

2010 Property Tax Report

St. Joseph County

with comparisons between 2007 and 2010



Legislative Services Agency

July 2010

This report describes property tax changes in St. Joseph 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 St. Joseph 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 St. Joseph 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	30,234	47.6%	1,623	2.6%
No Change	1,400	2.2%	338	0.5%
Lower Tax Bill	31,883	50.2%	61,556	96.9%
Average Change in Tax Bill	-5.0%		-35.8%	
Detailed Change in Tax Bill				
20% or More	4,395	6.9%	698	1.1%
10% to 19%	7,593	12.0%	328	0.5%
1% to 9%	18,246	28.7%	597	0.9%
0%	1,400	2.2%	338	0.5%
-1% to -9%	12,956	20.4%	1,609	2.5%
-10% to -19%	6,083	9.6%	4,306	6.8%
-20% to -29%	3,902	6.1%	10,074	15.9%
-30% to -39%	1,696	2.7%	20,941	33.0%
-40% to -49%	848	1.3%	10,070	15.9%
-50% to -59%	1,997	3.1%	4,288	6.8%
-60% to -69%	1,851	2.9%	3,148	5.0%
-70% to -79%	1,271	2.0%	2,815	4.4%
-80% to -89%	224	0.4%	1,882	3.0%
-90% to -99%	100	0.2%	491	0.8%
-100%	955	1.5%	1,932	3.0%
Total	63,517	100.0%	63,517	100.0%

Note: Percentages may not total due to rounding.

The average homeowner saw a 5.0% tax bill decrease from 2009 to 2010.

Homestead taxes in 2010 were still 35.8% lower than they were in 2007, before the property tax reforms.

96.9% of homeowners saw lower tax bills in 2010 than in 2007.

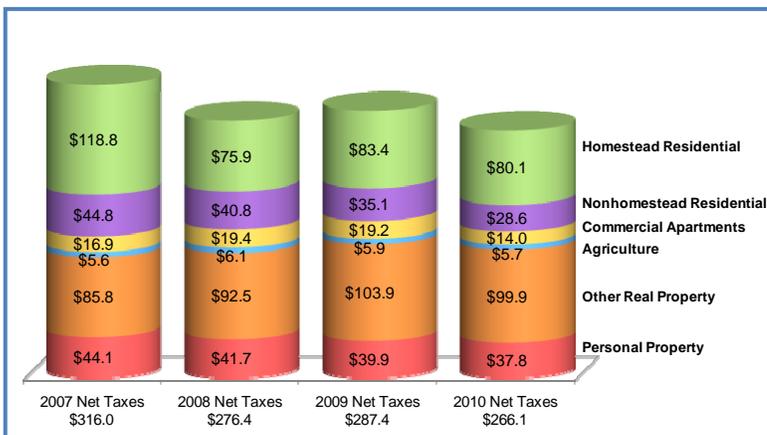
51.3% of homeowners saw tax changes ranging between +9% and -9% from 2009 to 2010.

The largest percentage of homeowners have seen between a 20% and 49% decrease in their tax bills from 2007 to 2010.

St. Joseph County Overview

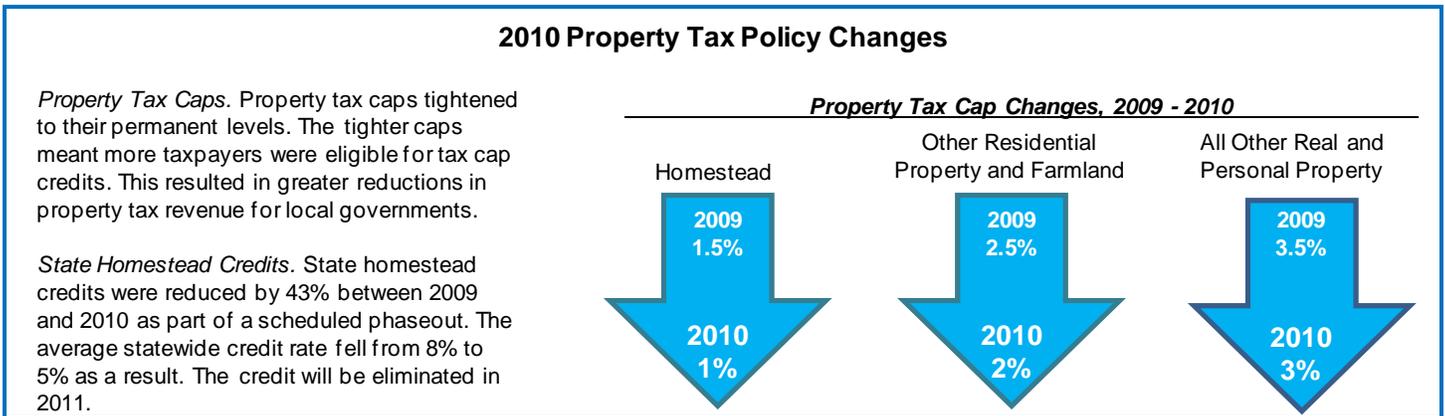
The decline in homeowner tax bills was larger than the state average decline of 2.1%. This was mainly due to the adoption of a new property tax credit, funded by local income tax revenue. Property tax levies increased 4.9% in St. Joseph County in 2010, more than the state average increase of 2.4%. Levy increases were largest in the county unit, South Bend and Mishawaka Cities, Clay Township (for their fire protection territory), the Mishawaka School Corporation and the St. Joseph County library district. St. Joseph County homeowners benefitted about the same from the one percent property tax cap as did homeowners in the average county.

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



Net tax bills for all taxpayers decreased 7.4% in St. Joseph County from 2009 to 2010. This was greater than the statewide reduction of 1.4%. In 2010 apartment owners saw a 27.0% decrease in tax bills. This large decrease was partly due to adoption of the new LOIT-funded credit 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 an 18.5% decrease in tax bills. Other real and personal property, mostly commercial and industrial land, buildings, and equipment, saw a 3.8% and 5.3% decrease, respectively, in tax bills in 2010. These changes were also partly because of the new LOIT-funded credit and partly to the tightening of the tax

caps from 3.5% to 3%. Despite the 4% increase in the base rate of farmland, from \$1,200 to \$1,250 per acre, agricultural business property saw a 3.5% decrease in tax payments in 2010 because of the new LOIT-funded credit and the tightening of the tax caps from 2.5% to 2% for farmland.



Tax Cap Credits

Tax cap credits in St. Joseph County in 2010 amounted to 10.7% of the total property tax levy. The statewide average was 6.3%. The larger percentage loss in the county was mainly due to much higher-than-average tax rates in St. Joseph County. After accounting for the LOIT-funded credit, net tax rates in 24 of 31 total taxing districts exceeded \$2, so a large amount of housing in the 2% cap category was eligible for credits. The districts with \$2-plus net tax rates included 8 of 14 rural taxing districts, indicating that a large amount of farmland also qualified for tax cap credits. A large amount of commercial and industrial properties in the 3% tax cap category qualified for credits because tax rates in 10 taxing districts exceeded \$3. Similar to the state average, about 13% of homesteads qualified for credits under the 1% cap.

**2010 Circuit Breaker Credits by Cap Category
St. Joseph County Total \$35,578,971**

1%	2%	3%	Elderly
\$4,711,442	\$15,727,809	\$15,106,015	\$33,705
13.2%	44.2%	42.5%	0.1%

St. Joseph County, South Bend City, and the South Bend Community School Corporation saw the largest revenue losses from the tax caps in 2010. As a percentage of total levies, South Bend City lost the most, at 24.8%. The South Bend TIF districts lost a similar portion of TIF proceeds to the tax caps. Losses were greatest for taxing units that overlapped South Bend City, because its tax districts had the highest tax rates.

The Effects of Recession

In St. Joseph 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 4.7% in December 2007 to 12.0% in July 2009. Despite job losses, local income tax revenue grew by 0.7%, after adjusting for new tax rates.

St. Joseph County Gross Assessed Value by Property Type

Property Type	Gross AV 2009	Gross AV 2010	Gross AV Change
Homesteads	9,319,193,750	9,144,322,000	-1.9%
Other Residential	1,410,940,250	1,389,483,700	-1.5%
Ag Business/Land	287,238,200	301,944,800	5.1%
Business Real/Personal	5,382,272,940	5,549,860,720	3.1%
Total	\$16,399,645,140	\$16,385,611,220	-0.1%

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 St. Joseph County, the gross assessed value of business real and personal property increased 3.1% in 2010. Most other assessment categories decreased, and total gross assessed value in St. Joseph County decreased 0.1%. This was lower 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.

St. Joseph County Levy Comparison by Taxing Unit

Taxing Unit	2007	2008	2009	2010	% Change		
					2007-2008	2008-2009	2009-2010
<i>County Total</i>	376,825,046	363,727,175	263,273,465	276,071,903	-3.5%	-27.6%	4.9%
State Unit	243,678	239,157	0	0	-1.9%	-100.0%	
St. Joseph County	88,444,823	75,493,842	47,852,324	49,372,784	-14.6%	-36.6%	3.2%
Centre Township	343,248	416,059	54,050	55,960	21.2%	-87.0%	3.5%
Clay Township	3,078,853	3,634,130	2,958,851	6,490,521	18.0%	-18.6%	119.4%
German Township	364,630	226,006	110,177	75,737	-38.0%	-51.3%	-31.3%
Greene Township	82,350	88,443	35,493	36,843	7.4%	-59.9%	3.8%
Harris Township	1,713,943	2,034,231	1,148,895	1,160,216	18.7%	-43.5%	1.0%
Liberty Township	191,985	227,912	221,122	231,540	18.7%	-3.0%	4.7%
Lincoln Township	119,833	168,358	147,757	132,663	40.5%	-12.2%	-10.2%
Madison Township	89,789	99,117	102,146	105,731	10.4%	3.1%	3.5%
Olive Township	251,949	255,377	257,077	264,058	1.4%	0.7%	2.7%
Penn Township	1,429,723	1,666,023	1,789,143	1,557,947	16.5%	7.4%	-12.9%
Portage Township	950,313	1,398,649	2,974,664	2,606,978	47.2%	112.7%	-12.4%
Union Township	216,963	188,409	189,092	194,853	-13.2%	0.4%	3.0%
Warren Township	345,825	356,798	360,170	370,499	3.2%	0.9%	2.9%
South Bend Civil City	64,026,014	66,534,282	64,546,050	66,929,179	3.9%	-3.0%	3.7%
Mishawaka Civil City	23,331,502	24,580,481	23,019,485	24,171,640	5.4%	-6.4%	5.0%
Indian Village Civil Town	857	0	0	245	-100.0%		
Lakeville Civil Town	114,689	143,062	148,134	146,780	24.7%	3.5%	-0.9%
New Carlisle Civil Town	1,126,849	1,189,325	1,383,582	1,345,223	5.5%	16.3%	-2.8%
North Liberty Civil Town	381,390	375,273	385,540	428,406	-1.6%	2.7%	11.1%
Osceola Civil Town	207,403	215,118	220,466	229,051	3.7%	2.5%	3.9%
Roseland Civil Town	236,149	242,806	242,759	243,550	2.8%	0.0%	0.3%
Walkerton Civil Town	816,242	839,486	924,378	912,051	2.8%	10.1%	-1.3%
New Prairie United School Corp	4,657,971	4,502,250	2,851,045	3,081,276	-3.3%	-36.7%	8.1%
John Glenn School Corp	4,570,607	3,788,202	2,206,235	2,195,690	-17.1%	-41.8%	-0.5%
Penn-Harris-Madison-School Corp	48,665,180	46,565,548	26,721,039	27,442,465	-4.3%	-42.6%	2.7%
Mishawaka City School Corp	15,637,323	15,101,376	7,977,878	10,130,499	-3.4%	-47.2%	27.0%
South Bend Community School Corp	87,249,226	84,643,634	49,142,748	48,813,930	-3.0%	-41.9%	-0.7%
Union-North United School Corp	2,162,458	2,055,234	896,417	804,103	-5.0%	-56.4%	-10.3%
Mishawaka Public Library	4,429,746	3,448,888	4,221,955	4,847,711	-22.1%	22.4%	14.8%
New Carlisle Public Library	922,620	933,595	1,028,517	1,027,770	1.2%	10.2%	-0.1%
Walkerton Public Library	78,194	80,533	65,705	77,763	3.0%	-18.4%	18.4%
St. Joseph County Public Library	11,647,378	12,819,840	11,283,077	12,861,214	10.1%	-12.0%	14.0%
St. Joseph Airport	2,812,446	2,909,741	2,967,130	2,878,535	3.5%	2.0%	-3.0%
South Bend Public Transportation	3,935,069	3,759,495	3,342,036	3,199,736	-4.5%	-11.1%	-4.3%
South Bend Redevelopment Comm	1,195,582	1,580,471	1,498,328	1,648,756	32.2%	-5.2%	10.0%
St. Joe Solid Waste Mgt Dist	0	0	0	0			
Mishawaka Redevelopment Comm	0	0	0	0			
South Bend Redevelopment Comm	752,246	926,024	0	0	23.1%	-100.0%	

St. Joseph 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	
71001	Centre Township	2.3764	7.9817%	4.3351%	6.4553%	--	--	--	--	1.9303
71002	South Bend-Centre	4.8470	7.9817%	4.3351%	11.6750%	--	--	--	--	3.6841
71003	Clay Township	2.2613	7.9817%	4.3351%	5.3665%	--	--	--	--	1.8614
71004	South Bend-Clay	4.8607	7.9817%	4.3351%	11.6753%	--	--	--	--	3.6945
71005	Mishawaka-Clay	3.7397	7.9817%	4.3351%	10.4130%	--	--	--	--	2.8897
71006	Indian Village (Clay)	2.2673	7.9817%	4.3351%	5.3925%	--	--	--	--	1.8658
71007	Roseland (Clay)	2.7019	7.9817%	4.3351%	6.6121%	--	--	--	--	2.1905
71008	German Township	2.2540	7.9817%	4.3351%	5.3686%	--	--	--	--	1.8554
71009	South Bend-German	4.8534	7.9817%	4.3351%	11.6857%	--	--	--	--	3.6885
71010	Greene Township	2.3922	7.9817%	4.3351%	6.5235%	--	--	--	--	1.9415
71011	Harris Township	2.3193	7.9817%	4.3351%	4.0311%	--	--	--	--	1.9401
71014	Lincoln Township	1.8492	7.9817%	4.3351%	7.3838%	--	--	--	--	1.4849
71015	Walkerton (Lincoln)	2.9041	7.9817%	4.3351%	9.7990%	--	--	--	--	2.2618
71016	Madison Township	1.8529	7.9817%	4.3351%	6.4463%	--	--	--	--	1.5052
71017	Olive Township	2.1977	7.9817%	4.3351%	6.9576%	--	--	--	--	1.7741
71018	New Carlisle (Olive)	2.9103	7.9817%	4.3351%	6.4822%	--	--	--	--	2.3632
71022	Mishawaka(Penn)-PHM School	3.7030	7.9817%	4.3351%	9.8214%	--	--	--	--	2.8832
71023	Mishawaka-Penn	3.8862	7.9817%	4.3351%	8.7668%	--	--	--	--	3.0668
71025	Portage Township	2.4453	7.9817%	4.3351%	6.4076%	--	--	--	--	1.9874
71026	South Bend (Portage)	4.8771	7.9817%	4.3351%	11.6703%	--	--	--	--	3.7072
71027	Union Township	1.5135	7.9817%	4.3351%	9.9021%	--	--	--	--	1.1772
71028	Lakeville (Union)	2.0349	7.9817%	4.3351%	11.0695%	--	--	--	--	1.5590
71029	Warren Township	2.0923	7.9817%	4.3351%	7.9195%	--	--	--	--	1.6689
71030	Osceola (Penn)	2.2988	7.9817%	4.3351%	7.6299%	--	--	--	--	1.8403
71031	Penn Township-PHM School	2.0845	7.9817%	4.3351%	6.5072%	--	--	--	--	1.6921
71032	Penn-Mishawaka School	2.2677	7.9817%	4.3351%	4.9673%	--	--	--	--	1.8757
71033	South Bend-Penn	4.8240	7.9817%	4.3351%	11.2307%	--	--	--	--	3.6881
71034	Liberty Township	1.9730	7.9817%	4.3351%	7.8736%	--	--	--	--	1.5746
71035	North Liberty (Liberty)	3.1031	7.9817%	4.3351%	10.3269%	--	--	--	--	2.4004
71036	Mishawaka-Harris	3.6827	7.9817%	4.3351%	9.8177%	--	--	--	--	2.8676
71037	South Bend (Warren)	4.8688	7.9817%	4.3351%	--	--	--	--	--	4.2691

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.

St. Joseph 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>	4,677,279	14,206,604	9,623,196	33,466		28,540,545	276,071,903	10.3%
<i>TIF Total</i>	34,163	1,521,205	5,482,819	239		7,038,426	56,937,161	12.4%
<i>County Total</i>	4,711,442	15,727,809	15,106,015	33,705		35,578,971	333,009,064	10.7%
St. Joseph County	615,803	1,913,939	1,208,360	6,320		3,744,422	49,372,784	7.6%
Centre Township	2,770	1,746	3,177	13		7,706	55,960	13.8%
Clay Township	825	6,722	2,049	471		10,066	6,490,521	0.2%
German Township	1,270	2,487	6,591	16		10,365	75,737	13.7%
Greene Township	0	0	0	2		2	36,843	0.0%
Harris Township	27	299	0	127		453	1,160,216	0.0%
Liberty Township	52	2,258	0	0		2,310	231,540	1.0%
Lincoln Township	0	468	0	0		468	132,663	0.4%
Madison Township	0	0	0	0		0	105,731	0.0%
Olive Township	0	0	0	2		2	264,058	0.0%
Penn Township	6,628	23,218	598	235		30,679	1,557,947	2.0%
Portage Township	22,249	86,681	59,054	423		168,407	2,606,978	6.5%
Union Township	0	0	0	82		82	194,853	0.0%
Warren Township	0	0	428	0		428	370,499	0.1%
South Bend Civil City	2,715,520	7,691,004	6,180,921	8,409		16,595,854	66,929,179	24.8%
Mishawaka Civil City	247,851	1,166,679	0	7,391		1,421,920	24,171,640	5.9%
Indian Village Civil Town	0	0	0	0		0	245	0.0%
Lakeville Civil Town	0	0	0	28		28	146,780	0.0%
New Carlisle Civil Town	0	0	0	39		39	1,345,223	0.0%
North Liberty Civil Town	329	14,444	0	0		14,773	428,406	3.4%
Osceola Civil Town	0	0	0	30		30	229,051	0.0%
Roseland Civil Town	0	0	0	51		51	243,550	0.0%
Walkerton Civil Town	0	9,729	0	0		9,729	912,051	1.1%
New Prairie United School Corp	0	0	0	30		30	3,081,276	0.0%
John Glenn School Corp	152	11,093	0	0		11,245	2,195,690	0.5%
Penn-Harris-Madison-School Corp	97,735	237,281	11,637	1,406		348,059	27,442,465	1.3%
Mishawaka City School Corp	34,442	243,982	0	2,362		280,786	10,130,499	2.8%
South Bend Community School Corp	565,975	1,675,289	1,379,586	2,810		3,623,660	48,813,930	7.4%
Union-North United School Corp	0	0	0	306		306	804,103	0.0%
Mishawaka Public Library	25,788	92,967	2,294	724		121,774	4,847,711	2.5%
New Carlisle Public Library	0	0	0	11		11	1,027,770	0.0%
Walkerton Public Library	0	598	0	0		598	77,763	0.8%
St. Joseph County Public Library	214,024	636,280	521,526	1,218		1,373,048	12,861,214	10.7%
St. Joseph Airport	31,062	96,540	60,950	319		188,871	2,878,535	6.6%
South Bend Public Transportation	94,777	292,899	186,024	642		574,342	3,199,736	17.9%
South Bend Redevelopment Comm	0	0	0	0		0	1,648,756	0.0%
St. Joe Solid Waste Mgt Dist	0	0	0	0		0	0	
Mishawaka Redevelopment Comm	0	0	0	0		0	0	
South Bend Redevelopment Comm	0	0	0	0		0	0	
TIF - SB So #1 Centre 111	5,379	31,763	444,796	0		481,939	2,111,771	22.8%
TIF - SB So #2 Centre 112	0	2,591	710,398	0		712,989	3,162,689	22.5%
TIF - SB So #3 Centre 113	0	0	431,761	0		431,761	1,919,446	22.5%
TIF - Douglas Rd EDA 116	0	10,157	69,681	0		79,838	321,325	24.8%
TIF - SB NE Clay 114	0	0	4,319	0		4,319	18,936	22.8%
TIF - MI No Clay 202	0	208,596	0	0		208,596	17,126,859	1.2%
TIF - Airport SB German 105	9,729	244,146	1,777,144	0		2,031,020	9,051,328	22.4%
TIF - Walkerton Community EDA 301	0	0	0	0		0	130,366	0.0%
TIF - Wyatt EDA #1 SJC 004	0	0	0	0		0	201	0.0%
TIF - SJC Edd #2 (Olive Twp) 002	0	0	0	0		0	793,664	0.0%
TIF - SJC Edd #2 (New Carlisle) 001	0	0	0	0		0	55,280	0.0%
TIF - MishSoPHM Sch Expansion 208	0	1	0	0		1	1,076	0.1%
TIF - MISoPHM Schools 206	6,546	8,418	0	72		15,035	887,954	1.7%
TIF - MI No PHM 204	824	167,202	0	17		168,043	3,509,877	4.8%
TIF - MI Soth MI Schls 205	0	17,034	0	95		17,129	129,406	13.2%
TIF - MI North MI Schls 207	141	7,728	0	0		7,869	155,334	5.1%
TIF - MINoMishSchNW Area Expan209	0	0	0	0		0	0	
TIF - Airport SB Portage 106	0	3,041	274,884	0		277,925	1,321,586	21.0%
TIF - SB Med Serv Dist 108	687	41,117	568,687	0		610,490	3,593,126	17.0%
TIF - SB Central Alloc 101	2,788	185,168	663,695	0		851,651	3,558,777	23.9%

St. Joseph 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			
TIF - SB West Washinton 104	2,374	23,478	86,084	54	111,990	426,766	26.2%
TIF - SB NE Portage Housing 117	1,439	24,101	410,967	0	436,507	1,815,862	24.0%
TIF - SB NE Portage 115	1,883	52,157	5,241	0	59,281	189,390	31.3%
TIF - SB SO #1 Portage 110	256	1,267	20,230	0	21,753	91,094	23.9%
TIF - Lakeville EDA311	0	0	0	0	0	2,016	0.0%
TIF - SJC EDA #3 (Penn Twp) 003	0	0	0	0	0	1,711,014	0.0%
TIF - MI No Harris 203	2,116	493,241	0	0	495,357	4,186,176	11.8%
TIF - Airport SB Warren 109	0	0	14,933	0	14,933	665,841	2.2%

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.