

2009 PORTER COUNTY PROPERTY TAX REPORT

WITH COMPARISONS TO 2007 AND 2008

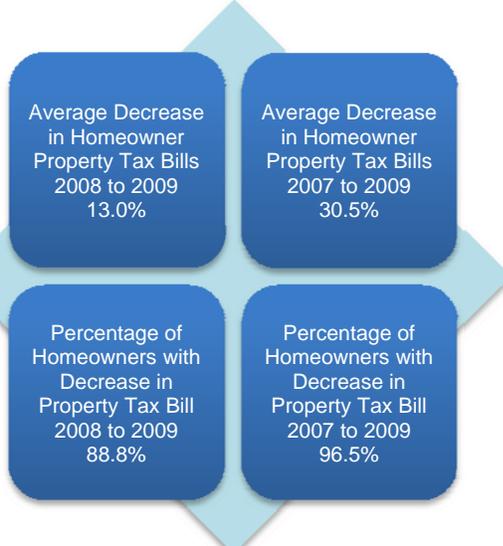


Legislative Services Agency

March 2010

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 Porter 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	432	1.1%	302	0.8%
10% to 19%	649	1.7%	229	0.6%
1% to 9%	3,312	8.4%	827	2.1%
0%	17	0.0%	31	0.1%
-1% to -9%	10,668	27.2%	2,091	5.3%
-10% to -19%	15,336	39.1%	6,499	16.6%
-20% to -29%	7,005	17.9%	11,593	29.6%
-30% to -39%	1,012	2.6%	11,020	28.1%
-40% to -49%	350	0.9%	5,150	13.1%
-50% to -59%	143	0.4%	1,074	2.7%
-60% to -69%	90	0.2%	177	0.5%
-70% to -79%	51	0.1%	91	0.2%
-80% to -89%	44	0.1%	46	0.1%
-90% to -99%	31	0.1%	29	0.1%
-100%	78	0.2%	59	0.2%
Total	39,218	100.0%	39,218	100.0%
Higher Tax Bill	4,393	11.2%	1,358	3.5%
No Change	17	0.0%	31	0.1%
Lower Tax Bill	34,808	88.8%	37,829	96.5%
Average Change in Tax Bill	-13.0%		-30.5%	

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 30.7% 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 14.4% 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 39.4% statewide in 2008, and this rate fell to 7.1% 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 89 counties reporting.)

Factors Affecting Homeowner Tax Bills	Porter County	State Average
Net Assessed Value, 2008 to 2009 (% change)	-17.0%	-14.4%
Gross Tax Levy, 2008 to 2009 (% change)	-35.4%	-30.7%
State PTRC Percentage, 2008	20.5%	20.1%
Total State Homestead Credit, 2008	35.3%	39.4%
Total State Homestead Credit, 2009	7.0%	7.1%
Did County Adopt a LOIT in 2008 or 2009?	No	

Note: State Average based on data for 89 counties available March, 2010

Effects on County Tax Bills. Statewide, average homeowner tax bills fell by about 1% from 2008 to 2009. Average homeowner tax bills in Porter County decreased by 13.0%. Porter homestead credit rates were less than the state average in 2008, so the reduction of this credit added less to Porter homestead tax bills. Porter's tax levy fell by more than the state average because the school general fund and county welfare levies were a larger share of Porter's levy in 2008, and because Porter local units decreased their tax levies in 2009. A

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.

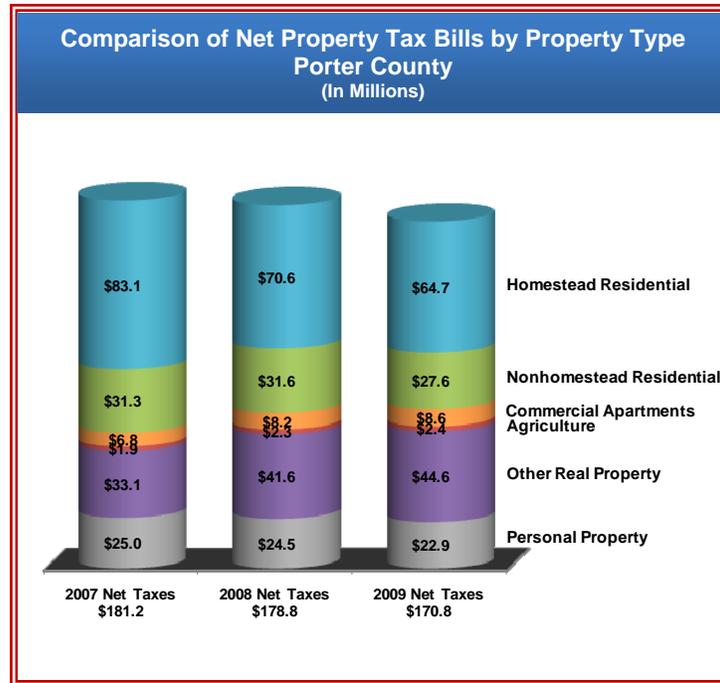
Counties could adopt new LOIT for property tax relief in 2008 and 2009 - Homeowners in 41 counties that adopted a LOIT saw larger property tax cuts or smaller tax increases; other taxpayers benefitted if counties distributed tax credits to nonhomestead property.

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.

few elderly Porter County homeowners were eligible for the circuit breaker tax cap credits. Homeowner taxes were substantially lower in 2009 compared to 2007 in Porter County, as

they were in most Indiana counties.

In Porter County from 2008 to 2009, nonhomestead residential properties (small rentals and second homes) saw a 12.7% decline in average property tax bills. Average tax bills on commercial apartments increased 4.9%. Agricultural business real property (which includes farmland and farm buildings, but not homesteads) saw a 4.3% average tax increase. Other commercial, industrial, and utility real property average tax bills increased 7.2%. Personal property, which is largely business equipment, saw a 6.5% decrease in average tax bills.



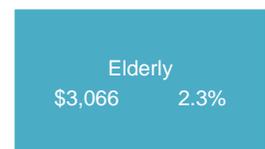
Circuit Breaker Tax Caps. Property tax caps limit taxpayers' tax bills to a fixed percentage of their property's assessed value before deductions. Tax bills that exceed the caps are reduced by a tax credit. The cap rates were 1.5% for homesteads, 2.5% for other residential property and farmland, and 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 Porter County \$132.763

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



Porter 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	\$232,696,951	\$259,472,239	\$168,181,190	11.5%	-35.0%	-5.2%
State Unit	213,906	251,325	0	17.5%	-100.0%	
Porter County	39,011,244	41,856,187	34,619,665	7.3%	-17.3%	-2.4%
Boone Township	146,984	152,158	151,341	3.5%	-0.5%	-0.5%
Center Township	1,380,303	1,446,705	1,445,190	4.8%	-0.1%	-0.1%
Jackson Township	130,248	137,279	128,391	5.4%	-6.5%	-6.5%
Liberty Township	305,006	322,069	316,086	5.6%	-1.9%	-1.9%
Morgan Township	87,241	90,140	120,008	3.3%	33.1%	33.1%
Pine Township	88,777	96,646	98,302	8.9%	1.7%	1.7%
Pleasant Township	185,297	191,437	194,417	3.3%	1.6%	1.6%
Portage Township	1,906,701	2,310,980	1,937,104	21.2%	-16.2%	-16.2%
Porter Township	256,059	295,941	299,418	15.6%	1.2%	1.2%
Union Township	323,223	335,227	323,043	3.7%	-3.6%	-3.6%
Washington Township	187,929	206,902	202,023	10.1%	-2.4%	-2.4%
Westchester Township	155,197	161,499	159,619	4.1%	-1.2%	-1.2%
Valparaiso Civil City	14,959,969	16,289,698	16,249,346	8.9%	-0.2%	2.8%
Portage Civil City	14,406,012	15,064,428	13,920,695	4.6%	-7.6%	-4.8%
Chesterton Civil Town	4,350,725	4,604,074	4,856,897	5.8%	5.5%	6.9%
Beverly Shores Civil Town	311,187	583,102	728,822	87.4%	25.0%	25.0%
Burns Harbor Civil Town	1,302,010	1,362,402	2,013,902	4.6%	47.8%	47.8%
Dune Acres Civil Town	265,711	275,809	284,610	3.8%	3.2%	3.2%
Hebron Civil Town	557,126	577,598	595,583	3.7%	3.1%	3.1%
Kouts Civil Town	270,754	315,565	329,145	16.6%	4.3%	4.3%
Ogden Dunes Civil Town	622,907	650,446	591,331	4.4%	-9.1%	-9.1%
Porter Civil Town	1,861,905	1,898,178	1,998,261	1.9%	5.3%	5.3%
Pines Civil Town	84,311	87,393	90,928	3.7%	4.0%	4.0%
Michigan City Area School Corporation	2,565,563	3,611,147	1,892,146	40.8%	-47.6%	-5.9%
Boone Township School Corporation	5,460,063	6,225,857	3,961,398	14.0%	-36.4%	-2.4%
Duneland School Corporation	36,958,315	42,426,897	20,441,967	14.8%	-51.8%	-5.4%
East Porter County School Corporation	13,768,547	15,044,735	8,948,837	9.3%	-40.5%	10.0%
Porter Township School Corporation	7,599,914	8,533,173	4,532,931	12.3%	-46.9%	-2.7%
Union Township School Corporation	7,906,759	8,952,069	4,297,165	13.2%	-52.0%	-5.6%
Portage Township School Corporation	30,685,819	36,173,575	17,018,947	17.9%	-53.0%	-16.6%
Valparaiso Community School Corporation	35,217,441	40,089,375	17,132,353	13.8%	-57.3%	-19.1%
Westchester Public Library	2,164,300	2,254,700	2,301,380	4.2%	2.1%	2.1%
Porter County Public Library	5,465,141	5,103,485	5,249,200	-6.6%	2.9%	2.9%
West Porter Township Fire Protection	135,313	140,831	131,597	4.1%	-6.6%	-6.6%
Porter Co Solid Waste Management District	0	0	0	0.0%	0.0%	0.0%
Porter Co Airport Authority	623,895	649,258	619,142	4.1%	-4.6%	-4.6%
Valparaiso Redevelopment Commission	382,938	328,290	0	-14.3%	-100.0%	-100.0%
Burns Harbor Town Redevelopment	0	0	0	0.0%	0.0%	0.0%
Porter Redevelopment Commission	0	0	0	0.0%	0.0%	0.0%
Portage Redevelopment Commission	346,445	375,659	0	8.4%	-100.0%	-100.0%
Chesterton Redevelopment Commission	45,766	0	0	-100.0%	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.

Porter 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	2008	2008	2009	2008	2009
	Boone Townshp	150.8	117.5	-22.1%	4,235,889	2,811,381	-33.6%	2.8087	2.3921	15.27%	28.39%	6.97%	5.58%
Hebron (Boone)	128.9	103.7	-19.5%	4,161,600	3,043,033	-26.9%	3.2297	2.9352	15.05%	30.80%	6.97%	5.58%	12.07%
Center Townshp	1033.4	777.6	-24.8%	21,397,735	10,864,475	-49.2%	2.0706	1.3972	21.61%	33.25%	6.97%	5.58%	12.07%
Valparaiso (Center)	1725.0	1488.7	-13.7%	49,612,903	33,606,141	-32.3%	2.8761	2.2574	19.51%	37.65%	6.97%	5.58%	12.07%
Jackson Townshp	431.7	344.0	-20.3%	8,524,380	4,673,733	-45.2%	1.9744	1.3586	23.00%	33.62%	6.97%	5.58%	12.07%
Liberty Townshp	426.1	345.2	-19.0%	8,578,411	4,854,364	-43.4%	2.0134	1.4064	22.72%	33.66%	6.97%	5.58%	12.07%
Chesterton-Liberty Tw p	130.9	114.1	-12.8%	3,308,036	2,374,698	-28.2%	2.5276	2.0815	20.39%	35.32%	6.97%	5.58%	12.07%
Morgan Townshp	244.4	196.4	-19.7%	5,411,774	3,317,907	-38.7%	2.2140	1.6895	22.20%	33.31%	6.97%	5.58%	12.07%
Pine Townshp-Mich City Schools	46.9	40.6	-13.3%	874,154	564,187	-35.5%	1.8657	1.3888	21.47%	31.37%	6.97%	5.58%	12.07%
Pine Townshp-Duneland Schools	43.3	35.0	-19.0%	871,029	492,432	-43.5%	2.0126	1.4054	22.79%	33.83%	6.97%	5.58%	12.07%
Beverly Shores (Pines)	203.1	170.4	-16.1%	4,272,767	2,997,551	-29.8%	2.1033	1.7596	19.94%	31.67%	6.97%	5.58%	12.07%
Pines Town (Pines Tw p)	27.3	22.5	-17.7%	583,297	389,759	-33.2%	2.1367	1.7354	20.98%	34.78%	6.97%	5.58%	12.07%
Pleasant Townshp	144.1	126.1	-12.5%	3,277,872	2,194,185	-33.1%	2.2751	1.7404	22.07%	33.96%	6.97%	5.58%	12.07%
Kouts (Pleasant)	93.0	83.4	-10.3%	2,397,859	1,749,259	-27.0%	2.5790	2.0963	20.95%	35.29%	6.97%	5.58%	12.07%
Portage Townshp	301.9	251.7	-16.6%	7,387,680	4,219,546	-42.9%	2.4467	1.6762	19.86%	33.09%	6.97%	5.58%	12.07%
Portage City-Portage Tw p	1754.4	1522.4	-13.2%	53,068,317	36,045,654	-32.1%	3.0249	2.3677	19.27%	37.38%	6.97%	5.58%	12.07%
Ogden Dunes (Portage)	251.3	171.6	-31.7%	6,017,742	3,073,976	-48.9%	2.3942	1.7910	21.19%	35.78%	6.97%	5.58%	12.07%
Porter Townshp	329.3	257.2	-21.9%	6,421,058	4,016,153	-37.5%	1.9497	1.5613	22.09%	34.38%	6.97%	5.58%	12.07%
Union Townshp	615.9	473.9	-23.1%	12,349,955	6,973,860	-43.5%	2.0051	1.4717	23.55%	34.59%	6.97%	5.58%	12.07%
Washington Townshp	264.6	217.5	-17.8%	5,944,226	3,714,699	-37.5%	2.2468	1.7076	22.06%	33.49%	6.97%	5.58%	12.07%
Westchester Townshp	221.8	204.9	-7.6%	4,551,668	2,954,473	-35.1%	2.0524	1.4422	22.47%	33.74%	6.97%	5.58%	12.07%
Portage City-Westchester Tw p	6.0	5.6	-5.4%	172,986	131,024	-24.3%	2.9030	2.3245	19.74%	37.50%	6.97%	5.58%	12.07%
Chesterton-Westchester Tw p	687.2	544.6	-20.8%	17,692,317	11,617,591	-34.3%	2.5746	2.1334	20.27%	35.56%	6.97%	5.58%	12.07%
Burns Harbor (Westchester)	579.2	538.4	-7.1%	13,006,861	9,547,812	-26.6%	2.2455	1.7735	21.14%	33.50%	6.97%	5.58%	12.07%
Dune Arces (Westchester)	110.0	93.4	-15.0%	2,489,874	1,595,027	-35.9%	2.2640	1.7069	22.03%	36.07%	6.97%	5.58%	12.07%
Porter Town (Westchester)	278.6	225.3	-19.1%	7,534,743	5,188,157	-31.1%	2.7046	2.3028	20.76%	38.21%	6.97%	5.58%	12.07%
Chesterton-Jackson Tw p	14.5	14.1	-2.5%	364,511	291,981	-19.9%	2.5151	2.0664	20.47%	35.38%	6.97%	5.58%	12.07%
Porter Tw p-W Porter Fire	292.6	216.2	-26.1%	5,634,865	3,306,990	-41.3%	1.9255	1.5296	22.27%	34.39%	6.97%	5.58%	12.07%
Valparaiso-Washington Tw p	152.0	170.3	12.1%	4,708,009	4,493,872	-4.5%	3.0983	2.6382	19.73%	37.39%	6.97%	5.58%	12.07%
County Totals/Averages	10,688.2	8,872.4	-17.0%	264,852,516	171,103,919	-35.4%	2.4861	1.9411	20.51%	35.33%	6.97%	5.58%	12.07%

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.

Porter County 2009 Circuit Breaker Cap Credits

Taxing Unit	Total Levy	Circuit Breaker Credits by Property Type				Total
		(1.5%) Homesteads	(2.5%) Other Residential/ Farmland	(3.5%) All Other Real/Personal	Elderly	
Porter County	34,619,665	0	17,616	0	597	18,213
Boone Tow nship	151,341	0	1,909	0	2	1,911
Center Tow nship	1,445,190	0	0	0	1	1
Jackson Tow nship	128,391	0	0	0	1	1
Liberty Tow nship	316,086	0	0	0	3	3
Morgan Tow nship	120,008	0	0	0	0	0
Pine Tow nship	98,302	0	0	0	2	2
Pleasant Tow nship	194,417	0	0	0	18	18
Portage Tow nship	1,937,104	0	0	0	6	6
Porter Tow nship	299,418	0	0	0	27	27
Union Tow nship	323,043	0	0	0	6	6
Washington Tow nship	202,023	0	73	0	0	73
Westchester Tow nship	159,619	0	0	0	3	3
Valparaiso Civil City	16,249,346	0	3,999	0	55	4,054
Portage Civil City	13,920,695	0	0	0	76	76
Chesterton Civil Tow n	4,856,897	0	0	0	149	149
Beverly Shores Civil Tow n	728,822	0	0	0	0	0
Burns Harbor Civil Tow n	2,013,902	0	0	0	0	0
Dune Acres Civil Tow n	284,610	0	0	0	0	0
Hebron Civil Tow n	595,583	0	23,623	0	29	23,652
Kouts Civil Tow n	329,145	0	0	0	55	55
Ogden Dunes Civil Tow n	591,331	0	0	0	0	0
Porter Civil Tow n	1,998,261	0	0	0	442	442
Pines Civil Tow n	90,928	0	0	0	0	0
Michigan City Area School Corporation	1,892,146	0	0	0	0	0
Boone Tow nship School Corporation	3,961,398	0	73,655	0	91	73,746
Duneland School Corporation	20,441,967	0	0	0	640	640
Morgan Tow nship School Corporation	0	0	0	0	0	0
East Porter County School Corporation	8,948,837	0	4,630	0	243	4,873
Porter Tow nship School Corporation	4,532,931	0	0	0	253	253
Union Tow nship School Corporation	4,297,165	0	0	0	80	80
Washington Tow nship School Corporation	0	0	0	0	0	0
Portage Tow nship School Corporation	17,018,947	0	0	0	73	73
Valparaiso Community School Corporation	17,132,353	0	0	0	42	42
Hebron Public Library	0	0	0	0	0	0
Westchester Public Library	2,301,380	0	0	0	100	100
Porter County Public Library	5,249,200	0	3,266	0	60	3,326
West Porter Tow nship Fire Protection	131,597	0	0	0	1	1
Porter Co Solid Waste Management District	0	0	0	0	0	0
Porter Co Airport Authority	619,142	0	314	0	11	325
Speical Unit	0	0	0	0	0	0
Valparaiso Redevelopment Commission	0	0	0	0	0	0
Burns Harbor Tow n Redevelopment	0	0	0	0	0	0
Porter Redevelopment Commission	0	0	0	0	0	0
Portage Redevelopment Commission	0	0	0	0	0	0
Chesterton Redevelopment Commission	0	0	0	0	0	0
TIF Districts	13,253,431	0	614	0	0	614
Total - All Taxing Units	181,434,621	0	129,698	0	3,066	132,763

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.