

# 2010 Property Tax Report

## Spencer County

### with comparisons between 2007 and 2010



Legislative Services Agency

July 2010

This report describes property tax changes in Spencer 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 Spencer 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 Spencer County

	2009 to 2010		2007 to 2010	
	Number of Homesteads	% Share of Total	Number of Homesteads	% Share of Total
<b>Summary Change in Tax Bill</b>				
Higher Tax Bill	273	5.2%	187	3.6%
No Change	163	3.1%	36	0.7%
Lower Tax Bill	4,805	91.7%	5,018	95.7%
<b>Average Change in Tax Bill</b>	<b>-7.1%</b>		<b>-36.0%</b>	
<b>Detailed Change in Tax Bill</b>				
20% or More	123	2.3%	134	2.6%
10% to 19%	31	0.6%	16	0.3%
1% to 9%	119	2.3%	37	0.7%
0%	163	3.1%	36	0.7%
-1% to -9%	2,984	56.9%	72	1.4%
-10% to -19%	1,715	32.7%	103	2.0%
-20% to -29%	35	0.7%	359	6.8%
-30% to -39%	16	0.3%	1,788	34.1%
-40% to -49%	13	0.2%	1,391	26.5%
-50% to -59%	8	0.2%	859	16.4%
-60% to -69%	5	0.1%	148	2.8%
-70% to -79%	9	0.2%	66	1.3%
-80% to -89%	11	0.2%	57	1.1%
-90% to -99%	0	0.0%	52	1.0%
-100%	9	0.2%	123	2.3%
<b>Total</b>	<b>5,241</b>	<b>100.0%</b>	<b>5,241</b>	<b>100.0%</b>

Note: Percentages may not total due to rounding.

The average homeowner saw a 7.1% tax bill decrease from 2009 to 2010.

Homestead taxes in 2010 were still 36.0% lower than they were in 2007, before the property tax reforms.

95.7% of homeowners saw lower tax bills in 2010 than in 2007.

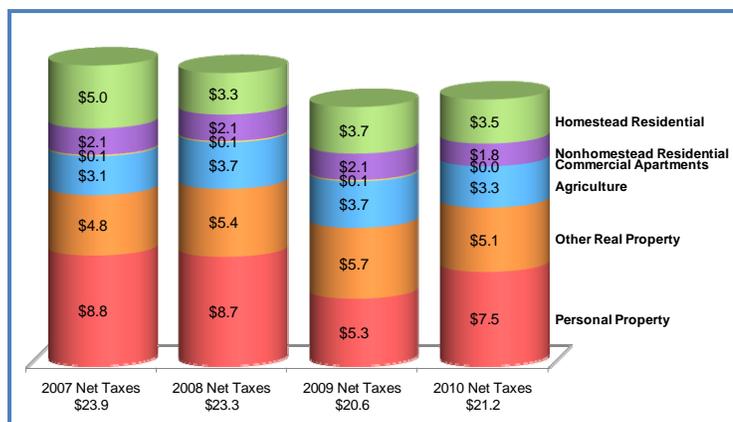
89.6% of homeowners saw tax decreases of between 1% and 19% from 2009 to 2010.

The largest percentage of homeowners have seen between a 30% and 49% decrease in their tax bills from 2007 to 2010.

### Spencer County Overview

The larger-than-average decline in homeowner tax bills had two main causes. Commercial and industrial assessed value increased substantially in Spencer County in 2010, causing a tax shift away from homeowners. And, property tax levies increased only 1.4% in Spencer County in 2010, less than the state average increase of 2.4%. An increase in the county general fund levy was offset by decreases in the North Spencer School Corporation's capital projects fund and bus replacement fund levies. Spencer County homeowners benefitted less from the one percent property tax cap than did homeowners in the average county, primarily because Spencer County home values and tax rates tend to be lower than the state average.

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



Net tax bills for all taxpayers increased 3.7% in Spencer County from 2009 to 2010. This was higher than the statewide reduction of 1.4%. In 2010 apartment owners saw a 17.5% decrease in tax bills. This large decrease was partly due to tax shifts and partly to the tightening of the tax caps from 2.5% to 2% for rental housing. These factors also affected nonhomestead residential property (mostly small rental residences), which saw a 14.3% decrease in tax bills. Other real and personal property, mostly commercial and industrial land, buildings, and equipment, saw a 10.9% decrease and a 41.5% increase, respectively, in tax bills in 2010. These changes in tax bills were mainly due to tax shifts from a large increase in utility

personal property assessments. Total gross personal property assessments increased by 32.1%. After deductions and exemptions, net personal property assessments rose by 69.1%. Despite the 4% increase in the base rate of farmland, from \$1,200 to \$1,250 per acre, agricultural business property saw a 10.8% decrease in tax payments in 2010 because of the tax shifts to personal property.

### 2010 Property Tax Policy Changes

**Property Tax Caps.** Property tax caps tightened to their permanent levels. The tighter caps meant more taxpayers were eligible for tax cap credits. This resulted in greater reductions in property tax revenue for local governments.

**State Homestead Credits.** State homestead credits were reduced by 43% between 2009 and 2010 as part of a scheduled phaseout. The average statewide credit rate fell from 8% to 5% as a result. The credit will be eliminated in 2011.

**Property Tax Cap Changes, 2009 - 2010**

Homestead	Other Residential Property and Farmland	All Other Real and Personal Property
<div style="border: 1px solid black; padding: 5px; width: 80px; margin: 0 auto;"> <p style="margin: 0;">2009 1.5%</p> <p style="margin: 0;">2010 1%</p> </div>	<div style="border: 1px solid black; padding: 5px; width: 80px; margin: 0 auto;"> <p style="margin: 0;">2009 2.5%</p> <p style="margin: 0;">2010 2%</p> </div>	<div style="border: 1px solid black; padding: 5px; width: 80px; margin: 0 auto;"> <p style="margin: 0;">2009 3.5%</p> <p style="margin: 0;">2010 3%</p> </div>

### Tax Cap Credits

Tax cap credits in Spencer 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 mostly due to lower-than-average tax rates in Spencer County and to the county having a smaller share of its net assessed value in the 2% cap category. This category includes rental housing, which tends to be in cities and towns where tax rates usually are above \$2 per \$100 assessed value. If the rate exceeds the tax cap, rental housing would be eligible for tax cap credits. No commercial or industrial properties in the 3% tax cap category qualified for credits, because all Spencer County tax rates were under \$3. Neither Spencer County tax rates nor home values were high enough for a large share of homesteads to qualify for credits in the 1% category.

**2010 Circuit Breaker Credits by Cap Category  
Spencer County Total \$72,262**

1%	2%	3%	Elderly
\$14,760	\$55,824	\$0	\$1,677
20.4%	77.3%	0.0%	2.3%

Spencer County, Rockport City, and the South Spencer County School Corporation saw the largest revenue losses from the tax caps in 2010. As a percentage of total levies, the town of Richland lost the most, at 6%. Losses were greatest for units that overlapped the municipalities of Richland and Rockport, because these tax districts had the highest tax rates.

### The Effects of Recession

In Spencer County the recession has affected the economy, though less than in most Indiana counties. The recession created upward pressure on property tax bills in several ways. The unemployment rate rose from 4.1% in December 2007 to 8.9% in July 2009. Job losses and income declines contributed to a 0.2% drop in local income tax revenue.

**Spencer County Gross Assessed Value by Property Type**

Property Type	Gross AV 2009	Gross AV 2010	Gross AV Change
Homesteads	626,197,100	644,176,803	2.9%
Other Residential	81,963,390	86,414,240	5.4%
Ag Business/Land	209,855,110	217,005,760	3.4%
Business Real/Personal	825,858,180	973,036,310	17.8%
<b>Total</b>	<b>\$1,743,873,780</b>	<b>\$1,920,633,113</b>	<b>10.1%</b>

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 Spencer County, the gross assessed value of business real and personal property grew by 17.8% in 2010. Other assessment categories also increased, and total gross assessed value in Spencer County rose 10.1%. 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.

**Spencer County Levy Comparison by Taxing Unit**

Taxing Unit	2007	2008	2009	2010	% Change		
					2007-2008	2008-2009	2009-2010
<i>County Total</i>	29,337,539	30,689,358	19,332,841	19,595,650	4.6%	-37.0%	1.4%
State Unit	28,872	31,188	0	0	8.0%	-100.0%	
Spencer County	6,475,766	7,000,341	5,777,014	6,320,521	8.1%	-17.5%	9.4%
Carter Township	23,247	24,060	24,507	25,903	3.5%	1.9%	5.7%
Clay Township	36,719	38,030	39,454	41,170	3.6%	3.7%	4.3%
Grass Township	47,972	72,923	72,213	65,473	52.0%	-1.0%	-9.3%
Hammond Township	27,927	30,792	32,021	33,183	10.3%	4.0%	3.6%
Harrison Township	25,275	25,872	26,666	28,092	2.4%	3.1%	5.3%
Huff Township	14,699	15,214	15,378	16,297	3.5%	1.1%	6.0%
Jackson Township	18,067	19,408	17,890	19,890	7.4%	-7.8%	11.2%
Luce Township	225,604	238,113	237,888	190,740	5.5%	-0.1%	-19.8%
Ohio Township	299,767	255,275	215,375	253,039	-14.8%	-15.6%	17.5%
Rockport Civil City	486,665	497,612	472,480	414,727	2.2%	-5.1%	-12.2%
Chrisney Civil Town	40,482	41,798	43,654	44,592	3.3%	4.4%	2.1%
Dale Civil Town	232,726	241,196	243,169	260,422	3.6%	0.8%	7.1%
Gentryville Civil Town	20,722	20,638	21,800	21,171	-0.4%	5.6%	-2.9%
Grandview Civil Town	67,779	70,995	73,865	76,622	4.7%	4.0%	3.7%
Santa Claus Civil Town	528,650	544,628	566,419	587,276	3.0%	4.0%	3.7%
North Spencer County School Corp	8,759,469	9,245,405	5,270,641	4,800,818	5.5%	-43.0%	-8.9%
South Spencer County School Corp	10,334,453	10,582,084	4,498,726	4,594,448	2.4%	-57.5%	2.1%
Spencer County Public Library	833,871	853,018	831,849	903,715	2.3%	-2.5%	8.6%
Lincoln Heritage Public Library	434,084	448,879	462,705	480,705	3.4%	3.1%	3.9%
Carter Fire Protection Dist	86,002	89,108	90,593	96,175	3.6%	1.7%	6.2%
Spencer County Solid Waste Mgt Dist	288,721	302,781	298,534	320,671	4.9%	-1.4%	7.4%

**Spencer County 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	State Homestead	COIT Homestead	CEDIT Homestead	CEDIT Residential	LOIT Homestead		LOIT Residential
74001	Carter Township	1.5198	--	4.4863%	4.3486%	--	--	--	--	1.3855
74002	Dale Town	1.9605	--	4.4863%	5.1694%	--	--	--	--	1.7712
74003	Santa Claus Town-Carter Township	1.7945	--	4.4863%	4.6908%	--	--	--	--	1.6298
74004	Clay Township	1.4872	--	4.4863%	4.1971%	--	--	--	--	1.3581
74005	Santa Claus Town-Clay Township	1.7992	--	4.4863%	4.6739%	--	--	--	--	1.6344
74006	Grass Township	1.5258	--	4.4863%	4.0901%	--	--	--	--	1.3949
74007	Chrisney Town	1.9795	--	4.4863%	5.1190%	--	--	--	--	1.7894
74008	Hammond Township-North	1.5354	--	4.4863%	4.5627%	--	--	--	--	1.3965
74009	Hammond Township-South	1.3860	--	4.4863%	4.6777%	--	--	--	--	1.2590
74010	Grandview Town	2.0219	--	4.4863%	5.7226%	--	--	--	--	1.8155
74011	Harrison Township	1.4611	--	4.4863%	4.2018%	--	--	--	--	1.3342
74012	Santa Claus Town-Harrison Town	1.8051	--	4.4863%	4.7101%	--	--	--	--	1.6391
74013	Huff Township	1.4523	--	4.4863%	4.1726%	--	--	--	--	1.3265
74014	Jackson Township	1.5031	--	4.4863%	4.3080%	--	--	--	--	1.3709
74015	Gentryville Town	2.1484	--	4.4863%	4.9587%	--	--	--	--	1.9455
74016	Luce Township	1.5708	--	4.4863%	4.5866%	--	--	--	--	1.4283
74017	Ohio Township	1.3639	--	4.4863%	4.5784%	--	--	--	--	1.2403
74018	Rockport City	2.3626	--	4.4863%	6.0247%	--	--	--	--	2.1143
74019	Richland Town	2.4085	--	4.4863%	6.0714%	--	--	--	--	2.1542

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.

### Spencer 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>	14,760	55,824	0	1,677	72,262	19,655,642	0.4%
<i>TIF Total</i>	0	0	0	0	0	2,023,349	0.0%
<i>County Total</i>	14,760	55,824	0	1,677	72,262	21,678,991	0.3%
Spencer County	3,911	11,765	0	480	16,156	6,320,521	0.3%
Carter Township	83	0	0	2	85	25,903	0.3%
Clay Township	32	0	0	0	33	41,170	0.1%
Grass Township	0	0	0	3	3	65,473	0.0%
Hammond Township	28	19	0	29	75	33,183	0.2%
Harrison Township	0	0	0	3	3	28,092	0.0%
Huff Township	0	0	0	0	0	16,297	0.0%
Jackson Township	6	57	0	0	63	19,890	0.3%
Luce Township	28	354	0	15	397	190,740	0.2%
Ohio Township	4	360	0	5	369	253,039	0.1%
Rockport Civil City	214	19,533	0	44	19,791	414,727	4.8%
Chrisney Civil Town	0	0	0	0	0	44,592	0.0%
Dale Civil Town	2,110	0	0	50	2,160	260,422	0.8%
Gentryville Civil Town	47	482	0	0	529	21,171	2.5%
Grandview Civil Town	51	265	0	0	316	76,622	0.4%
Santa Claus Civil Town	522	0	0	9	531	587,276	0.1%
Richland Civil Town	0	3,446	0	142	3,588	59,992	6.0%
North Spencer County School Corp	6,123	611	0	566	7,300	4,800,818	0.2%
South Spencer County School Corp	265	15,358	0	184	15,808	4,594,448	0.3%
Spencer County Public Library	95	2,913	0	89	3,097	903,715	0.3%
Lincoln Heritage Public Library	611	64	0	23	698	480,705	0.1%
Carter Fire Protection Dist	432	0	0	10	442	96,175	0.5%
Spencer County Solid Waste Mgt Dist	198	597	0	24	820	320,671	0.3%
TIF - Grass Township	0	0	0	0	0	2,023,185	0.0%
TIF - South Hammond	0	0	0	0	0	164	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.