60% to -69%	6	0.1%	135	2.8%
-70% to -79%	5	0.1%	123	2.5%
-80% to -89%	8	0.2%	101	2.1%
-90% to -99%	0	0.0%	86	1.8%
-100%	21	0.4%	237	4.9%
Total	4,826	100.0%	4,826	100.0%

Note: Percentages may not total due to rounding.

The average homeowner saw a 14.6% tax bill increase from 2009 to 2010.

89.1% of homeowners saw lower tax bills in 2010 than in 2007.

Homestead taxes in 2010 were still 25.7% lower than they were in 2007, before the property tax reforms.

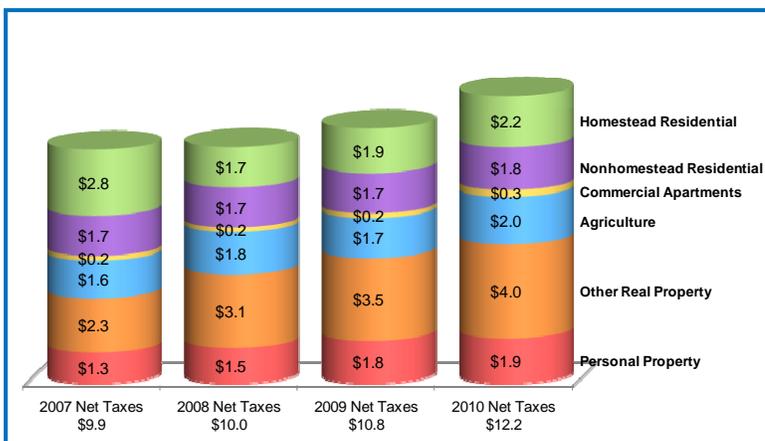
64.0% of homeowners saw tax increases of 10% or more from 2009 to 2010.

The largest percentage of homeowners have seen between a 10% and 29% decrease in their tax bills from 2007 to 2010.

Orange County Overview

The much larger-than-average increase in homeowner tax bills had two main causes. Property tax levies increased 9.2% in Orange County in 2010, much more than the state average increase of 2.4%. The largest increases were in the Paoli Community School Corporation debt service fund and the town of Orleans general fund. In addition, Orange County homeowners benefitted less from the one percent property tax cap than did homeowners in the average county, primarily because Orange County home values and tax rates tend to be lower than the state average. Orange County does not provide local homestead credits.

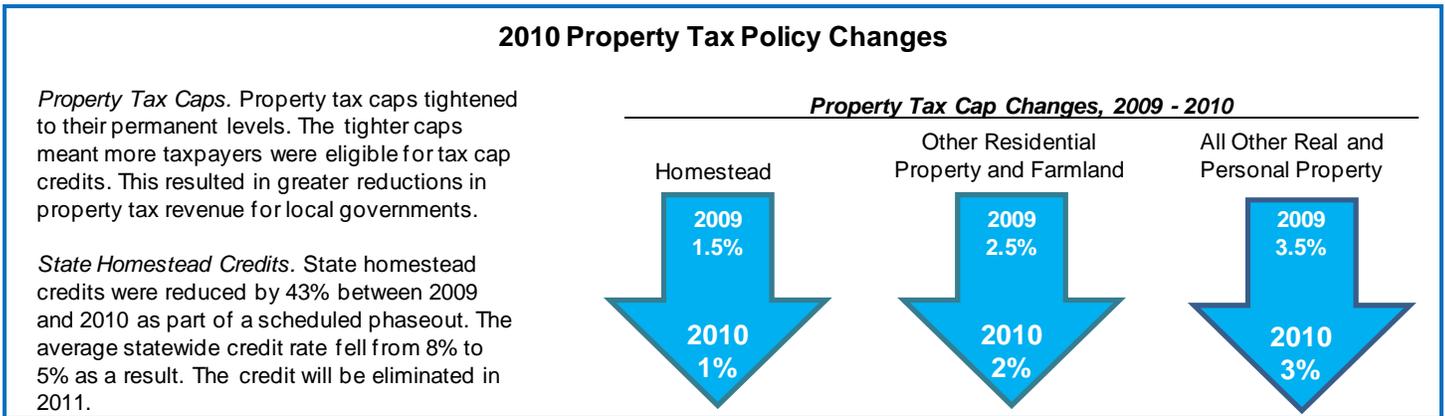
Comparison of Net Property Tax by Property Type (In Millions)



Net tax bills for all taxpayers increased 11.3% in Orange County from 2009 to 2010. This was higher than the statewide reduction of 1.4%. In 2010 apartment owners saw a 10.6% increase in tax bills. This increase was due mainly from the increase in levies, as was the 8.3% increase in tax bills for nonhomestead residential property (mostly small rental residences). Other real and personal property, mostly commercial and industrial land, buildings, and equipment, saw a 13.3% and 4.9% increase, respectively, in tax bills in 2010. These changes in tax bills were mainly due to the increase in Orange County property tax levies and changes in assessed value. Business real property assessments increased by 4%, while business personal property assessments declined by 16.6%. After deductions and exemptions,

net taxable personal property value declined by only 10.8%. Commercial and industrial property did not benefit from the tightened tax caps because Orange County's tax rates were not high enough for this type of property to qualify for tax cap credits.

Agricultural business property saw a 12.1% increase in tax payments in 2010 because of the Orange 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 Orange County in 2010 amounted to 0.3% of the total property tax levy. The statewide average was 6.3%. The smaller percentage loss in the county was partly due to much lower-than-average tax rates in Orange County. No commercial or industrial properties in the 3% tax cap category qualified for credits because all of the Orange County district tax rates were under \$3. Neither Orange County tax rates nor home values were high enough for a large share of homesteads to qualify for credits in the 1% category. A large portion of the circuit breaker credits were allocated to low-income, elderly homeowners under the 2% annual growth limit for their net taxes.

**2010 Circuit Breaker Credits by Cap Category
Orange County Total \$32,685**

1%	2%	3%	Elderly	
\$8,350	\$13,685	\$0	\$10,649	
25.6%	41.9%	0.0%	32.6%	

Orange County, the town of Orleans, and the Orleans and Paoli Community School Corporations saw the largest revenue losses from the tax caps in 2010. As a percentage of their levies, the town of West Baden lost the most, at 1.1%. Losses were greatest for units that overlapped the towns of Orleans and West Baden because these tax districts had the highest tax rates.

The Effects of Recession

In Orange 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 4.7% in December 2007 to 10.3% in July 2009. Job losses and income declines contributed to a 0.9% drop in local income tax revenue. Because part of this revenue is used for property tax levy relief, property tax levies were nudged up by the income loss.

Orange County Gross Assessed Value by Property Type

Property Type	Gross AV 2009	Gross AV 2010	Gross AV Change
Homesteads	457,731,916	469,412,400	2.6%
Other Residential	103,952,800	107,770,000	3.7%
Ag Business/Land	134,320,000	139,354,600	3.7%
Business Real/Personal	395,237,804	406,040,014	2.7%
Total	\$1,091,242,520	\$1,122,577,014	2.9%

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 Orange County, the gross assessed value of business real and personal property increased 2.7% in 2010. Other assessment categories increased, and total gross assessed value in Orange County rose 2.9%. 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.

Orange County Levy Comparison by Taxing Unit

Taxing Unit	2007	2008	2009	2010	% Change		
					2007-2008	2008-2009	2009-2010
<i>County Total</i>	13,438,174	13,756,612	9,902,610	10,809,164	2.4%	-28.0%	9.2%
State Unit	15,219	16,917	0	0	11.2%	-100.0%	
Orange County	2,192,142	2,274,727	2,181,612	2,212,172	3.8%	-4.1%	1.4%
French Lick Township	24,150	24,925	26,608	26,862	3.2%	6.8%	1.0%
Greenfield Township	10,690	11,101	11,621	12,132	3.8%	4.7%	4.4%
Jackson Township	9,625	9,965	10,354	10,932	3.5%	3.9%	5.6%
Northeast Township	3,452	9,605	10,226	10,581	178.2%	6.5%	3.5%
Northwest Township	10,485	11,043	7,628	9,772	5.3%	-30.9%	28.1%
Orangeville Township	6,241	6,755	6,973	7,400	8.2%	3.2%	6.1%
Orleans Township	6,390	6,445	6,047	7,343	0.9%	-6.2%	21.4%
Paoli Township	40,682	41,249	42,955	45,888	1.4%	4.1%	6.8%
Southeast Township	7,108	7,525	7,817	8,330	5.9%	3.9%	6.6%
Stamperscreek Township	4,420	9,111	9,797	10,106	106.1%	7.5%	3.2%
French Lick Civil Town	449,028	457,810	519,157	577,109	2.0%	13.4%	11.2%
Orleans Civil Town	290,040	324,199	348,271	588,958	11.8%	7.4%	69.1%
Paoli Civil Town	412,465	417,316	421,164	454,741	1.2%	0.9%	8.0%
West Baden Civil Town	194,459	173,931	214,040	213,956	-10.6%	23.1%	0.0%
Orleans Community School Corp	2,303,338	2,467,664	1,447,567	1,596,209	7.1%	-41.3%	10.3%
Paoli Community School Corp	3,500,507	3,499,205	1,561,249	2,156,428	0.0%	-55.4%	38.1%
Springs Valley Community School Corp	3,208,268	3,247,217	2,093,560	1,931,580	1.2%	-35.5%	-7.7%
Orleans Public Library	45,287	49,466	59,761	61,106	9.2%	20.8%	2.3%
Paoli Public Library	54,980	56,833	230,265	155,223	3.4%	305.2%	-32.6%
French Lick-Melton Public Library	250,568	206,860	224,405	235,083	-17.4%	8.5%	4.8%
Orange County Fire Protection Dist	190,640	215,272	212,169	222,156	12.9%	-1.4%	4.7%
Orange County Solid Waste Mgt Dist	207,990	211,471	249,364	255,097	1.7%	17.9%	2.3%

Orange County Tax Rates, Credit Rates, and Net Tax Rates for Homesteads by Taxing District

Dist #	Taxing District	Tax Rate	LOIT PTRC	Credit Rates						Net Tax Rate, Homesteads
				State Homestead	COIT Homestead	CEDIT Homestead	CREDIT Residential	LOIT Homestead	LOIT Residential	
59001	French Lick Township	1.4013	--	4.0891%	--	--	--	--	--	1.3440
59002	French Lick Town	1.9589	--	4.0891%	--	--	--	--	--	1.8788
59003	West Baden Town	2.0968	--	4.0891%	--	--	--	--	--	2.0111
59004	Greenfield Township	1.3401	--	4.0891%	--	--	--	--	--	1.2853
59005	Jackson Township	1.3640	--	4.0891%	--	--	--	--	--	1.3082
59006	Northeast Township	1.3306	--	4.0891%	--	--	--	--	--	1.2762
59007	Northwest Township	1.4095	--	4.0891%	--	--	--	--	--	1.3519
59008	Orangeville Township	1.3322	--	4.0891%	--	--	--	--	--	1.2777
59009	Orleans Township	1.3495	--	4.0891%	--	--	--	--	--	1.2943
59010	Orleans Town	2.0959	--	4.0891%	--	--	--	--	--	2.0102
59011	Paoli Township	1.4102	--	4.0891%	--	--	--	--	--	1.3525
59012	Paoli Town	1.8454	--	4.0891%	--	--	--	--	--	1.7699
59013	Southeast Township	1.3126	--	4.0891%	--	--	--	--	--	1.2589
59014	Stamperscreek Township	1.3264	--	4.0891%	--	--	--	--	--	1.2722

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.

Orange 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>	8,079	13,685	0	10,649	32,413	10,809,164	0.3%
<i>TIF Total</i>	271	0	0	0	271	1,210,840	0.0%
<i>County Total</i>	8,350	13,685	0	10,649	32,685	12,020,004	0.3%
Orange County	1,514	2,174	0	2,064	5,752	2,212,172	0.3%
French Lick Township	23	22	0	23	68	26,862	0.3%
Greenfield Township	3	0	0	14	18	12,132	0.1%
Jackson Township	3	0	0	5	8	10,932	0.1%
Northeast Township	3	0	0	2	5	10,581	0.0%
Northwest Township	0	0	0	3	3	9,772	0.0%
Orangeville Township	0	0	0	0	0	7,400	0.0%
Orleans Township	2	28	0	6	36	7,343	0.5%
Paoli Township	66	0	0	64	130	45,888	0.3%
Southeast Township	0	0	0	14	14	8,330	0.2%
Stamperscreek Township	0	0	0	3	3	10,106	0.0%
French Lick Civil Town	2	0	0	442	444	577,109	0.1%
Orleans Civil Town	241	4,005	0	682	4,928	588,958	0.8%
Paoli Civil Town	963	0	0	771	1,734	454,741	0.4%
West Baden Civil Town	698	1,174	0	403	2,275	213,956	1.1%
Orleans Community School Corp	369	4,311	0	991	5,671	1,596,209	0.4%
Paoli Community School Corp	2,100	0	0	2,801	4,901	2,156,428	0.2%
Springs Valley Community School Corp	1,413	1,312	0	1,512	4,238	1,931,580	0.2%
Orleans Public Library	15	232	0	50	297	61,106	0.5%
Paoli Public Library	223	0	0	217	440	155,223	0.3%
French Lick-Melton Public Library	186	176	0	193	555	235,083	0.2%
Orange County Fire Protection Dist	81	0	0	150	230	222,156	0.1%
Orange County Solid Waste Mgt Dist	175	251	0	238	663	255,097	0.3%
TIF - French Lick Town	271	0	0	0	271	1,090,491	0.0%
TIF - West Baden Town	0	0	0	0	0	120,349	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.