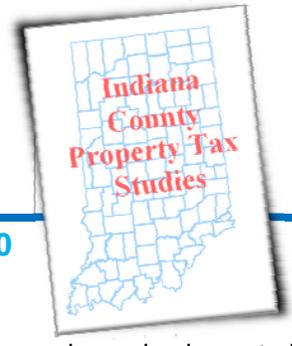


2010 Property Tax Report

Porter County

with comparisons between 2007 and 2010



Legislative Services Agency

July 2010

This report describes property tax changes in Porter 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 Porter 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 Porter 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	33,567	86.3%	2,369	6.1%
No Change	97	0.2%	30	0.1%
Lower Tax Bill	5,219	13.4%	36,484	93.8%
Average Change in Tax Bill	5.4%		-26.8%	
Detailed Change in Tax Bill				
20% or More	937	2.4%	522	1.3%
10% to 19%	8,963	23.1%	608	1.6%
1% to 9%	23,667	60.9%	1,239	3.2%
0%	97	0.2%	30	0.1%
-1% to -9%	4,037	10.4%	4,179	10.7%
-10% to -19%	874	2.2%	8,323	21.4%
-20% to -29%	163	0.4%	10,721	27.6%
-30% to -39%	53	0.1%	8,568	22.0%
-40% to -49%	26	0.1%	3,619	9.3%
-50% to -59%	18	0.0%	687	1.8%
-60% to -69%	6	0.0%	153	0.4%
-70% to -79%	4	0.0%	69	0.2%
-80% to -89%	9	0.0%	50	0.1%
-90% to -99%	5	0.0%	42	0.1%
-100%	24	0.1%	73	0.2%
Total	38,883	100.0%	38,883	100.0%

The average homeowner saw a 5.4% tax bill increase from 2009 to 2010.

Homestead taxes in 2010 were still 26.8% lower than they were in 2007, before the property tax reforms.

93.8% of homeowners saw lower tax bills in 2010 than in 2007.

84.0% of homeowners saw tax increases of between 1% and 19% from 2009 to 2010.

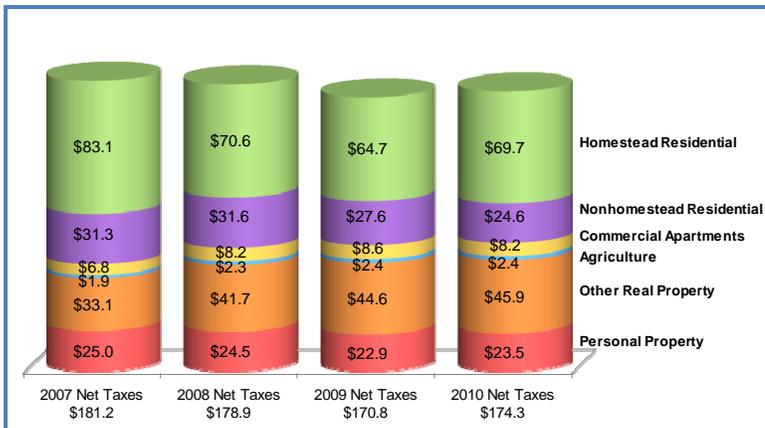
The largest percentage of homeowners have seen between a 10% and 39% decrease in their tax bills from 2007 to 2010.

Note: Percentages may not total due to rounding.

Porter County Overview

The larger-than-average increase in homeowner tax bills had two main 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. Porter County homeowners benefitted somewhat less from the one percent property tax cap than did homeowners in the average county, primarily because Porter County provides the local homestead credit. Property tax levies increased 2% in Porter County in 2010, similar to the state average increase of 2.4%. The largest increases were in the county health and jail lease rental funds, the Portage City general fund, and the Michigan City School Corporation debt service fund. These increases were partly offset by a decrease in the Valparaiso School Corporation debt service fund.

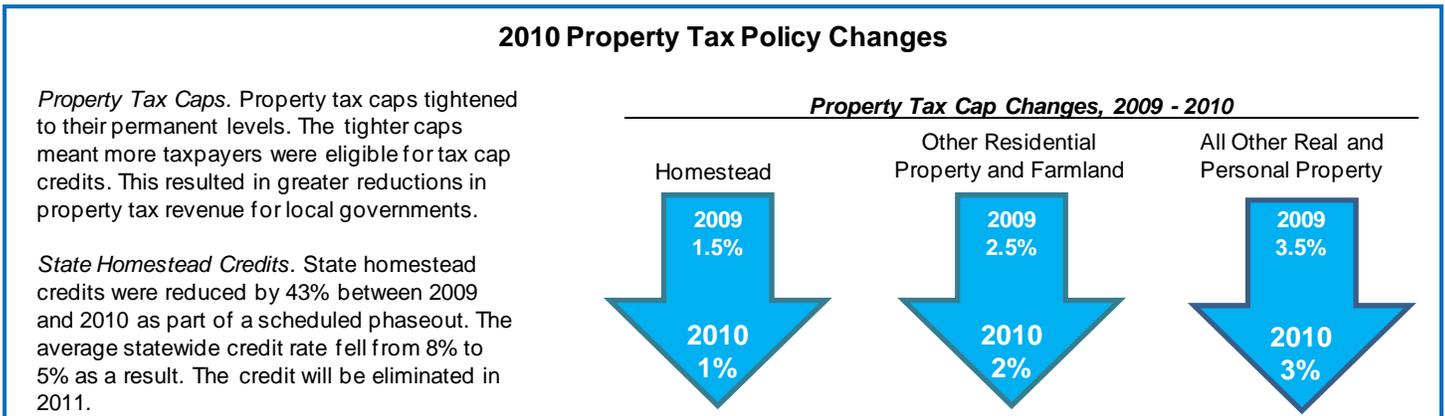
Comparison of Net Property Tax by Property Type (In Millions)



Net tax bills for all taxpayers increased 2.1% in Porter County from 2009 to 2010. This was higher than the statewide reduction of 1.4%. In 2010 apartment owners saw a 4.0% 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 10.7% decrease in tax bills. Other real and personal property, mostly commercial and industrial land, buildings, and equipment, saw a 2.9% and 2.5% increase, respectively, in tax bills in 2010. This was mainly because of the increase in Porter County property tax levies. Commercial and industrial property did not

benefit from the tightened tax caps because Porter County's tax rates were not high enough for this type of property to qualify for tax cap credits.

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



Tax Cap Credits

Tax cap credits in Porter County in 2010 amounted to 2.1% of the total property tax levy. The statewide average was 6.3%. The smaller percentage loss in the county was partly due to lower-than-average tax rates in Porter County. Tax rates in 11 of 29 total taxing districts exceeded \$2, so a large amount of housing in the 2% cap category was eligible for credits. No commercial or industrial properties in the 3% tax cap category qualified for credits because all Porter County tax rates were under \$3. Porter County tax rates and home values were high enough for about 10% of homesteads to qualify for credits in the 1% category.

**2010 Circuit Breaker Credits by Cap Category
Porter County Total \$3,826,272**

1%	2%	3%	Elderly
\$1,130,629	\$2,657,341	\$0	\$38,302
29.6%	69.5%	0.0%	1.0%

Porter County, the cities of Portage and Valparaiso, and the Portage Township School Corporation saw the largest revenue losses from the tax caps in 2010. As a percentage of total levies, the town of Hebron lost the most, at 9.9%. Losses were greatest for units that overlapped the municipalities of Hebron, Valparaiso, and Portage because these tax districts had the highest tax rates.

The Effects of Recession

In Porter 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 3.6% in December 2007 to 9.2% in July 2009. Job losses and income declines contributed to an 8.8% drop in local income tax revenue. Because part of this revenue is used for property tax relief, local property tax credit rates declined in Porter County in 2010.

Porter County Gross Assessed Value by Property Type

Property Type	Gross AV 2009	Gross AV 2010	Gross AV Change
Homesteads	8,938,954,176	9,003,552,474	0.7%
Other Residential	1,544,713,005	1,576,629,254	2.1%
Ag Business/Land	142,325,774	149,204,799	4.8%
Business Real/Personal	3,910,945,745	3,999,033,073	2.3%
Total	\$14,536,938,700	\$14,728,419,600	1.3%

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 Porter County, the gross assessed value of business real and personal property grew by 2.3% in 2010. Other assessment categories also increased, and total gross assessed value in Porter County increased 1.3%. 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.

Porter County Levy Comparison by Taxing Unit

Taxing Unit	2007	2008	2009	2010	% Change		
					2007-2008	2008-2009	2009-2010
<i>County Total</i>	232,696,951	259,472,239	168,181,190	171,607,333	11.5%	-35.2%	2.0%
State Unit	213,906	251,325	0	0	17.5%	-100.0%	
Porter County	39,011,244	41,856,187	34,619,665	36,239,384	7.3%	-17.3%	4.7%
Boone Township	146,984	152,158	151,341	157,668	3.5%	-0.5%	4.2%
Center Township	1,380,303	1,446,705	1,445,190	1,482,751	4.8%	-0.1%	2.6%
Jackson Township	130,248	137,279	128,391	133,631	5.4%	-6.5%	4.1%
Liberty Township	305,006	322,069	316,086	333,942	5.6%	-1.9%	5.6%
Morgan Township	87,241	90,140	120,008	89,038	3.3%	33.1%	-25.8%
Pine Township	88,777	96,646	98,302	101,808	8.9%	1.7%	3.6%
Pleasant Township	185,297	191,437	194,417	202,796	3.3%	1.6%	4.3%
Portage Township	1,906,701	2,310,980	1,937,104	2,163,770	21.2%	-16.2%	11.7%
Porter Township	256,059	295,941	299,418	290,309	15.6%	1.2%	-3.0%
Union Township	323,223	335,227	323,043	328,254	3.7%	-3.6%	1.6%
Washington Township	187,929	206,902	202,023	205,813	10.1%	-2.4%	1.9%
Westchester Township	155,197	161,499	159,619	163,869	4.1%	-1.2%	2.7%
Valparaiso Civil City	14,959,969	16,289,698	16,249,346	16,643,236	8.9%	-0.2%	2.4%
Portage Civil City	14,406,012	15,064,428	13,920,695	14,646,066	4.6%	-7.6%	5.2%
Chesterton Civil Town	4,350,725	4,604,074	4,856,897	5,558,222	5.8%	5.5%	14.4%
Beverly Shores Civil Town	311,187	583,102	728,822	559,190	87.4%	25.0%	-23.3%
Burns Harbor Civil Town	1,302,010	1,362,402	2,013,902	1,861,083	4.6%	47.8%	-7.6%
Dune Acres Civil Town	265,711	275,809	284,610	295,051	3.8%	3.2%	3.7%
Hebron Civil Town	557,126	577,598	595,583	617,575	3.7%	3.1%	3.7%
Kouts Civil Town	270,754	315,565	329,145	340,323	16.6%	4.3%	3.4%
Ogden Dunes Civil Town	622,907	650,446	591,331	669,671	4.4%	-9.1%	13.2%
Porter Civil Town	1,861,905	1,898,178	1,998,261	2,070,309	1.9%	5.3%	3.6%
Pines Civil Town	84,311	87,393	90,928	94,214	3.7%	4.0%	3.6%
Michigan City Area School Corp	2,565,563	3,611,147	1,892,146	2,424,057	40.8%	-47.6%	28.1%
Boone Township School Corp	5,460,063	6,225,857	3,961,398	3,759,329	14.0%	-36.4%	-5.1%
Duneland School Corp	36,958,315	42,426,897	20,441,967	20,535,971	14.8%	-51.8%	0.5%
East Porter County School Corp	13,768,547	15,044,735	8,948,837	8,471,638	9.3%	-40.5%	-5.3%
Porter Township School Corp	7,599,914	8,533,173	4,532,931	4,343,242	12.3%	-46.9%	-4.2%
Union Township School Corp	7,906,759	8,952,069	4,297,165	4,368,353	13.2%	-52.0%	1.7%
Portage Township School Corp	30,685,819	36,173,575	17,018,947	17,614,446	17.9%	-53.0%	3.5%
Valparaiso Community School Corp	35,217,441	40,089,375	17,132,353	16,322,520	13.8%	-57.3%	-4.7%
Westchester Public Library	2,164,300	2,254,700	2,301,380	2,417,314	4.2%	2.1%	5.0%
Porter County Public Library	5,465,141	5,103,485	5,249,200	5,324,557	-6.6%	2.9%	1.4%
West Porter Township Fire Protection	135,313	140,831	131,597	136,139	4.1%	-6.6%	3.5%
Porter Co Solid Waste Mgt Dist	0	0	0	0			
Porter Co Airport Authority	623,895	649,258	619,142	641,794	4.1%	-4.6%	3.7%
Valparaiso Redevelopment Comm	382,938	328,290	0	0	-14.3%	-100.0%	
Burns Harbor Town Redevelopment	0	0	0	0			
Porter Redevelopment Comm	0	0	0	0			
Portage Redevelopment Comm	346,445	375,659	0	0	8.4%	-100.0%	
Chesterton Redevelopment Comm	45,766	0	0	0	-100.0%		

Porter 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	CEDIT Residential	LOIT Homestead	LOIT Residential	
64001	Boone Township	2.2969	--	3.8660%	--	9.6650%	--	--	--	1.9861
64002	Hebron (Boone)	2.8559	--	3.8660%	--	9.6650%	--	--	--	2.4695
64003	Center Township	1.3672	--	3.8660%	--	9.6650%	--	--	--	1.1822
64004	Valparaiso (Center)	2.2199	--	3.8660%	--	9.6650%	--	--	--	1.9195
64005	Jackson Township	1.3789	--	3.8660%	--	9.6650%	--	--	--	1.1923
64006	Liberty Township	1.4299	--	3.8660%	--	9.6650%	--	--	--	1.2364
64007	Chesterton-Liberty Twp	2.1996	--	3.8660%	--	9.6650%	--	--	--	1.9020
64008	Morgan Township	1.5730	--	3.8660%	--	9.6650%	--	--	--	1.3602
64009	Pine Township-Mich City Schl	1.6267	--	3.8660%	--	9.6650%	--	--	--	1.4066
64010	Pine Township-Duneland Schl	1.4267	--	3.8660%	--	9.6650%	--	--	--	1.2337
64011	Beverly Shores (Pines)	1.8900	--	3.8660%	--	9.6650%	--	--	--	1.6343
64012	Pines Town (Pines Twp)	1.9964	--	3.8660%	--	9.6650%	--	--	--	1.7263
64013	Pleasant Township	1.6432	--	3.8660%	--	9.6650%	--	--	--	1.4209
64014	Kouts (Pleasant)	2.0083	--	3.8660%	--	9.6650%	--	--	--	1.7366
64015	Portage Township	1.8255	--	3.8660%	--	9.6650%	--	--	--	1.5785
64016	Portage City-Portage Twp	2.4792	--	3.8660%	--	9.6650%	--	--	--	2.1437
64017	Ogden Dunes (Portage)	1.8913	--	3.8660%	--	9.6650%	--	--	--	1.6354
64018	Porter Township	1.5175	--	3.8660%	--	9.6650%	--	--	--	1.3122
64019	Union Township	1.5020	--	3.8660%	--	9.6650%	--	--	--	1.2988
64020	Washington Township	1.6082	--	3.8660%	--	9.6650%	--	--	--	1.3906
64021	Westchester Township	1.4703	--	3.8660%	--	9.6650%	--	--	--	1.2714
64022	Portage City-Westchester Twp	2.4097	--	3.8660%	--	9.6650%	--	--	--	2.0836
64023	Chesterton-Westchester Twp	2.2586	--	3.8660%	--	9.6650%	--	--	--	1.9530
64024	Burns Harbor (Westchester)	1.7884	--	3.8660%	--	9.6650%	--	--	--	1.5464
64025	Dune Arces (Westchester)	1.7433	--	3.8660%	--	9.6650%	--	--	--	1.5074
64026	Porter Town (Westchester)	2.3534	--	3.8660%	--	9.6650%	--	--	--	2.0350
64027	Chesterton-Jackson Twp	2.1833	--	3.8660%	--	9.6650%	--	--	--	1.8879
64028	Porter Twp-W Porter Fire	1.4939	--	3.8660%	--	9.6650%	--	--	--	1.2918
64029	Valparaiso-Washington Twp	2.5325	--	3.8660%	--	9.6650%	--	--	--	2.1898

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.

Porter 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>	1,130,279	2,596,027	0	38,301	3,764,608	171,607,333	2.2%
<i>TIF Total</i>	350	61,314	0	1	61,664	14,345,528	0.4%
<i>County Total</i>	1,130,629	2,657,341	0	38,302	3,826,272	185,952,861	2.1%
Porter County	201,023	450,751	0	7,264	659,038	36,239,384	1.8%
Boone Township	1,871	7,406	0	13	9,289	157,668	5.9%
Center Township	2,760	6,872	0	109	9,741	1,482,751	0.7%
Jackson Township	172	33	0	7	212	133,631	0.2%
Liberty Township	741	267	0	54	1,062	333,942	0.3%
Morgan Township	0	0	0	0	0	89,038	0.0%
Pine Township	100	0	0	5	105	101,808	0.1%
Pleasant Township	0	46	0	18	64	202,796	0.0%
Portage Township	8,664	25,388	0	1,266	35,318	2,163,770	1.6%
Porter Township	0	0	0	36	36	290,309	0.0%
Union Township	0	0	0	42	42	328,254	0.0%
Washington Township	211	212	0	0	423	205,813	0.2%
Westchester Township	565	1,076	0	32	1,673	163,869	1.0%
Valparaiso Civil City	149,400	354,400	0	1,789	505,590	16,643,236	3.0%
Portage Civil City	107,418	355,714	0	6,229	469,360	14,646,066	3.2%
Chesterton Civil Town	123,715	127,269	0	2,718	253,701	5,558,222	4.6%
Beverly Shores Civil Town	1,712	0	0	0	1,712	559,190	0.3%
Burns Harbor Civil Town	0	0	0	27	27	1,861,083	0.0%
Dune Acres Civil Town	72	0	0	0	72	295,051	0.0%
Hebron Civil Town	13,856	47,193	0	145	61,193	617,575	9.9%
Kouts Civil Town	0	281	0	65	346	340,323	0.1%
Ogden Dunes Civil Town	5,108	0	0	0	5,108	669,671	0.8%
Porter Civil Town	27,440	95,444	0	1,002	123,885	2,070,309	6.0%
Pines Civil Town	0	0	0	0	0	94,214	0.0%
Michigan City Area School Corp	5,429	0	0	55	5,484	2,424,057	0.2%
Boone Township School Corp	53,342	200,894	0	427	254,663	3,759,329	6.8%
Duneland School Corp	150,823	219,553	0	4,618	374,994	20,535,971	1.8%
East Porter County School Corp	12,462	13,258	0	228	25,948	8,471,638	0.3%
Porter Township School Corp	0	0	0	390	390	4,343,242	0.0%
Union Township School Corp	0	0	0	555	555	4,368,353	0.0%
Portage Township School Corp	113,255	331,865	0	7,759	452,879	17,614,446	2.6%
Valparaiso Community School Corp	100,389	249,972	0	1,648	352,009	16,322,520	2.2%
Westchester Public Library	19,670	37,502	0	713	57,885	2,417,314	2.4%
Porter County Public Library	26,522	62,648	0	957	90,128	5,324,557	1.7%
West Porter Township Fire Protection	0	0	0	5	5	136,139	0.0%
Porter Co Solid Waste Mgt Dist	0	0	0	0	0	0	
Porter Co Airport Authority	3,560	7,983	0	129	11,671	641,794	1.8%
Valparaiso Redevelopment Comm	0	0	0	0	0	0	
Burns Harbor Town Redevelopment	0	0	0	0	0	0	
Porter Redevelopment Comm	0	0	0	0	0	0	
Portage Redevelopment Comm	0	0	0	0	0	0	
Chesterton Redevelopment Comm	0	0	0	0	0	0	
TIF - TIF #1-026 Porter (11)	106	7,893	0	1	7,999	946,151	0.8%
TIF - TIF #2-016 Portage (8)	2	2,244	0	0	2,246	5,976,209	0.0%
TIF - TIF #2-022 Portage West (24)	0	141	0	0	141	687	20.5%
TIF - TIF #3-004 Valparaiso (01)	0	44,845	0	0	44,845	3,188,340	1.4%
TIF - TIF #4-004 Valparaiso (01)	0	527	0	0	527	611,215	0.1%
TIF - TIF #5-029 Wash Valpo (29)	0	0	0	0	0	421,634	0.0%
TIF - TIF #6-029 Wash Valpo (29)	0	295	0	0	295	1,261,361	0.0%
TIF - TIF #7-023 Chesterton (10)	242	3,322	0	0	3,565	839,253	0.4%
TIF - TIF #7-007 Chest/Chest Liberty (26)	0	1,212	0	0	1,212	522,672	0.2%
TIF - TIF #7-027 Chest/Chest Jackson (27)	0	0	0	0	0	0	
TIF - TIF #8-024 Burns Harbor (25)	0	0	0	0	0	505,119	0.0%
TIF - TIF #9-004 Valparaiso (01)	0	133	0	0	133	23,182	0.6%
TIF - TIF #10-002 Hebron (17)	0	702	0	0	702	49,706	1.4%

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.