

2010 Property Tax Report

Wells County

with comparisons between 2007 and 2010



Legislative Services Agency

July 2010

This report describes property tax changes in Wells 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 Wells 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 Wells 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	4,614	62.7%	140	1.9%
No Change	95	1.3%	13	0.2%
Lower Tax Bill	2,654	36.0%	7,210	97.9%
Average Change in Tax Bill	-1.6%		-54.9%	
Detailed Change in Tax Bill				
20% or More	168	2.3%	62	0.8%
10% to 19%	222	3.0%	27	0.4%
1% to 9%	4,224	57.4%	51	0.7%
0%	95	1.3%	13	0.2%
-1% to -9%	1,766	24.0%	104	1.4%
-10% to -19%	335	4.5%	170	2.3%
-20% to -29%	148	2.0%	271	3.7%
-30% to -39%	104	1.4%	486	6.6%
-40% to -49%	73	1.0%	891	12.1%
-50% to -59%	58	0.8%	1,544	21.0%
-60% to -69%	59	0.8%	1,987	27.0%
-70% to -79%	39	0.5%	1,242	16.9%
-80% to -89%	23	0.3%	250	3.4%
-90% to -99%	21	0.3%	161	2.2%
-100%	28	0.4%	104	1.4%
Total	7,363	100.0%	7,363	100.0%

Note: Percentages may not total due to rounding.

The average homeowner saw a 1.6% tax bill decrease from 2009 to 2010.

97.9% of homeowners saw lower tax bills in 2010 than in 2007.

Homestead taxes in 2010 were still 54.9% lower than they were in 2007, before the property tax reforms.

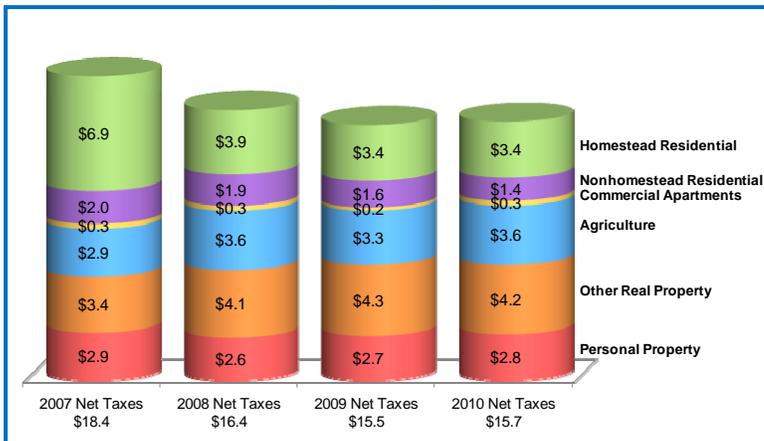
82.7% of homeowners saw tax changes ranging between +9% and -9% from 2009 to 2010.

The largest percentage of homeowners have seen between a 50% and 69% decrease in their tax bills from 2007 to 2010.

Wells County Overview

The decline in homeowner tax bills was similar to the state average of 2.1%. Property tax levies increased 2.4% in Wells County in 2010, identical to the state average increase of 2.4%. The Southern Wells School Corporation passed a school referendum, which added to the property tax levy. The Northern Wells School Corporation school pension debt and transportation funds and the Bluffton-Harrison School Corporation debt service and bus replacement funds also saw levy increases. Wells County homeowners did not benefit from the one percent property tax cap because Wells has a substantial property tax credit for homeowners that holds tax bills below the tax cap threshold.

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



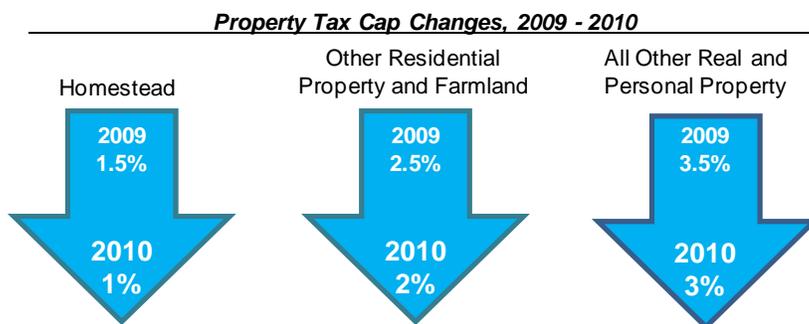
Net tax bills for all taxpayers increased 1.2% in Wells County from 2009 to 2010. This was higher than the statewide reduction of 1.4%. In 2010 apartment owners saw a 7.0% increase in tax bills. This large increase was due mainly to new investment. Existing apartment parcels declined by 5.8%, caused mainly by 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 an 11.0% decrease in tax bills. Other real and personal property, mostly commercial and industrial land, buildings, and equipment, saw a 0.2% decrease and 3.9% increase, respectively, in tax bills in 2010. These changes in tax bills were mainly due to changes in assessed value. After deductions

and exemptions, business real property net assessed value grew by 0.3%, while personal property net assessed value grew by 6.7%. Commercial and industrial property did not benefit from the tightened tax caps because Wells County's tax rates were not high enough for this type of property to qualify for tax cap credits. Agricultural business property saw a 6.7% increase in tax payments in 2010 because of the Wells County tax levy increases and the 4% increase in the base rate of farmland, from \$1,200 to \$1,250 per acre.

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.



Tax Cap Credits

Tax cap credits in Wells County in 2010 amounted to 0.4% of the total property tax levy. The statewide average was 6.3%. The smaller percentage loss in the county was mostly due to much lower-than-average tax rates and the county's large homestead tax credits, funded by local option income taxes. Net tax rates, after considering LOIT-funded credits, were too low for most properties to qualify for circuit breaker credits. No properties qualified for credits under the 1% or 3% caps. Tax rates in 4 of 22 total taxing districts exceeded \$2, so housing in the 2% cap category was eligible for credits in those districts. A small amount of breaker credits was allocated to low-income, elderly homeowners under the 2% annual growth limit for their net taxes.

**2010 Circuit Breaker Credits by Cap Category
Wells County Total \$74,212**

1%	2%	3%	Elderly
\$0	\$72,836	\$0	\$1,376
0.0%	98.2%	0.0%	1.9%

Wells County, Bluffton City, and the M.S.D. Bluffton-Harrison School Corporation saw the largest revenue losses from the tax caps in 2010. As a percentage of their total levies, the town of Markle and the Huntington Library lost the most, at 5.3% each.

The Effects of Recession

In Wells 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 3.9% in December 2007 to 10.5% in July 2009. Despite job losses, local income tax revenue grew by 5.6%.

Wells County Gross Assessed Value by Property Type

Property Type	Gross AV 2009	Gross AV 2010	Gross AV Change
Homesteads	1,026,380,500	1,017,135,900	-0.9%
Other Residential	82,614,200	85,301,900	3.3%
Ag Business/Land	274,364,000	296,398,600	8.0%
Business Real/Personal	530,265,180	628,929,213	18.6%
Total	\$1,913,623,880	\$2,027,765,613	6.0%

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 Wells County, the gross assessed value of business real and personal property increased 18.6% in 2010. Most other assessment categories increased, and total gross assessed value in Wells County rose 6.0%. 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.

Wells County Levy Comparison by Taxing Unit

Taxing Unit	2007	2008	2009	2010	% Change		
					2007-2008	2008-2009	2009-2010
<i>County Total</i>	27,357,019	29,168,567	17,795,686	18,225,963	6.6%	-39.0%	2.4%
State Unit	28,950	32,733	0	0	13.1%	-100.0%	
Wells County	4,488,422	4,260,700	3,621,671	3,484,462	-5.1%	-15.0%	-3.8%
Chester Township	25,685	26,412	26,303	26,475	2.8%	-0.4%	0.7%
Harrison Township	308,760	117,437	107,580	105,681	-62.0%	-8.4%	-1.8%
Jackson Township	13,446	14,324	14,401	13,988	6.5%	0.5%	-2.9%
Jefferson Township	67,508	68,875	64,571	63,818	2.0%	-6.2%	-1.2%
Lancaster Township	62,431	61,762	61,302	59,661	-1.1%	-0.7%	-2.7%
Liberty Township	26,326	35,941	35,322	34,600	36.5%	-1.7%	-2.0%
Nottingham Township	19,551	19,234	56,466	41,531	-1.6%	193.6%	-26.4%
Rockcreek Township	33,374	34,083	32,499	44,051	2.1%	-4.6%	35.5%
Union Township	28,614	28,829	26,963	26,584	0.8%	-6.5%	-1.4%
Bluffton Civil City	2,492,043	2,487,526	2,348,216	2,294,924	-0.2%	-5.6%	-2.3%
Zanesville Civil Town	25,872	27,492	25,212	24,294	6.3%	-8.3%	-3.6%
Markle Civil Town	130,884	168,975	167,484	172,619	29.1%	-0.9%	3.1%
Ossian Civil Town	464,166	467,919	410,963	456,068	0.8%	-12.2%	11.0%
Poneto Civil Town	26,911	26,766	26,200	3,196	-0.5%	-2.1%	-87.8%
Uniondale Civil Town	19,277	19,711	18,704	18,566	2.3%	-5.1%	-0.7%
Vera Cruz Civil Town	2,802	2,634	2,166	2,249	-6.0%	-17.8%	3.8%
Southern Wells Community School Corp	2,790,494	3,230,778	1,539,979	1,760,660	15.8%	-52.3%	14.3%
Northern Wells Community School Corp	9,078,458	10,498,505	4,440,835	4,710,721	15.6%	-57.7%	6.1%
M.S.D. Bluffton-Harrison School Corp	5,897,531	6,223,301	3,466,506	3,616,697	5.5%	-44.3%	4.3%
Wells County Public Library	1,184,637	1,176,626	1,159,585	1,117,751	-0.7%	-1.4%	-3.6%
Huntington Library	35,934	34,351	38,775	44,025	-4.4%	12.9%	13.5%
Wells County Solid Waste Mgt Dist	104,943	103,653	103,983	103,342	-1.2%	0.3%	-0.6%

Wells 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
90001	Chester Township	1.1181	--	4.7777%	--	15.3448%	--	22.8352%	--	0.6378
90002	Poneto Town-Chester Township	1.1880	--	4.7777%	--	--	--	22.8352%	--	0.8600
90003	Harrison Township	1.5553	--	4.7777%	--	21.9565%	--	22.8352%	--	0.7843
90004	Bluffton City-Harrison Township	2.1549	--	4.7777%	--	39.7972%	--	22.8352%	--	0.7023
90005	Poneto Town-Harrison Township	1.6171	--	4.7777%	--	--	--	22.8352%	--	1.1706
90006	Verra Cruz Town	1.6797	--	4.7777%	--	7.6038%	--	22.8352%	--	1.0882
90007	Jackson Township	1.1094	--	4.7777%	--	9.0543%	--	22.8352%	--	0.7026
90008	Jefferson Township	1.1871	--	4.7777%	--	6.3319%	--	22.8352%	--	0.7841
90009	Ossian Town	1.5468	--	4.7777%	--	19.3089%	--	22.8352%	--	0.8210
90010	Lancaster Township	1.1599	--	4.7777%	--	21.2828%	--	22.8352%	--	0.5928
90011	Bluffton City-Lancaster Twp-N Wells Schl	1.7829	--	4.7777%	--	26.4477%	--	22.8352%	--	0.8191
90012	Bluffton City-Lancaster Twp-Bluffton Schl	2.1502	--	4.7777%	--	21.4978%	--	22.8352%	--	1.0942
90013	Liberty Township	1.1388	--	4.7777%	--	29.8531%	--	22.8352%	--	0.4844
90014	Poneto Town-Liberty Twp	1.2000	--	4.7777%	--	72.3871%	--	22.8352%	--	0.0000
90015	Nottingham Township	1.1474	--	4.7777%	--	10.8623%	--	22.8352%	--	0.7059
90016	Rockcreek Township	1.1951	--	4.7777%	--	22.0716%	--	22.8352%	--	0.6013
90017	Markle Town-Rockcreek Township	2.3688	--	4.7777%	--	33.7606%	--	22.8352%	--	0.9150
90018	Uniondale Town-Rockcreek Twp	1.5712	--	4.7777%	--	2.8051%	--	22.8352%	--	1.0933
90019	Union Township	1.1637	--	4.7777%	--	4.4363%	--	22.8352%	--	0.7907
90020	Markle Town-Union Township	2.3624	--	4.7777%	--	--	--	22.8352%	--	1.7101
90021	Uniondale Town-Union Township	1.5648	--	4.7777%	--	72.3871%	--	22.8352%	--	0.0000
90022	Zanesville Town-Union Township	1.4603	--	4.7777%	--	7.6581%	--	22.8352%	--	0.9452

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.

Wells 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>	0	72,464	0	1,376	73,840	18,225,963	0.4%
<i>TIF Total</i>	0	372	0	0	372	171,506	0.2%
<i>County Total</i>	0	72,836	0	1,376	74,212	18,397,469	0.4%
Wells County	0	9,388	0	343	9,731	3,484,462	0.3%
Chester Township	0	0	0	0	0	26,475	0.0%
Harrison Township	0	497	0	2	499	105,681	0.5%
Jackson Township	0	0	0	0	0	13,988	0.0%
Jefferson Township	0	0	0	0	0	63,818	0.0%
Lancaster Township	0	12	0	0	12	59,661	0.0%
Liberty Township	0	0	0	58	58	34,600	0.2%
Nottingham Township	0	0	0	0	0	41,531	0.0%
Rockcreek Township	0	155	0	1	156	44,051	0.4%
Union Township	0	7	0	0	7	26,584	0.0%
Bluffton Civil City	0	15,260	0	71	15,330	2,294,924	0.7%
Zanesville Civil Town	0	0	0	0	0	24,294	0.0%
Markle Civil Town	0	9,215	0	0	9,215	172,619	5.3%
Ossian Civil Town	0	0	0	0	0	456,068	0.0%
Poneto Civil Town	0	0	0	0	0	3,196	0.0%
Uniondale Civil Town	0	0	0	23	23	18,566	0.1%
Vera Cruz Civil Town	0	0	0	0	0	2,249	0.0%
Southern Wells Community School Corp	0	0	0	594	594	1,760,660	0.0%
Northern Wells Community School Corp	0	6,521	0	40	6,561	4,710,721	0.1%
M.S.D. Bluffton-Harrison School Corp	0	26,547	0	123	26,671	3,616,697	0.7%
Wells County Public Library	0	2,233	0	111	2,344	1,117,751	0.2%
Huntington Library	0	2,350	0	0	2,350	44,025	5.3%
Wells County Solid Waste Mgt Dist	0	278	0	10	289	103,342	0.3%
TIF - Adams Street #1	0	370	0	0	370	158,835	0.2%
TIF - Adams Street #2 BH	0	2	0	0	2	32	7.8%
TIF - Adams Street #2 BIL/NW	0	0	0	0	0	12,639	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.