

# 2009 ST. JOSEPH COUNTY PROPERTY TAX REPORT

## WITH COMPARISONS TO 2007 AND 2008

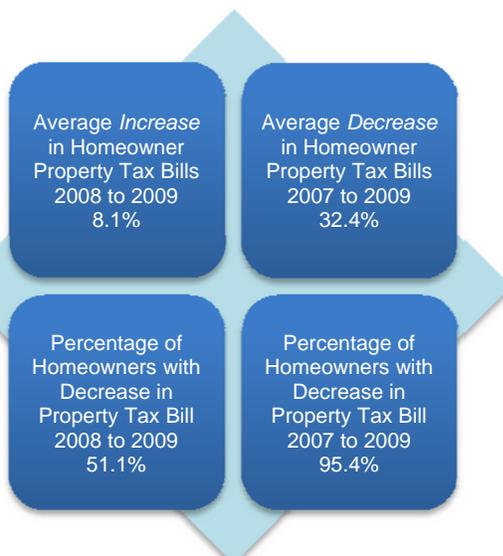


Legislative Services Agency

November 2009

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 St. Joseph 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	15,977	24.5%	728	1.1%
10% to 19%	6,840	10.5%	407	0.6%
1% to 9%	8,695	13.3%	1,540	2.4%
0%	367	0.6%	350	0.5%
-1% to -9%	19,927	30.6%	2,788	4.3%
-10% to -19%	5,937	9.1%	5,066	7.8%
-20% to -29%	2,614	4.0%	10,554	16.2%
-30% to -39%	1,029	1.6%	17,868	27.4%
-40% to -49%	647	1.0%	17,358	26.6%
-50% to -59%	632	1.0%	3,739	5.7%
-60% to -69%	522	0.8%	1,383	2.1%
-70% to -79%	370	0.6%	1,052	1.6%
-80% to -89%	266	0.4%	710	1.1%
-90% to -99%	186	0.3%	406	0.6%
-100%	1142	1.8%	1202	1.8%
<b>Total</b>	<b>65,151</b>	<b>100.0%</b>	<b>65,151</b>	<b>100.0%</b>
Higher Tax Bill	31,512	48.4%	2,675	4.1%
No Change	367	0.6%	350	0.5%
Lower Tax Bill	33,272	51.1%	62,126	95.4%
Average Change in Tax Bill	8.1%		-32.4%	

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 29.8% 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 14.0% 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 21.1% in 2008. Total state homestead credits averaged 37.3% statewide in 2008, and this rate fell to 6.9% 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.

Factors Affecting Homeowner Tax Bills	St. Joseph County	State Average
Net Assessed Value, 2008 to 2009 (% change)	-15.8%	-14.4%
Gross Tax Levy, 2008 to 2009 (% change)	-23.7%	-29.0%
State PTRC Percentage, 2008	17.3%	20.1%
Total State Homestead Credit, 2008	42.6%	39.4%
Total State Homestead Credit, 2009	7.3%	12.8%
Did County Adopt a LOIT in 2008 or 2009?	No	

Note: State Average based on data for 83 counties available November 2009

*Effects on County Tax Bills.* Statewide, average homeowner tax bills fell by about 4% from 2008 to 2009. Homeowner tax bills in St. Joseph County increased by 8.1%. The school general fund and county welfare levies were a smaller share of St. Joseph County's levy in 2008, so their elimination reduced St. Joseph County tax rates by less than the state average. St. Joseph County taxpayers also saw a higher than average state homestead credit rate in 2008, which dropped to a rate lower than the state average in 2009. This loss of tax relief added to the

## 2009 Property Tax Changes:

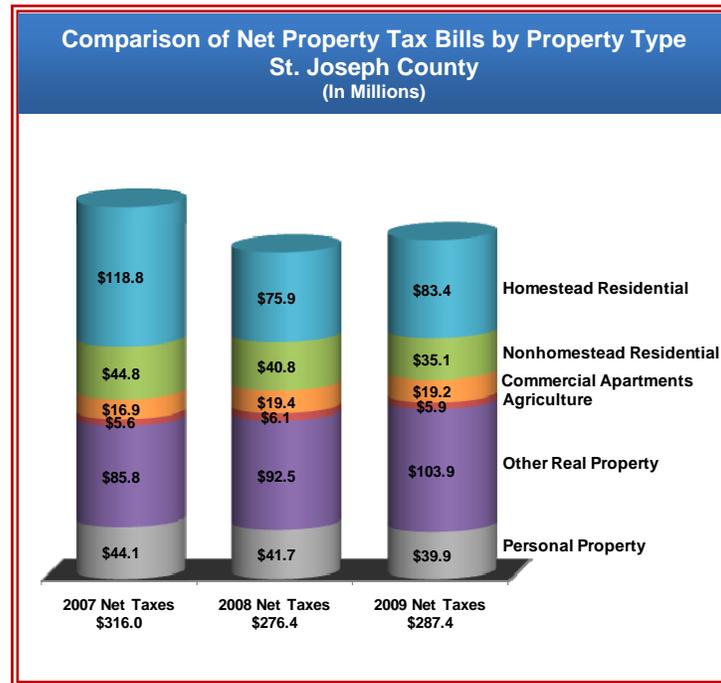
The state took over funding of school general funds, county welfare funds, and several smaller funds – Units where these funds were a large portion of the overall property tax received the greatest benefit.

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.

increase in homeowner tax bills. St. Joseph County did not adopt a local option income tax for property tax relief for 2009, and few St. Joseph County homeowners were eligible for the circuit breaker tax cap credits. Homeowner taxes were substantially lower in 2009 compared to 2007 in St. Joseph County, as they were in almost all Indiana counties.



In St. Joseph County from 2008 to 2009, nonhomestead residential properties (small rentals and second homes) saw a 14.0% decline in average property tax bills. Average tax bills on commercial apartments decreased 1.0%. Agricultural business real property (which includes farmland and farm buildings, but not homesteads) saw a 3.3% average tax decrease. Other commercial, industrial, and utility real property average tax bills increased 12.3%. Personal property, which is largely business equipment, saw a 4.3% 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 St. Joseph County \$17,332,698

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

1.5 %  
Homestead qualifying property  
\$591,032 3.4%

2.5%  
Other qualified residential property  
\$9,263,753 53.4%

3.5%  
All other real and personal property  
\$7,461,094 43.0%

Elderly  
\$16,820 0.1%

### St. Joseph 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
<b>County Total</b>	<b>\$376,825,046</b>	<b>\$363,727,175</b>	<b>\$263,273,465</b>	<b>-3.5%</b>	<b>-27.6%</b>	<b>-3.2%</b>
State Unit	243,678	239,157	0	-1.9%	-100.0%	
St. Joseph County	88,444,823	75,493,842	47,852,324	-14.6%	-36.6%	-3.7%
Centre Township	343,248	416,059	54,050	21.2%	-87.0%	-87.0%
Clay Township	3,078,853	3,634,130	2,958,851	18.0%	-18.6%	-18.6%
German Township	364,630	226,006	110,177	-38.0%	-51.3%	-51.3%
Greene Township	82,350	88,443	35,493	7.4%	-59.9%	-59.9%
Harris Township	1,713,943	2,034,231	1,148,895	18.7%	-43.5%	-43.5%
Liberty Township	191,985	227,912	221,122	18.7%	-3.0%	-3.0%
Lincoln Township	119,833	168,358	147,757	40.5%	-12.2%	-12.2%
Madison Township	89,789	99,117	102,146	10.4%	3.1%	3.1%
Olive Township	251,949	255,377	257,077	1.4%	0.7%	0.7%
Penn Township	1,429,723	1,666,023	1,789,143	16.5%	7.4%	7.4%
Portage Township	950,313	1,398,649	2,974,664	47.2%	112.7%	112.7%
Union Township	216,963	188,409	189,092	-13.2%	0.4%	0.4%
Warren Township	345,825	356,798	360,170	3.2%	0.9%	0.9%
South Bend Civil City	64,026,014	66,534,282	64,546,050	3.9%	-3.0%	3.7%
Mishawaka Civil City	23,331,502	24,580,481	23,019,485	5.4%	-6.4%	0.4%
Indian Village Civil Town	857	0	0	-100.0%		
Lakeville Civil Town	114,689	143,062	148,134	24.7%	3.5%	3.5%
New Carlisle Civil Town	1,126,849	1,189,325	1,383,582	5.5%	16.3%	16.3%
North Liberty Civil Town	381,390	375,273	385,540	-1.6%	2.7%	2.7%
Osceola Civil Town	207,403	215,118	220,466	3.7%	2.5%	2.5%
Roseland Civil Town	236,149	242,806	242,759	2.8%	0.0%	0.0%
Walkerton Civil Town	816,242	839,486	924,378	2.8%	10.1%	10.1%
New Prairie United School Corporation	4,657,971	4,502,250	2,851,045	-3.3%	-36.7%	15.0%
John Glenn School Corporation	4,570,607	3,788,202	2,206,235	-17.1%	-41.8%	10.7%
Penn-Harris-Madison-School Corporation	48,665,180	46,565,548	26,721,039	-4.3%	-42.6%	-4.0%
Mishawaka City School Corporation	15,637,323	15,101,376	7,977,878	-3.4%	-47.2%	-16.1%
South Bend Community School Corporation	87,249,226	84,643,634	49,142,748	-3.0%	-41.9%	-9.3%
Union-North United School Corporation	2,162,458	2,055,234	896,417	-5.0%	-56.4%	-12.0%
Mishawaka Public Library	4,429,746	3,448,888	4,221,955	-22.1%	22.4%	22.4%
New Carlisle Public Library	922,620	933,595	1,028,517	1.2%	10.2%	10.2%
Walkerton Public Library	78,194	80,533	65,705	3.0%	-18.4%	-18.4%
St. Joseph County Public Library	11,647,378	12,819,840	11,283,077	10.1%	-12.0%	-12.0%
St. Joseph Airport	2,812,446	2,909,741	2,967,130	3.5%	2.0%	2.0%
South Bend Public Transportation	3,935,069	3,759,495	3,342,036	-4.5%	-11.1%	-11.1%
St. Joe Solid Waste Management District	1,195,582	1,580,471	1,498,328	32.2%	-5.2%	-5.2%
South Bend Redevelopment Commission	0	0	0	0.0%		
Mishawaka Redevelopment Commission	0	0	0	0.0%		
South Bend Redevelopment Commission	752,246	926,024	0	23.1%	-100.0%	-100.0%

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.

## St. Joseph 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
	Centre Township	272.8	203.3	-25.5%	7,349,369	4,609,891	-37.3%	2.6945	2.2658	17.58%	39.57%	7.32%	7.03%
South Bend-Centre	388.1	326.0	-16.0%	19,262,607	15,541,104	-19.3%	4.9628	4.4165	16.90%	48.13%	7.32%	10.59%	11.36%
Clay Township	1262.6	1055.4	-16.4%	35,230,697	22,094,207	-37.3%	2.7904	2.0920	17.06%	39.09%	7.32%	6.83%	7.19%
South Bend-Clay	119.5	101.4	-15.1%	5,943,550	5,102,773	-14.1%	4.9741	4.4297	16.90%	48.13%	7.32%	10.59%	11.36%
Mishawaka-Clay	185.1	153.4	-17.1%	7,742,390	5,590,680	-27.8%	4.1821	3.6214	16.71%	45.37%	7.32%	9.44%	10.22%
Indian Village (Clay)	5.5	4.1	-25.9%	153,697	85,432	-44.4%	2.7811	2.0853	17.12%	39.15%	7.32%	6.85%	7.22%
Roseland (Clay)	50.9	51.2	0.6%	1,659,807	1,313,854	-20.8%	3.2592	2.5610	16.69%	41.29%	7.32%	7.74%	8.30%
German Township	215.2	164.4	-23.6%	6,129,864	3,457,533	-43.6%	2.8483	2.1017	16.71%	38.68%	7.32%	6.66%	7.15%
South Bend-German	302.1	294.0	-2.7%	15,008,449	14,006,661	-6.7%	4.9685	4.4232	16.91%	48.15%	7.32%	10.60%	11.37%
Greene Township	174.1	140.7	-19.2%	4,533,409	3,212,247	-29.1%	2.6036	2.2807	17.99%	39.81%	7.32%	7.13%	6.11%
Harris Township	1256.1	911.8	-27.4%	33,596,560	18,538,034	-44.8%	2.6746	2.0320	18.50%	38.19%	7.32%	6.45%	5.99%
Lincoln Township	42.4	36.1	-15.0%	1,115,141	742,388	-33.4%	2.6282	2.0577	19.41%	39.31%	7.32%	6.92%	6.71%
Walkerton (Lincoln)	80.5	74.7	-7.2%	2,788,737	2,469,884	-11.4%	3.4636	3.2430	18.76%	44.37%	7.32%	9.03%	9.23%
Madison Township	119.7	113.0	-5.6%	2,993,391	2,095,647	-30.0%	2.5015	1.8538	19.29%	38.30%	7.32%	6.50%	5.73%
Olive Township	147.7	116.5	-21.1%	4,210,383	2,657,100	-36.9%	2.8511	2.2739	19.54%	39.93%	7.32%	7.18%	6.91%
New Carlisle (Olive)	137.6	142.9	3.8%	4,955,770	4,457,594	-10.1%	3.6018	3.1192	16.59%	38.32%	7.32%	6.51%	6.26%
Mishawaka(Penn)-PHM School	467.5	422.7	-9.6%	19,404,512	15,725,222	-19.0%	4.1509	3.6840	17.45%	44.91%	7.32%	9.25%	9.43%
Mishawaka-Penn	909.6	736.0	-19.1%	37,897,318	27,091,107	-28.5%	4.1666	3.5993	16.00%	43.13%	7.32%	8.51%	9.16%
Portage Township	115.1	111.4	-3.2%	3,335,684	2,662,531	-20.2%	2.8975	2.3898	16.67%	38.94%	7.32%	6.77%	5.83%
South Bend (Portage)	2082.5	1873.9	-10.0%	104,191,536	94,704,484	-9.1%	5.0031	4.4598	16.82%	48.01%	7.32%	10.54%	11.31%
Union Township	134.9	108.7	-19.4%	3,310,543	1,920,451	-42.0%	2.4541	1.7643	21.86%	42.51%	7.32%	8.25%	8.47%
Lakeville (Union)	23.5	27.9	18.7%	728,567	708,526	-2.8%	3.1017	2.5392	20.58%	45.73%	7.32%	9.59%	10.30%
Warren Township	326.1	276.0	-15.4%	8,679,292	5,496,385	-36.7%	2.6617	1.9904	17.81%	39.86%	7.32%	7.15%	7.46%
Osceola (Penn)	75.4	61.6	-18.3%	2,132,044	1,421,860	-33.3%	2.8268	2.3056	18.77%	40.26%	7.32%	7.32%	7.06%
Penn Township-PHM School	851.8	661.1	-22.4%	22,685,377	13,872,896	-38.8%	2.6632	2.0979	18.65%	38.46%	7.32%	6.56%	5.86%
Penn-Mishawaka School	10.9	9.3	-14.3%	291,736	187,960	-35.6%	2.6789	2.0132	16.39%	35.89%	7.32%	5.49%	5.23%
South Bend-Penn	77.3	67.9	-12.1%	3,820,126	3,362,219	-12.0%	4.9429	4.4923	17.52%	47.77%	7.32%	10.44%	10.70%
Liberty Township	101.2	85.0	-16.0%	2,668,828	1,779,151	-33.3%	2.6376	2.0919	19.90%	40.66%	7.32%	7.48%	7.49%
North Liberty (Liberty)	38.1	36.8	-3.4%	1,370,908	1,267,046	-7.6%	3.5955	3.2929	18.82%	45.27%	7.32%	9.40%	10.08%
Mishawaka-Harris	56.9	76.3	34.2%	2,348,286	2,811,803	19.7%	4.1292	3.6528	17.50%	44.94%	7.32%	9.26%	9.46%
South Bend (Warren)	6.6	5.7	-12.8%	326,430	271,057	-17.0%	4.9805	4.4376	0.00%	22.70%	7.32%	0.00%	9.65%
S. Bend Penn PHM Annex #1	1.9	0.0	-100.0%	81,923	0	-100.0%	4.3830	0.0000	17.52%	47.77%	0.00%	10.44%	0.00%
<b>County Totals/Averages</b>	<b>10,039.1</b>	<b>8,449.2</b>	<b>-15.8%</b>	<b>365,946,928</b>	<b>279,257,724</b>	<b>-23.7%</b>	<b>3.6501</b>	<b>3.1322</b>	<b>17.32%</b>	<b>42.65%</b>	<b>7.32%</b>	<b>8.31%</b>	<b>8.59%</b>

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.

**St. Joseph 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		
St. Joseph County	47,852,324	78,991	1,249,491	694,288	2,457	2,025,228	
Centre Township	54,050	102	1,217	1,654	11	2,984	
Clay Township	2,958,851	12	2,284	1,344	3	3,642	
German Township	110,177	19	471	3,705	3	4,198	
Greene Township	35,493	0	0	0	1	1	
Harris Township	1,148,895	0	53	0	13	67	
Liberty Township	221,122	0	3,981	0	0	3,981	
Lincoln Township	147,757	0	1,119	0	0	1,119	
Madison Township	102,146	0	0	0	0	0	
Olive Township	257,077	0	0	0	0	0	
Penn Township	1,789,143	858	7,880	978	44	9,759	
Portage Township	2,974,664	3,740	62,346	29,273	103	95,462	
Union Township	189,092	0	0	0	0	0	
Warren Township	360,170	0	0	139	0	139	
South Bend Civil City	64,546,050	357,438	5,086,346	3,228,937	7,197	8,679,919	
Mishawaka Civil City	23,019,485	6,365	405,326	0	2,355	414,046	
Indian Village Civil Town	0	0	0	0	0	0	
Lakeville Civil Town	148,134	0	0	0	0	0	
New Carlisle Civil Town	1,383,582	0	0	0	0	0	
North Liberty Civil Town	385,540	0	23,875	0	0	23,875	
Osceola Civil Town	220,466	0	0	0	0	0	
Roseland Civil Town	242,759	0	0	0	0	0	
Walkerton Civil Town	924,378	0	23,565	0	4	23,570	
New Prairie United School Corporation	2,851,045	0	0	0	0	0	
John Glenn School Corporation	2,206,235	0	19,848	0	2	19,850	
Penn-Harris-Madison-School Corporation	26,721,039	16,931	42,002	19,308	372	78,613	
Mishawaka City School Corporation	7,977,878	0	93,013	0	433	93,446	
South Bend Community School Corporation	49,142,748	78,825	1,346,981	841,759	1,999	2,269,565	
Union-North United School Corporation	896,417	0	0	0	1	1	
Mishawaka Public Library	4,221,955	3,203	30,117	3,653	174	37,146	
New Carlisle Public Library	1,028,517	0	0	0	0	0	
Walkerton Public Library	65,705	0	1,253	0	0	1,253	
St. Joseph County Public Library	11,283,077	26,214	452,212	279,939	665	759,031	
St. Joseph Airport	2,967,130	3,973	62,847	34,930	124	101,874	
South Bend Public Transportation	3,342,036	12,521	194,897	110,053	371	317,841	
South Bend Redevelopment Commission	1,498,328	0	0	0	0	0	
St. Joe Solid Waste Management District	0	0	0	0	0	0	
Mishawaka Redevelopment Commission	0	0	0	0	0	0	
South Bend Redevelopment Commission	0	0	0	0	0	0	
TIF Districts	55,554,297	1,841	152,626	2,211,134	487	2,366,087	
<b>Total - All Taxing Units &amp; TIF</b>	<b>318,827,762</b>	<b>591,032</b>	<b>9,263,753</b>	<b>7,461,094</b>	<b>16,820</b>	<b>17,332,698</b>	

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.