

PROPERTY TAXES IN ST. JOSEPH COUNTY, INDIANA, 2007-2008



Legislative Services Agency

July 2009

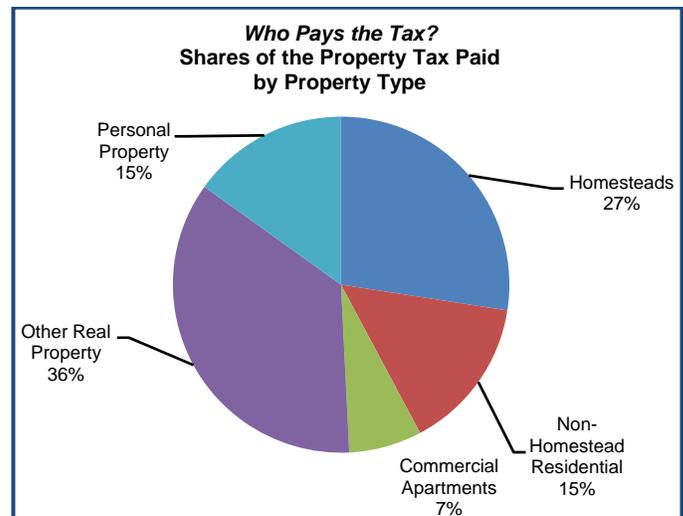
The Indiana General Assembly enacted major property tax reforms in 2008. These reforms are intended to provide substantial tax relief to homeowners. Starting in 2009, property taxes for the school general fund, county welfare funds, and several other funds will be eliminated, and their costs taken over by the state. Homeowners will also receive a substantial new deduction from their home assessments. And “circuit breakers” will limit homeowner tax bills to a fixed percentage of their assessments, 1.5% in 2009 and 1% beginning in 2010. The circuit breaker for homeowners is 2% in 2008.

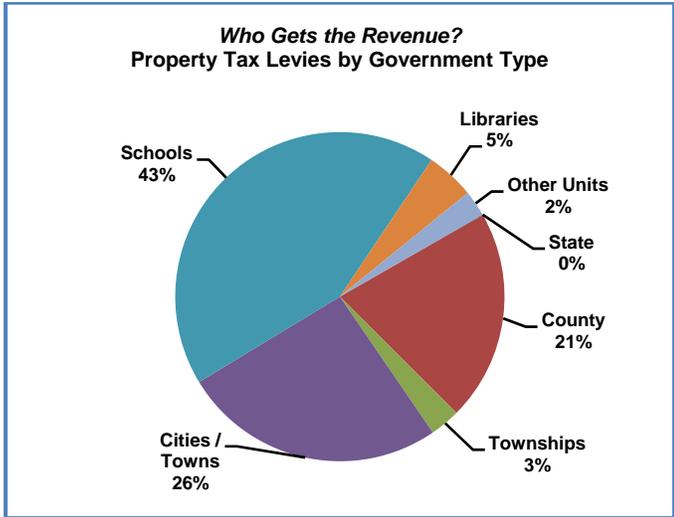
In 2008, substantial tax relief is provided through an added homestead credit. The credit will be financed with payments from the new race track casinos and from the added sales tax. Statewide, this amounts to added property tax relief of \$870 million. Homeowner taxes should fall by about one-third. Each county is different, however. Homeowner tax bills depend on changes in the homestead’s assessment and the assessments of other property, on changes in local government tax collections, on new local income tax adoptions, as well as on added state credits. St. Joseph County did not adopt a new local option income tax for 2008.

In St. Joseph County, the average homeowner saw their tax bill decrease by 37.5% for 2008, with 98.5% of homeowners seeing decreases. Without the added homestead credit, the average tax bill would have increased by 0.4%, and 54.6% of homeowners would have seen tax bill increases.

In St. Joseph County, 27% of property taxes are paid by homeowners (homesteads are primary residences, occupied by their owners); 15% are paid by owners of smaller rental housing units or owners of second homes (non-homestead residential); 7% are paid by owners of larger rental housing units (commercial apartments); and 51% are paid by other agricultural, commercial, industrial, or utility businesses on their real property (land and buildings) or on their personal property (equipment).

Change in Tax Bill	With Added 2008 Homestead Credit		Illustrated Without Added 2008 Homestead Credit	
	Number of Homesteads	% Share of Total	Number of Homesteads	% Share of Total
20% or more	342	0.5%	2,799	4.1%
10% to 19%	118	0.2%	8,477	12.4%
1% to 9%	208	0.3%	25,994	38.1%
0%	358	0.5%	528	0.8%
-1% to -9%	514	0.8%	24,918	36.5%
-10% to -19%	1,449	2.1%	2,766	4.1%
-20% to -29%	4,776	7.0%	1,155	1.7%
-30% to -39%	42,379	62.1%	613	0.9%
-40% to -49%	15,134	22.2%	352	0.5%
-50% to -59%	1,622	2.4%	257	0.4%
-60% to -69%	653	1.0%	140	0.2%
-70% to -79%	398	0.6%	81	0.1%
-80% to -89%	145	0.2%	58	0.1%
-90% to -99%	72	0.1%	30	0.0%
-100%	104	0.2%	104	0.2%
Total	68,272	100.0%	68,272	100.0%
Higher Tax Bill	668	1.0%	37,270	54.6%
No Change	358	0.5%	528	0.8%
Lower Tax Bill	67,246	98.5%	30,474	44.6%
Average Change in Tax Bill	-37.5%		0.4%	





On average, St. Joseph County property tax levies decreased 3.5% from 2007 to 2008. This is lower than the expected statewide average increase of 5%. South Bend and Mishawaka Civil Cities were responsible for the largest levy increases, due to increases in taxes in the general fund. The largest reductions were in the county family and children fund, Penn-Harris-Madison School debt service, and the South Bend School general fund.

In St. Joseph County, 43% of all property taxes are collected for the school corporations. The county and the cities and towns collect most of the rest. Townships, library districts, special districts, and the state collect a small share of property taxes.

In 2009 the school and county shares of property tax revenue will decrease significantly when the state takes over the school general fund and county welfare levies.

Changes in Property Tax Levies from 2007 to 2008
by Governmental Units in St. Joseph County

Taxing Unit	2007 Levy	2008 Levy	Change
County Total	\$376,825,046	\$363,727,175	-3.5%
State Unit	243,678	239,157	-1.9%
St. Joseph County	88,444,823	75,493,842	-14.6%
Centre Township	343,248	416,059	21.2%
Clay Township	3,078,853	3,634,130	18.0%
German Township	364,630	226,006	-38.0%
Greene Township	82,350	88,443	7.4%
Harris Township	1,713,943	2,034,231	18.7%
Liberty Township	191,985	227,912	18.7%
Lincoln Township	119,833	168,358	40.5%
Madison Township	89,789	99,117	10.4%
Olive Township	251,949	255,377	1.4%
Penn Township	1,429,723	1,666,023	16.5%
Portage Township	950,313	1,398,649	47.2%
Union Township	216,963	188,409	-13.2%
Warren Township	345,825	356,798	3.2%
South Bend Civil City	64,026,014	66,534,282	3.9%
Mishawaka Civil City	23,331,502	24,580,481	5.4%
Indian Village Civil Town	857	0	-100.0%
Lakeville Civil Town	114,689	143,062	24.7%
New Carlisle Civil Town	1,126,849	1,189,325	5.5%
North Liberty Civil Town	381,390	375,273	-1.6%
Osceola Civil Town	207,403	215,118	3.7%
Roseland Civil Town	236,149	242,806	2.8%
Walkerton Civil Town	816,242	839,486	2.8%
New Prairie United School Corporation	4,657,971	4,502,250	-3.3%
John Glenn School Corporation	4,570,607	3,788,202	-17.1%
Penn-Harris-Madison School Corporation	48,665,180	46,565,548	-4.3%
Mishawaka City School Corporation	15,637,323	15,101,376	-3.4%
South Bend Community School Corporation	87,249,226	84,643,634	-3.0%
Union-North United School Corporation	2,162,458	2,055,234	-5.0%
Mishawaka Public Library	4,429,746	3,448,888	-22.1%
New Carlisle Public Library	922,620	933,595	1.2%
Walkerton Public Library	78,194	80,533	3.0%
St. Joseph County Public Library	11,647,378	12,819,840	10.1%
St. Joseph Airport	2,812,446	2,909,741	3.5%
South Bend Public Transportation	3,935,069	3,759,495	-4.5%
South Bend Redevelopment Commission	1,195,582	1,580,471	32.2%
South Bend Redevelopment Commission - TIF Replacement	752,246	926,024	23.1%